

MICHIGAN PUBLIC SERVICE COMMISSION

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

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

Report submitted for year ending: December 31, 2013										
Present name of respondent: UPPER PENINSULA POWER COMPANY										
Address of principal place of business: 500 NORTH WASHINGTON ST, ISHPEMING MI 49849										
Utility representative to whom inquires regarding this report may be directed: <table><tr><td>Name: KEITH MOYLE</td><td>Title: VICE PRESIDENT & GENERAL MANAGER</td></tr><tr><td colspan="2">Address: 500 NORTH WASHINGTON ST</td></tr><tr><td>City: ISHPEMING</td><td>State: MI</td><td>Zip: 49849</td></tr><tr><td colspan="3">Telephone, Including Area Code: (906) 485-2408</td></tr></table>	Name: KEITH MOYLE	Title: VICE PRESIDENT & GENERAL MANAGER	Address: 500 NORTH WASHINGTON ST		City: ISHPEMING	State: MI	Zip: 49849	Telephone, Including Area Code: (906) 485-2408		
Name: KEITH MOYLE	Title: VICE PRESIDENT & GENERAL MANAGER									
Address: 500 NORTH WASHINGTON ST										
City: ISHPEMING	State: MI	Zip: 49849								
Telephone, Including Area Code: (906) 485-2408										
If the utility name has been changed during the past year: Prior Name: Date of Change:										
Two copies of the published annual report to stockholders: <table><tr><td><input checked="" 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></table> <u>on or about</u>	<input checked="" type="checkbox"/>]	were forwarded to the Commission	<input type="checkbox"/>]	will be forwarded to the Commission				
<input checked="" type="checkbox"/>]	were forwarded to the Commission								
<input type="checkbox"/>]	will be forwarded to the Commission								
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) 241-0967 or cantinh@michigan.gov OR forward correspondence to:

DLARA/MPSC
Regulated Energy Division (Heather Cantin)
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Upper Peninsula Power Company:

We have audited the accompanying financial statements of Upper Peninsula Power Company (the "Company"), which comprise the balance sheet — regulatory basis as of December 31, 2013, and the related statements of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year then ended, included on pages 110(M) through 123 of the accompanying Michigan Public Service Commission Form P-521, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of Upper Peninsula Power Company as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Basis of Accounting

As discussed in Note A to the financial statements, these financial statements were prepared in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restricted Use

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

Deloitte & Touche LLP

April 18, 2014

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

GENERAL INFORMATION

I. Purpose:

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

II. Who Must Submit:

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

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

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

III. What and Where to Submit:

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

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

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

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

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

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report:
- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
 - (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications).

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

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

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

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

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

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

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

IV. When to Submit

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

GENERAL INSTRUCTIONS

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

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


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

DEFINITIONS

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

MPSC FORM P-521

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

IDENTIFICATION		
01 Exact Legal Name of Respondent UPPER PENINSULA POWER COMPANY	02 Year of Report December 31, 2013	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, St., Zip) 500 NORTH WASHINGTON STREET, ISHPEMING, MI 49849		
05 Name of Contact Person KEITH E. MOYLE	06 Title of Contact Person VICE PRESIDENT & GENERAL MANAGER	
07 Address of Contact Person (Street, City, St., Zip) 500 NORTH WASHINGTON STREET, ISHPEMING, MI 49849		
08 Telephone of Contact Person, Including Area Code: 906-485-2408	09 This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da,Yr) August 26, 2014
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
01 Name KEITH E. MOYLE	03 Signature 	04 Date Signed (Mo, Da,Yr) August 26, 2014
02 Title VICE PRESIDENT & GENERAL MANAGER		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2014	Year of Report December 31, 2013
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		
Corporations Controlled by Respondent	103	See FERC Form 1, Page 103	
Officers and Employees	M 104		
Directors	M 105		
Security Holders and Voting Powers	M 106-107		
Important Changes During the Year	108-109	See FERC Form 1, Pages 108-109	
Comparative Balance Sheet	M 110-113	See FERC Form 1, Pages 110-113	
Statement of Income for the Year	114-117	See FERC Form 1, Pages 114-117	
Statement of Retained Earnings for the Year	118-119		
Statement of Cash Flows	120-121	See FERC Form 1, Pages 120-121	
Notes to Financial Statements	122-123	See FERC Form 1, Pages 122-123	
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201	See FERC Form 1, Pages 200-201	
Nuclear Fuel Materials	202-203	None	
Electric Plant in Service	M 204-211	See FERC Form 1, Pages 204-207	
Electric Plant Leased to Others	213	None	
Electric Plant Held for Future Use	214	None	
Construction Work in Progress - Electric	M 216		
Construction Overheads - Electric	217		
General Description of Construction Overhead Procedure	M 218		
Accumulated Provision for Depreciation of Electric Utility Plant	M 219	See FERC Form 1, Page 219	
Nonutility Property	M 221		
Investment in Subsidiary Companies	224-225	See FERC Form 1, Pages 224-225	
Materials and Supply	227	See FERC Form 1, Page 227	
Allowances	228-229	None	
Extraordinary Property Losses	230B	None	
Unrecovered Plant and Regulatory Study Costs	230B	None	
Other Regulatory Assets	M 232	See FERC Form 1, Page 232	
Miscellaneous Deferred Debits	M 233	See FERC Form 1, Page 233	
Accumulated Deferred Income Taxes (Account 190)	M 234A-B		
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)			
Capital Stock	250-251	See FERC Form 1, Pages 250-251	
Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock	252		

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Upper Peninsula Power Company	(2) <input type="checkbox"/> A Resubmission	4/30/2014	December 31, 2013

LIST OF SCHEDULES (Electric Utility) (Continued)

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

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Upper Peninsula Power Company	(2) <input type="checkbox"/> A Resubmission	4/30/2014	December 31, 2013

LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
ELECTRIC PLANT STATISTICAL DATA (Continued)		
Transmission Line Statistics	422-423	None
Transmission Lines Added During Year	424-425	None
Substations	426-427	See FERC Form 1, Pages 426-427
Electric Distribution Meters and Line Transformers	429	
Environmental Protection Facilities	430	Filing Not Required
Environmental Protection Expenses	431	Filing Not Required
Footnote Data	450	
Stockholders' Report	---	
MPSC SCHEDULES		
Reconciliation of Deferred Income Tax Expense	117A-B	
Operating Loss Carry Forward	117C	None
Plant Acquisition Adjustments and Accumulated Provision for Amortization of Plant Acquisition Adjustments	215	
Construction Work In Progress and Completed Construction Not Classified - Electric	216	
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221	
Investments	222-223	See FERC Form 1, Pages 224-225
Notes & Accounts Receivable Summary for Balance Sheet	226A	
Accumulated Provision for Uncollectible Accounts - Credit	226A	
Receivables From Associated Companies	226B	
Production Fuel and Oil Stocks	227A-B	
Miscellaneous Current and Accrued Assets	230A	
Preliminary Survey and Investigation Charges	231A-B	None
Deferred Losses fro Disposition of Utility Plant	235A-B	None
Unamortized Loss and Gain on Reacquired Debt	237A-B	
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255	None
Notes Payable	260A	None
Payables to Associated Companies	260B	
Miscellaneous Current and Accrued Liabilities	268	
Customer Advances for Construction	268	
Deferred Gains from Disposition of Utility Plant	270A-B	None
Accumulated Deferred Income Taxes - Temporary	277	None
Gain or Loss on Disposition of Property	280A-B	None
Income from Utility Plant Leased to Others	281	None
Particulars Concerning Certain Other Income Accounts	282	
Electric Operation and Maintenance Expenses (Nonmajor)	320N-324N	Not Applicable
Number of Electric Department Employees	324N	Not Applicable
Sales to Railroads & Railways and Interdepartmental Sales	331A	None
Rent From Electric Property & Interdepartmental Rents	331A	
Sales of Water and Water Power	331B	Not Applicable
Misc. Service Revenues & Other Electric Revenues	331B	
Lease Rentals Charged	333A-D	None
Expenditures for Certain Civic, Political and Related Activities	341	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Upper Peninsula Power Company		4/30/2014	December 31, 2013

LIST OF SCHEDULES (Electric Utility) (Continued)

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

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2014	Year of Report December 31, 2013
Upper Peninsula Power Company			
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Keith E. Moyle, 500 North Washington Street, Ishpeming, MI 49849</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.</p> <p>Incorporated February 26, 1947, under the laws of the State of Michigan Act 237 of Public Acts of 1931.</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Not Applicable</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which respondent operated.</p> <p>Respondent only operates in the State of Michigan and is engaged in the business of generating, purchasing, distributing, and selling electricity.</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter date when such independent accountant was initially engaged: _____.</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2014	December 31, 2013

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 Peninsula Power Company is a wholly-owned subsidiary of Integrys Energy Group, Inc. ("Holding Company").

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
-----------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------	----------------------------------------------	-----------------------------------------

CORPORATIONS CONTROLLED BY RESPONDENT

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

Definitions

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

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	WPS Investments, LLC	Company which holds	2.42%	
2		Respondent's investments in		
3		American Transmission		
4		Company, LLC.		
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Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 1 Column: c

WPS Investments, LLC is a consolidated subsidiary of Integrys Energy Group with a minority interest owned by Upper Peninsula Power Company. The other joint owners are Integrys Energy Group, our holding company, and Wisconsin Public Service Corporation, another utility subsidiary of Integrys Energy Group, with ownership interests of 86.22% and 11.36%, respectively, at December 31, 2013. WPS Investments holds 34.07% interest in ATC.

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) 4/30/2014	Year of Report December 31, 2013
Upper Peninsula Power Company			

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	Lawrence T. Borgard Chief Executive Officer	None	None	None	0
2	Charles A. Cloninger President	None	None	None	0
3	Keith E. Moyle Vice President & General Manager	\$163,382	\$106,556	B, C, D	\$269,938
4	William J. Guc Vice President & Treasurer	None	None	None	0
5	James F. Schott Vice President & Chief Financial Officer	None	None	None	0
6	Jodi J. Caro Secretary	None	None	None	0
7	Dane E. Allen Assistant Secretary	None	None	None	0

Footnote Data

- 1 Lawrence T. Borgard's salary is paid by Integrys Business Support, LLC. It is not reported here.
- 2 Charles A. Cloninger's salary is paid by Wisconsin Public Service Corporation. It is not reported here.
- 3 Salary for the year includes elective deferred compensation, FASB ASC Topic 718 Stock Compensation expense, change in pension value, above market earning compensation, incentives, and company contributions under the Employee Stock Ownership Plan Trust.
- 4 William J. Guc's salary is paid by Integrys Business Support, LLC. It is not reported here.
- 5 James F. Schott's salary is paid by Integrys Business Support, LLC. It is not reported here.
- 6 Jodi J. Caro's salary is paid by Integrys Business Support, LLC. It is not reported here.
- 7 Dane E. Allen's salary is paid by Integrys Business Support, LLC. It is not reported here.

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

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2014	Year of Report December 31, 2013
DIRECTORS			
<p>1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c) (2)	Fees During Yr (d) (3)
1 Lawrence T. Borgard Chief Executive Officer	700 North Adams Street Green Bay, Wisconsin 54301	7	N/A
2 Charles A. Cloninger President	700 North Adams Street Green Bay, Wisconsin 54301	8	N/A
3 Keith E. Moyle* Vice President and General Manager	500 North Washington Street Ishpeming, MI 49849	1	N/A
4 Joseph P. O'Leary*	200 East Randolph Street Chicago, IL 60601	1	N/A
5 James F. Schott Vice President and CFO	700 North Adams Street Green Bay, Wisconsin 54301	6	N/A
6 Charles A. Schrock*	200 East Randolph Street Chicago, IL 60601	1	N/A
<p><u>Footnote Data</u></p> <p>1 Number of meetings includes unanimous written consents.</p> <p>2 There were a total of eight meetings in 2013.</p> <p>* Directors were removed from the board as follows: Keith E. Moyle, Joseph P. O'Leary, and Charles A. Schrock were removed effective March 4, 2013.</p>			

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2014	Year of Report December 31, 2013
Upper Peninsula Power Company			

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.

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: 1,473,736

By Proxy: 0

3. Give the date and place of such meeting:

Directors were elected May 16, 2013, via unanimous consent of the sole shareholder in lieu of an annual meeting.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/30/2014	December 31, 2013

SECURITY HOLDERS AND VOTING POWERS (Continued)

Line	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes all voting securities		1,473,736		
5	TOTAL number of security holders		1		
6	TOTAL votes of security holders listed below		1,473,736		
7	Integrus Energy Group, Inc.				
8	200 East Randolph Street				
9	Chicago, IL 60601				
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RESPONSE/NOTES TO INSTRUCTION

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2013	Year/Period of Report End of 2013/Q4
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
Upper Peninsula Power Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. None.
4. None.
5. None.
6. Short Term Notes Payable to Affiliates \$8,900,000 FERC Authorization, Federal Power Act - Section 204 - Docket ES11-24-000.
7. There were no changes in the articles of incorporation of by-laws during this period.
8. Union employees received a 3% general wage increase effective April 14, 2013. Non-union employees received a 2.6% wage adjustment on February 20, 2013.
9. None.
10. There was no materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Reserved.
12. None.
13. Charles A. Schrock, Joseph P. O'Leary, and Keith E. Moyle were removed as directors of the company on March 4, 2014. There were no changes in majority security holders and voting powers during this reporting period.
14. We do not participate in a cash management program in which money is advanced to parent, subsidiary, or affiliated companies and our proprietary capital ratio is > 30%.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	269,702,164	254,047,822
3	Construction Work in Progress (107)	200-201	1,835,514	6,446,777
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		271,537,678	260,494,599
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	104,928,959	102,505,072
6	Net Utility Plant (Enter Total of line 4 less 5)		166,608,719	157,989,527
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		166,608,719	157,989,527
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		11,175,248	8,640,805
19	(Less) Accum. Prov. for Depr. and Amort. (122)		1,184,239	1,092,177
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	16,290,882	15,823,015
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		25,000	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		278	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		26,307,169	23,371,643
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		638,667	879,425
36	Special Deposits (132-134)		1,335,396	1,440,352
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		9,611,748	9,422,759
41	Other Accounts Receivable (143)		608,716	2,092,601
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		400,000	574,000
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		80,169	37,293
45	Fuel Stock (151)	227	533,921	570,651
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	1,152,078	1,021,027
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of <u>2013/Q4</u>
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	30,257	6,056
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		3,978,463	1,757,478
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		3	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		5,265,928	4,948,183
62	Miscellaneous Current and Accrued Assets (174)		5,496,438	5,036,210
63	Derivative Instrument Assets (175)		605,217	895,802
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		278	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		28,936,723	27,533,837
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		24,395	29,442
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	52,685,627	78,758,932
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	215,539	406,619
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		2,291,685	2,765,827
82	Accumulated Deferred Income Taxes (190)	234	7,544,579	7,274,980
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		62,761,825	89,235,800
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		284,614,436	298,130,807

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 12/31/2013	Year/Period of Report end of 2013/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	13,263,624	13,263,624
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		2,205,151	8,612,905
7	Other Paid-In Capital (208-211)	253	40,250	40,250
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	80,332,623	70,576,691
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	5,114,625	4,698,291
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		100,956,273	97,191,761
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	60,000,000	55,000,000
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		60,000,000	55,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		10,187,459	36,006,370
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		551,484	534,599
35	Total Other Noncurrent Liabilities (lines 26 through 34)		10,738,943	36,540,969
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		8,837,788	8,029,789
39	Notes Payable to Associated Companies (233)		8,900,000	11,925,000
40	Accounts Payable to Associated Companies (234)		4,516,506	4,564,227
41	Customer Deposits (235)		103,201	942,677
42	Taxes Accrued (236)	262-263	5,323,976	5,077,428
43	Interest Accrued (237)		0	0
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 12/31/2013	Year/Period of Report end of 2013/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		22,265	27,350
48	Miscellaneous Current and Accrued Liabilities (242)		2,109,703	1,884,554
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		1,191	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		29,814,630	32,451,025
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		2,719,108	3,296,332
57	Accumulated Deferred Investment Tax Credits (255)	266-267	1,896,362	1,972,537
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	1,740,713	2,243,931
60	Other Regulatory Liabilities (254)	278	704,870	984,461
61	Unamortized Gain on Required Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		54,406,742	50,190,034
64	Accum. Deferred Income Taxes-Other (283)		21,636,795	18,259,757
65	Total Deferred Credits (lines 56 through 64)		83,104,590	76,947,052
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		284,614,436	298,130,807

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

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

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

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

Included in this account are short-term balances of pension and post-retirement obligations of \$201,072. These items previously had been recorded as Other Deferred Credits in Account 253.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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STATEMENT OF INCOME

Quarterly

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

Annual or Quarterly if applicable

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

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	114,411,590	109,722,396		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	73,920,304	68,349,741		
5	Maintenance Expenses (402)	320-323	7,548,939	8,068,328		
6	Depreciation Expense (403)	336-337	7,967,316	7,630,499		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	150,141	152,145		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	17,799	106,796		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)		1,193,474	1,193,472		
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	5,932,269	5,654,184		
15	Income Taxes - Federal (409.1)	262-263	-695,244	-1,754,247		
16	- Other (409.1)	262-263	368,866	-636,789		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	11,011,164	22,577,266		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	5,307,600	14,272,263		
19	Investment Tax Credit Adj. - Net (411.4)	266	-75,708	-195,375		
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)		102,031,720	96,873,757		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		12,379,870	12,848,639		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
114,411,590	109,722,396					2
						3
73,920,304	68,349,741					4
7,548,939	8,068,328					5
7,967,316	7,630,499					6
						7
150,141	152,145					8
17,799	106,796					9
1,193,474	1,193,472					10
						11
						12
						13
5,932,269	5,654,184					14
-695,244	-1,754,247					15
368,866	-636,789					16
11,011,164	22,577,266					17
5,307,600	14,272,263					18
-75,708	-195,375					19
						20
						21
						22
						23
						24
102,031,720	96,873,757					25
12,379,870	12,848,639					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		12,379,870	12,848,639		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		1,102,265	727,895		
34	(Less) Expenses of Nonutility Operations (417.1)		1,166,780	563,253		
35	Nonoperating Rental Income (418)		350	350		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	2,216,768	2,200,035		
37	Interest and Dividend Income (419)		1,538	1,788		
38	Allowance for Other Funds Used During Construction (419.1)					
39	Miscellaneous Nonoperating Income (421)		76,229	162,313		
40	Gain on Disposition of Property (421.1)			63,719		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		2,230,370	2,592,847		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)			3,220		
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		63,367	59,245		
46	Life Insurance (426.2)					
47	Penalties (426.3)		579	75		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		20,140	21,594		
49	Other Deductions (426.5)		104,725	272,090		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		188,811	356,224		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	225,440	222,743		
53	Income Taxes-Federal (409.2)	262-263	-751,334	-23,583		
54	Income Taxes-Other (409.2)	262-263	-28,772	162,127		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	1,749,591	1,839,176		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	313,980	1,127,306		
57	Investment Tax Credit Adj.-Net (411.5)		-467	-8,247		
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		880,478	1,064,910		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,161,081	1,171,713		
61	Interest Charges					
62	Interest on Long-Term Debt (427)					
63	Amort. of Debt Disc. and Expense (428)		5,047	5,047		
64	Amortization of Loss on Reaquired Debt (428.1)		474,141	474,142		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		2,868,383	2,896,926		
68	Other Interest Expense (431)		15,421	163,302		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)					
70	Net Interest Charges (Total of lines 62 thru 69)		3,362,992	3,539,417		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		10,177,959	10,480,935		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		10,177,959	10,480,935		

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

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

Schedule Page: 114 Line No.: 2 Column: h
Includes \$686,031 for FERC Order 668-A.

