

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 in violation of the Acts.

Report submitted for year ending:
December 31, 2006
Present name of respondent:
Edison Sault Electric Company
Address of principal place of business:
725 East Portage Avenue, Sault Ste. Marie, MI 49783
Utility representative to whom inquires regarding this report may be directed:
Name: Robert J. Malaski Title: Assistant Vice President-Finance
Address: 725 E. Portage Avenue
City: Sault Ste. Marie State: MI Zip: 49783
Telephone, Including Area Code: (906) 632-5172
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:
[] were forwarded to the Commission
[] will be forwarded to the Commission
on or about
Annual reports to Stockholders:
[] are published
[x] are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Bill Stosik) at (517) 241-5853 or bmstosi@michigan.gov OR forward correspondence to:

Regulated Energy Division (Bill Stosik) at
Financial Analysis and Customer Choice Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909



April 30, 2007

Brian Ballinger, Regulated Energy Division
Michigan Public Service Commission
P.O. Box 30221 – 6545 Mercantile Way
Lansing, MI 48909

Dear Mr. Ballinger:

Enclosed please find one unbound original and one conformed copy of the M.P.S.C. *Form P-521* of Edison Sault Electric Company for the year ended December 31, 2006. In compliance with your instructional letter dated January 22, 2007, we are submitting the F.E.R.C. *Form 1 Report* with the M.P.S.C. schedules attached and separated by a divider. The list of Schedules page for the M.P.S.C. is included at the front of the attached reports.

Our parent company, Wisconsin Energy Corporation, is exempt under 3(a)(1) of the Public Utility Holding Company Act of 1935 from filing Form U-3A-2.

Sincerely,

Robert J. Malaski
Assistant Vice President-Finance

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Enclosures

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Edison Sault Electric Company:

We have audited the balance sheet-regulatory basis of Edison Sault Electric Company (the "Company") as of December 31, 2006, and the related statements of income-regulatory basis, retained earnings-regulatory basis, cash flows-regulatory basis, and accumulated other comprehensive income, comprehensive income, and hedging activities-regulatory basis for the year ended December 31, 2006, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission ("FERC") Form 1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note B, these financial statements were prepared in accordance with the accounting requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2006, and the results of its operations and its cash flows for the year ended December 31, 2006, in accordance with the accounting requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases.

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 FERC and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

April 16, 2007

MPSC FORM P-521

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

IDENTIFICATION		
01 Exact Legal Name of Respondent Edison Sault Electric Company		02 Year of Report December 31, 2006
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) 725 East Portage Avenue, Sault Ste. Marie, MI 49783		
05 Name of Contact Person Robert J. Malaski	06 Title of Contact Person Assistant Vice-President Finance	
07 Address of Contract Person (Street, City, St., Zip) 725 East Portage Avenue, Sault Ste. Marie, MI 49783		
08 Telephone of Contact Person, Including Area Code: (906) 632-5172	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/30/07
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 the December 31 of the year of the report.		
01 Name Robert J. Malaski	03 Signature /s/ Robert J. Malaski	04 Date Signed (Mo, Da, Yr) 4/30/2007
02 Title Assistant Vice-President Finance		

LIST OF SCHEDULES (Electric Utility)

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 respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	N/A
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	116 N/A
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	N/A
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	201 N/A
14	Nuclear Fuel Materials	202-203	N/A
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	N/A
17	Electric Plant Held for Future Use	214	N/A
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	N/A
21	Materials and Supplies	227	
22	Allowances	228-229	N/A
23	Extraordinary Property Losses	230	N/A
24	Unrecovered Plant and Regulatory Study Costs	230	N/A
25	Transmission Service and Generation Interconnection Study Costs	231	N/A
26	Other Regulatory Assets	232	
27	Miscellaneous Deferred Debits	233	
28	Accumulated Deferred Income Taxes	234	
29	Capital Stock	250-251	
30	Other Paid-in Capital	253	
31	Capital Stock Expense	254	N/A
32	Long-Term Debt	256-257	
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
34	Taxes Accrued, Prepaid and Charged During the Year	262-263	
35	Accumulated Deferred Investment Tax Credits	266-267	
36	Other Deferred Credits	269	

LIST OF SCHEDULES (Electric Utility) (continued)

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 respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	N/A
38	Accumulated Deferred Income Taxes-Other Property	274-275	
39	Accumulated Deferred Income Taxes-Other	276-277	
40	Other Regulatory Liabilities	278	
41	Electric Operating Revenues	300-301	
42	Sales of Electricity by Rate Schedules	304	
43	Sales for Resale	310-311	
44	Electric Operation and Maintenance Expenses	320-323	
45	Purchased Power	326-327	
46	Transmission of Electricity for Others	328-330	N/A
47	Transmission of Electricity by ISO/RTOs	331	N/A
48	Transmission of Electricity by Others	332	
49	Miscellaneous General Expenses-Electric	335	
50	Depreciation and Amortization of Electric Plant	336-337	337 N/A
51	Regulatory Commission Expenses	350-351	
52	Research, Development and Demonstration Activities	352-353	N/A
53	Distribution of Salaries and Wages	354-355	
54	Common Utility Plant and Expenses	356	N/A
55	Amounts included in ISO/RTO Settlement Statements	397	N/A
56	Purchase and Sale of Ancillary Services	398	
57	Monthly Transmission System Peak Load	400	N/A
58	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
59	Electric Energy Account	401	
60	Monthly Peaks and Output	401	
61	Steam Electric Generating Plant Statistics	402-403	N/A
62	Hydroelectric Generating Plant Statistics	406-407	407 N/A
63	Pumped Storage Generating Plant Statistics	408-409	N/A
64	Generating Plant Statistics Pages	410-411	
65	Transmission Line Statistics Pages	422-423	N/A
66	Transmission Lines Added During the Year	424-425	N/A

LIST OF SCHEDULES (Electric Utility) (continued)

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 respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Substations	426-427	
68	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input type="checkbox"/> Four copies will be submitted</p> <p><input checked="" type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report End of <u>2006/Q4</u>
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GENERAL INFORMATION

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.

Robert J. Malaski, Assistant Vice President - Finance
Edison Sault Electric Company
725 East Portage Avenue
Sault Ste. Marie, MI 49783

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 the date organized.

Michigan January 1892

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.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric - Michigan

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?

- (1) Yes...Enter the date when such independent accountant was initially engaged:
(2) No

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report End of <u>2006/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the 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.

The Company is a wholly owned subsidiary of Wisconsin Energy Corporation
231 W. Michigan, Milwaukee, Wisconsin 53201

Name of Respondent
Edison Sault Electric Company

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/2007

Year/Period of Report
End of 2006/Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
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5	Details on file in Controller's Office		
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DIRECTORS

1. Report below the 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.

2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Gale E. Klappa	231 W. Michigan
2		Milwaukee, WI 53201
3		
4	Donald Sawruk	725 E. Portage Avenue
5		Sault Ste. Marie, MI 49783
6		
7	Charles R. Cole	231 W. Michigan
8		Milwaukee, WI 53201
9		
10	Frederick D. Kuester	231 W. Michigan
11		Milwaukee, WI 53201
12		
13	Roman A. Draba	231 W. Michigan
14		Milwaukee, WI 53201
15		
16	Jeffrey P. West	231 W. Michigan
17		Milwaukee, WI 53201
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Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/30/2007	Year/Period of Report End of <u>2006/Q4</u>
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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 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. 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 Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report 2006/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1, 2, 3, 4, 5, 6, 7, 8, 10, & 12

None

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Please see footnotes to pages 122-123.

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	87,136,813	84,064,186
3	Construction Work in Progress (107)	200-201	845,999	1,069,786
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		87,982,812	85,133,972
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	44,948,543	42,764,968
6	Net Utility Plant (Enter Total of line 4 less 5)		43,034,269	42,369,004
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)		43,034,269	42,369,004
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		55,182	55,182
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
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)		28,016,954	25,207,981
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		1,800	1,800
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		28,073,936	25,264,963
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		573,473	601,573
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		1,850	1,850
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		4,098,839	4,061,506
41	Other Accounts Receivable (143)		29,098	10,693
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		32,000	32,000
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		734	1,232
45	Fuel Stock (151)	227	32,754	41,010
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	814,104	768,071
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

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	154,255	133,897
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)		144,763	194,381
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		1,517,882	1,334,423
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	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)		7,335,752	7,116,636
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		0	0
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	7,533,413	6,195,413
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	146,795	644,464
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)		0	0
82	Accumulated Deferred Income Taxes (190)	234	1,621,547	1,697,110
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		9,301,755	8,536,987
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		87,745,712	83,287,590

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	702,629	702,629
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	1,720,498	1,720,498
7	Other Paid-In Capital (208-211)	253	9,190,330	8,777,879
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)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	31,352,444	28,534,331
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	444,850	444,850
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)		42,521,051	39,290,487
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	11,500,000	12,500,000
21	Other Long-Term Debt (224)	256-257	343,000	624,000
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)		11,843,000	13,124,000
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)		85,005	77,213
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)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		85,005	77,213
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		281,000	151,000
38	Accounts Payable (232)		1,469,449	1,177,619
39	Notes Payable to Associated Companies (233)		10,100,000	6,300,000
40	Accounts Payable to Associated Companies (234)		2,418,949	3,790,052
41	Customer Deposits (235)		140,532	137,810
42	Taxes Accrued (236)	262-263	566,440	1,426,056
43	Interest Accrued (237)		849	945
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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)		0	0
48	Miscellaneous Current and Accrued Liabilities (242)		376,728	438,303
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	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)		15,353,947	13,421,785
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		647,637	676,769
57	Accumulated Deferred Investment Tax Credits (255)	266-267	233,900	286,867
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	4,151,818	4,279,102
60	Other Regulatory Liabilities (254)	278	311,703	74,103
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		285,533	298,749
64	Accum. Deferred Income Taxes-Other (283)		12,312,118	11,758,515
65	Total Deferred Credits (lines 56 through 64)		17,942,709	17,374,105
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		87,745,712	83,287,590

STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. 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 (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. 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.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

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	52,312,285	50,150,492		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	41,305,834	38,653,782		
5	Maintenance Expenses (402)	320-323	2,281,983	2,399,309		
6	Depreciation Expense (403)	336-337	2,832,163	2,754,115		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	411	411		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
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	1,821,492	1,748,597		
15	Income Taxes - Federal (409.1)	262-263	723,851	1,022,318		
16	- Other (409.1)	262-263	77,604	104,157		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	1,263,392	799,339		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	1,047,876	789,565		
19	Investment Tax Credit Adj. - Net (411.4)	266	-35,554	-37,687		
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)		49,223,300	46,654,776		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		3,088,985	3,495,716		

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
52,312,285	50,150,492					2
						3
41,305,834	38,653,782					4
2,281,983	2,399,309					5
2,832,163	2,754,115					6
						7
411	411					8
						9
						10
						11
						12
						13
1,821,492	1,748,597					14
723,851	1,022,318					15
77,604	104,157					16
1,263,392	799,339					17
1,047,876	789,565					18
-35,554	-37,687					19
						20
						21
						22
						23
						24
49,223,300	46,654,776					25
3,088,985	3,495,716					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)		3,088,985	3,495,716		
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)		-50			
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		3,821	3,892		
38	Allowance for Other Funds Used During Construction (419.1)					
39	Miscellaneous Nonoperating Income (421)		4,939,867	4,208,439		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		4,943,738	4,212,331		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)			16,138		
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	59,802	57,498		
46	Life Insurance (426.2)		117,387	131,919		
47	Penalties (426.3)					
48	Exp. for Certain Civic, Political & Related Activities (426.4)					
49	Other Deductions (426.5)		100	-22,247		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		177,289	183,308		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	-4,100	-12,600		
53	Income Taxes-Federal (409.2)	262-263	1,268,875	1,241,490		
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	662,692	218,523		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	262,258	52,277		
57	Investment Tax Credit Adj.-Net (411.5)		-17,413	-24,671		
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,647,796	1,370,465		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		3,118,653	2,658,558		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		54,400	114,057		
63	Amort. of Debt Disc. and Expense (428)					
64	Amortization of Loss on Reaquired Debt (428.1)					
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)	340	1,358,950	1,108,861		
68	Other Interest Expense (431)	340	40,354	12,450		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		64,179			
70	Net Interest Charges (Total of lines 62 thru 69)		1,389,525	1,235,368		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		4,818,113	4,918,906		
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)		4,818,113	4,918,906		

