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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION
MI0020

PERIOD ENDED December, 2012 (Prepared with Audited Data)

BORROWER NAME Alger-Delta Co-Operative Electric Association

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Thomas Harrell

3/11/2013

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	11,671,449	12,818,491	11,630,123	1,145,983
2. Power Production Expense				
3. Cost of Purchased Power	5,346,856	6,183,246	5,260,774	532,420
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	435,383	418,017	415,833	23,749
7. Distribution Expense - Maintenance	1,310,934	1,270,889	1,542,010	98,522
8. Customer Accounts Expense	527,288	342,227	437,154	35,987
9. Customer Service and Informational Expense	1,355	7,587	1,500	7,587
10. Sales Expense				
11. Administrative and General Expense	920,344	874,699	884,940	83,961
12. Total Operation & Maintenance Expense (2 thru 11)	8,542,160	9,096,665	8,542,211	782,226
13. Depreciation and Amortization Expense	1,173,239	1,193,490	1,208,400	99,713
14. Tax Expense - Property & Gross Receipts	390,724	391,302	408,000	3,302
15. Tax Expense - Other	6,328			
16. Interest on Long-Term Debt	1,224,744	1,132,983	1,276,545	106,957
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	14,614			
19. Other Deductions	2,924	154,519	0	150,535
20. Total Cost of Electric Service (12 thru 19)	11,354,733	11,968,959	11,435,156	1,142,733
21. Patronage Capital & Operating Margins (1 minus 20)	316,716	849,532	194,967	3,250
22. Non Operating Margins - Interest	13,885	35,073	13,434	1,185
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	90,198	123,599	57,413	35,448
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	45,350	59,282	20,670	6,200
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	466,149	1,067,486	286,484	46,083

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RURAL UTILITIES SERVICE

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INSTRUCTIONS - See help in the online application.

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	53	51	5. Miles Transmission		
2. Services Retired		72	6. Miles Distribution – Overhead	1,312.74	1,311.02
3. Total Services in Place	10,946	10,997	7. Miles Distribution - Underground	337.69	343.51
4. Idle Services (Exclude Seasonals)	360	363	8. Total Miles Energized (5 + 6 + 7)	1,650.43	1,654.53

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	43,897,187	30. Memberships	80,923
2. Construction Work in Progress	1,447,937	31. Patronage Capital	0
3. Total Utility Plant (1 + 2)	45,345,124	32. Operating Margins - Prior Years	8,574,246
4. Accum. Provision for Depreciation and Amort.	14,295,816	33. Operating Margins - Current Year	908,813
5. Net Utility Plant (3 - 4)	31,049,308	34. Non-Operating Margins	158,672
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	18,308
7. Investments in Subsidiary Companies	0	36. Total Margins & Equities (30 thru 35)	9,740,962
8. Invest. in Assoc. Org. - Patronage Capital	145,636	37. Long-Term Debt - RUS (Net)	9,199,518
9. Invest. in Assoc. Org. - Other - General Funds	0	38. Long-Term Debt - FFB - RUS Guaranteed	3,610,943
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	471,895	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	10,640,356
12. Other Investments	942,755	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	0	42. Payments – Unapplied	500,000
14. Total Other Property & Investments (6 thru 13)	1,560,286	43. Total Long-Term Debt (37 thru 41 - 42)	22,950,817
15. Cash - General Funds	1,090,029	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	18	45. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	0	46. Total Other Noncurrent Liabilities (44 + 45)	0
18. Temporary Investments	0	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	649,489
20. Accounts Receivable - Sales of Energy (Net)	777,562	49. Consumers Deposits	74,325
21. Accounts Receivable - Other (Net)	42,399	50. Current Maturities Long-Term Debt	305,170
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	584,875
23. Materials and Supplies - Electric & Other	313,570	52. Current Maturities Capital Leases	0
24. Prepayments	73,334	53. Other Current and Accrued Liabilities	523,508
25. Other Current and Accrued Assets	3,554	54. Total Current & Accrued Liabilities (47 thru 53)	2,137,367
26. Total Current and Accrued Assets (15 thru 25)	2,300,466	55. Regulatory Liabilities	0
27. Regulatory Assets	0	56. Other Deferred Credits	86,866
28. Other Deferred Debits	5,952	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	34,916,012
29. Total Assets and Other Debits (5+14+26 thru 28)	34,916,012		

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PART D. NOTES TO FINANCIAL STATEMENTS

Deferred Debits Amortized for a period greater than 12 months:

Stores: \$51,460.11

Deferred Debits Amortized for a period of 12 months or less:

Michigan Statewide Dues \$12,092.00

Michigan REA Magazine Dues \$10,190.50

Michigan Statewide Safety Dues \$4,875.00

NRECA Dues \$13,281.00

Fleetmatics \$5,161.44

Miss Dig \$941.68

PUA \$1,474.14

Michigan Energy Efficiency Programs \$<93,523.37>

Total Deferred Debits \$5,952.50

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PART D. CERTIFICATION LOAN DEFAULT NOTES	