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

Schedule Page: 114 Line No.: 4 Column: h
Includes \$686,031 for FERC Order 668-A.

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

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

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

Interest on Long Term Debt to Associated Companies	\$2,816,503
Interest on Short Term Debt to Associated Companies	80,423
	<u>\$2,896,926</u>

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2014	Year of Report December 31, 2013
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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284. 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.

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.

Line No.	Electric Utility	Gas Utility
1 Debits to Account 410 from:		
2 Account 190	5,070,998	
3 Account 281		
4 Account 282	4,846,144	
5 Account 283	1,094,022	
6 Account 284		
7 Reconciling Adjustments		
8 TOTAL Account 410.1 (on pages 114-115 line 17)	11,011,164	0
9 TOTAL Account 410.2 (on page 117 line 55)		
10 Credits to Account 411 from:		
11 Account 190	(1,761,259)	
12 Account 281		
13 Account 282	(1,572,805)	
14 Account 283	(1,973,537)	
15 Account 284		
16 Reconciling Adjustments		
17 TOTAL Account 411.1 (on page 114-115 line 18)	(5,307,601)	0
18 TOTAL Account 411.2 (on page 117 line 56)		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR		
21 ITC Amortized for the Year CR	(75,708)	
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*	(75,708)	0
26 Net Reconciling Adjustments Account 411.5**		
27 Net Reconciling Adjustments Account 420***		

* on pages 114-15 line 19

** on page 117 line 57

*** on page 117 line 58

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2014	December 31, 2013

RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on these pages. (b) Identify all contra accounts (other than accounts 190 and 281-284). (c) Identify the company's regulatory authority to utilize contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Other Utility	Total Utility	Other Income	Total Company	Line No.
				1
	5,070,998	93,555	5,164,553	2
				3
	4,846,144	1,656,037	6,502,181	4
	1,094,022			5
				6
				7
0	11,011,164			8
		1,749,592		9
	(1,761,256)	(202,527)	(1,963,786)	10
				11
	(1,572,805)	(111,453)	(1,684,258)	13
	(1,973,537)		(1,973,537)	14
				15
				16
0	(5,307,598)			17
		(313,980)		18
				19
				20
	(75,708)	(467)	(76,175)	21
				22
			0	23
			0	24
0	(75,708)	(467)		25
				26
		0		27

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) 4/30/2014	Year of Report December 31, 2013
Upper Peninsula Power Company			

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		70,543,505
2	Changes (<i>Identify by prescribed retained earnings accounts</i>)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit: Unrealized gain on Equity earnings		2,216,768
5			
6			
7			
8	TOTAL Credits to Retained Earnings (439)		2,216,768
9			
10			
11			
12			
13	TOTAL Debits to Retained Earnings (439)		0
14	Balance Transferred from Income (Account 433 Less Account 418.1)		7,961,191
15	Appropriations of Retained Earnings (Account 436)		
16	Change in Amortization Reserve-Federal in accordance with FERC Order No. 387		
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared-Preferred Stock (Account 437)		
23			
24			
25			
26			
27			
28	TOTAL Dividends Declared-Preferred Stock (Account 437)		0

Name of Respondent		This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2014	December 31, 2013
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock (Account 438)			
30	Dividends Declared on Common Stock			
31	Dividends of Deferred Comp Fixed Stock	207 & 190	(513)	
32	Deferred Tax on Dividends of Deferred Comp Fixed Stock	238	(5,180)	
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		(5,693)	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings		(416,334)	
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		80,299,437	
APPROPRIATED RETAINED EARNINGS (Account 215)				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
38				
39				
40				
41				
42				
43	TOTAL Appropriated Retained Earnings (Account 215)		0	
APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)				
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)		33,186	
45	TOTAL Appropriated Retained Earnings (Account 215 & 215.1)		33,186	
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		80,332,623	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
47	Balance-Beginning of Year (Debit or Credit)		4,698,291	
48	Equity in Earnings for Year (Credit) (Account 418.1)		2,216,768	
49	(Less) Dividends Received (Debit)		1,800,435	
50	Other Changes (Explain)			
51	Balance-End of Year (Enter Total of lines 47 thru 50)		5,114,624	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	10,177,959	10,480,935
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	8,266,439	8,003,026
5	Amortization of		
6	Regulatory Assets and Liabilities	2,772,050	2,215,224
7			
8	Deferred Income Taxes (Net)	7,142,832	9,016,691
9	Investment Tax Credit Adjustment (Net)	-76,175	-203,623
10	Net (Increase) Decrease in Receivables	631,411	232,864
11	Net (Increase) Decrease in Inventory	-118,522	125,828
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	291,199	-3,912,530
14	Net (Increase) Decrease in Other Regulatory Assets	-675,570	-1,723,293
15	Net Increase (Decrease) in Other Regulatory Liabilities		273,456
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies	429,787	445,354
18	Other (provide details in footnote):		
19	Pension and Post Retirement Liability	-2,226,660	-15,054,200
20	Other Changes in Working Capital Besides Cash	-2,424,625	3,623,113
21	Other Items	77,948	810,995
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	23,408,499	13,443,132
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-16,667,545	-13,816,693
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant	-2,812,339	-772,523
30	(Less) Allowance for Other Funds Used During Construction		
31	Other (provide details in footnote):		
32	Proceeds from the Sale of Property	216,793	183,960
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-19,263,091	-14,405,256
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38	Other Financing	138,834	-71,737
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-19,124,257	-14,476,993
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	20,000,000	
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65	Equity Contribution received from Parent		8,500,000
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68	Issuance of Intercompany Notes Payable		4,225,000
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	20,000,000	12,725,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-15,000,000	
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77			
78	Net Decrease in Short-Term Debt (c)	-3,025,000	
79	Return of Capital to Parent	-6,500,000	-11,500,000
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-4,525,000	1,225,000
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-240,758	191,139
87			
88	Cash and Cash Equivalents at Beginning of Period	879,425	688,286
89			
90	Cash and Cash Equivalents at End of period	638,667	879,425

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NOTES TO FINANCIAL STATEMENTS

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

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

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NOTES TO FINANCIAL STATEMENTS (Continued)			

NOTES TO FINANCIAL STATEMENTS

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

The accompanying financial statements have been prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in the Uniform System of Accounts and accounting releases, which differs from United States Generally Accepted Accounting Principles ("GAAP"). As required by the FERC, Upper Peninsula Power Company ("UPPCO") classifies certain items in its 2013 Form 1 in a manner different from GAAP, as described below. These items have no impact on the reported net income.

1. Removal costs that do not have an associated legal obligation are recognized as a component of accumulated depreciation, whereas these costs are classified as a regulatory liability for GAAP.
2. Accumulated deferred income taxes are reported as deferred debits and deferred credits and are not netted into short-term or long-term classifications as required by GAAP.
3. The FERC requires transactions for the real-time and day-ahead Regional Transmission Organization ("RTO") administered energy markets to be separately reported for each hour on the statements of income, whereas the transactions of these two markets are combined for a given hour for GAAP reporting purposes.
4. The FERC financial statement presentation reports unamortized loss on reacquired debt and energy costs receivable or refundable through rate adjustments as deferred debits and current assets and liabilities, whereas the GAAP financial statement presentation reports these balances as regulatory assets and liabilities.
5. The GAAP financial statements are reported in accordance with the Income Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), whereas the Form 1 is reported in accordance with the FERC-issued accounting guidance. As such, in the Form 1, deferred income taxes are recognized based on the difference between positions taken in tax returns filed and amounts reported in the financial statements and does not report interest and penalties on tax deficiencies as income tax expense.
6. The FERC requires that the current portion of regulatory assets and liabilities be recorded as regulatory assets within deferred debits and regulatory liabilities within deferred credit, whereas the GAAP financial statement presentation reports these as current assets and liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Nature of Operations

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

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

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

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NOTES TO FINANCIAL STATEMENTS (Continued)			

b. Basis of Presentation

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

c. Use of Estimates

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

d. Cash and Cash Equivalents

Short-term investments with an original maturity of three months or less are reported as cash equivalents. Cash paid for income taxes was \$1,555.9 thousand during 2013 and cash received from income taxes was \$7,814.4 thousand during 2012. Cash paid for interest was \$2,880.4 thousand and \$2,904.0 thousand at December 31, 2013, and 2012, respectively.

Construction costs funded through accounts payable totaled \$564.9 thousand and \$823.5 thousand for 2013 and 2012, respectively. These costs were treated as noncash investing activities.

e. Revenues and Customer Receivables

Revenues related to the sale of energy are recognized when service is provided or energy is delivered to customers. UPPCO also accrues estimated amounts of revenues for services provided or energy delivered but not yet billed to customers. Estimated unbilled revenues are calculated using a variety of judgments and assumptions related to customer class, contracted rates, weather, and customer use. At December 31, 2013, and 2012, UPPCO's unbilled revenues were \$5,265.9 thousand and \$4,948.2 thousand, respectively. Unbilled revenues are recorded on the balance sheet in FERC Account 173.

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

Below is a summary of the significant mechanisms UPPCO had in place in 2013 that allowed the Company to recover or refund changes in prudently incurred costs from rate case-approved amounts:

- Fuel and purchased power costs were recovered from retail electric customers on a one-for-one basis.
- Billings to customers under the MPSC jurisdiction included base rate charges and a power supply cost recovery factor. UPPCO receives MPSC approval each year to recover projected power supply costs by establishment of power supply cost recovery factors. Annually, the MPSC reconciles these factors to actual costs and permits 100% recovery of allowed power supply costs. UPPCO recognizes any over or under recovery currently in its revenues, and a deferred asset or liability is recognized on the balance sheet until settlement. The deferrals are relieved with additional billings or refunds.
- UPPCO's rates included a decoupling mechanism, which allow it to recover or refund differences between actual and authorized margin. See Note 12, "Regulatory Environment," for more information.

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

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NOTES TO FINANCIAL STATEMENTS (Continued)			

f. Inventories

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

g. Property, Plant, and Equipment

Utility plant is stated at cost, including any associated AFUDC and asset retirement costs. The costs of renewals and betterments of units of property (as distinguished from minor items of property) are capitalized as additions to the utility plant accounts. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses. Except for land, no gains or losses are recognized in connection with ordinary retirements of utility property units. Ordinary retirements, sales, and other disposals of units of property at UPPCO are charged to accumulated depreciation at cost, less salvage value. The cost of removal associated with the retirement is also charged to accumulated depreciation.

UPPCO records straight-line depreciation expense over the estimated useful life of utility property, using depreciation rates as approved by the MPSC. UPPCO's annual utility composite depreciation rates for the years ending December 31, 2013, and 2012, were 3.29% and 3.31%, respectively.

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

h. Regulatory Assets and Liabilities

Regulatory assets represent probable future revenue associated with certain costs or liabilities that have been deferred and are expected to be recovered from customers through the ratemaking process. Regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts collected in rates for future costs. Recovery or refund of regulatory assets and liabilities is based on specific periods determined by the MPSC or occurs over the normal operating period of the assets and liabilities to which they relate. If at any reporting date a previously recorded regulatory asset is no longer probable of recovery, the regulatory asset is reduced to the amount considered probable of recovery with the reduction charged to expense in the year the determination is made. See Note 3, *Regulatory Assets and Liabilities*, for more information.

i. Retirement of Debt

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

j. Asset Retirement Obligations

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

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k. Environmental Remediation Costs

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

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

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

l. Income Taxes

UPPCO is included in the consolidated United States income tax return filed by Integrys Energy Group. UPPCO is party to a federal and state tax allocation arrangement with Integrys Energy Group and its subsidiaries under which each entity determines its provision for income taxes on a stand-alone basis. UPPCO settles the intercompany liabilities at the time that payments are made to the applicable taxing authority. At December 31, 2013, there were no significant intercompany payables or receivables for income taxes.

Deferred income taxes have been recorded to recognize the expected future tax consequences of events that have been included in the financial statements by using currently enacted tax rates for the differences between the income tax basis of assets and liabilities and the basis reported in the financial statements. UPPCO records valuation allowances for deferred tax assets unless it is more likely than not that the benefit will be realized in the future. UPPCO defers certain adjustments made to income taxes that will impact future rates and records regulatory assets or liabilities related to these adjustments.

UPPCO uses the deferral method of accounting for investment tax credits ("ITCs"). Under this method, UPPCO records the ITCs as deferred credits and amortizes such credits as a reduction to the provision for income taxes over the life of the asset that generated the ITCs. ITCs that do not reduce income taxes payable for the current year are eligible for carryover and recognized as a deferred income tax asset.

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

m. Employee Benefits

UPPCO accounts for its participation in pension and other postretirement plans sponsored by affiliates as multiple employer plans. Under affiliate agreements, UPPCO is responsible for its share of plan costs and obligations and is entitled to its share of plan assets. Accordingly, UPPCO accounts for its pro rata share of these plans as its own plan.

The costs of pension and other postretirement benefits are expensed over the periods during which employees render service. In computing the expected return on plan assets, UPPCO uses a market-related value of plan assets. Changes in realized and unrealized investment gains and losses are recognized over the subsequent five years for plans sponsored by Wisconsin Public Service Corporation ("WPS"), while differences between actual investment returns and the expected return on plan assets are recognized over a five-year period for the Integrys Energy Group Retirement Plan, sponsored by Integrys Business Support, LLC ("IBS"). The benefit costs associated with employee benefit plans are allocated among Integrys Energy Group's subsidiaries based on current employment status and actuarial

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calculations, as applicable. UPPCO's regulators allow recovery in rates for the net periodic benefit cost calculated under GAAP.

UPPCO recognizes the funded status of defined benefit postretirement plans on the balance sheet, and recognizes changes in the plans' funded status in the year in which the changes occur. UPPCO records changes in the funded status to regulatory asset or liability accounts, pursuant to the Regulated Operations Topic of the FASB ASC.

See Note 9, *Employee Benefit Plans*, for more information.

n. Risk Management Activities

As part of its regular operations, UPPCO uses derivative instruments to manage commodity costs. See Note 2, *Risk Management Activities*, for more information. Derivative instruments are governed by UPPCO's risk management policies, which have been approved by its Board of Directors, and its related risk management plans.

All derivatives are recognized on the balance sheets at their fair value unless they qualify for the normal purchases and sales exception, and are so designated. UPPCO continually assesses its contracts designated as normal and will discontinue the treatment of these contracts as normal if the required criteria are no longer met. Because all energy-related physical and financial derivatives at UPPCO qualify for regulatory deferral, including gains or losses on these derivative instruments, management believes any gains or losses resulting from the eventual settlement of these derivative instruments will be refunded to or collected from customers in rates. As such, any changes in fair value of these instruments recorded as either risk management assets or liabilities is offset with regulatory liabilities or assets, as appropriate.

UPPCO classifies derivative assets and liabilities as current or long-term on the balance sheets based upon the maturities of the underlying contracts. UPPCO records unrealized gains and losses on derivative instruments that do not qualify for regulatory deferral as a component of operating and maintenance expense. Cash flows from derivative activities are presented in the same category as the item being hedged within operating activities on the statements of cash flows.

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

o. Fair Value

A fair value measurement is required to reflect the assumptions market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and the risks inherent in the inputs to the model.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). UPPCO uses a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical measure for valuing the majority of its derivative assets and liabilities.

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

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

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

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

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

UPPCO determines fair value using a market-based approach that uses observable market inputs where available, and internally developed inputs only when observable market data is not readily available. For the unobservable inputs, consideration is given to the assumptions that market participants would use in valuing the asset or liability. These factors include not only the credit standing of the counterparties involved, but also the impact of UPPCO's nonperformance risk on its liabilities.

UPPCO's risk management assets and liabilities include financial contracts used to manage the costs of gasoline and diesel fuel used by utility vehicles and financial transmission rights (FTRs) used to manage transmission congestion costs in the MISO market. Financial contracts used to manage the costs of gasoline and diesel fuel used by utility vehicles are valued using the NYMEX end-of-day settlement price, which is a Level 1 input. The valuation for FTRs is derived from historical data from MISO, which is considered a Level 3 input.

UPPCO has established a risk oversight committee whose primary responsibility includes directly or indirectly ensuring that all valuation methods are applied in accordance with predefined policies. The development and maintenance of UPPCO's forward price curves has been assigned to its risk management department, which is part of the corporate treasury function. This group is separate and distinct from any of the trading functions within the organization. To validate the reasonableness of our fair value inputs, UPPCO's risk management department compares changes in valuation and researches any significant differences in order to determine the underlying cause. Changes to the fair value inputs are made if necessary.

The fair value of long-term debt is estimated based on the quoted market price for the same or similar issues, or on the current rates offered to UPPCO for debt of the same remaining maturity. The fair values of long-term debt instruments are categorized within Level 2 of the fair value hierarchy. Due to the short-term nature of cash and cash equivalents, accounts receivable, accounts payable, and notes payable the carrying amount for each such item approximates fair value.

