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PLUMMER SNYDER
(1900-1974)

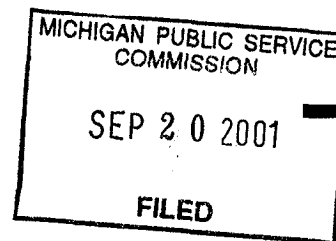
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September 20, 2001

Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, Michigan 48911

Re: Upper Peninsula Power Company
Depreciation
MPSC Case No. U-13001



HAND DELIVERY
e-file

Dear Ms. Wideman:

Enclosed for filing are an original and four (4) copies of revised Schedule S-2 to Exhibit A-__ (PJG-1) as filed with the Michigan Public Service Commission on July 2, 2001. This revised Schedule S-2, consisting of four (4) pages, supercedes and replaces Schedule S-2 originally filed on July 2, 2001. Schedule S-2 as originally filed inadvertently reflected year end 1999 plant data instead of year end 2000 data. An electronic version of this is also being filed.

If you have any questions, please call the undersigned.

Very truly yours,

LOOMIS, EWERT, PARSLEY,
DAVIS & GOTTING, P.C.

A handwritten signature in cursive script that reads "Sherri A. Wellman".

Sherri A. Wellman

SAW/kkf

Enclosure

cc w/enc.: Paul J. Gerrard

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UPPER PENINSULA POWER COMPANY
COMPARISON OF ACCRUALS APPLYING PRESENTLY CERTIFIED AND PROPOSED DEPRECIATION RATES
SCHEDULE S-2

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PLANT BALANCE 12/31/2000	PRESENTLY CERTIFIED DEPRECIATION RATE (%)	AMOUNT	PROPOSED DEPRECIATION RATE (%)	AMOUNT	ACCRUAL INCREASE (DECREASE)
INTEGRATED SYSTEM							
Steam Production Plant							
311	Structures and Improvements	1,132,877	1.32	14,954	1.87	21,185	6,231
312	Boiler Plant Equipment	3,361,339	3.78	127,059	1.17	39,328	(87,731)
314	Turbogenerator Units	1,226,851	0.87	10,674	0.01	123	(10,551)
315	Accessory Electric Equipment	560,045	1.42	7,953	0.38	2,128	(5,825)
316	Misc Power Plant Equipment	143,289	5.37	7,695	1.65	2,364	(5,331)
Total Steam		6,424,401		168,335		65,128	(103,207)
Hydraulic Production - Victoria							
330	Land Rights	367,340	0.72	2,645	0.73	2,682	37
331	Structures and Improvements	254,611	1.28	3,259	1.83	4,659	1,400
332	Reservoirs, Dams and Waterways	12,589,454	2.45	308,442	2.77	348,728	40,286
333	Waterwheels, Turbines and Generators	322,702	0.74	2,388	0.81	2,614	226
334	Accessory Electric Equip	271,262	1.73	4,693	1.98	5,371	678
335	Misc Power Plant Equip	263,711	1.70	4,483	2.56	6,751	2,268
336	Roads, Railroads and Bridges	290,499	1.86	5,403	1.90	5,519	116
Total		14,359,579		331,313		376,324	45,011
Hydraulic Production - Prickett							
331	Structures and Improvements	89,147	3.26	2,906	1.63	1,453	(1,453)
332	Reservoirs, Dams and Waterways	1,046,749	3.43	35,903	2.03	21,249	(14,654)
333	Waterwheels, Turbines and Generators	81,217	0.95	772	0.46	374	(398)
334	Accessory Electric Equip	179,899	3.41	6,135	1.94	3,490	(2,645)
335	Misc Power Plant Equip	53,960	4.00	2,158	1.79	966	(1,192)
336	Roads, Railroads and Bridges	34,721	1.31	455	1.84	639	184
Total		1,485,693		48,329		28,171	(20,158)
Hydraulic Production - Bond Falls							
331	Structures and Improvements	24,970	3.46	864	1.38	345	(519)
332	Reservoirs, Dams and Waterways	457,917	1.94	8,884	1.00	4,579	(4,305)
335	Misc Power Plant Equip	48,870	4.99	2,439	1.89	924	(1,515)
336	Roads, Railroads and Bridges	16,526	1.23	203	0.33	55	(148)
Total		548,283		12,390		5,903	(6,487)
Hydraulic Production - Au Train							
331	Structures and Improvements	7,998	0.22	18	7.56	605	587
332	Reservoirs, Dams and Waterways	893,585	4.15	37,084	2.60	23,233	(13,851)
333	Waterwheels, Turbines and Generators	22,369	0.02	4	0.07	16	12
334	Accessory Electric Equip	78,373	2.70	2,116	1.38	1,082	(1,034)
335	Misc Power Plant Equip	31,023	2.40	745	2.44	757	12
336	Roads, Railroads and Bridges	80,947	3.77	3,052	1.37	1,109	(1,943)
Total		1,114,295		43,019		26,802	(16,217)

