

# ALPENA POWER COMPANY

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For Immediate Release  
October 13, 2009

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Today the Michigan Public Service Commission (MPSC) authorized Alpena Power Company to increase its rates by 2.05% overall, which on an annual basis is about \$650,000. The increase is effective as of January 1, 2010.

In addition, the MPSC ordered Alpena Power to implement a revenue neutral rate change in conjunction with the general rate increase to “deskew” its rates consistent with state legislation (Public Act 286) approved in October 2008. Historically, residential customer’s rates had been partially subsidized by other rate classes such as commercial and industrial customers. As a result of this legislation, Alpena Power must now deskew its rates to achieve the Michigan Legislature’s intent to better align the rates charged by utilities to each class of service compared to the cost of service to provide electricity to each respective class of customers.

The average rate increase for all classes of customers is approximately 2%; however, various rate classes are impacted differently. For a typical residential customer using 500 kWh per month, the impact of the general rate increase (including the deskewing adjustment) is approximately \$2.80 per month plus an increase to the Monthly Service Charge of seventy five cents for a total of per month increase of \$3.55. A significant component of the increase is due in large part to the rate adjustments required by the deskewing legislation.

Alpena Power’s small business customers will see a rate increase of 2.35% on average, and larger business customers will experience an average 4.82% increase. Industrial customers will see an average decrease of 5.49%

Alpena Power’s last overall general rate increase was effective in June 2007.

Ann Burton, Alpena Power’s President said today:

“Alpena Power continues to proactively plan for our customers’ future energy needs. Regrettably, operating expenses have continued to rise despite efforts by the Alpena Power to control costs and improve operational efficiency. This rate increase will allow us to maintain our existing high standard of service reliability. We will continue to make necessary capital investments to maintain existing service and to grow with our customers.”

Alpena Power is a locally owned electric utility that serves approximately 16,350 electric customers located in Alpena, Alcona, Montmorency and Presque Isle counties.