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

See Note 11, *Fair Value*, for more information.

p. New Accounting Pronouncements

Recent Accounting Guidance Not Yet Effective

Accounting Standards Update (ASU) 2013-04, "Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date," was issued in February 2013. The guidance requires an entity to measure obligations under these arrangements, for which the total amount of the obligation is fixed at the reporting date, as the sum of the reporting entity's portion and any additional amount it expects to pay on behalf of its co-obligors. The guidance also requires additional disclosures about the nature and amount of the obligations. The guidance is effective for UPPCO for the reporting period ending March 31, 2014. Adoption of this guidance is not expected to have a significant impact on UPPCO's financial statements.

ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists," was issued in July 2013. The guidance states that an unrecognized tax benefit should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. However, there are certain exceptions under which the unrecognized tax benefit would be presented in the balance sheet as a liability.

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The guidance is effective for UPPCO for the reporting period ending March 31, 2014. Adoption of this guidance is not expected to have a significant impact on UPPCO's financial statements.

2. RISK MANAGEMENT ACTIVITIES

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

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

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

(Thousands)	Balance Sheet Presentation	December 31, 2012	
		Assets	Liabilities
FTRs	Current	\$ 887.2	\$ —
Petroleum product contracts	Current	8.6	—
Total		\$ 895.8	\$ 1.2

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

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

(Thousands)	December 31, 2012		
	Gross Amount	Potential Effects of Netting, Including Cash Collateral	Net Amount
Derivative assets subject to master netting or similar arrangements	\$ 895.8	\$ —	\$ 895.8
Derivative liabilities subject to master netting or similar arrangements	—	—	—

UPPCO's master netting and similar arrangements have conditional rights of setoff that can be enforced under a variety of situations, including counterparty default. UPPCO has trade receivables and trade payables, subject to master netting or similar arrangements, that are not included in the above table. These amounts may offset (or conditionally offset) the net amounts presented in the above table.

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

(Thousands)	December 31, 2013	December 31, 2012
Cash collateral provided to others related to contracts under master netting or similar arrangements	\$ 1,325.0	\$ 1,425.0

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

<i>(Thousands)</i>	Financial Statement Presentation	2013	2012
FTRs	Balance Sheet – Regulatory assets (current)	\$ (43.6)	\$ 195.5
FTRs	Balance Sheet – Regulatory liabilities (current)	(92.3)	99.4
Petroleum	Income Statement — Operating and maintenance expense	7.4	(1.5)

UPPCO had the following notional volumes of outstanding derivative contracts:

	Purchases	
	December 31, 2013	December 31, 2012
FTRs (millions of kilowatts)	206.1	219.0
Petroleum products (barrels)	2,374.0	2,374.0

3. REGULATORY ASSETS AND LIABILITIES

UPPCO expects to recover its regulatory assets and incur future costs or refund its regulatory liabilities through rates charged to customers. Based on prior and current rate treatment, UPPCO believes it is probable that it will continue to recover from customers the regulatory assets described below.

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

<i>(Thousands)</i>	2013	2012	See Note
Regulatory assets			
Unrecognized pension and other postretirement benefit costs ⁽¹⁾	\$ 46,238.0	\$ 70,671.4	9
Loss on sale of hydro facilities ⁽²⁾	2,399.1	3,592.5	12
Income tax related items	1,892.8	1,836.0	7
Decoupling	689.9	1,175.7	
Environmental remediation costs (net of insurance recoveries) ⁽³⁾	880.0	935.0	
Other	585.8	548.3	
Total	\$ 52,685.6	\$ 78,758.9	
Regulatory liabilities			
Income tax related items	\$ 458.7	\$ 590.5	7
Derivatives	28.2	120.5	1(n)
Decoupling	218.0	273.5	
Total	\$ 704.9	\$ 984.5	

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

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

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

4. SHORT-TERM DEBT AND LINES OF CREDIT

UPPCO's short-term borrowings were as follows as of December 31:

<i>(Thousands, except for percentages)</i>	2013	2012
Short-term notes payable outstanding to Integrys Energy Group	\$ 8,900.0	\$ 11,925.0
Average interest rate on short-term notes payable to Integrys Energy Group outstanding	0.33%	0.45%

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UPPCO's short-term borrowing capacity with Integrys Energy Group is \$20,000 thousand. Short-term borrowings bear interest computed at the average stated interest rate payable on commercial paper issued by Integrys Energy Group. Short-term debt is callable by the lender at any time.

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

<i>(Thousands)</i>	2013	2012
Average amount of short-term notes payable to Integrys Energy Group outstanding	\$ 10,281.2	\$ 10,561.6

5. LONG-TERM DEBT

UPPCO's long-term borrowings were as follows at December 31:

<i>(Thousands)</i>	2013	2012
Long-term notes payable to Integrys Energy Group, \$15 million at 6.059% due 2017, \$15 million at 5.041% due 2020, \$10 million at 3.35% due 2018, \$20 million at 3.99% due 2023 (new 2013)	\$ 60,000.0	\$ 55,000.0
Total long-term debt	\$ 60,000.0	\$ 55,000.0

Under the terms of the intercompany debt agreement, long-term debt is callable by Integrys Energy Group in the event of a change of ownership or control of UPPCO.

6. ASSET RETIREMENT OBLIGATIONS

UPPCO has asset retirement obligations primarily related to asbestos abatement at certain office buildings and service centers, and disposal of PCB-contaminated transformers. UPPCO establishes regulatory assets and liabilities to record the differences between ongoing expense recognition under the asset retirement obligation accounting rules and the ratemaking practices for retirement costs authorized by the MPSC. All asset retirement obligations are recorded as other noncurrent liabilities on our balance sheet in Account 230.

The following table shows changes to UPPCO's asset retirement obligations through December 31, 2013:

<i>(Thousands)</i>		
Asset retirement obligations at December 31, 2011	\$	931.7
Accretion		41.0
Additions and revisions to estimated cash flows		(191.5) (1)
Settlements		(246.6) (2)
Asset retirement obligations at December 31, 2012		534.6
Accretion		30.7
Additions and revisions to estimated cash flows		0.0
Settlements		(13.8) (3)
Asset retirement obligations at December 31, 2013	\$	551.5

(1) Revisions were made to estimated cash flows for an asset retirement obligation related to PCB-contaminated transformers due to changes in estimated removal costs, estimated settlement date, and transformer quantities.

(2) Settlements were for the removal of asbestos materials in a non-utility generation station and for the retirement of an asset retirement obligation related to a non-utility generating station.

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

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7. INCOME TAXES

The principal deferred income tax assets included on the balance sheets as of December 31, 2013, and 2012, primarily related to property, plant, and equipment. The principal deferred income tax liabilities included on the balance sheets as of December 31, 2013, and 2012, primarily related to property, plant, and equipment and employee benefits.

Deferred tax credit carryforwards at December 31, 2013, included \$5.2 thousand of general business credits, which can be carried back one year and forward 20 years and will expire in 2032.

UPPCO records certain adjustments related to deferred income taxes to regulatory assets and liabilities. As the related temporary differences reverse, UPPCO prospectively refunds taxes to or collects taxes from customers related to both deferred taxes recorded in prior years at rates potentially different than current rates and other changes in tax laws. The regulatory asset for these recoveries and other regulatory tax effects totaled \$1,892.8 thousand and \$1,836.0 thousand at December 31, 2013, and 2012, respectively. The regulatory liability for these refunds and other regulatory tax effects totaled \$458.7 thousand and \$590.5 thousand at December 31, 2013, and 2012, respectively.

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

<i>(Thousands)</i>	2013	2012
Current provision		
Federal	\$ (1,412.9)	\$ (1,776.6)
State	303.2	(474.7)
Total current provision	(1,109.7)	(2,251.3)
Deferred provision		
Federal	6,871.3	7,763.4
State	267.9	1,253.5
Total deferred provision	7,139.2	9,016.9
Unrecognized tax benefits	3.2	(1.2)
Investment tax credits, net	(76.2)	(203.6)
Total provision for income taxes	\$ 5,956.5	\$ 6,560.8

The statutory federal income tax rate was 35.0% at December 31, 2013, and 2012. The effective income tax rate was 36.9% and 38.5% at December 31, 2013, and 2012, respectively. State income taxes were the only significant item impacting the reconciliation of the statutory federal income tax rate to the effective income tax rate as of December 31, 2013, and 2012.

UPPCO did not have an unrecognized tax benefit liability at December 31, 2013. The balance of unrecognized tax benefit liability was \$30.0 thousand at December 31, 2012. UPPCO had no accrued interest and no accrued penalties related to unrecognized tax benefits at December 31, 2013. UPPCO had accrued interest of \$9.0 thousand and no accrued penalties related to unrecognized tax benefits at December 31, 2012.

UPPCO files income tax returns in the United States federal jurisdiction and in its major state operating jurisdiction of Michigan on a stand-alone basis or as part of Integrys Energy Group filings. UPPCO is no longer subject to federal income tax examinations by the Internal Revenue Service ("IRS") for years prior to 2011. During 2013, the IRS completed its examination of 2009 and 2010. UPPCO is no longer subject to examination by the Michigan tax authority for years prior to 2008.

In the next 12 months, UPPCO does not expect to significantly change the amount of unrecognized tax benefits.

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8. COMMITMENTS AND CONTINGENCIES

Unconditional Purchase Obligations and Purchase Order Commitments

UPPCO routinely enters into long-term purchase and sale commitments for various quantities and lengths of time. UPPCO has obligations to distribute and and sell electricity to its customers, which extend through 2023. UPPCO expects to recover costs related to these obligations in future customer rates. The following table shows UPPCO's minimum future commitments related to these purchase obligations as of December 31, 2013:

<i>(Thousands)</i>	Total Amounts Committed	2014	2015	2016	2017	2018	Later Years
Purchased power	\$97,218.5	\$28,044.3	\$22,960.6	\$22,022.2	\$21,420.8	\$689.2	\$2,081.4

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

9. EMPLOYEE BENEFIT PLANS

Defined Benefit Plans

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

Integrys Energy Group also offers medical, dental, and life insurance benefits to UPPCO's active employees and their dependents. In addition, UPPCO participates in other postretirement benefit plans sponsored by WPS. UPPCO expenses the allocated costs of these benefits as incurred.

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

<i>(Thousands)</i>	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Change in benefit obligation				
Obligation at January 1	\$ 110,165.3	\$ 99,715.6	\$ 33,367.0	\$ 34,625.0
Service cost	852.4	913.1	837.4	633.8
Interest cost	4,404.5	4,967.6	1,330.7	1,559.5
Plan amendments	—	—	19.4	—
Transfer to affiliates	—	93.8	(1.0)	—
Actuarial (gain) loss, net	(7,439.8)	11,594.4	(4,764.4)	(2,744.1)
Participant contributions	—	—	929.3	1,171.0
Benefit payments	(6,716.0)	(7,119.2)	(1,714.6)	(1,994.4)
Federal subsidy on benefits paid	—	—	120.2	116.2
Obligation at December 31	\$ 101,266.4	\$ 110,165.3	\$ 30,124.0	\$ 33,367.0
Change in fair value of plan assets				
Fair value of plan assets at January 1	\$ 83,302.7	\$ 64,059.8	\$ 24,047.0	\$ 20,218.2
Actual return on plan assets	12,800.7	10,658.4	3,247.3	2,651.7
Employer contributions	4,955.4	15,609.9	206.5	2,000.5
Participant contributions	—	—	929.3	1,171.0
Benefit payments	(6,716.0)	(7,119.2)	(1,714.6)	(1,994.4)
Transfer to affiliates	—	93.8	(1.0)	—
Fair value of plan assets at December 31	\$ 94,342.8	\$ 83,302.7	\$ 26,714.5	\$ 24,047.0
Funded status at December 31	\$ (6,923.6)	\$ (26,862.6)	\$ (3,409.5)	\$ (9,320.0)

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

<i>(Thousands)</i>	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Current liabilities	\$ 120.1	\$ 156.8	\$ 25.5	\$ 19.5
Long-term liabilities	6,803.5	26,705.8	3,384.0	9,300.5
Total net liabilities	\$ 6,923.6	\$ 26,862.6	\$ 3,409.5	\$ 9,320.0

All of UPPCO's defined benefit pension plans had an accumulated benefit obligation in excess of plan assets. Information for the pension plans is presented in the following table as of December 31:

<i>(Thousands)</i>	2013	2012
Projected benefit obligation	\$ 101,266.4	\$ 110,165.3
Accumulated benefit obligation	99,282.6	107,311.3
Fair value of plan assets	94,342.8	83,302.7

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

<i>(Thousands)</i>	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Net regulatory assets				
Net actuarial loss	\$ 43,070.3	\$ 60,190.0	\$ 2,795.8	\$ 9,720.8
Prior service cost	5.8	253.1	366.1	507.5
Total	\$ 43,076.1	\$ 60,443.1	\$ 3,161.9	\$ 10,228.3

The following table shows the estimated amounts that will be amortized into net periodic benefit cost during 2014:

<i>(Thousands)</i>	Pension Benefits	Other Benefits
Net actuarial loss	\$ 2,071.0	\$ 163.0
Prior service cost	5.8	162.4
Total 2014 estimated amortization	\$ 2,076.8	\$ 325.4

The following table shows the components of net periodic benefit cost (including amounts capitalized to the balance sheets) for UPPCO's benefit plans:

<i>(Thousands)</i>	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Service cost	\$ 852.4	\$ 913.1	\$ 837.4	\$ 633.8
Interest cost	4,404.5	4,967.6	1,330.7	1,559.5
Expected return on plan assets	(6,584.2)	(6,520.4)	(1,662.9)	(1,554.6)
Amortization of transition obligation	—	—	—	49.6
Amortization of net actuarial loss	3,463.5	2,158.6	576.0	531.4
Amortization of prior service cost	247.3	247.3	160.8	133.0
Net periodic benefit cost	\$ 2,383.5	\$ 1,766.2	\$ 1,242.0	\$ 1,352.7

Assumptions – Pension and Other Postretirement Benefit Plans

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

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Discount rate	4.94%	4.08%	4.96%	4.01%
Rate of compensation increase	4.19%	4.18%	N/A	N/A
Assumed medical cost trend rate	N/A	N/A	6.50%	7.00%
Ultimate trend rate	N/A	N/A	5.00%	5.00%
Year ultimate trend rate is reached	N/A	N/A	2019	2019
Assumed dental cost trend rate	N/A	N/A	5.00%	5.00%

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

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Discount rate	4.08%	5.10%	4.01%	5.03%
Expected return on assets	8.00%	8.25%	8.00%	8.25%
Rate of compensation increase	4.18%	4.18%	N/A	N/A
Assumed medical cost trend rate (under age 65)	N/A	N/A	7.00%	7.00%
Ultimate trend rate	N/A	N/A	5.00%	5.00%
Year ultimate trend rate is reached	N/A	N/A	2019	2016
Assumed medical cost trend rate (over age 65)	N/A	N/A	7.00%	7.50%
Ultimate trend rate	N/A	N/A	5.00%	5.50%
Year ultimate trend rate is reached	N/A	N/A	2019	2016
Assumed dental cost trend rate	N/A	N/A	5.00%	5.00%

UPPCO establishes its expected return on assets assumption based on consideration of historical and projected asset class returns, as well as the target allocations of the benefit trust portfolios. For 2014, the expected return on assets assumption for the plans is 8.00%.

Assumed health care cost trend rates have a significant effect on the amounts reported by UPPCO for the health care plans. For the year ended December 31, 2013, a one-percentage-point change in assumed health care cost trend rates would have had the following effects:

<i>(Thousands)</i>	One-Percentage-Point	
	Increase	Decrease
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$ 429.0	\$ (329.2)
Effect on the health care component of the accumulated postretirement benefit obligation	4,502.3	(3,616.9)

Pension and Other Postretirement Benefit Plan Assets

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

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

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

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

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

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

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

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

(Thousands)	December 31, 2012							
	Pension Plan Assets				Other Benefit Plan Assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset Class								
Cash and cash equivalents	\$ 384.7	\$ 1,527.7	\$ —	\$ 1,912.4	\$ 0.6	\$ 827.7	\$ —	\$ 828.3
Equity securities:								
United States equity	10,155.6	24,364.8	—	34,520.4	2,508.3	6,393.8	—	8,902.1
International equity	5,803.0	18,167.0	—	23,970.0	1,409.6	4,747.0	—	6,156.6
Fixed income securities:								
United States								
government	—	6,063.8	—	6,063.8	6,434.2	—	—	6,434.2
Foreign government	—	1,235.6	250.0	1,485.6	—	—	—	—
Corporate debt	—	11,933.0	58.8	11,991.8	—	—	—	—
Asset-backed securities	—	3,418.3	4.0	3,422.3	—	—	—	—
Other	—	680.4	—	680.4	1,352.8	—	—	1,352.8
	<u>16,343.3</u>	<u>67,390.6</u>	<u>312.8</u>	<u>84,046.7</u>	<u>11,705.5</u>	<u>11,968.5</u>	<u>—</u>	<u>23,674.0</u>
401(h) other benefit plan assets invested as pension assets (1)	(79.9)	(329.6)	(1.6)	(411.1)	79.9	329.6	1.6	411.1
Total (2)	\$ 16,263.4	\$ 67,061.0	\$ 311.2	\$ 83,635.6	\$ 11,785.4	\$ 12,298.1	\$ 1.6	\$ 24,085.1

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

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

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

<i>(Thousands)</i>	Foreign Government Debt	Corporate Debt	Asset Backed Securities	Total
Beginning balance at January 1, 2013	\$ 250.0	\$ 58.8	\$ 4.0	\$ 312.8
Net realized and unrealized losses	(16.7)	(21.5)	0.3	(37.9)
Purchases	34.4	—	—	34.4
Sales	(120.7)	(25.1)	—	(145.8)
Settlements	—	—	(0.8)	(0.8)
Transfers into Level 3	—	84.4	—	84.4
Transfers out of Level 3	—	(18.0)	(3.5)	(21.5)
Ending balance at December 31, 2013	\$ 147.0	\$ 78.6	\$ —	\$ 225.6
Net unrealized losses related to assets still held at the end of the period	\$ (16.1)	\$ (17.0)	\$ —	\$ (33.1)

<i>(Thousands)</i>	Foreign Government Debt	Corporate Debt	Asset Backed Securities	Total
Beginning balance at January 1, 2012	\$ 331.1	\$ 123.2	\$ —	\$ 454.3
Net realized and unrealized gains	43.0	14.1	0.2	57.3
Purchases	73.7	32.3	—	106.0
Sales	(118.4)	(23.8)	—	(142.2)
Settlements	—	—	(0.9)	(0.9)
Transfers into Level 3	—	—	4.7	4.7
Transfers out of Level 3	(79.4)	(87.0)	—	(166.4)
Ending balance at December 31, 2012	\$ 250.0	\$ 58.8	\$ 4.0	\$ 312.8
Net unrealized gains related to assets still held at the end of the period	\$ 19.6	\$ 3.0	\$ 0.2	\$ 22.8

Cash Flows Related to Pension and Other Postretirement Benefit Plans

UPPCO's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. UPPCO expects to contribute \$120.1 thousand to pension plans and \$308.2 thousand to other postretirement benefit plans in 2014, dependent on various factors affecting UPPCO, including its liquidity position and tax law changes.