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. 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.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. 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.
9. 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)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		28,534,331	25,615,425
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		4,818,113	4,918,906
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31			-2,000,000	(2,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-2,000,000	(2,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		31,352,444	28,534,331
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. 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.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. 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.
9. 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)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		31,352,444	28,534,331
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

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)	4,818,113	4,918,906
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	2,858,500	2,874,271
5	Amortization of		
6	Utility Plant and Non-Utility Plant	411	-13,599
7			
8	Deferred Income Taxes (Net)	615,950	104,020
9	Investment Tax Credit Adjustment (Net)	-52,967	-62,358
10	Net (Increase) Decrease in Receivables	-238,699	-206,847
11	Net (Increase) Decrease in Inventory	-58,136	-135,041
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-894,584	3,044,283
14	Net (Increase) Decrease in Other Regulatory Assets	-1,338,000	14,600
15	Net Increase (Decrease) in Other Regulatory Liabilities	237,600	30,000
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote): Net (Incr) Decr. in Prepayments	49,618	50,612
19	Net (Increase) Decrease in Misc. Deferred Debits/Credits	370,385	-3,764,281
20	Net (Increase) Decrease in Other Non-Current Liabilities	7,792	11,656
21	Net (Increase) Decrease in Other Investments/Special Funds	-1,031,572	-941,866
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	5,344,411	5,924,356
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-3,524,176	-2,998,295
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction		
31	Other: (provide details in footnote): Customer Advances	-29,132	-6,545
32	Net (Increase) Decrease in Equity Investment - ATC	-1,777,401	-1,276,411
33	Net (Increase) Decrease in Non-Utility Property		14,000
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-5,330,709	-4,267,251
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
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)		

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)	-5,330,709	-4,267,251
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)	130,000	
67	Other (provide details in footnote):		
68	Net (Increase) Decrease in Other Paid-In-Capital	412,451	37,402
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	542,451	37,402
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-281,000	-151,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote): Advances from Assoc Companies	1,196,747	1,900,000
77			
78	Net Decrease in Short-Term Debt (c)		-1,180,000
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-1,500,000	-2,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-41,802	-1,393,598
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-28,100	263,507
87			
88	Cash and Cash Equivalents at Beginning of Period	603,423	339,916
89			
90	Cash and Cash Equivalents at End of period	575,323	603,423

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/30/2007	Year/Period of Report End of <u>2006/Q4</u>
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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.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/30/2007	2006/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

NOTE A – ORGANIZATION

Edison Sault Electric Company ("Edison Sault") is a separate utility subsidiary of Wisconsin Energy Corporation ("WEC") engaged in the generation, purchase, and sale of electric energy in the Eastern Upper Peninsula of Michigan. Customer receivables, electric sales, and resale revenues arise from operations of Edison Sault.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting records of Edison Sault are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission ("FERC") and the Michigan Public Service Commission ("MPSC.")

The accompanying financial statements have been prepared in accordance with the accounting requirements of the FERC as set forth in the Uniform System of Accounts and accounting releases, which differs from generally accepted accounting principles ("GAAP"). As required by FERC, Edison Sault classifies certain items in its Form 1 Comparative Balance Sheet (primarily the components of accumulated deferred income taxes, maturities of long-term debt, deferred debits, and deferred credits) in a manner different than that required by GAAP.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Edison Sault follows the liability method in accounting for income taxes as prescribed by the Statement of Financial Accounting Standards ("SFAS") SFAS 109. SFAS 109 requires the recording of deferred assets and liabilities to recognize the expected future tax consequences of events that have been reflected in the financial statements or tax returns and the adjustment of deferred tax balances to reflect tax rate changes. Edison Sault is required to assess the likelihood that its deferred tax assets would expire before being realized.

Tax credits associated with regulated operations are deferred and amortized over the life of the assets. Edison Sault is included in WEC's consolidated Federal income tax return. WEC allocates Federal tax expense or credits to Edison Sault based on our separate tax computation.

Investment tax credits related to regulated utility assets are recorded as a deferred credit on the balance sheet and amortized to income over the applicable service lives of related properties in accordance with regulatory treatment.

WEC allocates to Edison Sault the tax benefit of stock options exercised to the extent the option holder's payroll cost was incurred by them. Edison Sault records the allocated tax benefit as an addition to paid in capital.

Edison Sault recognizes interest and penalties accrued related to unrecognized tax benefits in Income Taxes, in its Income Statement, as well as Regulatory Assets or Regulatory Liabilities in its Balance Sheets.

Edison Sault collects sales and use taxes from its customers and remits these taxes to governmental authorities. These taxes are recorded in its Income Statement on a net basis.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Stock Options

Employees of Edison Sault participate in the WEC stock-based compensation plan. The amounts reported represent the allocated costs related to options held by our employees.

Effective January 1, 2006, WEC adopted SFAS 123R, using the modified prospective method. WEC uses a binomial pricing model to estimate the fair value of stock options granted subsequent to December 31, 2005. Prior to January 1, 2006, WEC accounted for share based compensation under Accounting Principles Board ("APB") 25, Accounting for Stock Issued to Employees, and Edison Sault disclosed the pro forma impact of share based compensation expense under SFAS 123. Historically, all stock options have been granted with an exercise price equal to the fair market value of the common stock on the date of grant and expire no later than ten years from the grant date. Accordingly, no compensation expense was recognized in connection with option grants. All options granted subsequent to December 31, 2004 vest on a cliff-basis after a three year period.

Inventory

Inventory values are maintained on an average cost basis.

Associated Companies

Managerial, financial, accounting, legal, data processing, and other services may be rendered between Edison Sault and associated companies. Edison Sault buys and sells electric energy from an affiliated utility, Wisconsin Electric Power Company ("WEPCO"). In 2006, Edison Sault purchased and sold electric energy in the amount of \$22.4 million and \$17,000, respectively. At December 31, 2006, Edison Sault owed a net accounts payable of \$2.4 million to associated companies for services rendered.

Other Investments

Edison Sault has approximately a 4% interest in American Transmission Company ("ATC"), a regional transmission company established in 2000 under Wisconsin legislation. During 2006 and 2005, Edison Sault paid ATC approximately \$3.9 million and \$3.6 million, respectively, for transmission services. Edison Sault also provides a variety of operational, maintenance, and project management work for ATC, which ATC reimburses to Edison Sault at cost. In 2006, Edison Sault received approximately \$762,000 from ATC for services rendered. At December 31, 2006, Edison Sault owed a net accounts payable of \$278,000 to ATC. Edison Sault made capital contributions to ATC of approximately \$1.8 million in 2006.

Utility Regulation

Edison Sault accounts for the effects of regulation under SFAS 71, "Accounting for the Effects of Certain Types of Regulation." As a result, the actions of regulators affect when revenues, expenses, assets, and liabilities are recognized.

In accordance with SFAS 71, Edison Sault capitalizes as deferred regulatory assets costs which are expected to be recovered in future utility rates. Edison Sault also records as deferred regulatory liabilities amounts which are to be incurred or refunded in the future. These consist primarily of amounts related to the adoption of SFAS 109, "Accounting for Income Taxes" and an environmental matter.

The following regulatory assets (liabilities) were reflected in the Balance Sheet as of December 31:

<i>(Thousands of Dollars)</i>	<u>2006</u>	<u>2005</u>
FAS 109 Regulatory Assets	\$ 46	\$ 46
FAS 109 Regulatory Liability	<u>(8)</u>	<u>(8)</u>
FAS 109 Net Regulatory Asset	\$ 38	\$ 38
Environmental Matter Regulatory Liability	(304)	(66)
Pension Regulatory Asset	6,823	6,149
OPEB Regulatory Asset	664	N/A
Total Net Regulatory Asset	<u>\$ 7,221</u>	<u>\$ 6,121</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

As of December 31, 2005, Edison Sault recorded a minimum pension liability to reflect the funded status of its pension plans (see Note F). Under SFAS 158, which WEC adopted effective December 31, 2006, Edison Sault has concluded that substantially all of the unrecognized costs resulting from the recognition of the funded status of the pension and OPEB plans qualify as a regulatory asset.

Restructuring in Michigan: In June 2000, the Governor of the state of Michigan signed the "Customer Choice and Electric Reliability Act" into law, empowering the MPSC to implement electric retail access in Michigan. In effect, the new law provides that all Michigan retail customers of investor-owned utilities have the ability to choose their electric power producer after January 1, 2002. The Michigan Retail Access law was characterized by former Michigan Governor Engler as "Choice for those who want it and protection for those who need it."

As of January 1, 2002, Michigan retail customers of Edison Sault were allowed to remain with their regulated utility at regulated rates or choose an alternative electric supplier to provide power supply service. Edison Sault plans to maintain its generation capacity and distribution assets and provide regulated service as it has in the past. Edison Sault expects to continue providing distribution and customer service functions regardless of the customer's power supplier.

Customer switching to alternative suppliers within Edison Sault's service territory has not occurred. There has been minimal alternate supplier activity, reflecting the small market area, the company's competitive regulated power supply prices, and a lack of interest in general of the Upper Peninsula of Michigan as a market for alternative electric suppliers.

Rates and Regulatory Matters

In September 1995, the MPSC approved Edison Sault's application to implement price cap regulation for its electric customers in the State of Michigan, capping base rates at existing levels, rolling its existing fuel cost adjustment procedure or Power Supply Cost Recovery ("PSCR") factor into base rates and suspending its existing PSCR clause. Edison Sault was required to give thirty days notice for rate decreases. The order authorizing Edison Sault's price cap represented a temporary experimental regulatory mechanism and allowed Edison Sault to file an application seeking an increase in rates under extraordinary circumstances. In September 2001, Edison Sault submitted an application to reinstate its PSCR clause in January 2002 and to incorporate therein 2002 incremental ATC charges and certain miscellaneous costs. In April 2002, the MPSC issued orders authorizing Edison Sault to re-implement its PSCR clause, beginning May 1, 2002. PSCR revenues and costs are subject to true-up hearings. At December 31, 2006, Edison Sault had an undercollection of approximately \$4.3 million in PSCR revenues. At December 31, 2005, there was an undercollection of approximately \$4 million. These amounts are recorded as a debit balance in Account 253 on the balance sheet.

Edison Sault continually reviews the applicability of accounting under SFAS 71. Based on a current evaluation of factors affecting the applicability of SFAS 71, Edison Sault has determined that it is currently appropriate to continue accounting according to SFAS 71.

New Accounting Pronouncements

Uncertainty in Income Taxes: In July 2006, the FASB issued FASB Interpretation 48 ("FIN 48"), an interpretation of SFAS 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the enterprise's financial statements in accordance with SFAS 109. Edison Sault adopted FIN 48 effective January 1, 2007.

Fair Value Measurements: In September 2006, the FASB issued SFAS 157. SFAS 157 provides guidance for using fair value to measure assets and liabilities. SFAS 157 defines fair value, provides a framework for measuring fair value and expands disclosures related to fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Edison Sault is currently evaluating the provisions of SFAS 157 and expects to adopt SFAS 157 on January 1, 2008.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Pension and Other Post-retirement Plans: In September 2006, the FASB issued SFAS 158, an amendment of SFAS 87, 88, 106 and 132R. SFAS 158 requires recognition of the overfunded or underfunded status of a defined benefit post-retirement plan as an asset or liability on the balance sheet and recognition of changes in that funded status in the year in which the changes occur through comprehensive income. SFAS 158 also requires an employer to measure the funded status of a plan as of the date of its year end balance sheet. Edison Sault adopted SFAS 158 as of December 31, 2006. See Note F for the impact of the adoptions.