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PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	39,711,488	1,559,966	340,029		40,931,425
2. General Plant	2,193,822	61,748	36,829		2,218,741
3. Headquarters Plant	747,021				747,021
4. Intangibles	0				0
5. Transmission Plant	0				0
6. Regional Transmission and Market Operation Plant	0				0
7. All Other Utility Plant	0				0
8. Total Utility Plant in Service (1 thru 7)	42,652,331	1,621,714	376,858		43,897,187
9. Construction Work in Progress	1,983,089	(535,152)			1,447,937
10. Total Utility Plant (8 + 9)	44,635,420	1,086,562	376,858		45,345,124

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	313,988	203,267		207,664		3,979	313,570
2. Other	0						0

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	1.650	68.300	1.000	16.980	87.930
2. Five-Year Average	66.830	170.290	22.160	62.790	322.070

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	14	4. Payroll - Expensed	664,179
2. Employee - Hours Worked - Regular Time	28,826	5. Payroll - Capitalized	157,774
3. Employee - Hours Worked - Overtime	2,726	6. Payroll - Other	212,987

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements		56,240
	b. Special Retirements		
	c. Total Retirements (a + b)		56,240
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	59,282	
	c. Total Cash Received (a + b)	59,282	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	\$ 30,351	2. Amount Written Off During Year	\$ 46,143
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INSTRUCTIONS - See help in the online application	PERIOD ENDED December, 2012
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PART K. kWh PURCHASED AND TOTAL COST

No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	Wisconsin Public Power Inc	20858	MI EO	Wind	73,467,093	6,183,246	8.42		
	Total				73,467,093	6,183,246	8.42		

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PART K. kWh PURCHASED AND TOTAL COST		
No	Comments	
1		

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PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
TOTAL			

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PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/20/2012	2. Total Number of Members 9,999	3. Number of Members Present at Meeting 110	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 235	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 80,075	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2010

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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	9,199,518	536,044	315,742	851,786
2	National Rural Utilities Cooperative Finance Corporation	1,751,359	129,982	114,576	244,558
3	CoBank, ACB	8,888,997	325,793	371,850	697,643
4	Federal Financing Bank	3,610,943	153,073	119,851	272,924
5	RUS - Economic Development Loans				
6	Payments Unapplied	500,000			
	TOTAL	22,950,817	1,144,892	922,019	2,066,911

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INSTRUCTIONS - See help in the online application.

PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	5,237	5,399	
	b. kWh Sold			37,987,714
	c. Revenue			7,319,112
2. Residential Sales - Seasonal	a. No. Consumers Served	4,205	4,482	
	b. kWh Sold			7,755,913
	c. Revenue			2,437,935
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	532	571	
	b. kWh Sold			18,426,803
	c. Revenue			2,861,109
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	25	26	
	b. kWh Sold			311,539
	c. Revenue			60,651
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		9,999	10,478	
11. Total kWh Sold (lines 1b thru 9b)				64,481,969
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				12,678,807
13. Transmission Revenue				
14. Other Electric Revenue				139,681
15. kWh - Own Use				
16. Total kWh Purchased				73,467,093
17. Total kWh Generated				
18. Cost of Purchases and Generation				6,183,246
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				15,457

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INSTRUCTIONS - See help in the online application.

PART P. ENERGY EFFICIENCY PROGRAMS

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	544	36,668	1,554	544	92,174	2,071
2. Residential Sales - Seasonal	122	2,996	388	122	6,506	421
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	12	39,233	295	12	78,511	527
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting	14	333	0	14	488	2
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	692	79,230	2,237	692	177,679	3,021

RUS Financial and Operating Report Electric Distribution

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION MI0020 PERIOD ENDED December, 2012
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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	NISC PATRONAGE CAPITAL	21,030			
	NRUCFC		325,593	13,969	
	NRUCFC		109,544		
	NRUCFC		1,000		
	RESCO STOCK	5,100			
	RESCO PATRONAGE CAPITAL	122,850			
	COBANK	15,062			
	INVESTMENT IN MECA BUILDING	11,440			
	CRC MEMBERSHIP	2,500			
	NISC MEMBERSHIP	2,412			
	COBANK MEMBERSHIP	1,000			
	CUSHION OF CREDIT			21,104	X
	Totals	181,394	436,137	35,073	
4	Other Investments				
	FEDERATED STOCK	17,500			
	FEDERATED CAPITAL CREDITS	32,035			
	ATC COMMON STOCK	888,247			
	CRC CAPITAL CREDITS	4,973			
	Totals	942,755			
6	Cash - General				
	GENERAL FUNDS	1,090,029			
	Totals	1,090,029			
9	Accounts and Notes Receivable - NET				
	ACCOUNTS RECEIVABLE - OTHER	42,399			
	Totals	42,399			
11	TOTAL INVESTMENTS (1 thru 10)	2,256,577	436,137	35,073	

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PART Q. SECTION II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

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SECTION III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]	4.98 %
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SECTION IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				