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UPPCO, Esky a power pair?

Entities to collaborate on updating contract

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ESCANABA — Escanaba and the Upper Peninsula Power Co. (UPPCO) — which operates the city's power plant — plan to work together on a new agreement more in sync with today's industry.

UPPCO and Escanaba have been partners in the local power plant since 1958, with the utility company serving as manager/operator and the city being the owner of the facility.

Fact Box

- UPPCO and Escanaba have been partners in the local power plant for 50 years.
- UPPCO serves as manager/operator of the facility owned by the city.

The two sides met earlier this week in Escanaba to discuss bringing their contract up to date with the current energy industry, said Keith Moyle, UPPCO's vice president and general manager.

"We really want to work with the city," he said Wednesday in a telephone interview with the Daily Press. "We really want a new agreement... We're going to be working together on this."

According to a news release received from UPPCO Wednesday, the original operating agreement is no longer adequate to meet today's business needs so the company has "invoked the termination clause" in the contract and asked Escanaba to negotiate a new agreement.

"The fact that the current operating agreement is obsolete doesn't mean we want our relationship to end," Moyle stated, saying the two have had a mutually beneficial relationship for 50 years. "We'd prefer to negotiate a new agreement that can take our partnership into the future."

Moyle said the existing contract is old and doesn't cover many conditions in the industry. It lacks sufficient detail regarding today's business such as liability coverage, he said.

City Manager Jim O'Toole agreed and said, "The existing contract does not adequately address who is responsible for what."

The 19 UPPCO employees at the power plant were notified of the contract termination Wednesday morning, O'Toole said. Employees include operators, engineers, laborers and the plant superintendent.

"I think UPPCO is looking at the various contracts they have with all of their partners in the region...and feel they need to upgrade to current industry conditions," O'Toole said.

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