Revenues

Edison Sault records revenue monthly, as billed, on the basis of meter readings throughout the month and includes an estimate of unbilled revenue relative to power consumed from the meter reading date to the end of the month in the current month's revenue. Edison Sault's Statement of Financial Position includes an estimated amount for revenues accrued but not billed as of year-end.

Beginning in May 2002, certain of Edison Sault's electric sales became subject to a PSCR clause which permits Edison Sault to pass on to its customers any increases or decreases in the cost of purchased power and fuel used to generate electricity. Edison Sault records monthly an estimate of revenues expected to be collected or refunded to customers as a result of the PSCR clause. Such estimates are revised as actual costs become available. The PSCR process is subject to the jurisdiction of the MPSC.

Our two largest customers accounted for approximately 31% of total revenues in 2006 and 28% in 2005.

Edison Sault continually reviews its customers' credit-worthiness and requests deposits or refunds deposits based on that review.

Utility Plant—Electric

Utility plant is stated at original cost, including engineering, material, labor, supervision, other related items, and an allowance for funds used during construction.

Maintenance and repairs are charged to expense as incurred, while replacements and betterments are capitalized. Upon the sale or retirement of an asset, the original cost of the property retired, plus the cost of removal, less salvage, is charged to accumulated depreciation.

Edison Sault depreciates the original cost of property over its estimated useful life by the straight-line method at composite rates approved by the MPSC. The composite rate was approximately 3.3% for the years presented.

The regulated operations of Edison Sault collect removal costs in rates for certain assets that do not have associated legal asset retirement obligations. As of December 31, 2006, Edison Sault estimated that it has approximately \$9.0 million of such regulatory liabilities recorded in Accumulated Depreciation. At December 31, 2005, the amount was \$8.6 million.

Cash and Cash Equivalents

Edison Sault considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Edison Sault had the following significant noncash financing activities during 2006. The intercompany loan payable to WEC was increased in the amount of \$500,000 for payment of a dividend and \$1,103,253 for payment of federal income taxes.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

NOTE C – LONG-TERM DEBT/BORROWING ARRANGEMENTS

At December 31, 2006, the maturities through 2008 and thereafter for the aggregate amount of long-term debt outstanding were:

(thousands of dollars)

2007	\$ 1,281
2008	1,343
2009	1,000
2010	1,000
2011	1,000
Thereafter	<u>7,500</u>
 Total	 \$13,124

Edison Sault has in place an unsecured intercompany note from WEC with sinking fund and interest payments payable on a quarterly basis. The interest rate is 6.9%. The note matures in April 2012, at which time the balance of the remaining principal amount is payable to WEC. At December 31, 2006, Edison Sault has notes payable to WEC in the amount of \$12,500,000. Edison Sault may, at its option, prepay in whole or in part the unpaid balance of the note.

Edison Sault has authority from FERC to issue up to \$50 million in long-term and short-term obligations. Edison Sault also has authority to issue short-term thrift notes to Michigan residents. These notes mature one year from the date of issue, with interest at 2.5% to 3.0% below the New York prime rate, depending on the amount of the note. There were no short-term thrift notes outstanding at December 31, 2006, and December 31, 2005.

	<u>2006</u>	<u>2005</u>
	<i>(Thousands of Dollars)</i>	
Unsecured Notes 7.5% - 8.00% due 2006 – 2008	\$ 624	\$ 775

NOTE D – LEASES AND PURCHASED POWER AGREEMENTS

Edison Sault's primary source of generation is its 30-megawatt hydroelectric generating plant located on the St. Marys River in Sault Ste. Marie, Michigan. The water for this facility is leased under a contract with the United States Corps of Engineers with tenure to December 31, 2050. However, the Secretary of the Army has the right to terminate the contract subsequent to December 2025 by providing at least a five-year termination notice. No such notice can be given prior to December 31, 2020. An amendment to the contract extending the lease to December 31, 2075, extending the right to terminate date to December 31, 2050, and increasing the annual minimum payment to \$200,000 has been negotiated and is awaiting approval by the Assistant Secretary of the Army. Edison Sault pays for all water taken from the St. Marys River at predetermined rates with a minimum annual payment of \$100,000. Annual rentals under this contract were \$835,000 in 2006 and \$978,000 in 2005. The total flow of water taken out of Lake Superior, which in effect is the flow of water in the St. Marys River, is under the direction and control of the International Joint Commission, created by the Boundary Water Treaty of 1909 between the United States and Great Britain, now represented by Canada.

The International Joint Commission places limitations on the flow of water from Lake Superior that limits Edison Sault's amount of hydroelectric generation. Water elevation levels on Lake Superior have been below normal levels since 1998 resulting in decreased water release. During any limited flow months, it is necessary for Edison Sault to purchase additional power from other sources or increase the use of Edison Sault's diesel generation. Water elevation levels on Lake Superior in 2006 approached all-time recorded seasonal lows, resulting in less water available for hydroelectric operation.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Hydroelectric generation is also purchased by Edison Sault under contract from the United States Corps of Engineers' hydroelectric generating plant located within the Soo Locks complex on the St. Marys River in Sault Ste. Marie, Michigan. This 17-megawatt contract has tenure to November 1, 2040, and cannot be terminated by the United States government prior to November 1, 2030. Payments under the contract are scheduled to be \$1,850,948 annually, with modifications to such payments for power outages and the cost of designated repairs in excess of the federal share of such costs. Annual payments are subject to re-negotiation every five years, with the current terms having been implemented in November 2006.

Edison Sault purchases power from Consumers Energy Company under a wholesale power sales agreement that, with five year's notice, expires in 2020, or earlier if Edison Sault provides a five year notice of termination. Under this agreement, Edison Sault purchased 20 megawatts of capacity in 2006 and 2005. Edison Sault can take up to 20 megawatts of energy per hour, at its option, and pays an energy charge for actual energy flow. The cost of power purchased from Consumers Energy totaled \$6,540,459 in 2006 and \$5,431,887 in 2005. Rates under the agreement were renegotiated with annual increases in rates that became effective in 2003. Rates after December 31, 2007, are subject to negotiations.

Commencing January 1, 1998, Edison Sault purchased 20 megawatts of firm power from WEPCO under the terms of a ten-year agreement. Effective January 1, 2001, Edison Sault began purchasing additional capacity and energy from WEPCO under the terms of a Joint Operating Agreement ("JOA"). Under the JOA, Edison Sault and WEPCO each retain the rights to any generation and purchased power contracts that were in place on July 1, 2000. Any additional capacity and energy needs of the two companies would be obtained on a joint basis and the costs shared. The cost of power from WEPCO was \$22,424,613 in 2006 and \$21,238,303 in 2005. Edison Sault also sold \$134,000 of power to WEPCO under the 2006 JOA and \$102,000 in 2005.

Edison Sault also leases certain office and computer equipment for which gross rentals were \$54,100 in 2006 and \$54,500 in 2005 under agreements that extend up to six years.

NOTE E – INCOME TAXES

The Company follows the liability method in accounting for income taxes as prescribed by SFAS 109, Accounting for Income Taxes (SFAS 109). SFAS 109 requires the recording of deferred assets and liabilities to recognize the expected future tax consequences of events that have been reflected in our financial statements or tax returns and the adjustment of deferred tax balances to reflect tax rate changes. Tax credits associated with regulated operations are deferred and amortized over the life of the assets.

The following table is a summary of income tax expense (benefit) for each of the years ended December 31:

	<u>2006</u>	<u>2005</u>
	(Thousands of Dollars)	
Current tax expense	\$2,070.3	\$2,368.0
Deferred income taxes, net	616.0	176.0
Investment tax credit, net	<u>(53.0)</u>	<u>(62.4)</u>
Total Income Tax Expense	<u>\$2,633.3</u>	<u>\$2,481.6</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The provision for income taxes for each of the years ended December 31 differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to income before income taxes as a result of the following items:

	<u>Amount</u>	<u>Tax Rate</u>	<u>Amount</u>	<u>Tax Rate</u>
	(Thousands of Dollars)			
Expected tax at statutory federal tax rates	\$ 2,608.0	35%	\$ 2,590.2	35%
State income taxes net of federal tax benefit	42.8	0.6%	66.7	0.9%
Investment tax credit restored	(53.0)	(0.7%)	(62.4)	(0.9%)
Property related	(5.1)	(0.1%)	8.4	0.1%
Section 199 production deduction	(35.0)	(0.5%)	(70.0)	(0.9%)
Other, net	75.6	1.0%	(51.3)	(0.7%)
Total Income Tax Expense	<u>\$ 2,633.3</u>	<u>35.3%</u>	<u>\$ 2,481.6</u>	<u>33.5%</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The components of SFAS 109 deferred income taxes classified as net current assets and net non-current liabilities at December 31 are as follows:

	2006	2005
	(Thousands of Dollars)	
Deferred Tax Assets		
Current		
Uncollectible account expense	\$ 11.2	\$ 11.2
Total Current Deferred Tax Assets	<u>11.2</u>	<u>11.2</u>
Non-current		
Property-owned and leased	1,401.3	1,357.0
Pension benefits	(870.5)	(765.3)
Employee benefits and compensation	1,117.7	1,160.8
Other	(38.2)	(66.6)
Total Non-current Deferred Tax Assets	<u>1,610.3</u>	<u>1,685.9</u>
Total Deferred Tax Assets	<u>\$1,621.5</u>	<u>\$1,697.1</u>
Deferred Tax Liabilities		
Current		
EPA regulatory asset	\$ -	\$ (23.1)
Property taxes	364.9	349.4
Total Current Deferred Tax Liabilities	<u>364.9</u>	<u>326.3</u>
Non-current		
EPA regulatory asset	(106.3)	0.0
Property-owned and leased	6,944.2	6,728.0
Property-investment	5,394.8	5,003.0
Total Non-current Deferred Tax Liabilities	<u>12,232.7</u>	<u>11,731.0</u>
Total Deferred Tax Liabilities	<u>\$ 12,597.6</u>	<u>\$ 12,057.3</u>

Consistent with ratemaking treatment, deferred taxes are offset in the above table for temporary differences which have related regulatory assets or liabilities.

In July 2006, the FASB issued FIN 48, an interpretation of SFAS 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the enterprise's financial statements in accordance with SFAS 109. FIN 48 provides clarification on the accounting for income taxes by setting forth a minimum recognition threshold an uncertain tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on de-recognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. Edison Sault adopted FIN 48 effective January 1, 2007. As a result of the adoption of FIN 48, Edison Sault estimates that the cumulative effect on retained earnings is immaterial.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

NOTE F – PENSION PLAN AND OTHER BENEFITS

Edison Sault and WEC provide noncontributory defined benefit pension and other postretirement benefit plans to employees. The WEC Plan provides pension benefits to employees of WEC, Edison Sault, and other subsidiaries of WEC. In October 2006, WEC announced that it was making a change to pension benefits for new management employees hired subsequent to October 2006 and for those represented employees whose unions have adopted this plan. The retirement benefit for new employees is an enhanced 401(k) plan. Existing employee's pension benefits are unchanged. Our 2007 combined pension and savings plan costs are not expected to be materially affected as a result of this change to the plan.

The assets, obligations and the components of Edison Sault's pension costs are allocated by WEC's actuary to each of the participating companies as if each participating company had its own plan. The disclosures below are based on an allocation to Edison Sault of the amounts for WEC's pension plan.

In September 2006, the FASB issued SFAS 158, which requires employers to recognize all obligations related to their pension and other post retirement benefit plans and to quantify the funded status of the pension and other postretirement benefit plans as an asset or liability on their statement of financial position. In addition, SFAS 158 requires employers to measure the funded status of their plans as of the date of their year-end statement of financial position.