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

<i>(Thousands)</i>	Pension Benefits	Other Benefits	Federal Subsidies
2014	\$ 6,153.6	\$ 1,768.8	\$ 129.6
2015	6,429.0	1,897.9	143.4
2016	6,564.6	1,978.2	156.8
2017	6,866.1	1,990.7	176.9
2018	6,864.5	2,003.5	196.6
2019 through 2023	35,474.9	9,950.5	1,197.7

Defined Contribution Benefit Plans

Integrus Energy Group maintains a 401(k) Savings Plan for substantially all of UPPCO's full-time employees. A percentage of employee contributions are matched through an employee stock ownership plan ("ESOP") contribution up to certain limits. Certain employees participate in a defined contribution pension plan, in which certain amounts are contributed to an employee's account based on the employee's wages, age, and years of service. UPPCO's share of the total costs incurred under all these plans was \$559.9 thousand in 2013 and \$367.1 thousand in 2012.

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

The portion of the deferred compensation obligation that is indexed to various investment options and allows for distributions in cash is classified as a liability on the balance sheets. The liability is adjusted, with a charge or credit to expense, to reflect changes in the fair value of the deferred compensation obligation. The obligation classified within other long-term liabilities was \$278.1 thousand at December 31, 2013, and \$280.1 thousand at December 31, 2012. The costs incurred under this arrangement were \$36.6 thousand in 2013 and \$24.6 thousand in 2012.

10. COMMON STOCK

UPPCO's common stock consists of common stock without par value; \$9 stated value; 3,000,000 shares authorized; 1,473,736 shares issued and outstanding. The common stock balance was \$13,263.6 thousand at December 31, 2013, and 2012. All shares of UPPCO's common stock are owned by Integrus Energy Group.

Integrus Energy Group may provide equity contributions to us or request a return of capital from us in order to maintain utility common equity levels consistent with those allowed by the MPSC. During the twelve months ended December 31, 2013, we returned \$6,500 thousand of capital to Integrus Energy Group.

11. FAIR VALUE

Fair Value Measurements

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

(Thousands)	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Risk management assets				
FTRs	\$ —	\$ —	\$ 603.9	\$ 603.9
Petroleum product contracts	1.3	—	—	1.3
Total	\$ 1.3	\$ —	\$ 603.9	\$ 605.2
Risk management liabilities				
Petroleum product contracts	\$ 1.2	\$ —	\$ —	\$ 1.2
Total	\$ 1.2	\$ —	\$ —	\$ 1.2

(Thousands)	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Risk management assets				
FTRs	\$ —	\$ —	\$ 887.2	\$ 887.2
Petroleum product contracts	8.6	—	—	8.6
Total	\$ 8.6	\$ —	\$ 887.2	\$ 895.8

The risk management assets and liabilities listed in the tables above include FTRs used to manage transmission congestion costs in the MISO market, and financial derivative contracts used to mitigate the risk associated with the market price volatility of the cost of gasoline and diesel fuel used by utility vehicles. See Note 2, *Risk Management Activities*, for more information on derivative instruments.

There were no transfers between the levels of the fair value hierarchy during 2013 and 2012.

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The significant unobservable input used in the valuation of FTRs that resulted in categorization within Level 3 was as follows at December 31, 2013. The amount listed in the table below represents the unobservable input that individually had a significant impact on the fair value determination and caused the FTRs to be classified as Level 3.

FTRs	Fair Value (Thousands)		Valuation Technique	Unobservable Input	Average or Range
	Assets	Liabilities			
	\$ 603.9	\$ —	Market-based	Forward market prices (\$/megawatt-month) *	\$1,059.48

* Represents forward market prices developed using historical cleared pricing data from MISO.

Significant changes in historical settlement prices would result in a directionally similar significant change in fair value.

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

(Thousands)	2013	2012
Balance at the beginning of period	\$ 887.2	\$ 999.5
Net realized (losses) gains included in earnings	(1,030.7)	33.8
Net unrealized (losses) gains recorded as regulatory assets or liabilities	(135.9)	294.9
Purchases	1,686.2	2,095.4
Sales	(15.3)	—
Settlements	(787.6)	(2,536.4)
Balance at the end of period	\$ 603.9	\$ 887.2

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

Fair Value of Financial Instruments

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

(Thousands)	December 31, 2013		December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt to parent	\$ 60,000.0	\$ 62,498.6	\$ 55,000.0	\$ 61,512.9

12. REGULATORY ENVIRONMENT

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

On December 20, 2011, the MPSC issued a final order authorizing UPPCO to increase its retail electric rates by \$4,200.0 thousand (4.17%), effective January 1, 2012. The new rates reflect a 10.20% return on common equity and a common equity ratio of 54.90% in UPPCO's regulatory capital structure. The order also required UPPCO to terminate its existing decoupling mechanism, effective December 31, 2011, and replace it with a new weather-normalized decoupling mechanism based on comparing actual, weather normalized margin revenue to rate case forecasted margin revenue, beginning January 1, 2013. As a result, UPPCO had no decoupling mechanism in place for 2012. UPPCO's previous retail electric rate increase was in January 2011.

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

On July 8, 2010, UPPCO sold the Au Train hydro-electric generation facility to UP Hydro. Under the terms of the agreement, UPPCO recorded a net loss of approximately \$3,697.9 thousand on the sale. On July 27, 2010, the MPSC authorized deferred accounting treatment of the net loss for recovery in a future general rate case proceeding. Recovery of the loss began on January 1, 2011. As of December 31, 2013, UPPCO has \$1,258.3 thousand remaining to recover related to this deferral.

On February 2, 2011, UPPCO sold the Cataract hydro-electric generation facility to UP Hydro. Under the terms of the agreement, UPPCO incurred a net loss of approximately \$1,901.3 thousand on the sale. On July 27, 2010, the MPSC authorized deferred accounting treatment of the net loss for recovery in a future general rate case proceeding. Recovery of the loss began on January 1, 2012. As of December 31, 2013, UPPCO has \$1,140.8 thousand remaining to recover related to this deferral.

The MPSC approved a decoupling mechanism, in Docket U-15988 on December 16, 2009, for calendar year 2010 and in Docket U-16166 on December 21, 2010, for calendar year 2011. UPPCO made filings with the MPSC to recover approximately \$1,723.3 thousand for 2010 sales and refund approximately \$200 thousand for 2011 sales, pursuant to the aforementioned decoupling mechanism. On April 10, 2012, the State of Michigan Court of Appeals ruled that the MPSC did not have authority to authorize an electric decoupling mechanism. As a result of this ruling, UPPCO reversed the decoupling revenue previously recorded for both 2011 and 2010, as of December 31, 2011. On August 14, 2012, the Commission issued an order authorizing UPPCO to recover approximately \$1,723.3 thousand for 2010 sales. The Commission stated that because UPPCO's Revenue Decoupling Mechanism ("RDM") was adopted pursuant to a settlement agreement, which is a binding contract, the UPPCO RDM must simply comport with the language of the settlement agreement. Consequently, UPPCO recovered the RDM under-collection during the period September 2012 through August 2013. One UPPCO customer who was not a party to the RDM proceedings has filed a formal complaint with the Commission regarding this issue.

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

13. RELATED PARTY TRANSACTIONS

UPPCO routinely enters into transactions with related parties, including Integrys Energy Group, its subsidiaries, and other entities in which it has material interests.

UPPCO provides and receives services, property, and other items of value to and from its parent, Integrys Energy Group, and other subsidiaries of Integrys Energy Group. All such transactions are made pursuant to an affiliated interest agreement ("Regulated Agreement") approved by the MPSC. Michigan Gas Utilities Corporation, Minnesota Energy Resources Corporation, The Peoples Gas Light and Coke Company, North Shore Gas Company, and WPS (together with UPPCO, the "regulated subsidiaries") have all been added as parties to the Regulated Agreement and, like UPPCO, can also provide and receive services, property, and other items of value to and from their parent, Integrys Energy Group, and other regulated subsidiaries of Integrys Energy Group. The Regulated Agreement requires that all services are provided at cost. Modification or amendment to this agreement requires the approval of the MPSC.

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

Effective January 1, 2014, after approval by the ICC and other state commissions, a new Affiliated Interest Agreement ("Non-IBS AIA") replaced the Regulated Agreement. It governs the provision and receipt of services by Integrys Energy Group subsidiaries, except that IBS will continue to provide services only under the IBS AIA. Services under the Non-IBS AIA are subject to various pricing methodologies. All services provided

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NOTES TO FINANCIAL STATEMENTS (Continued)			

by any regulated subsidiary to another regulated subsidiary are priced at cost. All services provided by any regulated subsidiary to any nonregulated subsidiary are priced at the greater of cost or fair market value. All services provided by any nonregulated subsidiaries to any regulated subsidiaries are priced at the lesser of cost or fair market value. All services provided by any regulated or nonregulated subsidiary to IBS are priced at cost.

UPPCO was billed \$23,897.9 thousand in 2013 and \$28,293.8 thousand in 2012 for services provided by IBS. The amount owed to IBS was \$1,224.6 thousand and \$1,115.2 thousand, at December 31, 2013, and 2012, respectively.

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

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

<i>(Thousands)</i>	2013	2012
Notes payable (1)		
Integrus Energy Group	\$68,900.0	\$66,925.0
Accounts Payable to Associated Companies	4,516.5	4,051.0

(1) Consists of a short-term note payable of \$8,900 thousand and a long-term note payable of \$60,000 thousand.

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

<i>(Thousands)</i>	2013	2012
Electric transactions		
Purchases from WPS(2)	\$ 22,758.5	\$ 22,180.9
Interest expense		
Integrus Energy Group	2,868.4	2,896.9
Transactions with equity method investees		
Charges from ATC for network transmission services	6,261.4	6,157.9
Charges to ATC for services and construction	1,835.6	1,900.6
Income from WPS Investments, LLC (1)	2,216.8	2,200.0

(1) WPS Investments, LLC is a consolidated subsidiary of Integrus Energy Group that is jointly owned by Integrus Energy Group, WPS, and UPPCO. At December 31, 2013, UPPCO had a 2.42% interest in WPS Investments accounted for under the equity method. UPPCO's ownership percentage has continued to decrease as additional equity contributions are made by Integrus Energy Group to WPS Investments.

(2) Consists of purchases in accordance with UPPCO's purchase power agreement with WPS.

14. INVESTMENT IN WPS INVESTMENTS, LLC

UPPCO's ownership interest in WPS Investments, LLC ("WPSI") was approximately 2.42% at December 31, 2013. WPSI holds an ownership interest in ATC, which was approximately 34% at December 31, 2013. ATC is a for profit, transmission only company regulated by FERC. The following table shows changes in UPPCO's investment in WPSI during the years ended December 31:

<i>(Thousands)</i>	2013	2012
Balance at the beginning of period	\$ 16,091.2	\$ 15,684.0
Add: Earnings from WPSI	2,178.7	2,161.9
Less: Dividends received	1,748.9	1,754.7
Balance at the end of period	\$ 16,521.0	\$ 16,091.2

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NOTES TO FINANCIAL STATEMENTS (Continued)			

UPPCO provides construction and other services to ATC and receives network transmission services from ATC. The related party transactions recorded by UPPCO during the years ended December 31 were as follows:

<i>(Thousands)</i>	2013	2012
Charges to ATC for services and construction	\$ 1,842.4	\$ 2,145.8
Costs for network transmission service provided by ATC	6,471.3	6,158.0

Financial data for WPSI is included in the following tables:

<i>(Thousands)</i>	Year Ended December 31	
	2013	2012
Income statement data		
Earnings from ATC	\$ 89,133.6	\$ 85,308.7
Operating expenses	13.3	35.3
Net income	\$ 89,120.3	\$ 85,273.4
Balance sheet data		
<i>(Thousands)</i>		
	December 31, 2013	December 31, 2012
Current assets	\$ 99.0	\$ 81.4
Investment in ATC	508,356.5	476,635.7
Total assets	\$ 508,455.5	\$ 476,717.1
Current liabilities	\$ 0.8	\$ 2.2
Shareholders' equity	508,454.7	476,714.9
Total liabilities and shareholders' equity	\$ 508,455.5	\$ 476,717.1

15. SUBSEQUENT EVENT

In January 2014, Integrys Energy Group reached a definitive agreement to sell all of the stock of UPPCO to Balfour Beatty Infrastructure Partners LP (BBIP) for approximately \$298.8 million. This price is subject to adjustments for various items, including working capital, pension contributions, and the reimbursement of any capital expenditures made by UPPCO in 2014 prior to the sale. The sale excludes UPPCO's ATC holdings. BBIP had approached Integrys Energy Group in early 2013 about the potential sale, and they came to an agreement in January 2014 that was approved by Integrys Energy Group's Board of Directors. The transaction is subject to regulatory approvals and is expected to close later in 2014. Following the sale, Integrys Energy Group will provide various administrative and operational services to UPPCO during a transition period of 18 to 30 months.

Effective January 31, 2014, Integrys Energy Group spun off the defined benefit pension obligations related to current and former UPPCO employees into a separate defined benefit pension plan. Any additional assets required to be transferred into the new UPPCO plan in accordance with Section 414(1) of the Internal Revenue Code and Sections 208 and 4044 of the Employee Retirement Income Security Act will be included in the adjustments to the purchase price.

Other Postretirement Benefit Plan Remeasurement

On March 1, 2014, Integrys Energy Group remeasured the obligation of certain other postretirement benefit plans in which UPPCO participates. The remeasurement was necessary because Integrys Energy Group will replace the current retiree medical plans for participants age 65 and older with a Medicare Advantage plan starting in 2015.

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	248,756,182	248,756,182
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	20,945,982	20,945,982
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	269,702,164	269,702,164
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	1,835,514	1,835,514
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	271,537,678	271,537,678
14	Accum Prov for Depr, Amort, & Depl	104,928,959	104,928,959
15	Net Utility Plant (13 less 14)	166,608,719	166,608,719
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	103,140,901	103,140,901
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	1,788,058	1,788,058
22	Total In Service (18 thru 21)	104,928,959	104,928,959
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	104,928,959	104,928,959

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

- Report below the original cost of electric plant in service according to the prescribed accounts.
- 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.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents	5,959,890	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	5,959,890	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	143,334	
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	143,334	
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights	630,727	
28	(331) Structures and Improvements	1,528,542	70,053
29	(332) Reservoirs, Dams, and Waterways	68,162,141	8,619,805
30	(333) Water Wheels, Turbines, and Generators	626,229	
31	(334) Accessory Electric Equipment	4,405,406	198,517
32	(335) Misc. Power PLant Equipment	776,331	3,611
33	(336) Roads, Railroads, and Bridges	403,103	497,459
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	76,532,479	9,389,445
36	D. Other Production Plant		
37	(340) Land and Land Rights	63,016	
38	(341) Structures and Improvements	203,796	
39	(342) Fuel Holders, Products, and Accessories	1,351,574	
40	(343) Prime Movers	2,487,784	
41	(344) Generators	1,056,338	
42	(345) Accessory Electric Equipment	672,035	
43	(346) Misc. Power Plant Equipment	28,291	
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	5,862,834	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	82,538,647	9,389,445

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
			5,959,890	3
				4
			5,959,890	5
				6
				7
			143,334	8
				9
				10
				11
				12
				13
				14
				15
			143,334	16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
			630,727	27
			1,598,595	28
			76,781,946	29
			626,229	30
2,250		-4,921	4,596,752	31
			779,942	32
			900,562	33
				34
2,250		-4,921	85,914,753	35
				36
			63,016	37
			203,796	38
			1,351,574	39
			2,487,784	40
			1,056,338	41
			672,035	42
			28,291	43
				44
			5,862,834	45
2,250		-4,921	91,920,921	46

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of <u>2013/Q4</u>
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights		
49	(352) Structures and Improvements		
50	(353) Station Equipment		
51	(354) Towers and Fixtures		
52	(355) Poles and Fixtures		
53	(356) Overhead Conductors and Devices		
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)		
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	745,813	
61	(361) Structures and Improvements	1,234,941	
62	(362) Station Equipment	25,397,430	3,702,517
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	31,479,221	1,382,562
65	(365) Overhead Conductors and Devices	16,804,436	603,020
66	(366) Underground Conduit		
67	(367) Underground Conductors and Devices	17,737,115	1,416,525
68	(368) Line Transformers	24,102,899	1,121,379
69	(369) Services	14,588,447	211,814
70	(370) Meters	5,087,637	323,949
71	(371) Installations on Customer Premises	428,661	12,536
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	1,908,915	39,229
74	(374) Asset Retirement Costs for Distribution Plant	-49,058	
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	139,466,457	8,813,531
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	195,531	
87	(390) Structures and Improvements	6,820,265	35,376
88	(391) Office Furniture and Equipment	1,163,222	55,280
89	(392) Transportation Equipment	6,778,459	1,505,241
90	(393) Stores Equipment	104,040	
91	(394) Tools, Shop and Garage Equipment	1,724,508	45,126
92	(395) Laboratory Equipment	1,832,673	45,561
93	(396) Power Operated Equipment	1,176,893	69,478
94	(397) Communication Equipment	3,378,897	801,696
95	(398) Miscellaneous Equipment	31,792	4,208
96	SUBTOTAL (Enter Total of lines 86 thru 95)	23,206,280	2,561,966
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant	194,875	
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	23,401,155	2,561,966
100	TOTAL (Accounts 101 and 106)	251,366,149	20,764,942
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	251,366,149	20,764,942

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
				48
				49
				50
				51
				52
				53
				54
				55
				56
				57
				58
				59
			745,813	60
681			1,234,260	61
363,202		72,030	28,808,775	62
				63
264,293		238,775	32,836,265	64
104,175			17,303,281	65
				66
130,677			19,022,963	67
264,023		-67,109	24,893,146	68
67,123			14,733,138	69
366,995			5,044,591	70
25,332			415,865	71
				72
22,381			1,925,763	73
			-49,058	74
1,608,882		243,696	146,914,802	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			195,531	86
58,745			6,796,896	87
41,604			1,176,898	88
298,254			7,985,446	89
			104,040	90
1,242			1,768,392	91
			1,878,234	92
10,056			1,236,315	93
646,669			3,533,924	94
			36,000	95
1,056,570			24,711,676	96
				97
			194,875	98
1,056,570			24,906,551	99
2,667,702		238,775	269,702,164	100
				101
				102
				103
2,667,702		238,775	269,702,164	104

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2013	2013/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 31 Column: f
 Transfer between Accounts 334 and 362.