MICHIGAN PUBLIC SERVICE
COMMISSION
SEP 20 2001
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UPPER PENINSULA POWER COMPANY
COMPARISON OF ACCRUALS APPLYING PRESENTLY CERTIFIED AND PROPOSED DEPRECIATION RATES
SCHEDULE S-2

		PRESENTLY CERTIFIED		PROPOSED		ACCRUAL INCREASE (DECREASE)
		DEPRECIATION		DEPRECIATION		
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PLANT BALANCE 12/31/2000	RATE (%)	AMOUNT	RATE (%)	AMOUNT
<u>Hydraulic Production - Cataract</u>						
330	Land Rights	3	0.00	0	0.00	0
331	Structures and Improvements	28,385	0.25	71	0.52	148
332	Reservoirs, Dams and Waterways	155,565	1.46	2,271	0.84	1,307
333	Waterwheels, Turbines and Generators	52,916	0.04	21	0.07	37
334	Accessory Electric Equip	30,990	3.15	976	1.85	573
335	Misc Power Plant Equip	35,962	3.72	1,338	2.16	777
Total		303,821		4,677		2,842
<u>Hydraulic Production - McClure</u>						
330	Land Rights	18	0.00	0	0.00	0
331	Structures and Improvements	48,577	0.00	0	0.80	389
332	Reservoirs, Dams and Waterways	870,747	0.50	4,354	3.52	30,650
333	Waterwheels, Turbines and Generators	122,648	0.02	25	0.82	1,006
334	Accessory Electric Equip	143,854	2.04	2,935	2.56	3,683
335	Misc Power Plant Equip	40,971	3.27	1,340	2.62	1,073
336	Roads, Railroads and Bridges	119	0.00	0	0.00	0
Total		1,226,934		8,654		36,801
<u>Hydraulic Production - Hoist</u>						
330	Land Rights	101	0.00	0	0.00	0
331	Structures and Improvements	34,882	0.70	244	0.97	338
332	Reservoirs, Dams and Waterways	2,719,234	0.50	13,596	3.98	108,226
333	Waterwheels, Turbines and Generators	96,152	0.02	19	1.26	1,212
334	Accessory Electric Equip	92,536	2.50	2,313	2.11	1,953
335	Misc Power Plant Equip	60,531	1.64	993	2.86	1,731
336	Roads, Railroads and Bridges	9,072	0.03	3	2.73	248
Total		3,012,508		17,168		113,708
<u>Hydraulic Production - Silver Lake</u>						
332	Reservoirs, Dams and Waterways	116,036	3.18	3,690	4.08	4,734
Total		116,036		3,690		4,734
Total Hydraulic Production		22,167,149		469,240		595,285
<u>Other Production</u>						
341	Structures and Improvements	138,786	4.51	6,259	12.20	16,932
342	Fuel Holders, Producers and Accessories	392,348	4.53	17,773	2.51	9,848
343	Prime Movers	2,413,756	4.71	113,688	1.11	26,793
344	Generators	1,021,422	4.92	50,254	0.49	5,005
345	Accessory Electric Equip	446,733	5.19	23,185	2.95	13,179
346	Misc Power Plant Equip	31,328	3.83	1,200	0.83	260
Total Other		4,444,373		212,359		72,017