WEC adopted SFAS 158 prospectively on December 31, 2006. WEC has historically and will continue to use a year end measurement date for all of the benefit plans. Prior to the issuance of SFAS 158, Edison Sault recorded a minimum pension liability to reflect the funded status of the pension plan. Due to the regulatory nature of its business, Edison Sault has concluded that substantially all of the unrecognized costs resulting from the recognition of the funded status of the pension and other postretirement benefit plans qualify as a regulatory asset.

The following table shows the incremental effect of applying SFAS 158 on individual line items in Edison Sault's year-end statement of financial position and compares prior year-end balances.

	December 31, 2006			December 31, 2005
	Before SFAS 158	Impact	As Reported	
	(Millions of Dollars)			(Millions of Dollars)
Regulatory Asset - Pension	\$ 5,785	\$ 1,038	\$ 6,823	\$ 6,149
Regulatory Asset - OPEB	-	664	664	-
Other Deferred Charges-Pension	551	(551)	-	608
Pension Liability	\$ 4,076	\$ 487	\$ 4,563	\$ 7,218
OPEB Liability	1,890	664	2,554	1,787

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The disclosures below are based on an allocation of the amounts for the WEC Plan to Edison Sault. Also disclosed below is the aggregate funded status of those pension and other postretirement benefit plans with accumulated net benefit obligations in excess of plan assets.

	Qualified & Nonqualified Pension Benefits		Other Post- retirement Benefits	
	2006	2005	2006	2005
(Thousands of Dollars)				
Change in Benefit Obligation				
Benefit Obligation at January 1	\$ 18,950	\$ 18,154	\$ 2,581	\$ 3,411
Service Cost	320	277	38	36
Interest Cost	1,065	1,032	137	166
Plan Participants' Contributions	-	-	-	185
Plan Amendments	41	65	(42)	(619)
Actuarial Loss (Gain)	365	850	(55)	(221)
Special Benefits	-	-	-	26
Gross Benefits Paid	(1,658)	(1,428)	(105)	(403)
Less Federal Subsidy on Benefits Paid	N/A	N/A	N/A	N/A
Benefit Obligation at December 31	<u>\$ 19,083</u>	<u>\$ 18,950</u>	<u>\$ 2,554</u>	<u>\$ 2,581</u>
 Change in Plan Assets				
Fair Value at January 1	\$ 13,088	\$ 13,577	\$ -	\$ -
Actual Return on Plan Assets	1,633	882	-	-
Employer Contributions	1,457	57	105	192
Plan Participants' Contribution	-	-	-	185
Special Benefits	-	-	-	26
Gross Benefits Paid	(1,658)	(1,428)	(105)	(403)
Fair Value at December 31	<u>\$ 14,520</u>	<u>\$ 13,088</u>	<u>\$ -</u>	<u>\$ -</u>
Funded Status at December 31	\$ (4,564)	\$ (5,861)	\$ (2,554)	\$ (2,581)
Unrecognized				
Net Actuarial Loss	N/A	\$ 6,781	N/A	\$ 943
Prior Service Cost	N/A	608	N/A	(149)
Net Transition (Asset Obligation)	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>
Net Accrued Benefit Cost	\$ (4,564)	\$ 1,528	\$ (2,554)	\$ (1,787)

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The components of net periodic pension and other postretirement benefit costs as well as the weighted-average assumptions used in accounting for the plans include the following:

	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
<i>(Thousands of Dollars)</i>				
Net Periodic Benefit Cost				
Service Cost	\$ 320	\$ 277	\$ 38	\$ 36
Interest Cost	1,066	1,032	137	167
Expected Return on Plan Assets	(1,099)	(1,171)	-	-
Amortization of				
Transition (Asset) Obligation	-	(6)	-	36
Prior Service Cost	98	95	(19)	10
Actuarial Loss	340	281	51	39
Net Periodic Benefit Cost	<u>\$ 725</u>	<u>\$ 508</u>	<u>\$ 207</u>	<u>\$ 288</u>
Weighted-Average Assumptions used to Determine Periodic Benefit Cost for year ended December 31				
Discount Rate	5.50%	5.75%	5.50%	5.75%
Expected Return on Plan Assets	8.50%	9%	8.50%	9%
Rate of Compensation Increase	4.5 to 5.0%	4.5 to 5.0%	N/A	N/A
Weighted-Average Assumptions Used to Determine Benefit Obligations at Dec. 31				
Discount Rate	5.75%	5.50%	5.75%	5.50%
Rate of Compensation Increase	4.5 to 5.0%	4.5 to 5.0%	5.0	5.0

Included in the above table for pension benefits are costs related to the management and bargaining unit pension plans and the Supplemental Executive Retirement Plan ("SERP").

Edison Sault's management and bargaining unit employees are covered under WEC's pension plan, whose assets, the majority of which are equity securities, are held by pension trusts. Other pension plan assets include corporate and government bonds and real estate.

Edison Sault has an unfunded, nonqualified SERP that provides benefits which were integrated with its Management Pension Plan.

Edison Sault also provides benefits to retired Directors meeting certain age and service requirements. The related accrued liability included in Edison Sault's Statement of Financial Position at December 31, 2006, and 2005 was \$47,000 and \$76,000, respectively. The amount of expense recognized during 2006 and 2005 was \$5,500 and (\$43,800), respectively, while benefits paid were \$34,000 each year.

Other Postretirement Benefit Plans: Edison Sault accrues postretirement benefits (such as health care benefits) during the years an employee provides services in accordance with SFAS 106.

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report 2006/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The assumed health care cost trend rate at December 31, 2006, was 10.0%. Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

Effect on	1% Increase	1% Decrease
Postretirement Benefit Obligation	\$76,000	\$(69,000)
Total of Service and Interest Components	8,000	(7,000)

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) was signed into law. The Act introduced a prescription drug benefit program under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans. In the second quarter of 2004, the FASB issued Staff Position (FSP) SFAS 106-2, Accounting and Disclosure Requirements related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

In accordance with FSP 106-2, Edison Sault chose to recognize the effects of the Act retroactively effective January 1, 2004, with the impacts calculated actuarially. The Act resulted in no change to Edison Sault's benefit obligation and 2004 SFAS 106 expense. Assumptions used to develop this calculation include those used in the determination of the annual SFAS 106 expense and also include expectations of how the federal program will ultimately operate. In January 2005, the Centers for Medicare & Medicaid Services released final regulations to implement the new prescription drug benefit under Part D of Medicare. It was determined that the employer sponsored plans meet these regulations and that the previously determined actuarial measurements are still accurate.

In October 2005, it was announced that Edison Sault was offering to its retirees a Medicare Advantage Program. The Medicare Advantage Program is part of the Act, and offers post-65 medical and drug benefits through private insurance carriers. The Medicare Advantage program is expected to reduce the cost of post-65 medical and drug costs for the retirees and the Company. Due to this change, we remeasured the fair value of our other post-retirement plans in the fourth quarter of 2005 in accordance with SFAS 106, Employers' Accounting for Post-Retirement Benefits Other than Pensions. In 2005, the impact of this remeasurement and the FSP 106-2 benefit resulted in a minimal reduction to SFAS 106 expense.

Plan Assets: In our opinion, current pension trust assets, and amounts which are expected to be contributed to the trusts in the future, will be adequate to meet pension payment obligations to current and future retirees. Our pension plans asset allocation at December 31, 2006, and 2005, and our target allocation for 2007, by asset category, are as follows:

<u>Asset Category</u>	Target Allocation	Percentage of Pension Plans Assets at December 31	
		<u>2006</u>	<u>2005</u>
Equity Securities	65%	61%	65%
Debt Securities	35%	39%	35%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

The target asset allocations were established by an Investment Trust Policy Committee, which oversees investment matters related to all of Edison Sault's funded benefit plans. The asset allocations are monitored by the Investment Trust Policy Committee.

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report 2006/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Cash Flows:

<u>Employer Contributions</u>	<u>Pension Benefits</u>	<u>Other Post-retirement Benefits</u>
	(Thousands of Dollars)	
2005	\$ 57	\$ 192
2006	\$ 1,457	\$ 106
2007 (Expected)	\$ 659	\$ -

Of \$602,000 expected to be contributed to fund pension benefits in 2007, none will be for our qualified plans since there is no minimum required by law. Edison Sault contributed \$1.5 million and \$57,000 to our qualified pension plans during 2006 and 2005, respectively.

The entire contribution to the other post-retirement benefit plans during 2006 was discretionary as the plans are not subject to any minimum regulatory funding requirements.

The following table identifies our expected benefit payments over the next ten years:

<u>Year</u>	<u>Post-employment Pension Benefits</u>	
	(Thousands of Dollars)	
2007	\$ 1,329	\$ 173
2008	\$ 1,422	\$ 166
2009	\$ 1,459	\$ 169
2010	\$ 1,475	\$ 188
2011	\$ 1,623	\$ 210
2012-2016	\$ 8,012	\$ 1,026

Savings Plan: Edison Sault participates in a savings plan sponsored by WEC which allows employees to contribute a portion of their pretax and/or after tax income in accordance with plan specified guidelines. Edison Sault matches 50% of employee contributions up to 6% of the employee's annual compensation. Matching contributions charged to expense amounted to \$135,000 and \$136,000 during 2006 and 2005, respectively.

NOTE G – COMMITMENTS AND CONTINGENCIES

St. Ignace Division Remediation Project: A decommissioned diesel generating site located at the St. Ignace Division's service center is currently being remediated for diesel fuel. The Michigan Department of Environmental Quality (DEQ) is working with Edison Sault at the site. The cost of monitoring and remediation was \$36,000 in 2006 and \$25,000 in 2005. At this time, we cannot reasonably estimate future monitoring and remediation expenses.

**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)	87,155,373	87,155,373
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	87,155,373	87,155,373
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	845,999	845,999
12	Acquisition Adjustments	-18,560	-18,560
13	Total Utility Plant (8 thru 12)	87,982,812	87,982,812
14	Accum Prov for Depr, Amort, & Depl	44,948,543	44,948,543
15	Net Utility Plant (13 less 14)	43,034,269	43,034,269
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	44,954,601	44,954,601
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	11,639	11,639
22	Total In Service (18 thru 21)	44,966,240	44,966,240
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)	44,966,240	44,966,240

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

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. 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.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. 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.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. 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	565	
3	(302) Franchises and Consents	16,582	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	17,147	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
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)		
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	63,532	
28	(331) Structures and Improvements	924,449	
29	(332) Reservoirs, Dams, and Waterways	3,785,511	20,225
30	(333) Water Wheels, Turbines, and Generators	3,691,410	106,463
31	(334) Accessory Electric Equipment	6,023,927	
32	(335) Misc. Power PLant Equipment	228,513	
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	14,717,342	126,688
36	D. Other Production Plant		
37	(340) Land and Land Rights	77	
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories	74,559	
40	(343) Prime Movers		
41	(344) Generators	435,129	
42	(345) Accessory Electric Equipment	65,326	
43	(346) Misc. Power Plant Equipment	9,491	
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	584,582	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	15,301,924	126,688

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	74,635	112
61	(361) Structures and Improvements	52,473	
62	(362) Station Equipment	6,610,905	1,478,313
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	10,906,739	209,079
65	(365) Overhead Conductors and Devices	8,806,562	220,016
66	(366) Underground Conduit	90,533	
67	(367) Underground Conductors and Devices	12,287,604	98,226
68	(368) Line Transformers	12,054,075	411,365
69	(369) Services	5,040,930	281,121
70	(370) Meters	3,390,837	181,571
71	(371) Installations on Customer Premises	449,144	-20,485
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	747,752	8,181
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	60,512,189	2,867,499
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	36,565	
87	(390) Structures and Improvements	1,447,537	10,736
88	(391) Office Furniture and Equipment	1,573,843	58,763
89	(392) Transportation Equipment	1,283,834	111,918
90	(393) Stores Equipment	80,866	
91	(394) Tools, Shop and Garage Equipment	1,307,095	86,763
92	(395) Laboratory Equipment	124,779	
93	(396) Power Operated Equipment	1,987,777	282,880
94	(397) Communication Equipment	409,190	34,484
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	8,251,486	585,544
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	8,251,486	585,544
100	TOTAL (Accounts 101 and 106)	84,082,746	3,579,731
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)	84,082,746	3,579,731