Schedule Page: 204 Line No.: 62 Column: f
 Transfer between Accounts 362 and 368.

Schedule Page: 204 Line No.: 64 Column: f
 Transfer between utility and non-utility assets.

Schedule Page: 204 Line No.: 68 Column: f
 Transfer between Accounts 362 and 368.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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**PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION
OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 & 115)**

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

Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	CREDITS		Balance End of Year (f)
				Contra Acct. (d)	Amount (e)	
1	Account 114					
2	Purchased Four (4) Hydro-Electric	2,681,674	(2,681,674)		0	0
3	Generating Stations from Cliffs					
4	Electric Service on February 17, 1998					
5						
6						
7						
8						
9						
10	Account 115	2,663,874	(2,681,674)	406	17,800	0
11	Four (4) Hydro-Electric Generating					
12	Stations					
13						
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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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	Barnum Substation - Add 138KV Transformers	385,556		1,408,442
2	Houghton - Install 25,000 Feet 4/0 Underground	269,671		-
3	Ishpeming - 34.5KV Mather "A" Substation to Agnoll Street	232,919		23,373
4	Iron River - Relocate Poles to Back Side of Right of Way M189/Selden Road	213,751		-
5	Ishpeming - Replace Underground Primary in Maple Hill Subdivision	129,145		-
6	Purchase V94000 to Replace V93170 UPPCO West Houghton Service Center	121,979		38,021
7	Projects With Balances Less Than \$100,000	482,493		Not Available
8	Victoria Hydro -Spillway Adequacy		2,820,607	
9	Humboldt Substation - Remove Old & Construct New		8,346,325	
10	Delta Service Center (Escanaba) - Remodel New Building Purchased		1,778,421	
11	KI Sawyer Substation - Add 12.47kV Feeder Bays		1,014,165	
12	M-26 Install 18,500 feet 4/0 3-Phase Underground		930,835	
13	Winona Substation - Add Transformer and Feeder		586,677	
14	Reconductor & Relocate Lake Linden		377,996	
15	US Highway 41 - SBA Towers Inc. Revenue Extension		373,897	
16	Houghton District - Upgrade Communication Network		369,998	
17	Paradise Road - Reconductor 3.1 Miles		356,690	
18	Keweenaw Substation - Install New Control House and Replace RTU		341,377	
19	Ishpeming District - Upgrade Communication Network		313,509	
20	Rapid River Substation - Increase Transformer Capacity		307,702	
21	UPPCO - Windows 7 PC/Laptop/Toughbook		306,529	
22	PUR V73140 TO REPL V72320 ISHPEMING		293,512	
23	PUR V74000 TO REPL V72340		239,117	
24	Nejee Road Rebuild Mc Clure 34KV from Substation to Dam		218,741	
25	PUR V74010 TO REPL V73340 ONTONAGON		216,153	
26	Delta District - Upgrade Communication Network		214,081	
27	Ontonagon District - Upgrade Communication Network		188,898	
28	Hoist Hydro - Replace Intake Gate/Stem & Monorail		170,613	
29	Munising District - Upgrade Communication Network		159,261	
30	Gwinn to Princeton Tie Project		155,007	
31	UPPCO 2012 Operations & Substation Capital Tools		145,078	
32	Ishpeming Service Center Upgrade HVAC System		138,346	
33	M-26 Install 11,900 Feet Undergound 1-Phase		134,262	
34	(Continued on next page)		128,066	
35		1,835,514	20,625,863	Not Available

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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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	UPPCO 2013 Capital Tool Project		111,431	
2	Helen Lake to Casey Lake Replace Existing Overhead Primary With New Underground		104,913	
3	Ishpeming Service Center Upgrade Heaters to Gas		103,775	
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34				
35		1,835,514	20,945,982	Not Available

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013

CONSTRUCTION OVERHEADS - ELECTRIC

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 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.

2. On page 218 furnish information concerning construction overheads. 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.

3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)
1	Internal Design, Engineering and Supervision	558,457
2	External Design, Engineering and Supervision	11,669
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39	TOTAL	570,126

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

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

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

1. Construction Overhead: Supervision and engineering are charged to specific requisition involved, direct from the time voucher. Pension expense, workman's compensation insurance, payroll taxes and other employee benefits including health and dental insurance and long term disability insurance are allocated to construction on a direct payroll charges.

2. General Administration: By examination, certain administration and general salaries were transferred to construction costs based on direct payroll charges to construction projects involved.

3. Items 2 & 3 below (Gross Rate for Borrowed Funds and Rate for Other Funds) are based on Michigan Public Service Commission's found overall rates of return by Case No. U-17274 dated December 19, 2013

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 and Computation of Allowance Teaxr	S	10,281,164		
2	Short-Term Interest				s 0.54%
3	Long-Term Debt	D	55,000,000	36.14%	d 5.12%
4	Preferred Stock	P	0	0.00%	
5	Common Equity	C	97,191,761	63.86%	c 0.1015
6	Total Capitalization		152,191,761	100.00%	
7	Average Construction Work in Progress Balance	W	6,223,720.50		

1. Gross Rate for Borrowed Funds

$$\frac{s (\quad)}{W} + \frac{d (\quad)}{D+P+C} * \frac{(1- \quad)}{W} = 0\%$$

3. Rate for Other Funds

$$\frac{[1- \quad]}{W} * \frac{[p (\quad)]}{D+P+C} + \frac{c (\quad)}{D+P+C} = 0\%$$

4 Weighted Average Rate Actually used for the Year
a. Rate for Borrowed Funds 0.5377%
b. Rate for Other Funds 0%

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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

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

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	98,203,281	98,203,281		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	7,967,317	7,967,317		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts	270,547	270,547		
8	Other Accounts (Specify, details in footnote):				
9	Account 182375 ARO Depreciation Expe	-16,742	-16,742		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	8,221,122	8,221,122		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,667,702	2,667,702		
13	Cost of Removal	816,359	816,359		
14	Salvage (Credit)	168,622	168,622		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	3,315,439	3,315,439		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17	Other	31,937	31,937		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	103,140,901	103,140,901		

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

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional	17,572,940	17,572,940		
23	Hydraulic Production-Pumped Storage				
24	Other Production	5,044,518	5,044,518		
25	Transmission				
26	Distribution	67,975,800	67,975,800		
27	Regional Transmission and Market Operation				
28	General	12,547,643	12,547,643		
29	TOTAL (Enter Total of lines 20 thru 28)	103,140,901	103,140,901		

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FOOTNOTE DATA			

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

Other Debit or Credit Items:

ARO Reclass (Account 254 to Account 182.3)	\$(6,166)
Other Transfers and Reclassifications	38,103
	<u>\$31,937</u>

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

Hydraulic Production - Conventional

End Balance	\$17,572,940
Less: Account 108 ARO Depreciation (Non-Rate Base)	0
Add: Account 182.3 ARO COR Depr (Rate Base)	0
	<u>\$17,572,940</u>

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

Other Production:

End Balance	\$5,044,518
Less: Account 108 ARO Depreciation (Non-Rate Base)	0
Add: Account 182.3 ARO COR Depr (Rate Base)	0
	<u>\$5,044,518</u>

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

Distribution:

End Balance	\$67,975,800
Less: Account 108 ARO Depreciation (Non-Rate Base)	(112,803)
Add: Account 182.3 ARO COR Depr. (Rate Base)	193,468
	<u>\$68,056,465</u>

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

General:

End Balance	\$12,547,643
Less: Account 108 ARO Depreciation (Non-Rate Base)	(160,120)
Add: Account 182.3 ARO COR Depr. (Rate Base)	0
	<u>\$12,387,523</u>

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

Total:

End Balance	\$103,140,901
Less: Account 108 ARO Depreciation (Non-Rate Base)	(272,923)
Add: Account 182.3 ARO COR Depr. (Rate Base)	193,468
	<u>\$103,061,446</u>

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Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013

NONUTILITY PROPERTY (Account 121)

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

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Two (2) Dam Sites in Baraga &			
2	Houghton County	9,949		9,949
3	Land Ontonagon River Area	1,901,633	(1,078)	1,900,555
4	Land City of Gladstone	55,031		55,031
5	Escanaba River Hydros Delta Cty	4,560,799	(2,202,610)	2,358,189
6	Boney Falls Delta Cty	523,054	5,190,952	5,714,006
7	Boney Falls Ontonagon Cty	453,051	1,010	454,061
8	Eastern Hydro Dams	681,739	(1)	681,738
9	CWIP	455,549	(453,830)	1,719
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL	8,640,805	2,534,443	11,175,248

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

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

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	1,092,177
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	131,183
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	131,183
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	(824)
10	Cost of Removal	(194)
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	(1,018)
13	Other Debit or Credit Items (Describe):	
14	Transfer from Utility Property	(38,103)
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	1,184,239

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FOOTNOTE DATE					
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)		
221	5	(c)	Reclassification between Escanaba River Hydros and Boney Falls		
221	6	(c)	Reclassification between Escanaba River Hydros and Boney Falls and Boney Seepage and PMF Remediation project.		

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

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

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	WPS Investments LLC	12/27/2000		15,819,865
2	2.42% Interest			
3	Equity Interest in Company			
4				
5				
6	ATC Management, Inc.	01/01/2001		3,150
7	1.91% Voting Interest			
8	Common Equity			
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42	Total Cost of Account 123.1 \$	0	TOTAL	15,823,015

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

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

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
2,216,769	-1,748,902	16,287,732		1
				2
				3
				4
				5
		3,150		6
				7
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2,216,769	-1,748,902	16,290,882		42

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Schedule Page: 224 Line No.: 1 Column: g
WPS Investments holds our investment in ATC. Included in Column (f) are dividends from WPS Investments, LLC.

Schedule Page: 224 Line No.: 6 Column: g
ATC Management is the corporate manager of the ATC.

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NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and		employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).	
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)	9,422,759	9,611,748
3	Other Accounts Receivable (Account 143) * (Disclose any capital stock subscriptions received)	2,092,601	608,716
4	TOTAL	11,515,360	10,220,464
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144) **	574,000	400,000
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	10,941,360	9,820,464
7			
8			
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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	574,000				574,000
2	Prov. for uncollectibles for current year	155,130				155,130
3	Account written off (less)	278,266				278,266
4	Coll. of accounts written off	123,136				123,136
5	Adjustments (explain): To reserve based on modified black motor formula	(174,000)				(174,000)
6	Balance end of year	400,000	0	0	0	400,000
7						
8						
9						
10						
11						

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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

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

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

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	<u>Account 145</u>					
2	Notes Receivable Associated Company	0			0	
3						
4						
5						
6	<u>Account 146 :</u>					
7	Accounts Receivable Associated Co.					
8	Michigan Gas Utilities Corporation	264	4,618	4,626	256	
9	Integrus Business Support, LLC	30,265	91,415	51,440	70,240	
10	Wisconsin Public Service Corporation	4,475	216,720	211,522	9,673	
11	Penvest, LLC	2,289		2,289	0	
12		37,293	312,753	269,877	80,169	
13					0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21					0	
22					0	
23					0	
24					0	
25					0	
26					0	
27					0	
28					0	
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30					0	
31					0	
32					0	
33					0	
34					0	
35					0	
36	TOTAL				80,169	0

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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MATERIALS AND SUPPLIES

- For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
- Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	570,651	533,921	Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	602,657	624,668	Electric
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	418,370	527,410	Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	1,021,027	1,152,078	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	6,056	30,257	Electric
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	1,597,734	1,716,256	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2014	December 31, 2013

PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Report below the information called for concerning production fuel and oil stock. 2. Show quantities in tons of 2000 lb. Barrels (42 gals.) or Mcf., whichever unit of quantity is applicable. 3. Each kind of coal or oil should be shown separately. 4. If the respondent obtained any of its fuel from its own coal mines or oil or gas lands or leases or from | <p>affiliated companies, a statement should be submitted showing the quantity of such fuel so obtained, the quantity used and quantity on hand, and cost of the fuel classified as to the nature of the costs and expenses incurred with appropriate adjustment for the inventories at beginning and end of year.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Item (a)	Total Cost (b)	KINDS OF FUEL AND OIL	
			Coal	
			Quantity (c)	Cost (d)
1	On hand beginning of year	570,651		
2	Received during year	0		
3	TOTAL	570,651		
4	Used during year (specify department)	36,730		
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	Sold or transferred			
16	TOTAL DISPOSED OF	0		
17	BALANCE END OF YEAR	533,921		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2014	December 31, 2013

PRODUCTION FUEL AND OIL STOCKS (Included in Account 151 (Continued))

KINDS OF FUEL AND OIL (Continued)

Quantity (e)	Cost (f)	Quantity (g)	Cost (h)	Quantity (i)	Cost (j)	Line No.
244,286	570,651					1
0	0					2
244,286	570,651					3
17,420	36,730					4
						5
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226,866	533,921					17

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013
MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)			
1. Give description and amount of other current and accrued assets as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Ad Valorem Property Taxes	5,296,730	
2	MI Energy Optimization	185,675	
3	AP Accrual Pending Final Distribution	14,033	
4			
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25	TOTAL	5,496,438	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1	Warden Ash Site Monitoring	935,000			55,000	880,000
2						
3	Minimum Pension Liability Adjustment	70,671,408	50,692,839	Various	75,126,281	46,237,966
4						
5	ARO Depr/Accr NonRate Base	678,448	30,655	108	30,512	678,591
6						
7	ARO COR Rate Base	(187,302)		254	6,166	-193,468
8						
9	Derivatives	57,144	93,678	244	50,038	100,784
10						
11	Autrain	2,071,496		407	813,209	1,258,287
12						
13	Cataract	1,521,053		407	380,263	1,140,790
14						
15	Deferred Tax 2010 Healthcare	1,836,001	56,799			1,892,800
16						
17	Decoupling	1,175,684	618,630	456	1,104,437	689,877
18						
19						
20	See Footnote					
21						
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43						
44	TOTAL :	78,758,932	51,492,601		77,565,906	52,685,627

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

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

Formula Rate Regulatory Assets - Allocable to Distribution, Average of Line 3, Columns (b) and (f).

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

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Warden Ash Site Cost	130,648	31,131	511	24,055	137,724
2						
3	Work Orders	84,543	243,589	Various	252,301	75,831
4						
5	Minor Items	1,974	10			1,984
6						
7	Other Deferred Credits	189,454		174	189,454	
8						
9						
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44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	406,619				215,539

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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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	Plant	2,214,353	81,534	75,929
3	Other Than Plant	4,844,196	4,989,464	1,685,330
4	Plant (FAS 109)	210,428		
5	Other Than Plant (FAS 109)			
6				
7	Other			
8	TOTAL (Account 190) (Enter total of lines 2 thru 7)	7,268,977	5,070,998	1,761,259
9	Gas			
10	Plant			
11	Other Than Plant			
12	Plant (FAS 109)			
13	Other Than Plant (FAS 109)			
14				
15	Other			
16	TOTAL Gas (Enter total of lines 10 thru 15)			
17	Other (Specify) - Nonutility	6,003		
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	7,274,980	5,070,998	1,761,259
19	Classification of Total:			
20	Federal Income Tax	5,489,249	4,532,199	1,532,413
21	State Income Tax	1,785,731	538,799	228,846
22	Local Income Tax			

NOTES

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

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

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

4. In the space provided below, identify by amount

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
			3,489,529			2,208,749	1
						5,029,590	2
					19,163	191,265	3
							4
							5
							6
							7
0	0		3,489,529		19,163	7,429,604	8
							9
							10
							11
							12
							13
							14
							15
93,555	202,527					114,975	16
93,555	202,527	0	3,489,529	0	19,163	7,544,579	17
							18
93,555	202,527		3,168,127		18,385	5,748,177	19
			321,412		778	1,796,402	20
							21
							22

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013	
UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257)				
1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars of gain and loss on reacquisition applicable to each class and series of long-term debt, including maturity date. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.		2. In column (c) show the principal amount of bonds or other long-term debt reacquired. 3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 16 of the Uniform System of Accounts.		
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Princ. Amt. Of Debt Reacquired (c)	Net Gain or Net Loss (d)
1	Unamortized Loss on Reacquired Debt			
2	Early Retirement of First Mortgage Bond 10.75%	8/1/1999	3,150,000	(81,375)
3	Early Retirement of First Mortgage Bond 9.32%	11/1/2011	9,400,000	(3,252,679)
4				
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013

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

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

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

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
22,604		3,875	18,729	1
2,743,223		470,267	2,272,956	2
				3
				4
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of <u>2013/Q4</u>
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CAPITAL STOCKS (Account 201 and 204)

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

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock Without Par	3,000,000	9.00	
2				
3	Cumulative Preferred Stock	300,000		
4				
5	Cumulative Preference Stock	1,000,000	1.00	
6				
7	NOTE: Respondent's common stock is held			
8	entirely by its parent holding company,			
9	Integrus Energy Group, Inc.			
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,473,736	13,263,624					1
						2
						3
						4
						5
						6
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013
CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 & 205, 203 & 206, 207, 212)			
<p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed</p>		<p>under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of the year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p>	
Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	Account 207 - Premium on Capital Stock		
2			
3	Common Stock	1,090,736	8,612,904
4	Capital Returned to Parent		(6,500,000)
5	APIC - Def Comp Distributions		11,824
6	APIC - Def Comp/Stk Opt Tax Eff.		8,504
7	Deferred Comp Fixed Stock		(3,314)
8	Deferred Comp Fixed Stock - Dividends		(1,333)
9	Restricted Common Stock		(3,274)
10	Performance Shares Payout and Restricted Stock Vest		79,840
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40	TOTAL	1,090,736	2,205,151