UPPER PENINSULA POWER COMPANY
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SCHEDULE S-2

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PLANT BALANCE 12/31/2000	PRESENTLY CERTIFIED DEPRECIATION		PROPOSED DEPRECIATION		ACCRUAL INCREASE (DECREASE)
			RATE (%)	AMOUNT	RATE (%)	AMOUNT	
<u>Transmission System - ATC</u>							
350-02	Land Rights	2,470,588	2.20	54,353	2.20	54,353	0
352	Structures and Improvements	477,546	2.90	13,849	2.90	13,849	0
353	Transmission Station Equip	17,761,050	3.71	658,935	3.71	658,935	0
354	Towers and Fixtures	85,838	2.28	1,957	2.28	1,957	0
355	Poles and Fixtures	18,786,242	2.96	556,073	2.96	556,073	0
356	Overhead Conductors and Devices	10,724,912	3.38	362,502	3.38	362,502	0
358	Underground Conductors and Devices	270,431	2.56	6,923	2.56	6,923	0
359	Roads and Trails	154,649	2.09	3,232	2.09	3,232	0
Total Transmission - ATC		50,731,256		1,657,824		1,657,824	0
<u>Transmission System - UPPCO</u>							
350-02	Land Rights	45,667	2.20	1,005	2.11	964	(41)
352	Structures and Improvements	318,364	2.90	9,233	2.08	6,622	(2,611)
354	Towers and Fixtures	20,544	2.28	468	3.85	791	323
355	Poles and Fixtures	530,999	2.96	15,718	2.60	13,806	(1,912)
356	Overhead Conductors and Devices	346,296	3.38	11,705	3.99	13,817	2,112
359	Roads and Trails	125	2.09	3	0.80	1	(2)
Total Transmission - UPPCO		1,261,995		38,132		36,001	(2,131)
<u>Distribution System</u>							
360-02	Land Rights	136,098	2.25	3,062	1.74	2,368	(694)
361	Structures and Improvements	379,054	2.62	9,931	1.89	7,164	(2,767)
362	Distribution Station Equip	7,149,170	1.94	138,694	2.65	189,453	50,759
364	Poles, Towers and Fixtures	20,323,099	3.02	613,758	2.60	528,401	(85,357)
365	Overhead Conductors and Devices	12,251,311	4.18	512,105	3.56	436,147	(75,958)
366	Underground Conduit	20,028	4.75	951	2.49	499	(452)
367	Underground Conductors and Devices	10,146,940	4.50	456,612	2.49	252,659	(203,953)
368	Line Transformers, Capacitors & DCR's	12,185,592	2.91	354,601	2.61	318,044	(36,557)
369	Services	6,876,273	3.72	255,797	3.48	239,294	(16,503)
370	Meters and Devices	4,803,631	3.13	150,354	2.79	134,021	(16,333)
371	Installations on Customer's Premises	425,359	9.44	40,154	4.71	20,034	(20,120)
373	Street Lighting and Signal Systems	1,223,073	6.36	77,787	3.24	39,628	(38,159)
Total Distribution		75,919,628		2,613,806		2,167,712	(446,094)
<u>Electric General</u>							
389	Land Rights	1,432	2.76	40	6.84	98	58
390	Structures and Improvements	3,237,831	4.23	136,960	3.44	111,381	(25,579)
391-01	Office Furniture and Equip	1,585,739	4.42	70,090	5.00	79,287	9,197
391-02	Computers	1,928,552	16.88	325,540	20.00	385,710	60,170
391-03	Data Handling Equip	107,783	4.42	4,764	20.00	21,557	16,793
393	Stores Equip	71,316	2.90	2,068	5.00	3,566	1,498
394	Tools, Shop and Garage Equip	743,690	4.09	30,417	5.00	37,185	6,768
395	Laboratory Equip	639,850	2.73	17,468	5.00	31,993	14,525
397	Communication Equip	834,651	3.44	28,712	8.33	69,526	40,814
398	Miscellaneous Equipment	26,091	3.73	0	6.67	1,740	1,740
Total Electric General		9,176,935		616,059		742,043	125,984
TOTAL INTEGRATED SYSTEM		170,125,737	3.39	5,775,755	3.14	5,336,010	(439,742)