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
			565	2
			16,582	3
				4
			17,147	5
				6
				7
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				21
				22
				23
				24
				25
				26
			63,532	27
			924,449	28
			3,805,736	29
129,668			3,668,205	30
			6,023,927	31
			228,513	32
				33
				34
129,668			14,714,362	35
				36
			77	37
				38
			74,559	39
				40
			435,129	41
			65,326	42
			9,491	43
				44
			584,582	45
129,668			15,298,944	46

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
			74,747	60
			52,473	61
4,680			8,084,538	62
				63
32,318			11,083,500	64
68,427	49,083		9,007,234	65
			90,533	66
23,668			12,362,162	67
35,282			12,430,158	68
2,172			5,319,879	69
49,987			3,522,421	70
3,612			425,047	71
				72
5,092			750,841	73
				74
225,238	49,083		63,203,533	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			36,565	86
			1,458,273	87
15,133			1,617,473	88
78,651			1,317,101	89
			80,866	90
25,141			1,368,717	91
			124,779	92
82,356			2,188,301	93
			443,674	94
				95
201,281			8,635,749	96
				97
				98
201,281			8,635,749	99
556,187	49,083		87,155,373	100
				101
				102
				103
556,187	49,083		87,155,373	104

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Minor Projects	81,945
2	Install Meter Station - Western Limestone	169,611
3	Manistique Papers Upgrade	349,111
4	Kewadin Casino-St. Ignace	106,240
5	Replace Primary-Mackinac Island State Park Commission	139,092
6		
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40		
41		
42		
43	TOTAL	845,999

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	42,770,363	42,770,363		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	2,832,163	2,832,163		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	26,337	26,337		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	2,858,500	2,858,500		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	556,188	556,188		
13	Cost of Removal	118,074	118,074		
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	674,262	674,262		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	44,954,601	44,954,601		

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

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional	9,048,965	9,048,965		
23	Hydraulic Production-Pumped Storage				
24	Other Production	535,804	535,804		
25	Transmission				
26	Distribution	30,726,147	30,726,147		
27	Regional Transmission and Market Operation				
28	General	4,643,685	4,643,685		
29	TOTAL (Enter Total of lines 20 thru 28)	44,954,601	44,954,601		

MATERIALS AND SUPPLIES

1. 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.

2. 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)	41,010	32,754	Generation
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)	691,263	732,694	
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	76,808	81,410	Distribution
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)	768,071	814,104	
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)	133,897	154,255	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	942,978	1,001,113	

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 \$50,000 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	Adjust Accumulated Deferred Taxes related to plant	46,413				46,413
2	in service for prior flow-through items.					
3						
4	Deferred Regulatory Asset-OPEB FAS 158		664,000			664,000
5						
6						
7	Deferred Regulatory Asset-Pension	6,149,000	6,823,000	253	6,149,000	6,823,000
8						
9						
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44	TOTAL	6,195,413	7,487,000		6,149,000	7,533,413

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 \$50,000, 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	Intangible Pension Plan Asset	608,000		253	608,000	
2						
3	Officer Stock Plan	32,103		926	5,483	26,620
4						
5						
6						
7						
8						
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42						
43						
44						
45						
46						
47	Misc. Work in Progress	4,361				120,175
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	644,464				146,795

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.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	CIAC	1,348,897	1,393,207
3	Bad Debt Reserve	11,200	11,200
4	Benefit Plans	56,862	-54,422
5	SFAS 109	8,103	8,103
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	1,425,062	1,358,088
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Deferred Comp - Earnings	272,048	263,459
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	1,697,110	1,621,547

Notes

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 (Held by Parent)	3,000,000	1.00	
2				
3				
4	Total_Com	3,000,000		
5				
6				
7	Cumulative Preferred	160,000	25.00	
8				
9				
10	Total_Pre	160,000		
11				
12				
13				
14				
15				
16				
17				
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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.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
702,629	702,629	28,700	444,850			1
						2
						3
702,629	702,629	28,700	444,850			4
						5
						6
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						42

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

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.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (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.
- (d) Miscellaneous Paid-in Capital (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.

Line No.	Item (a)	Amount (b)
1	Account 209 - Reduction in Par Value of Capital Stock	
2	Shareholders at the May 5, 1987 annual meeting amended the Restated Ar	
3	Incorporation to increase the number of authorized common shares of co	
4	from 800,000 shares to 3,000,000 shares and decreased the par value fr	
5	to \$1 per share (668,005 shares @ 4.00). Account 209	2,672,020
6		
7	Account 211 - Miscellaneous Paid-In-Capital	
8	Amount received by ESELCO as its share of the final cash balance of it	
9	holding company (American States Utilities Corp.) which was dissolved	1,956
10		
11	Amount received from Baltimore Natl. Bank covering the final settlemen	
12	the American States Utilities Corp. Plan for dissolution-Civil Action	
13	of the U.S. District Court for the District of Nebraska, passed March	6,432
14		
15	Cancellation of 789.4 shares of ESELCO common stock which represented	
16	stock held by the Baltimore Natl. Bank since the time of dissolution i	3,947
17		
18	Amount transferred from Earned Surplus to Capital Surplus in accordanc	
19	MPSC Order No. D-500-55-2 covering an amount equal to \$4.10 per share	
20	20,593 shares of common stock issued in payment of a 10% stock dividen	
21	on December 6, 1955, paid on 1-25-56.	84,432
22		
23	Amount transferred from Retained Earnings in connection with the 5% st	
24	declared 03-02-81 and issued 07-15-81 as approved by the MPSC in Case	
25	shares issued @ \$9.25. \$5.00 Common Stock and \$4.25 miscellaneous pa	90,487
26		
27	Amount transferred from Retained Earnings in connection with the 5% st	
28	declared 03-10-83 and issued 07-15-83 as approved by the MPSC in Case	
29	shares issued @ \$12.25. \$5.00 Common Stock and \$7.25 miscellaneous p	179,270
30		
31	Amount transferred from Retained Earnings in connection with the 5% st	
32	declared 03-15-84 and issued 07-15-84 as approved by the MPSC in Case	
33	shares issued @ \$13.25. \$5.00 Common Stock and \$8.25 miscellaneous pa	221,810
34		
35	Amount transferred from Retained Earnings in connection with the 5% st	
36	declared 03-14-85 and issued 07-15-85 as approved by the MPSC in Case	
37	shares issued @ \$15.00. \$5.00 Common Stock and \$10.00 miscellaneous p	285,440
38		
39	SUBTOTAL	3,545,794
40	TOTAL	9,190,330

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

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.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (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.
- (d) Miscellaneous Paid-in Capital (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.

Line No.	Item (a)	Amount (b)
1	Account 211 - Miscellaneous Paid-In Capital (continued)	
2		
3	Amount transferred from Retained Earnings in connection with the 5% st	
4	declared 03-13-86 and issued 07-15-86 as approved by the MPSC in Case	
5	shares issued @ \$21.75. \$5.00 Common Stock and \$16.75 miscellaneous p	502,868
6		
7	Amount transferred from Retained Earnings in connection with the 3% st	
8	declared 03-03-88 and issued 07-15-88 as approved by the MPSC in Case	
9	shares issued @ \$22.75. \$1.00 Common Stock and \$21.75 miscellaneous p	410,532
10		
11	Paid in capital recieved from Parent, ESELCO, INC., during 1989	857,515
12	Paid in capital received from Parent, ESELCO, INC., during 1990	416,309
13	Paid in capital received from Parent, ESELCO, INC., during 1993	1,580,000
14	Paid in capital received from Parent, ESELCO, INC., during 1994	517,605
15	Issuance of Restricted Stock from Parent, ESELCO, INC., during 1996	878,220
16	Federal and State taxes on N.Q. Stock Options 2003 & 2004	31,634
17	Federal Taxes on N.Q. Stock Options 2005	37,402
18	Federal Taxes on N.Q. Stock Options 2006	296,611
19	Record Stock Options at Fair Value 2006	115,840
20		
21	Subtotal	5,644,536
22		
23	Account 209 \$ 2,672,020	
24	Account 211 6,518,310	
25		
26	\$ 9,190,330	
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	9,190,330

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

1. 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.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. 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.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. 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.
9. 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	Account 221 - Long-Term Debt		
2			
3	Energy Thrift Notes 7.5% - 8.0%	10,000,000	
4			
5			
6	Account 223 - Long-Term Debt		
7			
8	Wisconsin Energy Corporation 6.886%	20,000,000	
9			
10			
11			
12			
13			
14			
15			
16			
17	Subtotal	30,000,000	
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	30,000,000	

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
010186	123108			624,000	54,400	3
						4
						5
						6
						7
06/01/02	05/31/12			12,500,000	886,573	8
						9
						10
						11
						12
						13
						14
						15
						16
				13,124,000	940,973	17
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						29
						30
						31
						32
				13,124,000	940,973	33

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 member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	4,818,113
2		
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	126,600
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Net Federal Income Tax Expense	2,555,709
11	EPA Writeoffs/Business Meals/Misc Def Exp & Life Insurance Expense	311,654
12	WI Franchise Tax/Minnesota Franchise Tax	13,100
13	Net Employee Benefits and Deferred Compensation	975,430
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	Depreciation	-544,003
21	ATC Investment	-858,865
22	Property Tax Adjustment	-35,608
23	Domestic Production Deduction	-100,000
24		
25		
26		
27	Federal Tax Net Income	7,262,130
28	Show Computation of Tax:	
29	Federal Income Tax Expense \$ 7,262,130@35%	2,541,745
30		
31	Rounding	16
32	Total Federal Income Tax Expense	2,541,761
33		
34		
35		
36		
37		
38		
39		
40		
41		
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43		
44		

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					
2	2002	3,000				-3,000
3	2003	3,000				
4	2004	3,000				
5	2005	873,080		-549,035	324,045	3,000
6	2006			2,541,761	2,200,000	-291,309
7	SUBTOTAL	882,080		1,992,726	2,524,045	-291,309
8						
9	FICA			351,089	351,089	
10	UNEMPLOYMENT	137		4,059	4,196	
11	SUBTOTAL	137		355,148	355,285	
12						
13	STATE OF MICHIGAN					
14	2005	-39,982		-2,602		42,584
15	2006			226,200	195,000	-42,584
16	SUBTOTAL	-39,982		223,598	195,000	
17						
18	UNEMPLOYMENT	76		5,799	5,875	
19	SUBTOTAL	76		5,799	5,875	
20						
21	LOCAL					
22	2005	626,675			626,675	
23	2006			1,593,794	1,005,306	
24						
25	SUBTOTAL	626,675		1,593,794	1,631,981	
26						
27	STATE OF WISCONSIN					
28	Income Tax					
29	2005	-38,027		-20,776	39,488	50,000
30	2006			98,100	60,000	-55,302
31	SUBTOTAL	-38,027		77,324	99,488	-5,302
32						
33						
34	STATE OF MINNESOTA					
35	Income Tax					
36	2005	-4,903		280		
37	2006					
38	SUBTOTAL	-4,903		280		
39						
40						
41	TOTAL	1,426,056		4,248,669	4,811,674	-296,611

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then 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 (i) 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)	
						1
						2
3,000						3
3,000						4
3,000		-549,035				5
50,452		1,272,886			1,268,875	6
59,452		723,851			1,268,875	7
						8
					351,089	9
					4,059	10
					355,148	11
						12
						13
		-2,602				14
-11,384		230,300			-4,100	15
-11,384		227,698			-4,100	16
						17
					5,799	18
					5,799	19
						20
						21
						22
588,488		1,593,794				23
						24
588,488		1,593,794				25
						26
						27
						28
-48,291		-20,776				29
-17,202		98,100				30
-65,493		77,324				31
						32
						33
						34
						35
-4,623		280				36
						37
-4,623		280				38
						39
						40
566,440		2,622,947			1,625,722	41