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
OTHER PAID - IN CAPITAL (Accounts 208-211, inc.)			
<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (account 209)-State amount and give brief explanation</p>		<p>of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) <i>Gain on Resale or Cancellation of Reacquired Capital Stock</i> (Account 210)-Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(d) <i>Miscellaneous Paid-In Capital</i> (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.</p>	
Line No.	Item (a)	Amount (b)	
1	Account 210 - Gain on Reacquired Capital Stock	40,250	
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35	TOTAL	40,250	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Bonds (Account 221)		
2			
3			
4			
5	Advances from Affiliates (Account 223)		
6	6.059% Note	15,000,000	
7	5.041% Note	15,000,000	
8	3.35% Note	10,000,000	
9	3.99% Note	20,000,000	
10	5.25% Note	15,000,000	
11			
12			
13			
14			
15			
16			
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19			
20			
21			
22			
23			
24			
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26			
27			
28			
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30			
31			
32			
33	TOTAL	75,000,000	

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

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

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
10/01/2007	10/1/2017			15,000,000	922,735	6
04/30/2010	04/30/2020			15,000,000	757,531	7
11/01/2011	11/01/2018			10,000,000	335,612	8
08/29/2013	08/01/2023			20,000,000	266,000	9
08/29/2003	08/29/2013				526,849	10
						11
						12
						13
						14
						15
						16
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						30
						31
						32
				60,000,000	2,808,727	33

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 10 Column: a
Matured August 29, 2013, new debt issued in the amount of \$20,000,000 at 3.99%.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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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	Short Term Notes Payable to Affiliates	11,925,000	73,125,000	70,100,000	8,900,000	33,470
3						
4		11,925,000	73,125,000	70,100,000	8,900,000	
5	Account 234					
6	Wisconsin Public Service Corporation	2,203,233	45,311,887	45,540,918	2,432,264	
7	Integrus Energy Group, Inc.	1,205,815	6,230,060	5,882,348	858,103	
8	Integrus Business Support, LLC	1,155,179	32,124,510	32,193,940	1,224,609	
9	WPS Investments, LLC	0	6,671	8,201	1,530	
10		4,564,227	83,673,128	83,625,407	4,516,506	
11						
12						
13						
14						
15						
16						
17						
	TOTAL				13,416,506	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	(Mo, Da, Yr) 08/26/14	December 31, 2013

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

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

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

Line No.		TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
5	Net income for the year (page 117 line 68)	10,177,959
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	5,956,515
8		
9	Total pre-tax income	16,134,474
10		
11	Add: Taxable income not reported on books:	
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return	2,130,921
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	(7,131,715)
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	(12,856,034)
24	Schedule M (Addition of Taxable Income)	
25		
26	Federal taxable income for the year	(1,722,354)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) [] An Original (2) [X] A Resubmission	(Mo, Da, Yr) 08/26/14	December 31, 2013

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

3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2
4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.

Utility	Other	Line No.
		1
		2
		3
		4
		5
		6
5,312,569	643,946	7
		8
5,312,569	643,946	9
		10
		11
		12
		13
		14
2,114,415	16,506	15
		16
		17
		18
(5,237,289)	(1,894,426)	19
		20
		21
		22
(11,192,078)	(1,663,956)	23
		24
		25
(9,002,383)	(2,897,930)	26

Name of Respondent		This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company		(1) [] An Original (2) [X] A Resubmission	(Mo, Da, Yr) 08/26/14	December 31, 2013
FOOTNOTE DATE				
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)	
261	24	(a)	BENEFITS & INCENTIVES Benefits & Incentives Accrued (3,418,290) CGL & NOL Gain/Loss OTHER Bad Debts (174,000) Contingent Liabilities Customer Advances (577,224) Deferred Income & Deductions (13,382) Interest 417,443 Lobbying 15,927 Meals & Entertainment 12,690 Penalties 579 Price Risk Hedging (7,398) State Tax Deduction PLT-INVEST IN WPSI Intangibles (NPL) (38,080) Partnerships & Equity Invest (1,898,152) STATE TAX LIABILITY (408,599) PLT-CUSTOMER ADVANCES PLT-INTANGIBLES Basis Adjustment (CWIP) Basis Adjustment (PLT) PLT-OTHER Depreciation (13,296,034) Depreciation (ADJ-TAX SYS) 440,000 Gains and Losses (PLT) Removal REGULATORY DEFERRALS Environment Cleanup (383,026) Regulatory Assets (CUR) 946,369 Regulatory Assets (NC) 547,236 Regulatory Liabilities (CUR) Regulatory Liabilities (NC) 133,979 TAXES - OTHER (156,866) TOTAL M-1 ADJUSTMENTS <u><u>(17,856,828)</u></u>	

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal Income Tax	5,825	874,984	-74,190	1,388,568	-620,642
2	Michigan Income Tax		467,520	304,734	147,390	190,917
3	Wisconsin Income Tax		9,332	-2,639	16,410	-20,943
4	Minnesota Income Tax		158	-218	633	18
5	Illinois Income Tax		-72	361	761	
6	North Carolina Income Tax			1,000	2,000	
7	District of Columbia Inc. Tax				150	
8	Federal Excise Tax		1,576	2,236	660	
9	Federal Highway Use Tax		315	525	210	
10	FICA	32,013		569,732	576,916	
11	FUTA			3,388	3,364	
12	State of Michigan TOTIT					
13	Unauthorized Insurance Tax		12,369	18,680	18,699	
14	Unemployment			40,851	40,692	
15	Other States TOTIT					
16	Payroll Tax Billed			285,038	285,038	
17	Use Tax			8,118	8,118	
18	WI Recycling Fee & Other			744	744	
19	Local MI TOTIT					
20	Real Estate & Personal Prop	5,039,590		5,488,917	5,229,544	
21						
22						
23						
24						
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28						
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30						
31						
32						
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36						
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39						
40						
41	TOTAL	5,077,428	1,366,182	6,647,277	7,719,897	-450,650

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
	3,052,635	-658,389	-751,335	-1,409,723		1
	501,093	337,407	-32,672	304,735		2
	7,439	-5,179	2,541	-2,639		3
	1,027	-217	-1	-218		4
	328		361	361		5
	1,000		1,000	1,000		6
	150					7
		2,236				8
		525				9
24,829		569,732				10
25		3,388				11
						12
	12,388	18,680				13
159		40,851				14
						15
		285,038				16
		8,118				17
		744				18
						19
5,298,963		5,002,957			485,960	20
						21
						22
						23
						24
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						39
						40
5,323,976	3,576,060	5,605,891	-780,106	-1,106,484	485,960	41

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

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

FICA	\$255,231
FUTA	3,419
SUTA	26,388
	\$285,038

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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%	58,420			411.4	4,627	
4	7%						
5	10%	459,000			411.4	36,307	
6		1,437,963			411.4	34,773	
7							
8	TOTAL	1,955,383				75,707	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	Electric from Above	1,955,383				75,707	
11	Electric Sub Total	1,955,383				75,707	
12	Non-Utility	17,153			411.5	467	
13	Total	17,153				467	
14							
15							
16							
17							
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48							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
53,793	44.8 Years		3
			4
422,693	44.8 Years		5
1,403,190	51.4 Years		6
			7
1,879,676			8
			9
1,879,676			10
1,879,676			11
16,686	39.0 Years		12
16,686			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
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			48

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)			
1. Give description and amount of other current and accrued liabilities as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Curr & Accr Liab 401K Serv Acc	211,007	
2	ESOP - Company Contribution	4,904	
3	Incurred but Not Reported Workers Comp	3,811	
4	Current Pension Obligation	89,303	
5	Current Sick Pay Plan Obligation	25,485	
6	Current Pension Restoration	30,816	
7	Current Post Retirement Obligation	25,488	
8	Curr & Accr Liability Vacation Pay Accrual	795,916	
9	Accrued Wages	243,770	
10	Health Care/Life Accrual	148,461	
11	Misc Liability - Legal & Audit	200,000	
12	Accrued Injuries and Damages Claim Liability	13,821	
13	Accrued Pay at Risk	103,089	
14	Deferred Revenue 2013	182,215	
15	Accrued Workers Comp Claim Liability	31,617	
16			
17			
18			
19			
20			
21			
22	TOTAL	2,109,703	

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)		
Line No.	List Advances by department (a)	Balance End of Year (b)
23	Electric	2,719,108
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	2,719,108

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Bond Falls Mitigation	199,253	Various	236,779	284,920	247,394
2						
3	P.I. Ash Site	424,091	511	424,091		
4						
5	Outstanding Checks Cancelled	2,543	232	1,666	1,092	1,969
6						
7	Warden Ash Site	935,000	511	55,000		880,000
8						
9	Sick Leave Term. Pay	396,625	various	106,346	33,916	324,195
10						
11	Deferred Comp	280,115	926	74,135	72,091	278,071
12						
13	Restricted Common Stock	6,304	926	7,676	10,456	9,084
14						
15						
16						
17						
18						
19						
20						
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24						
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45						
46						
47	TOTAL	2,243,931		905,693	402,475	1,740,713

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of <u>2013/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	41,708,304	4,846,144	1,572,805
3	Gas			
4	Non Utility	8,481,730		
5	TOTAL (Enter Total of lines 2 thru 4)	50,190,034	4,846,144	1,572,805
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	50,190,034	4,846,144	1,572,805
10	Classification of TOTAL			
11	Federal Income Tax	45,643,346	4,677,039	1,497,773
12	State Income Tax	4,546,688	169,105	75,032
13	Local Income Tax			

NOTES

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

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		254/282	777,000	254/282-283	169,469	44,374,112	2
							3
1,656,037	111,455			254/282	6,318	10,032,630	4
1,656,037	111,455		777,000		175,787	54,406,742	5
							6
							7
							8
1,656,037	111,455		777,000		175,787	54,406,742	9
							10
1,630,174	108,958		777,000		143,104	49,709,932	11
25,863	2,497				32,683	4,696,810	12
							13

NOTES (Continued)

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Electric			
2	Plant			
3	Other Than Plant	18,259,757	1,094,022	1,973,537
4	Other Than Plant (FAS 109)			
5				
6	Other			
7	TOTAL Electric (total of lines 2 thru 6)	18,259,757	1,094,022	1,973,537
8	Gas			
9	Plant			
10	Other Than Plant			
11	Other Than Plant (FAS 109)			
12				
13	Other			
14	TOTAL Gas (Total of lines 9 thru 13)			
15	Other (Specify) Nonutility			
16	TOTAL (Account 283) (Enter total of lines 7, 14 and 15)	18,259,757	1,094,022	1,973,537
17	Classification of TOTAL			
18	Federal Income Tax	16,134,218	991,810	1,711,807
19	State Income Tax	2,125,539	102,212	261,730
20	Local Income Tax			

NOTES

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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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	Line No.
		DEBITS		CREDITS			
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
				254/ 282	4,256,553	21,636,795	3
							4
							5
							6
0	0		0		4,256,553	21,636,795	7
							8
							9
							10
							11
							12
							13
0	0		0		0	0	14
							15
0	0		0		4,256,553	21,636,795	16
							17
					3,944,442	19,358,663	18
					312,111	2,278,132	19
							20

NOTES (Continued)

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Derivatives	120,507	175	334,703	242,417	28,221
2						
3	Decoupling	273,456		55,475		217,981
4						
5	Deferred Taxes	590,498	254	131,830		458,668
6						
7						
8						
9	See Footnote					
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	984,461		522,008	242,417	704,870

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

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

Formula Rate Regulatory Liabilities - Allocable to Distribution, Average of Line 5, Columns (b) and (f).

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

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013

PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.

2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.

3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income, before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.

5. Equity in earnings of subsidiary companies (Account 418.1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.

6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.

7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.

Line No.	Item (a)	Amount (b)
1	Revenues from Nonutility Operations	
2	Revenue from Renewable Energy Credit Sales	330,415
3	Revenues from Operation of Escanaba Hydros	771,850
4	Operations Expense Escanaba River Hydros	358,827
5	Maintenance Expense from Escanaba River Hydros	807,953
6	Subtotal 417	(64,515)
7		
8	Non-Operating Rental Income	
9	Land Lease Income	350
10	Subtotal 418	350
11		
12	Equity in Earnings of Subsidiary Companies	
13	Equity Earning of Subsidiary - American Transmission	2,216,768
14	Subtotal 418.1	2,216,768
15		
16	Interest and Dividend Income	
17	Interest on Miscellaneous	1,538
18	Subtotal 419	1,538
19		
20	Miscellaneous Non-Operating Income	
21	Non-Utility Land Costs	(210)
22	Unrealized Gain on Derivatives	1,312
23	Miscellaneous Non Operating Income	355
24	Gain on ETF	74,772
25	Subtotal 421	76,229
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		2,230,370

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

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

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	55,413,612	50,872,881
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	33,799,110	34,824,544
5	Large (or Ind.) (See Instr. 4)	19,728,395	17,492,191
6	(444) Public Street and Highway Lighting	1,546,527	1,466,495
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	110,487,644	104,656,111
11	(447) Sales for Resale	2,615,617	1,879,335
12	TOTAL Sales of Electricity	113,103,261	106,535,446
13	(Less) (449.1) Provision for Rate Refunds	-193,655	-915,232
14	TOTAL Revenues Net of Prov. for Refunds	113,296,916	107,450,678
15	Other Operating Revenues		
16	(450) Forfeited Discounts	76,682	77,404
17	(451) Miscellaneous Service Revenues	98,053	86,009
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	346,496	190,195
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	593,443	1,918,110
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	1,114,674	2,271,718
27	TOTAL Electric Operating Revenues	114,411,590	109,722,396

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of <u>2013/Q4</u>
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ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
270,031	262,628	46,206	46,178	2
				3
219,948	241,257	5,555	5,529	4
347,389	328,429	10	10	5
5,069	5,163	179	179	6
				7
				8
				9
842,437	837,477	51,950	51,896	10
38,585	21,351	19	36	11
881,022	858,828	51,969	51,932	12
				13
881,022	858,828	51,969	51,932	14

Line 12, column (b) includes \$ 0 of unbilled revenues.
Line 12, column (d) includes 0 MWH relating to unbilled revenues

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 11 Column: b
Includes \$1,360,991 for FERC Order 668-A.

Schedule Page: 300 Line No.: 11 Column: c
Includes \$686,031 for FERC Order 668-A.

Schedule Page: 300 Line No.: 11 Column: d
Includes 37,940 Mwh for FERC Order 668-A.

Schedule Page: 300 Line No.: 11 Column: e
Includes 20,252 MWH for FERC Order 668-A.

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	440 Residential Sales					
2	A-1 Residential	216,700	45,193,716	39,435	5,495	0.2086
3	A-2 Residential	17,723	3,444,035	3,226	5,494	0.1943
4	AH-1 Electric Heat	34,306	6,162,287	3,545	9,677	0.1796
5	AH-2 Electric Heat	28	4,815			0.1720
6	Z-1&3 Dusk to Dawn	599	220,759			0.3685
7	Z-2&4 Dusk to Dawn	72	21,015			0.2919
8	Total	269,428	55,046,627	46,206	5,831	0.2043
9	442 Commercial & Industrial					
10	C-1 General Commercial	53,353	10,130,290	4,362	12,231	0.1899
11	C-2 General Commercial	5,643	1,050,121	393	14,359	0.1861
12	H-1 Commercial Heating	8,056	1,174,014	230	35,026	0.1457
13	H-2 Commercial Heating	46	7,834			0.1703
14	P-1 Light & Power	92,440	13,113,782	509	181,611	0.1419
15	RTMP	253,678	11,443,135	2	126,839,000	0.0451
16	CP-I Commercial	17	1,518			0.0893
17	CP-I Interruptible Rider	6	638	16	375	0.1063
18	WP-3	24,115	1,651,592	1	24,115,000	0.0685
19	Z-1&3 Dusk to Dawn	521	169,616			0.3256
20	Z-2&4 Dusk to Dawn	81	23,212			0.2866
21	Naturewise		111			
22	C-1 Commercial	13	2,379			0.1830
23	C-2 Commercial-IR	3	475			0.1583
24	CPU(PRI)	5,234	809,824	6	872,333	0.1547
25	CPU(SEC)	61,538	7,409,423	45	1,367,511	0.1204
26	CPU(SECV)	53,734	5,221,950	9	5,970,444	0.0972
27	CPU(TRANV)	15,237	1,366,831	1	15,237,000	0.0897
28	Total	573,715	53,576,745	5,574	102,927	0.0934
29	444 Public Street Hwy Light	5,069	1,546,527	179	28,318	0.3051
30	Total	5,069	1,546,527	179	28,318	0.3051
31	Unbilled Revenue by					
32	Revenue Class:					
33	Residential	604	366,985			0.6076
34	Comm & Industrial	-613	-49,240			0.0803
35			3			
36						
37						
38						
39						
40						
41	TOTAL Billed	848,211	110,169,899	51,959	16,325	0.1299
42	Total Unbilled Rev.(See Instr. 6)	-5,774	317,745	0	0	-0.0550
43	TOTAL	842,437	110,487,644	51,959	16,213	0.1312

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 6 Column: d
No count customer.

Schedule Page: 304 Line No.: 7 Column: d
No count customer.

Schedule Page: 304 Line No.: 17 Column: c
Interruptible Demand Revenue \$1,166,089

Schedule Page: 304 Line No.: 19 Column: d
No count customer.

Schedule Page: 304 Line No.: 20 Column: d
No count customer.

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of <u>2013/Q4</u>
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SALES FOR RESALE (Account 447)

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Detroit Edison Energy					
2	Renewable Energy Credits	OS				
3						
4	Midcontinent ISO (MISO)					
5	General Purpose	OS	1			
6	Ancillary Services	OS	1			
7	MISO Voluntary Capacity Auction	OS	1			
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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SALES FOR RESALE (Account 447) (Continued)

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
			1,089,966	1,089,966	2
					3
					4
38,585		1,377,001		1,377,001	5
			142,884	142,884	6
	5,766			5,766	7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
38,585	5,766	1,377,001	1,232,850	2,615,617	
38,585	5,766	1,377,001	1,232,850	2,615,617	

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 2 Column: j
Renewable Energy Credit

Schedule Page: 310 Line No.: 5 Column: c
Market Based Rate Tariff Vol. No. 1.