UPPER PENINSULA POWER COMPANY
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SCHEDULE S-2

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PLANT BALANCE 12/31/2000	PRESENTLY CERTIFIED DEPRECIATION		PROPOSED DEPRECIATION		ACCRUAL INCREASE (DECREASE)
			RATE (%)	AMOUNT	RATE (%)	AMOUNT	
IRON RIVER SYSTEM							
<u>Distribution System</u>							
360-02	Land Rights	1,812	0.89	16	0.61	11	(5)
361	Structures and Improvements	93,226	2.70	2,517	2.04	1,902	(615)
362	Distribution Station Equip	766,199	3.63	27,813	4.54	34,785	6,972
364	Poles, Towers and Fixtures	1,561,460	3.91	61,053	4.18	65,269	4,216
365	Overhead Conductors and Devices	1,220,542	5.15	62,858	5.21	63,590	732
366	Underground Conduit	139	2.58	4	2.87	4	0
367	Underground Conductors and Devices	1,175,937	3.83	45,038	2.87	33,749	(11,289)
368	Line Transformers, Capacitors & DCR's	1,026,868	2.67	27,417	4.38	44,977	17,560
369	Services	584,602	11.00	64,306	3.63	21,221	(43,085)
370	Meters and Devices	527,491	3.35	17,671	4.79	25,267	7,596
371	Installations on Customer's Premises	46,374	12.28	5,695	1.27	589	(5,106)
373	Street Lighting and Signal Systems	195,819	4.65	9,106	3.55	6,952	(2,154)
Total Distribution		7,200,469		323,494		298,316	(25,178)
<u>Electric General</u>							
390	Structures and Improvements	234,144	3.97	9,296	2.50	5,854	(3,442)
391-01	Office Furniture and Equip	14,469	3.50	506	5.00	723	217
391-02	Computers	55,024	14.87	8,182	20.00	11,005	2,823
391-03	Data Handling Equip	5,580	3.50	195	20.00	1,116	921
393	Stores Equip	6,901	3.21	222	5.00	345	123
394	Tools, Shop and Garage Equip	47,281	9.70	4,586	5.00	2,364	(2,222)
395	Laboratory Equip	16,331	2.31	377	5.00	817	440
397	Communication Equip	32,455	3.34	1,084	8.33	2,704	1,620
Total Electric General		412,185		24,448		24,928	480
TOTAL IRON RIVER SYSTEM		7,612,654	4.57	347,942	4.25	323,244	(24,698)
TOTAL UPPER PENINSULA POWER COMPANY		177,738,391	3.45	6,123,697	3.18	5,659,254	(464,440)
DEPRECIATION CHANGE ON DECEMBER 31, 2000 BALANCES							
<u>Post 2000 Additions Included in Study</u>							
<u>Hydraulic Production - Victoria</u>							
332	Reservoirs, Dams and Waterways	6,790,000			2.77	188,083	188,083
<u>Hydraulic Production - Prickett</u>							
332	Reservoirs, Dams and Waterways	450,000			2.03	9,135	9,135
<u>Hydraulic Production - Bond Falls</u>							
332	Reservoirs, Dams and Waterways	75,000			1.00	750	750
<u>Hydraulic Production - Au Train</u>							
332	Reservoirs, Dams and Waterways	1,843,000			2.60	47,918	47,918
<u>Hydraulic Production - McClure</u>							
332	Reservoirs, Dams and Waterways	3,268,000			3.52	115,034	115,034
<u>Hydraulic Production - Holst</u>							
332	Reservoirs, Dams and Waterways	4,047,000			3.98	161,071	161,071
<u>Hydraulic Production - Silver Lake</u>							
332	Reservoirs, Dams and Waterways	1,675,000			4.08	68,340	68,340
DEPRECIATION CHANGE ON POST 2000 ADDITIONS		18,148,000				590,331	590,331
TOTAL DEPRECIATION STUDY		195,886,391		6,123,697	3.19	6,249,585	125,891