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%	48			411.4	5	
3	4%						
4	7%						
5	10%	203,184			411.4	35,549	
6							
7	JDITC - ATC	83,635			411.5	17,413	
8	TOTAL	286,867				52,967	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
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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
43			2
			3
			4
167,635			5
			6
66,222			7
233,900			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
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			48

OTHER DEFERRED 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 \$10,000, 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	Directors Deferred Comp.					
2	Fees	162,342	131	23,805		138,537
3	Earnings	777,291	131	146,170	121,630	752,751
4	Policy Loans	334,127	131		20,886	355,013
5						
6	Accrued Pension Cost	5,232,061	131	8,678,553	8,012,023	4,565,531
7	Accrued Pension - Non Qual.	75,618	131	34,170	5,500	46,948
8						
9	Accrued OPEB Liability	1,760,461	131	360,044	1,153,272	2,553,689
10						
11	Accrued SERP Liability					
12						
13	Current PSCR Refunds	-4,035,272	131	2,502,566	6,230,050	-307,788
14	Current PSCR Interest	-27,717	131	267,994	52,052	-243,659
15	Prior PSCR Refunds-Net	191	131	4,062,989	353,594	-3,709,204
16						
17						
18						
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42						
43						
44						
45						
46						
47	TOTAL	4,279,102		16,076,291	15,949,007	4,151,818

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating 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	131,846	17,599	30,817
3	Gas			
4	ATC Property	166,903		
5	TOTAL (Enter Total of lines 2 thru 4)	298,749	17,599	30,817
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	298,749	17,599	30,817
10	Classification of TOTAL			
11	Federal Income Tax	298,749	17,599	30,817
12	State Income Tax			
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
						118,628	2
							3
	-2					166,905	4
	-2					285,533	5
							6
							7
							8
	-2					285,533	9
							10
	-2					285,533	11
							12
							13

NOTES (Continued)

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 Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Property Taxes	349,440	367,847	352,412
4	ACRS	6,549,722	310,109	80,624
5	EPA Costs	-23,100		83,160
6	Prior Plant in Service Flow Th	46,413		
7	ATC Property	4,836,040		
8				
9	TOTAL Electric (Total of lines 3 thru 8)	11,758,515	677,956	516,196
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	11,758,515	677,956	516,196
20	Classification of TOTAL			
21	Federal Income Tax	11,758,515	988,981	736,988
22	State Income Tax			
23	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
 4. 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)		
						364,875	1
							2
						6,779,207	3
						-106,260	4
						46,413	5
611,628	219,785					5,227,883	6
							7
611,628	219,785					12,312,118	8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
611,628	219,785					12,312,118	19
							20
300,603	-1,007					12,312,118	21
							22
							23

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 \$50,000 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	Rate Adjustment on Accum. Deferred Taxes on the	2,431				2,431
2	Balance Sheet at rates other than 35%					
3						
4	Deferred Taxes on Unamortized ITC	5,672				5,672
5						
6	EPA Cleanup	66,000			237,600	303,600
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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27						
28						
29						
30						
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32						
33						
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35						
36						
37						
38						
39						
40						
41	TOTAL	74,103			237,600	311,703

ELECTRIC OPERATING REVENUES (Account 400)

1. 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.

2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.

3. 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.

4. 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.

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	12,410,406	12,090,133
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	18,795,931	18,545,112
5	Large (or Ind.) (See Instr. 4)	10,516,054	9,704,635
6	(444) Public Street and Highway Lighting	292,348	284,653
7	(445) Other Sales to Public Authorities	552,621	505,368
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	42,567,360	41,129,901
11	(447) Sales for Resale	9,505,063	8,799,957
12	TOTAL Sales of Electricity	52,072,423	49,929,858
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	52,072,423	49,929,858
15	Other Operating Revenues		
16	(450) Forfeited Discounts	138,785	121,385
17	(451) Miscellaneous Service Revenues	11,851	15,493
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	89,226	83,756
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues		
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	239,862	220,634
27	TOTAL Electric Operating Revenues	52,312,285	50,150,492

ELECTRIC OPERATING REVENUES (Account 400)

5. 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.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. 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
168,700	173,052	18,987	18,933	2
				3
243,217	248,739	3,662	3,643	4
200,931	197,770	4	4	5
2,449	2,448	38	38	6
50,959	50,491	3	3	7
				8
				9
666,256	672,500	22,694	22,621	10
192,049	197,887	2	2	11
858,305	870,387	22,696	22,623	12
				13
858,305	870,387	22,696	22,623	14

Line 12, column (b) includes \$ 183,459 of unbilled revenues.
 Line 12, column (d) includes 2,307 MWH relating to unbilled revenues

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					
2	R-1 - Residential	166,401	12,174,936	18,988	8,763	0.0732
3	O/L - Protective Lights	1,282	161,240			0.1258
4	Total	167,683	12,336,176	18,988	8,831	0.0736
5						
6	442 Commercial & Industrial					
7	G-1 - General Service	107,173	9,050,198	3,572	30,004	0.0844
8	L/G - Large General	128,107	9,136,599	90	1,423,411	0.0713
9	H/A - Heating & Air Conditionig	6,647	499,905			0.0752
10	Industrial	200,929	10,516,053	4	50,232,250	0.0523
11						
12						
13						
14	Total	442,856	29,202,755	3,666	120,801	0.0659
15						
16	444 Street Lighting	2,452	292,348	38	64,526	0.1192
17	Total	2,452	292,348	38	64,526	0.1192
18						
19	445 Other Public Authorities					
20	Cloverland Electric Coop	47,237	419,431	1	47,237,000	0.0089
21	Other Public Authorities	3,722	133,190	3	1,240,667	0.0358
22	Total	50,959	552,621	4	12,739,750	0.0108
23						
24						
25	Unbilled Revenue					
26	R-1 - Residential	1,017	74,230			0.0730
27	G-1 - General Service	1,290	109,229			0.0847
28	Total	2,307	183,459			0.0795
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	663,950	42,383,900	22,696	29,254	0.0638
42	Total Unbilled Rev.(See Instr. 6)	2,307	183,459	0	0	0.0795
43	TOTAL	666,257	42,567,359	22,696	29,356	0.0639

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/07	Year of Report December 31, 2006
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CUSTOMER CHOICE ELECTRIC OPERATING REVENUES

1. Report below operating revenues for each prescribed account.
2. 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.
3. If increases or decreases from pervious year (columns (c), (e), and (g)), are not derived from previously reported figures explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Customer Choice Sales of Electricity		
2	Residential Sales		
3	Commercial and Industrial Sales		
4	Small (or Commercial)	N/A	
5	Large (or Industrial)		
6		** Please refer to Footnote B, Restructuring in Michigan	
7			
8			
9			
10			
11			
12	TOTAL Customer Choice Sales		
13			
14			
15	TOTAL Sales of Electricity		
16			
17			
18	TOTAL Revenue Net of Provision for Refunds		
19	Other Operating Revenues		
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30	TOTAL Other Operating Revenues		
31			
32	TOTAL Electric Operating Revenues		

SALES FOR RESALE (Account 447)

1. 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).

2. 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.

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 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	Cloverland Electric Coop	RQ	FERC 10			
2	Cloverland Electric Coop	RQ	FERC 15	13.9		
3						
4						
5						
6	Cloverland Electric Coop	OS	FERC 15			
7	Wisconsin Electric Power	OS	FERC 96			
8						
9	*1-g Alloc. of Edison Hydro Generation					
10	*2-j Transmission, Ancillary, and Losses					
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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, line 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)		
50,224		1,468,074		1,468,074	1
141,097	1,417,434	5,318,963	1,283,671	8,020,068	2
					3
					4
					5
14		384		384	6
715		16,538		16,538	7
					8
					9
					10
					11
					12
					13
					14
191,321	1,417,434	6,787,037	1,283,671	9,488,142	
729	0	16,922	0	16,922	
192,050	1,417,434	6,803,959	1,283,671	9,505,064	

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		
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)		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)		
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	21,189	22,271
45	(536) Water for Power	835,206	978,126
46	(537) Hydraulic Expenses	54,679	68,440
47	(538) Electric Expenses	150,031	151,580
48	(539) Miscellaneous Hydraulic Power Generation Expenses	117,226	82,875
49	(540) Rents		8,792
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,178,331	1,312,084
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	54,631	58,246
54	(542) Maintenance of Structures	84,467	155,336
55	(543) Maintenance of Reservoirs, Dams, and Waterways	304,336	227,039
56	(544) Maintenance of Electric Plant	233,083	269,481
57	(545) Maintenance of Miscellaneous Hydraulic Plant	19,253	44,146
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	695,770	754,248
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	1,874,101	2,066,332

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	32,604	18,181
63	(547) Fuel	129,827	124,701
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses	13,160	12,952
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)	175,591	155,834
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	13,148	7,904
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant	19,700	14,930
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	32,848	22,834
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	208,439	178,668
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	30,499,828	28,275,782
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	30,499,828	28,275,782
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	32,582,368	30,520,782
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering		
84	(561) Load Dispatching		
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		
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		
93	(562) Station Expenses		
94	(563) Overhead Lines Expenses		
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	3,914,586	3,647,299
97	(566) Miscellaneous Transmission Expenses		
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	3,914,586	3,647,299
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)	3,914,586	3,647,299

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		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
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)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	97,648	94,056
135	(581) Load Dispatching	110,082	125,273
136	(582) Station Expenses	93,331	87,317
137	(583) Overhead Line Expenses	-54,648	-28,521
138	(584) Underground Line Expenses	4,920	2,244
139	(585) Street Lighting and Signal System Expenses	106,675	91,005
140	(586) Meter Expenses	97,278	114,425
141	(587) Customer Installations Expenses	36,231	36,380
142	(588) Miscellaneous Expenses	109,950	113,193
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	601,467	635,372
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	85,416	96,659
147	(591) Maintenance of Structures	1,683	1,190
148	(592) Maintenance of Station Equipment	29,620	52,374
149	(593) Maintenance of Overhead Lines	1,174,070	1,194,653
150	(594) Maintenance of Underground Lines	200,217	215,746
151	(595) Maintenance of Line Transformers	28,562	21,292
152	(596) Maintenance of Street Lighting and Signal Systems	507	186
153	(597) Maintenance of Meters	7,541	2,673
154	(598) Maintenance of Miscellaneous Distribution Plant		293
155	TOTAL Maintenance (Total of lines 146 thru 154)	1,527,616	1,585,066
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	2,129,083	2,220,438
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	96,432	111,163
160	(902) Meter Reading Expenses	251,414	274,095
161	(903) Customer Records and Collection Expenses	550,690	558,843
162	(904) Uncollectible Accounts	79,991	-38,119
163	(905) Miscellaneous Customer Accounts Expenses	55,593	80,382
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	1,034,120	986,364

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	4,233	4,205
168	(908) Customer Assistance Expenses	20,280	19,956
169	(909) Informational and Instructional Expenses	8,522	6,224
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Cust. Service and Information. Exp. (Total lines 137 thru 140)	33,035	30,385
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	33,035	30,385
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	1,084,003	1,102,765
182	(921) Office Supplies and Expenses	199,043	228,377
183	(Less) (922) Administrative Expenses Transferred-Credit	496,822	485,600
184	(923) Outside Services Employed	302,736	361,764
185	(924) Property Insurance	52,142	78,115
186	(925) Injuries and Damages	423,269	501,949
187	(926) Employee Pensions and Benefits	2,201,281	1,850,542
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	199,910	77,118
190	(929) (Less) Duplicate Charges-Cr.	194,876	172,905
191	(930.1) General Advertising Expenses	5,951	13,039
192	(930.2) Miscellaneous General Expenses	89,057	49,997
193	(931) Rents	3,184	5,501
194	TOTAL Operation (Enter Total of lines 181 thru 193)	3,868,878	3,610,662
195	Maintenance		
196	(935) Maintenance of General Plant	25,747	37,161
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	3,894,625	3,647,823
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	43,587,817	41,053,091

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	Cloverland Electric Coop	RQ		N/A	N/A	
2						
3						
4	U.S. Corps. of Engineers	LU		N/A	N/A	
5						
6	Consumers Energy Company	RQ	WR	20	20	
7						
8	Wisconsin Electric Pwr. Co.		FERC 50	20	20	
9	Wisconsin Electric Pwr. Co.	RQ	FERC 96	35	58	53
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)	
650				136,658		136,658	1
							2
							3
161,762				1,398,078		1,398,078	4
							5
175,200			3,016,800	3,523,659		6,540,459	6
							7
			1,560,000	4,187,758		5,747,758	8
235,241			2,452,802	14,224,053		16,676,855	9
							10
							11
							12
							13
							14
572,853			7,029,602	23,470,206		30,499,808	

Name of Respondent
Edison Sault Electric Company

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/2007

Year/Period of Report
End of 2006/Q4

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. 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.
2. 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.
3. 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.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. 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.
6. Enter "TOTAL" in column (a) as the last line.
7. 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			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	American Trans.Co./MISO						3,914,586	3,914,586
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL						3,914,586	3,914,586

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	44,700
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Society of Military Engineers	790
7	Operation Action UP	1,000
8	Chamber of Commerce	3,765
9	Michigan Clean Air Fund	38,802
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46	TOTAL	89,057

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		411			411
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	583,739				583,739
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	26,353				26,353
7	Transmission Plant					
8	Distribution Plant	1,939,121				1,939,121
9	Regional Transmission and Market Operation	282,950				282,950
10	General Plant					
11	Common Plant-Electric					
12	TOTAL	2,832,163	411			2,832,574

B. Basis for Amortization Charges

(This area is intentionally left blank for providing the basis for amortization charges.)