Schedule Page: 310 Line No.: 5 Column: g
Midcontinent ISO ("MISO") - Non-firm service. Includes adjustment for compliance with FERC Order 668-A. The megawatt hours reported are the total megawatt hours sold to MISO. The megawatt hour sales when netted on an hourly basis with the megawatt hours purchased from MISO are 645.

Schedule Page: 310 Line No.: 5 Column: i
MISO - Non-firm service. Includes adjustment for compliance with FERC Order 668-A. The dollars reported are the total dollars sold to MISO. The dollar sales when netted on an hourly basis with the dollars purchased from MISO are \$16,010.

Schedule Page: 310 Line No.: 6 Column: c
Market Based Rate Tariff Vol. No. 1.

Schedule Page: 310 Line No.: 6 Column: j
Ancillary Services - Schedule 2 Firm Sales.

Schedule Page: 310 Line No.: 7 Column: c
Market Based Rate Tariff Vol. No. 1.

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures	-400,037	27,671
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)	-400,037	27,671
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	-400,037	27,671
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering	966,145	902,786
45	(536) Water for Power		
46	(537) Hydraulic Expenses	795,666	590,715
47	(538) Electric Expenses	108,509	137,074
48	(539) Miscellaneous Hydraulic Power Generation Expenses	37,598	61,808
49	(540) Rents	114,851	116,897
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	2,022,769	1,809,280
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	253,500	180,915
54	(542) Maintenance of Structures	31,300	40,535
55	(543) Maintenance of Reservoirs, Dams, and Waterways	514,728	282,753
56	(544) Maintenance of Electric Plant	283,222	218,230
57	(545) Maintenance of Miscellaneous Hydraulic Plant	315	912
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	1,083,065	723,345
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	3,105,834	2,532,625

Name of Respondent Upper Peninsula Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	36,617	61,776	
63	(547) Fuel	36,730	76,889	
64	(548) Generation Expenses	20,088	21,201	
65	(549) Miscellaneous Other Power Generation Expenses	21,214	10,578	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	114,649	170,444	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	12,565	107,876	
70	(552) Maintenance of Structures	672	1,516	
71	(553) Maintenance of Generating and Electric Plant	9,188	614,454	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	7,305	24,399	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	29,730	748,245	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	144,379	918,689	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	41,261,691	39,399,737	
77	(556) System Control and Load Dispatching	791,700	881,347	
78	(557) Other Expenses			
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	42,053,391	40,281,084	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	44,903,567	43,760,069	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering			
84				
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System			
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services	248,452	278,254	
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services	9,437	10,698	
93	(562) Station Expenses			
94	(563) Overhead Lines Expenses			
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	7,632,946	7,199,998	
97	(566) Miscellaneous Transmission Expenses			
98	(567) Rents			
99	TOTAL Operation (Enter Total of lines 83 thru 98)	7,890,835	7,488,950	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures			
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment			
108	(571) Maintenance of Overhead Lines			
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant			
111	TOTAL Maintenance (Total of lines 101 thru 110)			
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	7,890,835	7,488,950	

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	90,008	88,803
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	90,008	88,803
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)	90,008	88,803
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	969,298	1,029,039
135	(581) Load Dispatching	782,145	729,615
136	(582) Station Expenses	634,741	680,128
137	(583) Overhead Line Expenses	157,819	282,645
138	(584) Underground Line Expenses	-116,535	24,057
139	(585) Street Lighting and Signal System Expenses	69,149	38,814
140	(586) Meter Expenses	456,975	434,969
141	(587) Customer Installations Expenses	947	966
142	(588) Miscellaneous Expenses	1,604,445	1,426,128
143	(589) Rents	76,943	66,569
144	TOTAL Operation (Enter Total of lines 134 thru 143)	4,635,927	4,712,930
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	122,823	80,986
147	(591) Maintenance of Structures	288,735	310,123
148	(592) Maintenance of Station Equipment	925,730	682,678
149	(593) Maintenance of Overhead Lines	5,103,323	4,936,046
150	(594) Maintenance of Underground Lines	300,680	433,993
151	(595) Maintenance of Line Transformers	19,987	35,636
152	(596) Maintenance of Street Lighting and Signal Systems	55,276	75,414
153	(597) Maintenance of Meters	13,589	6,793
154	(598) Maintenance of Miscellaneous Distribution Plant	6,038	7,397
155	TOTAL Maintenance (Total of lines 146 thru 154)	6,836,181	6,569,066
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	11,472,108	11,281,996
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	164,558	161,532
160	(902) Meter Reading Expenses	836,190	784,136
161	(903) Customer Records and Collection Expenses	1,674,695	1,673,012
162	(904) Uncollectible Accounts	570,423	-89,772
163	(905) Miscellaneous Customer Accounts Expenses	37,636	29,179
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	3,283,502	2,558,087

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report
Upper Peninsula Power Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2013	End of <u>2013/Q4</u>
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision	15,147	21,869		
168	(908) Customer Assistance Expenses	2,324,664	240,640		
169	(909) Informational and Instructional Expenses	152,871	111,450		
170	(910) Miscellaneous Customer Service and Informational Expenses				
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	2,492,682	373,959		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	3,163,204	3,187,030		
182	(921) Office Supplies and Expenses	765,605	840,651		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	375,984	290,302		
185	(924) Property Insurance	210,714	216,212		
186	(925) Injuries and Damages	461,166	385,395		
187	(926) Employee Pensions and Benefits	5,305,275	4,552,443		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	303,240	369,222		
190	(929) (Less) Duplicate Charges-Cr.	549,168	595,925		
191	(930.1) General Advertising Expenses	62	1,655		
192	(930.2) Miscellaneous General Expenses	906,905	1,200,506		
193	(931) Rents	393,554	418,714		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	11,336,541	10,866,205		
195	Maintenance				
196	(935) Maintenance of General Plant				
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	11,336,541	10,866,205		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	81,469,243	76,418,069		

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

Schedule Page: 320 Line No.: 76 Column: b
Includes \$1,360,991 for FERC Order 668-A.

Schedule Page: 320 Line No.: 76 Column: c
Includes \$686,031 for FERC Order 668-A.

Schedule Page: 320 Line No.: 88 Column: b
Account 561.4 (561.BA) includes \$100,475 of expenses incurred related to Balancing Authority functions performed in connection with membership in the MISO. This amount is eligible for recovery through MISO's filing ER06-27-000, dated October 4, 2005.

Schedule Page: 320 Line No.: 88 Column: c
Account 561.4 (561.BA) includes \$90,867 of expenses incurred related to Balancing Authority functions performed in connection with membership in the MISO. This amount is eligible for recovery through MISO's filing ER06-27-000, dated October 4, 2005.

Schedule Page: 320 Line No.: 121 Column: b
MISO Day 2 administrative fees (Schedules 16 & 17) of \$85,507 are included in this total.

Schedule Page: 320 Line No.: 121 Column: c
MISO Day 2 administrative fees (Schedules 16 & 17) of \$83,702 are included in this total.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2014	Year of Report December 31, 2013
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)			12/21/2013
2. Total Regular Full-Time Employees			118
3. Total Part-Time and Temporary Employees			0
4. Total Employees			118

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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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PURCHASED POWER (Account 555)
(including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Cargill Power Markets LLC	OS				
2	New Page Corporation	SF				
3	MISO	OS				
4	Parallel Generation	OS				
5	UP Hydro LLC	OS				
6	Northern States Power	SF				
7	White Pine	LF				
8	Wisconsin Public Service FERC RS74	RQ				
9						
10						
11						
12						
13						
14						
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

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

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

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

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

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$ (j))	Energy Charges (\$ (k))	Other Charges (\$ (l))	Total (j+k+l) of Settlement (\$ (m))	
102,000				3,787,260		3,787,260	1
28				1,024		1,024	2
301,589				11,415,961		11,415,961	3
30				5,144		5,144	4
5,186				351,333		351,333	5
			375			375	6
			2,942,100			2,942,100	7
435,168			12,455,490	10,292,097	10,907	22,758,494	8
							9
							10
							11
							12
							13
							14
844,001			15,397,965	25,852,819	10,907	41,261,691	

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)

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

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

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

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report particulars concerning rents received included in Accounts 454 and 455.</p> <p>2. Minor rents may be grouped by classes.</p> <p>3. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account</p> | <p>represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 and 455.</p> <p>4. Designate 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	Account 454		
17			
18			
19			
20			
21			
22			
23			
24			
25			
19	Pole Contact Rental		338,096
20	Land Rent		8,400
26			
27			
28			
29	Total		346,496

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013	
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 2 3 4 5 6 7 8 9	None			
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 12 13	Miscellaneous Service Revenues Acct 451	
14	Service Charges	94,070
15	Temporary Service	3,983
16		98,053
17		
18	Other Electric Revenues Acct 456	
19	Decoupling Revenue	(430,332)
20	Wholesale Distribution Services	937,313
21	Telephone Company Poles & Related Services	15,344
22	Other Miscellaneous Items	71,116
23		593,441
24 25 26 27 28 29		
30	TOTAL	691,494

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

- Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
- In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
- In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
- Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
- Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
- Enter "TOTAL" in column (a) as the last line.
- Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Received Power from:							
2								
3	Midwest ISO Network	OS	882,356		1,373,960			1,373,960
4	American Transmission	FNS				6,261,394		6,261,394
5	PJM Interconnection	LFP					-2,408	-2,408
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		882,356		1,373,960	6,261,394	-2,408	7,632,946

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 4 Column: a

Upper Peninsula Power Company owns a minority interest in American Transmission Company through our equity ownership in WPS Investments, LLC.

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	72,158
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	48,650
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Cost of Capital and Billed Depreciation	729,688
7	IBS Allocations	-78,925
8	Misc Items under \$5,000 each	135,334
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46	TOTAL	906,905

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of <u>2013/Q4</u>
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			150,141		150,141
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	2,624,671				2,624,671
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	180,426				180,426
7	Transmission Plant					
8	Distribution Plant	4,475,415				4,475,415
9	Regional Transmission and Market Operation					
10	General Plant	686,804				686,804
11	Common Plant-Electric					
12	TOTAL	7,967,316		150,141		8,117,457

B. Basis for Amortization Charges

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
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Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

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

Hydraulic Production - Conventional	\$149,077
Distribution	1,064
	\$150,141

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2014	December 31, 2013

**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	-
3		
4	Donations (426.1)	
5	St. Vincent De Paul	\$ 6,200
6	United Way Marquette County	3,948
7	Salvation Army	2,550
8	Copper Country United Way	2,212
9	United Way Delta County	1,976
10	Gogebic Range United Way	1,534
11	Little Brothers Friends of the Elderly	1,500
12	Blue Key Honor Society	1,250
13	Upper Peninsula Substance Enforcement Team	1,000
14	Miscellaneous Donations Under \$1,000 Each	41,197
15	Total 426.1	\$ 63,367
16	Penalties (426.3)	
17	Penalties Allocated from IBS	\$ 329
18	Customer Outage Penalties	250
19	Total - 426.3	\$ 579
20		
21	Expenses for Certain Civil, Political, & Related Activities (426.4)	
22	Labor Expenses	\$ 4,522
23	Memberships	13,868
24	Professional Services	1,750
25	Total - 426.4	\$ 20,140
26		
27	Other Deductions (426.5)	
28	Escanaba Settlement	\$ 110,811
29	Unrealized Derivative Contracts	(6,086)
30	Total - 426.5	\$ 104,725
31	Other Interest Expense (431)	
32	Other Interest Expense	\$ 3,473
33	Interest on Electric Refunds	54,281
34	Customer Deposits	10,029
35	Tax Adjustments	(56,782)
36	Def Comp Reserv. - Allow Ratemaking	4,420
37	Total - 431	\$ 15,421
38		
39		
40		\$ 204,232

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2014	December 31, 2013

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		\$
2	Federal Lobby Activities	
3	Memberships	\$12,827
4		
5		
6	State Lobby Activities	
7	Memberships	1,041
8	Professional Services	1,750
9	Labor and Expenses	4,522
10		\$7,313
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32	TOTAL	\$20,140

REGULATORY COMMISSION EXPENSES

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

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission	64,217	4,165	68,382	
2	Michigan Public Service Commission	190,146	9,960	200,106	
3	North American Electric Reliability Commission	34,752		34,752	
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46	TOTAL	289,115	14,125	303,240	

REGULATORY COMMISSION EXPENSES (Continued)

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

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
	928	68,382					1
	928	200,105					2
	928	34,752					3
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		303,239					46

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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DISTRIBUTION OF SALARIES AND WAGES

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	827,128		
4	Transmission			
5	Regional Market			
6	Distribution	2,632,646		
7	Customer Accounts	710,699		
8	Customer Service and Informational	133,159		
9	Sales			
10	Administrative and General	45,449		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	4,349,081		
12	Maintenance			
13	Production	196,971		
14	Transmission			
15	Regional Market			
16	Distribution	2,285,519		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	2,482,490		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	1,024,099		
21	Transmission (Enter Total of lines 4 and 14)			
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	4,918,165		
24	Customer Accounts (Transcribe from line 7)	710,699		
25	Customer Service and Informational (Transcribe from line 8)	133,159		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	45,449		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	6,831,571	276,172	7,107,743
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminating and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminating and Processing			
47	Transmission			

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	6,831,571	276,172	7,107,743
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	1,805,732	121,310	1,927,042
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	1,805,732	121,310	1,927,042
72	Plant Removal (By Utility Departments)			
73	Electric Plant			
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)			
77	Other Accounts (Specify, provide details in footnote):			
78	Non-utility CWIP	20,223	609	20,832
79	Billed to Customers	412,038	10,146	422,184
80	Other Income and Deductions	309,663		309,663
81	Billed to Subsidiaries	38,395		38,395
82	Clearing Accounts	369,039	-408,237	-39,198
83	Vacation Taken or Paid	6,899		6,899
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	1,156,257	-397,482	758,775
96	TOTAL SALARIES AND WAGES	9,793,560		9,793,560

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2014	December 31, 2013

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 \$50,000, including payments for legislative services, except those which should be reported

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

(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	Account #	Amount
1	A. Lindberg & Sons, Inc.	Construction Services	Billable Hours	121, 588	112,680
2	599 Washington Street				
3	Ishpeming, MI				
4					
5	ABB, Inc.	Construction Services	Billable Hours	107, 592	69,396
6	1501 Ardmore Blvd., Ste. 600				
7	Pittsburgh, PA				
8					
9	AECOM Technical Services, Inc.	Construction Services	Billable Hours	107, 121, 417,	168,938
10	1035 Kepler Drive			535, 541, 588	
11	Green Bay, WI				
12					
13	Altec Industries, Inc.	Construction Services	Billable Hours	107	149,201
14	5201 W. 84th Street				
15	Indianapolis, IN				
16					
17	Asplundh Tree Expert Co.	Tree Trimming Services	Billable Hours	107, 417, 535,	2,293,340
18	5907 Municipal Street			593	
19	Schofield, WI				
20					
21	Associated Constructors LLC	Construction Services	Billable Hours	107, 535, 541,	76,465
22	P. O. Box 970			588	
23	Marquette, MI				
24					
25	Bacco Construction Co.	Construction Services	Billable Hours	107	453,743
26	N3660 N US 2				
27	Iron Mountain, MI				
28					
29	Broadspire Services Inv	Worker's Compensation	Billable Hours	143, 228, 232,	91,323
30	1001 Summit Blvd., Ste. 500	Services		925	
31	Atlanta, GA				
32					
33	Cartus Corp.	Relocation Services	Billable Hours	921	55,972
34	40 Apple Ridge Road				
35	Danbury, CT				

Name of Respondent	This Report Is:	Date of Report	Year of Report
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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 \$50,000, including payments for legislative services, except those which should be reported

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

(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	Account #	Amount
1	Coleman Engineering Co.	Engineering Services	Billable Hours	107	308,109
2	635 Circle Drive				
3	Iron Mountain, MI				
4					
5	Collins & Baker Engineering	Engineering Services	Billable Hours	121, 417, 535	61,180
6	BTC Box 506				
7	Rock Hill, SC				
8					
9	Deloitte & Touch LLP	Accounting, Auditing, and	Billable Hours	923	95,961
10	111 S. Wacker Drive, Ste. 1200	Tax Services			
11	Chicago, IL				
12					
13	Fox Power, Inc.	Construction Services	Billable Hours	107, 590, 593	253,136
14	P. O. Box 85				
15	Gladstone, MI				
16					
17	Garney Companies, Inc.	Construction Services	Billable Hours	107, 232	143,182
18	1333 NW Vivion Road				
19	Kansas City, MO				
20					
21	GEI Consultants, Inc.	Consulting Services	Billable Hours	107, 121, 417,	512,915
22	400 Unicorn Park Drive, Ste. 8			535, 541, 543	
23	Woburn, MA				
24					
25	HDR Michigan, Inc.	Construction Services	Billable Hours	107, 232	298,998
26	5405 Data Court				
27	Ann Arbor, MI				
28					
29	Imaginasium, Inc.	Advertising Services	Billable Hours	909	51,561
30	110 S. Washington Street				
31	Green Bay, WI				
32					
33	Karcz Pole Inspection LLC	Pole Inspection Services	Billable Hours	593	135,418
34	N1655 Laney Road				
35	Seymour, WI				

Name of Respondent	This Report Is:	Date of Report	Year of Report
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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 \$50,000, including payments for legislative services, except those which should be reported