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	MICHIGAN PUBLIC SERVICE COMMISSION				
2	U-14965 Western Limestone		11,021	11,021	
3	U-14271 2005 PSCR Plan		27,837	27,837	
4	U-15003 2007 PSCR Reconciliation Plan		2,915	2,915	
5	U-14703 2006 PSCR Plan		83,796	83,796	
6	Other Financing		1,834	1,834	
7					
8					
9	Miscellaneous Matters		2,443	2,443	
10	MPSC Assessment	61,096		61,096	
11					
12	FEDERAL ENERGY REGULATORY COMMISSION				
13					
14	FERC Assessment	8,968		8,968	
15					
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46	TOTAL	70,064	129,846	199,910	

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)					
							1
		11,021					2
		27,837					3
		2,915					4
		83,796					5
		1,834					6
							7
							8
		2,443					9
		61,096					10
							11
							12
							13
		8,968					14
							15
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		199,910					46

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	196,613		
4	Transmission			
5	Regional Market			
6	Distribution	461,347		
7	Customer Accounts	664,002		
8	Customer Service and Informational	14,947		
9	Sales			
10	Administrative and General	1,431,772		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	2,768,681		
12	Maintenance			
13	Production	350,725		
14	Transmission			
15	Regional Market			
16	Distribution	744,606		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	1,095,331		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	547,338		
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)	1,205,953		
24	Customer Accounts (Transcribe from line 7)	664,002		
25	Customer Service and Informational (Transcribe from line 8)	14,947		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	1,431,772		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	3,864,012	275,956	4,139,968
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling 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 Terminaling 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 47)			
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)	3,864,012	275,956	4,139,968
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	278,323	1,564	279,887
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	278,323	1,564	279,887
72	Plant Removal (By Utility Departments)			
73	Electric Plant	56,605	-2	56,603
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	56,605	-2	56,603
77	Other Accounts (Specify, provide details in footnote):			
78	Merchandise & Jobbing	332,788	109	332,897
79	Accrued Vacation	19,838		19,838
80	Temporary Facilities	2,402	5	2,407
81	Stores	76,373	-76,373	
82	Clearing Accounts	129,067	-129,067	
83	Accrued Expenses	72,191	-72,192	-1
84	Transfer to Subsidiaries	7,117		7,117
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	639,776	-277,518	362,258
96	TOTAL SALARIES AND WAGES	4,838,716		4,838,716

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch						
2	Reactive Supply and Voltage						
3	Regulation and Frequency Response	766,000		26,733			
4	Energy Imbalance						
5	Operating Reserve - Spinning			61,648			
6	Operating Reserve - Supplement			43,210			
7	Other						
8	Total (Lines 1 thru 7)	766,000		131,591			

Name of Respondent
Edison Sault Electric Company

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/2007

Year/Period of Report
End of 2006/Q4

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)	666,256
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	191,320
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	729
5	Hydro-Conventional	156,299	25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	1,973
7	Other	496	27	Total Energy Losses	44,570
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	904,848
9	Net Generation (Enter Total of lines 3 through 8)	156,795			
10	Purchases	748,053			
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)	904,848			

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 on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM:

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	81,443		136	16	800
30	February	75,787		140	8	900
31	March	75,427		129	1	800
32	April	70,041		118	28	900
33	May	73,101	76	119	11	1700
34	June	71,593	41	124	21	1500
35	July	77,383	151	138	17	1300
36	August	75,651	420	137	1	1400
37	September	71,649	28	120	27	1000
38	October	77,636	13	127	23	1100
39	November	76,081		129	13	1900
40	December	79,056		135	19	1700
41	TOTAL	904,848	729			

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: Edison Sault Hydro (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)	Run-of-River	
2	Plant Construction type (Conventional or Outdoor)	Conventional	
3	Year Originally Constructed	1901	
4	Year Last Unit was Installed	1916	
5	Total installed cap (Gen name plate Rating in MW)	40.71	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	30	0
7	Plant Hours Connect to Load	8,760	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	36	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	11	0
12	Net Generation, Exclusive of Plant Use - Kwh	156,299,070	0
13	Cost of Plant		
14	Land and Land Rights	63,532	0
15	Structures and Improvements	924,449	0
16	Reservoirs, Dams, and Waterways	3,805,736	0
17	Equipment Costs	9,920,645	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	14,714,362	0
21	Cost per KW of Installed Capacity (line 20 / 5)	361.4434	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	21,189	0
24	Water for Power	835,206	0
25	Hydraulic Expenses	54,679	0
26	Electric Expenses	150,031	0
27	Misc Hydraulic Power Generation Expenses	117,226	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	54,631	0
30	Maintenance of Structures	84,467	0
31	Maintenance of Reservoirs, Dams, and Waterways	304,336	0
32	Maintenance of Electric Plant	233,083	0
33	Maintenance of Misc Hydraulic Plant	19,253	0
34	Total Production Expenses (total 23 thru 33)	1,874,101	0
35	Expenses per net KWh	0.0120	0.0000

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	INTERNAL COMBUSTION					
2						
3						
4	Manistique	1960	4.80	4.6	496	584,582
5						
6						
7						
8						
9						
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46						

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
						2
						3
127,083	45,764	129,827	32,848	oil		4
						5
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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	Evergreen	Distribution	69.00	13.00	
2	Valley	Distribution	69.00	13.00	
3	Manistique	Distribution	69.00	13.00	
4	East Portage (Sault)	Distribution	69.00	13.00	
5	Straits Sub (St. Ignace)	Distribution	69.00	13.00	
6	St. Ignace	Distribution	69.00	13.00	
7	Three Mile Road (Sault)	Distribution	69.00	13.00	
8	Glen Jenks	Distribution	69.00	13.00	
9	Rexton	Distribution	69.00	4.00	
10	7 Substations at Various Locations:	Distribution	69.00	13.00	
11	Curtis, Trout Lake, Tone Road, Pine Grove				
12	Rockview, Kinross-1, Kinross-2				
13					
14	East Portage (Sault)	Generation/Transmiss	69.00	4.00	
15	Magazine St. (Sault)	Generation/Transmiss	69.00	13.00	
16	Manistique	Generation/Transmiss	69.00	4.00	
17					
18					
19					
20					
21					
22					
23	Note: All substations are unattended				
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total		897.00	142.00	

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)	
10	1		None			1
10	1	4	None			2
10	1		None			3
15	1		None			4
10	1		None			5
15	1		None			6
10	1		None			7
10	1	1	None			8
	2	1	None			9
23	10	10	None			10
						11
						12
						13
30	2		None			14
10	1		None			15
8	1		None			16
						17
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						39
161	24	16				40

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report 2006/Q4
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 1 Column: d

STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

1	Balance - Beginning of Year	25,615,425
2	Balance Transferred from Income (Account 216)	4,918,906
3	Total Dividends Declared-Common Stock	(2,000,000)
4	Balance - End of Year	\$28,534,331

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report 2006/Q4
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FOOTNOTE DATA

Schedule Page: 262 Line No.: 2 Column: f

FEDERAL INCOME TAXE			
2002	\$	(3000)	(1)
2003		3000	(1)
2006		(291,309)	(3)
STATE OF MICHIGAN			
2005		42,584	(2)
2006		(42,584)	(2)
WISCONSIN INCOME TAX			
2005		50,000	(2)
2006		(50,000)	(2)
2006		(5,302)	(3)

- (1) Transfer of Closed Year End Balance.
- (2) Transfer of Prior Yrs. Overpayment to Current Year.
- (3) Transfer to Paid-In-Capital.

Schedule Page: 262 Line No.: 5 Column: i

TAXES:

	408.1	409.1	408.2	409.2	Other*
Federal		(549,035) 1272,886		1,268,875	351,089 4,059
Michigan	(2,602) 230,300		(4,100)		5,799
Local	1,593,794				
Wisconsin		(20,776) 98,100			
Minnesota		280			
Total	\$1,821,492	801,455	(4,100)	1,268,875	360,947

* Payroll Taxes Charged Direct.

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report 2006/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: a

- 1a -- Edison Sault Electric Company is a partial owner of ATC. These charges are a combination of both ATC and MISO (Midwest Independent System Operator) charges.
- 1g -- Charges for network transmission services and associated ancillary services. Transmission charges of purchased power suppliers have been included in account 555.

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year/Period of Report 2006/Q4
FOOTNOTE DATA			

Schedule Page: 398 Line No.: 3 Column: d

3d--Edison Sault Electric Company is a partial owner of ATc. These charges are a combination of both ATC and MISO (Midwest Independent System Operator) charges.

3d--Charges for network transmission services and associated ancillary services. Transmission charges for purchased power suppliers have been included in account 555.

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Summary of Costs Billed to Associated Companies	358 - 359		
Summary of Costs Billed from Associated Companies	360 - 361		
Changes Made or Scheduled to be Made in Generating Plant Capacities	412	NA	
Steam-Electric Generating Plants	413 A - B	NA	
Hydroelectric Generating Plants	414 - 415		
Pumped Storage Generating Plants	416 - 418	NA	
Internal Combustion Engine and Gas Turbine Generating Plants	420 - 421	NA	
Electric Distribution Meters and Line Transformers	429		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2007	Dec. 31, 2006

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.