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

(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	Account #	Amount
1	L&H Utility Contractors, Inc.	Contracting Services	Billable Hours	107, 451, 584,	451,708
2	P. O. Box 2037			594	
3	Kingsford, MI				
4					
5	Michels Power	Construction Services	Billable Hours	107, 592	236,702
6	1775 E. Shady Lane				
7	Neenah, WI				
8					
9	Miller Canfield Paddock & Stone PLC	Legal Services	Billable Hours	417, 426, 923	159,517
10	P. O. Drawer 640348				
11	Detroit, MI				
12					
13	Miron Construction Co., Inc.	Construction Services	Billable Hours	107, 232, 417,	4,617,987
14	1471 McMahon Road			543	
15	Neenah, WI				
16					
17	MJ Electric LLC	Construction Services	Billable Hours	107	391,164
18	P. O. Box 686				
19	Iron Mountain, MI				
20					
21	North States Utility Contractors, Inc.	Contracting Services	Billable Hours	107, 456, 584,	425,042
22	P. O. Box 1507			594	
23	Eagle River, WI				
24					
25	Peninsula Fiber Network LLC	Construction Services	Billable Hours	107, 232	309,098
26	1901 W. Ridge Street, Ste. 2				
27	Marquette, MI				
28					
29	Schweitzer Engineering Laboratories, Inc.	Engineering Services	Billable Hours	107	66,445
30	P. O. Box 145				
31	Elk Grove Village, IL				
32					
33	Stantec Consulting Services, Inc.	Consulting Services	Billable Hours	107, 121, 417,	96,577
34	12075 Corporate Parkway, Ste. 200			535, 921	
35	Mequon, WI				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2014	December 31, 2013

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 \$50,000, including payments for legislative services, except those which should be reported

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

(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	Account #	Amount
1	The Boldt Co.	Construction Services	Billable Hours	107, 184	57,670
2	P. O. Box 419				
3	Appleton, WI				
4					
5	The Outpost	Maintenance Services	Billable Hours	417, 535, 537	109,673
6	P. O. Box 37				
7	Bruce Crossing, MI				
8					
9	Thomas J. Moyle Construction	Construction Services	Billable Hours	107, 121, 232,	2,019,517
10	P. O. Box 399			417	
11	Houghton, MI				
12					
13	Toshiba International Corp.	Construction Services	Billable Hours	544	77,437
14	6 Dickinson Drive, Ste. 301				
15	Chadds Ford, PA				
16					
17	UP Engineers & Architects, Inc.	Engineering Services	Billable Hours	107, 921, 923	185,356
18	100 Portage Street				
19	Houghton, MI				
20					
21	USIC Locating Services, Inc.	Utility Locating Services	Billable Hours	584	67,571
22	9045 River Road, Ste. 300				
23	Indianapolis, IN				
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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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	Wisconsin Public Service Corporation	Subsidiary of Integrys Energy Group, Inc.	Labor & Labor Loadings	Various	56,307
2			Invoices & Expenses	Various	3,723
3			Materials & Supplies		
4			Other Costs	Various	38,386
5					
6					
7	Integrys Energy Group, Inc.	Holding Company	Labor & Labor Loadings	Various	1,360
8			Invoices & Expenses	923	13,569
9					
10					
11	Michigan Gas Utilities Corporation	Subsidiary of Integrys Energy Group, Inc.	Labor & Labor Loadings	Various	1,495
12			Invoices & Expenses	921	3,028
13					
14					
15	Minnesota Energy Resources Corporation	Subsidiary of Integrys Energy Group, Inc.	Labor & Labor Loadings	Various	1,565
16					
17					
18	Integrys Business Support, LLC	Subsidiary of Integrys Energy Group, Inc.	Invoices & Expenses	Various	1,109
19			Benefits		
20			Labor & Labor Loadings	920	914
21					
22					
23					
24					
25					
26					
27					
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29					
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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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.
		Various	19,564	75,871	1	1
		Various	309	4,032	4	2
		154, 184	33,643	33,643	1	3
		Various	16,331	54,717	2	4
				168,263		5
						6
				1,360	1	7
				13,569	4	8
				14,929		9
						10
				1,495	1	11
				3,028	4	12
				4,523		13
						14
				1,565	1	15
				1,565		16
						17
				1,109	4	18
		143	88,428	88,428	4	19
				914	1	20
				90,451		21
						22
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Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
Upper Peninsula Power Company			

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)	
1	Wisconsin Public Service Corporation	Subsidiary of Integrys Energy Group, Inc	Purchased Power	555	22,758,494	
2			Labor & Labor Loading	Various	2,260,254	
3			Invoices & Expense Accts	Various	4,058,196	
4			Usage Based costs	Various	162,675	
5			Materials & Supplies			
6			Customer Communications	901, 908	642,727	
7			Operations Systems	Various	351,625	
8			Post-Retirement Benefit	926	193,131	
9			Project costs transfer			
10			Other billed costs	Various	77,863	
11						
12						
13	Integrys Business Support, LLC	Subsidiary of Integrys Energy Group, Inc.	Labor & Labor Loading	Various	6,075,806	
14			Invoices & Expense Accts	Various	644,586	
15			Telecomm Invoices	Various	1,024,442	
16			Benefit Contributions	926	1,823,449	
17			Postage	921	206,602	
18			Contract Labor & Consulting Services	Various	155,990	
19			Insurance Expense	925	612,536	
20			Depreciation Billed	930.2	530,249	
21			Return in IBS	930.2	120,514	
22			Allocated Labor & Loaders	Various	1,307,604	
23	Printing	Various	30,080			
24	Other costs	Various	1,782			
25						
26						
27	Integrys Energy Group, Inc	Holding Company	Interest Expense	430	2,842,196	
28			Bank Service Charges	921	37,224	
29			Invoices & Expense Accts	Various	15,130	
30			Credit Line Fee	921	25,186	
31			Aircraft Usage	921	4,560	
32						
33						
34						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/30/14	December 31, 2013

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.
				22,758,494	3	1
				2,260,254	1	2
				4,058,196	4	3
				162,675	2	4
		154	1,723,921	1,723,921	4	5
				642,727	4	6
				351,625	4	7
				193,131	4	8
		107	343,446	343,446	2	9
				77,863	1	10
				32,572,332		11
						12
				6,075,806	1	13
				644,586	4	14
				1,024,442	4	15
				1,823,449	4	16
				206,602	4	17
				155,990	4	18
				612,536	4	19
				530,249	4	20
				120,514	4	21
				1,307,604	1	22
				30,080	1	23
				1,782	1	24
				12,533,640		25
						26
				2,842,196	2	27
				37,224	4	28
				15,130	4	29
				25,186	4	30
				4,560	4	31
				2,924,296		32
						33
						34

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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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)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	842,437
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	38,585
5	Hydro-Conventional	76,149	25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	2,893
7	Other	146	27	Total Energy Losses	36,381
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	920,296
9	Net Generation (Enter Total of lines 3 through 8)	76,295			
10	Purchases	844,001			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	920,296			

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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MONTHLY PEAKS AND OUTPUT

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

NAME OF SYSTEM: Integrated

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	83,128	87	98	22	18
30	February	73,569	32	92	4	20
31	March	76,931	252	88	25	9
32	April	73,043	2,115	78	11	13
33	May	80,880	8,096	80	2	20
34	June	77,584	8,334	88	26	14
35	July	80,456	3,866	98	17	14
36	August	80,349	4,048	101	20	15
37	September	77,547	8,256	76	10	11
38	October	72,716	2,393	83	21	9
39	November	70,598	1,419	89	22	12
40	December	73,495	450	96	9	18
41	TOTAL	920,296	39,348			

Name of Respondent Upper Peninsula Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report 2013/Q4
FOOTNOTE DATA			

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

Purchases have been reported in accordance with FERC Order 668-A, which requires transactions for the real-time and day-ahead RTO administered energy markets to be separately reported for each hour. The total purchases when the MISO purchases and sales are netted on an hourly basis are 806,061 Mwh.

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

Non-Requirement Sales for Resale have been reported in accordance with FERC Order 668-A, which requires transactions for the real-time day-ahead RTO administered energy markets to be separately reported for each hour. The total sales when the MISO purchases and sales are netted on an hourly basis are 645 Mwh.

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

	2013
	<u>Total KW</u>
Total Monthly Customers Non-Coincident Peak Load at Substation Level	3,533,635
Total Monthly Customers Non-Coincident Peak Load at Primary Feeder Level	3,115,695

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

Includes firm, interruptible and non-requirement sales.

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

Consists of non-requirement sales but excludes interruptible sales since interruptible sales are provided on a requirement basis subject to interruption on an emergency basis only.

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

Consists of firm load only.

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

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

Line No.	Item (a)	Plant Name: <i>Portage</i> (b)	Plant Name: <i>Gladstone</i> (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Gas Turbine	Gas Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional
3	Year Originally Constructed	1973	1975
4	Year Last Unit was Installed	1975	1987
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	22.60	22.60
6	Net Peak Demand on Plant - MW (60 minutes)	0	0
7	Plant Hours Connected to Load	0	0
8	Net Continuous Plant Capability (Megawatts)	0	0
9	When Not Limited by Condenser Water	0	0
10	When Limited by Condenser Water	0	0
11	Average Number of Employees	2	1
12	Net Generation, Exclusive of Plant Use - KWh	146300	0
13	Cost of Plant: Land and Land Rights	7353	55663
14	Structures and Improvements	93584	110212
15	Equipment Costs	3303245	2292776
16	Asset Retirement Costs	0	0
17	Total Cost	3404182	2458651
18	Cost per KW of Installed Capacity (line 17/5) Including	150.6275	108.7899
19	Production Expenses: Oper, Supv, & Engr	31757	4860
20	Fuel	34753	1977
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	20088	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	0	0
26	Misc Steam (or Nuclear) Power Expenses	10607	10607
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	2552	10014
30	Maintenance of Structures	528	144
31	Maintenance of Boiler (or reactor) Plant	7891	1296
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Steam (or Nuclear) Plant	7305	0
34	Total Production Expenses	115481	28898
35	Expenses per Net KWh	0.7893	0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)		
38	Quantity (Units) of Fuel Burned	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000

Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
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HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

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

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: Victoria (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)	Storage	
2	Plant Construction type (Conventional or Outdoor)	Conventional	
3	Year Originally Constructed	1930	
4	Year Last Unit was Installed	1930	
5	Total installed cap (Gen name plate Rating in MW)	12.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	13	0
10	(b) Under the Most Adverse Oper Conditions	6	0
11	Average Number of Employees	4	0
12	Net Generation, Exclusive of Plant Use - Kwh	23,852,082	0
13	Cost of Plant		
14	Land and Land Rights	514,903	0
15	Structures and Improvements	562,494	0
16	Reservoirs, Dams, and Waterways	34,130,771	0
17	Equipment Costs	3,189,400	0
18	Roads, Railroads, and Bridges	786,844	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	39,184,412	0
21	Cost per KW of Installed Capacity (line 20 / 5)	3,265.3677	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	318,819	0
24	Water for Power	0	0
25	Hydraulic Expenses	594,979	0
26	Electric Expenses	24,143	0
27	Misc Hydraulic Power Generation Expenses	21,795	0
28	Rents	185	0
29	Maintenance Supervision and Engineering	88,224	0
30	Maintenance of Structures	12,174	0
31	Maintenance of Reservoirs, Dams, and Waterways	439,623	0
32	Maintenance of Electric Plant	82,315	0
33	Maintenance of Misc Hydraulic Plant	105	0
34	Total Production Expenses (total 23 thru 33)	1,582,362	0
35	Expenses per net KWh	0.0663	0.0000

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GENERATING PLANT STATISTICS (Small Plants)

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

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	HYDRO:					
2	Prickett	1931	2.20		6,187,721	7,087,437
3	Hoist*	1925	4.40		12,950,006	16,362,970
4	McClure	1919	8.00		33,159,087	23,279,933
5						
6						
7						
8						
9	* Includes Silver Lake					
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GENERATING PLANT STATISTICS (Small Plants) (Continued)

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

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
3,142,950	274,739		42,368			2
3,961,382	496,502		172,676			3
3,077,247	267,536		245,579			4
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Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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HYDROELECTRIC GENERATING PLANTS

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report on this page Hydro plants of 10,000 Kw (name plate rating) or more of installed capacity.</p> <p>2. Report the information called for concerning generating plants and equipment at year end. Show associated prime movers and generators on the same line.</p> <p>3. Exclude from this schedule, plant, the book cost of which is included in Account 121, <i>Nonutility Property</i>,</p> <p>4. Designate any plant or portion thereof for which</p> | <p>the responsibility is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Name of Plant (a)	Location (b)	Name of Stream (c)	Water Wheels <i>(In column (e), indicate whether horizontal or vertical. Also indicate type of runner-Francis (F), fixed propeller (FP), automatically adjustable propeller (AP), Impulse (I). Designate reversible type of units by appropriate footnote)</i>			
				Attended or Unattended (d)	Type of Unit (e)	Year Installed (f)	Gross Static Head with Pond Full (g)
1	Victoria	Rockland, MI	Ontonagon	Unattended	Verticle (F)	1930	215
2							
3							
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/14	Year of Report December 31, 2013
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HYDROELECTRIC GENERATING PLANTS (Continued)

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

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

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

Water Wheels (Continued)			Generators						Total Installed Generating Capacity	Line No.
Design Head (h)	RPM (i)	Maximum Hp. Capacity of Unit at Design Head (j)	Year Installed (k)	Voltage (l)	Phase (m)	Frequency or d.c. (n)	Name Plate Rating of Unit (in MW) (o)	No. of Units in Plant (p)	(Name Plate Ratings in megawatts) (q)	
210	300	9,000	1930	11,500	3	60	6	2	12	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37

Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013

INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Include on this page internal-combustion engine and gas-turbine plants of 10,000 kilowatts and more.</p> <p>2. Report the information called for concerning plants and equipment at end of year. Show associated prime movers and generators on the same line.</p> <p>3. Exclude from this page, plant, the book cost of which is included in Account 121, <i>Nonutility Property</i>.</p> | <p>4. Designate any plants or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Name of Plant (a)	Location of Plant (b)	Prime Movers <i>In Column (e), indicate basic cycle for gas-turbine as open or closed; indicate basic cycle for internal-combustion as 2 or 4.</i>			
			Internal-Combustion or Gas-Turbine (c)	Year Installed (d)	Cycle (e)	Belted or Direct Connected (f)
1	Portage Generating	South Range, MI	Gas Turbine	1973	Open	Direct
2	Gladstone Generating	Gladstone, MI	Gas Turbine	1987	Open	Direct
3						
4						
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/14	December 31, 2013

INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS (Continued)

operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) as to such matters as percent of ownership by respondent, name of co-owner, basis of sharing output, expenses or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

5. Designate any plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined. Specify whether lessee is an associated company.

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

Prime Movers (Continued)	Generators						Total Installed Generating Capacity (Name Plate Ratings in Mw) (n)	Line No.	
	Rated Hp of Unit (g)	Year Installed (h)	Voltage (i)	Phase (j)	Frequency of d.c. (k)	Name Plate Rating of Unit (In MW) (l)			No. of Units in Plant (m)
	30295	1973	12,500	3	60	24.6	1	22.6	1
	31900	1987	12500	3	60	24.6	1	22.6	2
									3
									4
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Name of Respondent Upper Peninsula Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2013	Year/Period of Report End of 2013/Q4
-----------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------	----------------------------------------------	-----------------------------------------

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
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).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Freeman's Sub, Neg Twsp	Distribution	138.00	34.00	
2	Gladstone Sub, Gladstone	Distribution	12.50	69.00	
3	Atlantic Sub, Atlantic Mine	Distribution	69.00	12.50	
4	Masonville, Mason Twsp*	Distribution	69.00	34.00	
5	McClure Plt, Ishp	Distribution	2.40	34.00	
6	Barnum Sub, Ishp	Distribution	34.00	12.50	
7	Barnum Sub, Ishp	Distribution	69.00	12.50	
8	Delta Sub, Wells Twsp	Distribution	69.00	12.50	
9	Elevation St, Hancock*	Distribution	69.00	12.50	
10	KI Sawyer AFB	Distribution	69.00	12.50	
11	Henry Street Sub, Hurontown*	Distribution	69.00	12.50	
12	Lake Mine, Greenland Twsp*	Distribution	69.00	7.20	
13	L'Anse Dist, L'Anse*	Distribution	69.00	12.50	
14	Lincoln Ave Sub, Iron River	Distribution	69.00	12.50	
15	M-38 Sub, Baraga Twsp*	Distribution	69.00	12.50	
16	Negaunee City, Neg *	Distribution	34.00	4.16	
17	Ontonagon Sub, Ont*	Distribution	69.00	12.50	
18	Munising Sub., City of Munising	Distribution	67.00	12.50	
19	Toiv Sub, Elm River Twsp*	Distribution	69.00	12.50	
20	Victoria, Rockland Twsp	Distribution	69.00	12.50	
21	Osceola Sub, Laurium *	Distribution	69.00	12.50	
22	MTU, Houghton	Distribution	69.00	12.50	
23	Winona	Distribution	69.00	12.50	
24	15 Subs Under 10,000 KVA	Distribution			
25	Total		1460.90	394.86	
26					
27					
28	* Substations serving customers with				
29	energy for resale.				
30					
31					
32					
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SUBSTATIONS (Continued)

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

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

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
25	1	1				1
37	1					2
14	2	3				3
20	2					4
10	2					5
12	2					6
12	1					7
14	1	1				8
28	2					9
15	2					10
14	1					11
1	1					12
35	3	1				13
32	2					14
7	1	1				15
6	3	1				16
7	1					17
41	4					18
1	1					19
28	4					20
45	2					21
18	2					22
4	1					23
58	17	8				24
484	59	16				25
						26
						27
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Upper Peninsula Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2013	2013/Q4
FOOTNOTE DATA			

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

Excludes energy for resale.

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) 04/30/14	Year of Report December 31, 2013
Upper Peninsula Power Company			

ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS

1. Report below the information called for concerning distribution watt-hour meters and line transformers. 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.

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

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	64,757	23,563	660
2	Additions During Year*	21		
3	Purchases	4,800	458	12
4	Associated with Utility Plant Acquired	0	0	0
5	TOTAL Additions (Enter Total of lines 3 and 4)	4,821	458	12
6	Reduction During Year			
7	Retirements	4,089	364	10
8	Associated with Utility Plant Sold		(2)	0.36
9	TOTAL Reductions (Enter Total of lines 7 and 8)	4,089	362	10
10	Number at End of Year (Lines 1+ 5 - 9) **	65,489	23,659	663
11	In Stock	4,863	665	41
12	Locked Meters on Customers' Premises	595		
13	Inactive Transformers on System		18	0
14	In Customers' Use***	60,008	22,976	622
15	In Company's Use	23	0	0
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal line 10)	65,489	23,659	663

* Additions during the year are for Reclassified (MR004) meters, effective 11/2013

** One distribution watt-hour meter is on loan

*** Watt-Hours Meters In Company's Use includes sixty XO reclassified out meters, effective 11/2013

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