(B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondents 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 footnote 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:

2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:

3. Give the date and place of such meeting:

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	OTHER (e)
4	TOTAL votes of all voting securities	673,929	673,929		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below	673,929	673,929		
7	Wisconsin Energy Corporation (Parent)	673,929	673,929		
8					
9					
10					
11					
12					
13					
14					
15					
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2007	Dec. 31, 2006

RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

- Report on this page the charges to accounts 410, 411, and 420 reported in the contra accounts 190, 281, 282, 283, and 284.
- The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals on this page. In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on this page, then provide the additional information requested in instruction #3, on a separate page.
- (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on this page.
(b) Identify all contra accounts (other than accounts 190 and 281-284).
(c) Identify the company's regulatory authority to utilize a contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Line No.		ELECTRIC UTILITY	GAS UTILITY
1	Debits to Account 410 from:		
2	Account 190	567,837	
3	Account 281	-	
4	Account 282	17,599	
5	Account 283	677,956	
6	Account 284		
7	Reconciling Adjustments		
8	TOTAL Account 410.1 (on pages 114-115, line 14)	\$ 1,263,392	\$ -
9	TOTAL Account 410.2 (on page 117, line 45)		
10	Credits to Account 411 from:		
11	Account 190	500,863	
12	Account 281		
13	Account 282	30,817	
14	Account 283	516,196	
15	Account 284		
16	Reconciling Adjustments		
17	TOTAL Account 411.1 (on pages 114-115, line 15)	\$ 1,047,876	\$ -
18	TOTAL Account 411.2 (on page 117, line 46)		
19	Net ITC Adjustment		
20	ITC Utilized for the Year - Debits		
21	ITC Amortized for the Year - Credits	35,554	
22	ITC Adjustments:	-	
23	Adjust last year's estimate to actual per filed return	-	
24	Other (specify)	-	
25	Net Reconciling Adjustments Account 411.4 (on pages 114-115, line 16)	\$ 35,554	\$ -
26	Net Reconciling Adjustments Account 411.5 (on page 117, line 47)		
27	Net Reconciling Adjustments Account 420 (on page 117, line 48)		

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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE (Continued)

OTHER UTILITY	TOTAL UTILITY	OTHER INCOME	TOTAL COMPANY	Line No.
	567,837	51,064	618,901	1
	17,599		17,599	2
	677,956	611,628	1,289,584	3
				4
				5
				6
				7
\$ -	\$ 1,263,392			8
		\$ 662,692		9
				10
	500,863	42,475	543,338	11
	30,817	(2)	30,815	12
	516,196	219,785	735,981	13
				14
				15
				16
\$ -	\$ 1,047,876			17
		\$ 262,258		18
				19
	35,554	17,413	\$ 52,967	20
				21
				22
				23
				24
\$ -	\$ 35,554	\$ 17,413		25
		\$ -		26
		\$ -		27

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006
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CONTSTRUCTION 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 the engineering fees and management or supervision fees capitalized should be shown as separate items.

2. On page 218 furnish information concerning construction overheads.

3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 218 the accounting procedures employed and the amounts of engineering, supervisor and administrative costs, etc., which are directly charged to construction.

4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blank work order and then prorated to construction jobs

Line No.	Item (a)	Amount (b)
1	Administrative and General Overheads	
2	Salaries and Office Supplies	421,935
3	Injuries and Damages	45,569
4	Employee Benefits	279,822
5	Pensions	70,306
6		
7		
8		
9		
10		
11		
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40	TOTAL	817,632

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006
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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

A & G SALARIES AND EXPENSES:

Employees whose time is charged to A & G accounts annually review the amount of time applicable to construction. This is the amount that is applied to construction work orders. In addition, the ratio of this time to total A & G payroll is applied to A & G expenses to determine the amount of A & G expenses to be applied to construction work orders.

OUTSIDE SERVICES:

Applicable to charges associated with the pension and thrift savings plans which are payroll related. The amount applied is based on the ratio of construction payroll to total payroll.

INJURIES AND DAMAGES AND EMPLOYEE BENEFITS:

In order to charge construction with liability hospitalization, and life insurance as well as funded pension cost the ratio of construction payroll to total payroll is applied to these accounts and charged to construction work orders.

ALLOWANCE FOR FUNDS:

Charged to all projects that exceed \$ 50,000 and where on-site construction is required for a period of six months or more.

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Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2007	Dec. 31, 2006

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of non utility property included in Account 121.
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.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
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, (line 44), or (2) other nonutility property (line 45).

Line No.	Description and Location (a)	Balance at Beg. of Year (b)	Purch., Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	138 kv Right of Way (Per 1976 FPC Audit)	7,159		7,159
2	10 Small Land Parcels	3,656		3,656
3	Land Parcel - St. Ignace	1,653		1,653
4	Easement - Sault Division	1,400		1,400
5	Minor Land Parcels	268		268
6	Dafter Land Parcels	41,046		41,046
7				
8				
9				
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11				
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33				
34	TOTAL	\$55,182	--	\$55,182

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	0
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6	(425) Amortization Expense NonUtility Property	0
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	0
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	--
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	--
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	0

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006
INVESTMENTS (Accounts 123, 124, 136)			
<p>1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(a) Investment in Securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.</p> <p>(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account.</p>			
Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (b)	Purchases or Additions During Year (c)
1	Account 124		
2			
3	Cash Surrender Value of Life Insurance Policies	597,439	43,569
4			
5			
6			
7	ATC - Other Investments	24,610,542	6,561,359
8			
9	TOTAL	25,207,981	6,604,928
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42	TOTAL	25,207,981	6,604,928

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006		
INVESTMENTS (Accounts 123, 124, 136) (Continued)					
<p>Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.</p> <p>3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.</p> <p>4. 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.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. 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 different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</p>					
Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (f)	Revenues for Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
0		641,008			1
					2
					3
					4
					5
3,795,955		27,375,946			6
					7
3,795,955		28,016,954			8
					9
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					41
3,795,955	0	28,016,954	0	0	42

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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)	\$ 4,061,506	\$ 4,098,839
3	Other Accounts Receivable (Account 143)* (Disclose any capital stock subscriptions received)	10,692	29,098
4	TOTAL	\$ 4,072,198	\$ 4,127,937
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	32,000	32,000
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	\$4,040,198	\$ 4,095,937
7			
8	*Account 143-Receivables from Directors, Officers, and Employees	\$ 14,458	\$ 23,556
9			
10			
11			
12			
13			
14			

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)

- Report below the information called for concerning this accumulated provision.
- Explain any important adjustments of subaccounts
- 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	\$ 32,000				\$ 32,000
2	Prov for uncollectibles for current year	79,991				79,991
3	Accounts written off	(131,302)				(131,302)
4	Coll. Of accounts written off					
5	Adjustments (explain): Recoveries	51,311				51,311
6	Balance end of year	\$ 32,000				\$ 32,000
7						
8						
9						
10						
11						

Name of Respondent	This Report Is:	Date of Report	Year of Report
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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 accounting 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	Account 146					
2	Northern Tree Service	1,232	17,316	17,814	734	--
3						
4						
5						
6						
7						
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31						
32						
33						
34	TOTAL	1,232	17,316	17,814	734	--

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006 ~
PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)				
<p>1. Report below the information called for concerning production fuel and oil stock</p> <p>2. Show quantities in tons of 2000 lb. Barrels (42 gals.) or Mcf., whichever unit of quantity is applicable</p> <p>3. Each kind of coal or oil should be shown separately</p> <p>4. If the respondent obtained any of its fuel from its own coal mines or oil or gas lands or leases or from 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	
			Quantity (c)	Cost (d)
1	On hand beginning of year	41,010	91	41,010
2	Received during year	121,570	1,041	121,570
3	TOTAL	162,580	1,132	162,580
4				
5	Used during year (specify department)			
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17	Diesel Fuel Used	129,826	852	129,826
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37	Sold or transferred			
38				
39	TOTAL DISPOSED OF	129,826	852	129,826
40	BALANCE END OF YEAR	32,754	280	32,754

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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)

1. Show for each of the above accounts the amounts under Account 203, *Common Stock Liability for Conversion*, or Account 206, *Preferred Stock Liability for Conversion*, at the end of the year.
2. For Account 202, *Common Stock Subscribed*, and Account 205, *Preferred Stock Subscribed*, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed.
4. For Premium on Account 207, *Capital Stock*, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	Account 207-Premium on Capital Stock		
2			
3	Premium on Common Stock issued in connection with		
4	conversion of 12,000 shares of 4-3/4% convertible		
5	Preferred Stock on April 24, 1963.	17,391	213,040
6			
7	Premium on Common Stock issued in connection with		
8	conversion of 5,000 shares of 4-3/4% convertible		
9	Preferred Stock on December 8, 1964.	7,246	88,770
10			
11	Premium on Common Stock issued in connection with		
12	conversion of 14,000 shares of 5-3/4% convertible		
13	Preferred Stock on December 8, 1964.	16,666	266,670
14			
15	Premium on Common Stock issued in connection with		
16	conversion of 1,000 shares of 4-3/4% convertible		
17	Preferred Stock on April 13, 1966.	1,449	17,755
18			
19	Premium on Common Stock issued in connection with		
20	conversion of 6,000 shares of 4-3/4% convertible		
21	Preferred Stock on April 24, 1973.	12,500	87,500
22			
23	Premium on Common Stock issued in connection with		
24	conversion of 14,000 shares of 5-3/4% convertible		
25	Preferred Stock on July 31, 1985.	28,700	\$ 206,500
26			
27	Premium on Common Stock issued in connection with		
28	the Dividend Reinvestment and Common Stock Purchase		
29	Plan during:		
30	1980	4,993	24,390
31	1981	20,545	86,129
32	1982	23,142	102,403
33	1983	28,231	188,440
34	1984	14,504	119,856
35	1988	15,749	319,045
36			
37			
38			
39			
40	TOTAL	191,116	1,720,498

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006																																				
SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR																																							
<p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p> <p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p>																																							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4">Retire Long-term Debt:</td> </tr> <tr> <td style="width: 60%;">Dr. 221 Long-term Debt</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 20%;"></td> <td style="width: 10%; text-align: right;">151,000</td> </tr> <tr> <td style="padding-left: 20px;">Various Rate Energy Thrift</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Notes (7.5% - 8%)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cr. 131 Cash</td> <td style="text-align: right;">\$</td> <td></td> <td style="text-align: right;">151,000</td> </tr> <tr><td colspan="4"> </td></tr> <tr> <td colspan="4">Retire Long-Term Debt:</td> </tr> <tr> <td>Dr. 223 Long-Term Debt (6.886%)</td> <td></td> <td style="text-align: right;">1,000,000</td> <td></td> </tr> <tr> <td>Cr. 131 Cash</td> <td></td> <td></td> <td style="text-align: right;">1,000,000</td> </tr> </table>				Retire Long-term Debt:				Dr. 221 Long-term Debt	\$		151,000	Various Rate Energy Thrift				Notes (7.5% - 8%)				Cr. 131 Cash	\$		151,000					Retire Long-Term Debt:				Dr. 223 Long-Term Debt (6.886%)		1,000,000		Cr. 131 Cash			1,000,000
Retire Long-term Debt:																																							
Dr. 221 Long-term Debt	\$		151,000																																				
Various Rate Energy Thrift																																							
Notes (7.5% - 8%)																																							
Cr. 131 Cash	\$		151,000																																				
Retire Long-Term Debt:																																							
Dr. 223 Long-Term Debt (6.886%)		1,000,000																																					
Cr. 131 Cash			1,000,000																																				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2007	Dec. 31, 2006

PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233,234)

- | | |
|--|---|
| <p>1. Report particulars of notes and accounts payable to associated companies at end of year.</p> <p>2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.</p> <p>3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.</p> | <p>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.</p> <p>5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.</p> <p>* See definition on page 226B</p> |
|--|---|

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						
2						
3	WEC (Parent Company)					
4						
6	Long-Term Notes Payable					
7	(Interest Rate 6.886%)	12,500,000	1,000,000	--	11,500,000	886,573
9						
10	Long-Term Notes Payable					
11	Current Portion	1,000,000	--	--	1,000,000	--
12						
13	Short-Term Notes Payable					
14	Daily Negotiated Rate	5,300,000	3,803,253	7,603,253	9,100,000	472,377
15	TOTAL Accounts 223, 231 & 233	\$ 18,800,000	\$ 4,803,253	\$ 7,603,253	\$ 21,600,000	\$ 1,358,950
16						
17						
18						
19	WEC (Parent Company):					
20	Intercompany Transactions	48,274	347,713	341,028	41,589	
21	Interest Short-Term Notes	25,836	451,851	472,378	46,363	
22	Interest Long-Term Notes	232,405	903,788	886,573	215,190	
23	Dividend Payable	--	2,000,000	2,000,000	--	
24	Total	306,515	3,703,352	3,699,979	303,142	
25						
26	Northern Tree Svc. (Sub of Parent):					
27	Intercompany Transactions	--	--	--	--	
28	Services	36,024	502,809	474,876	8,091	
29	Total	36,024	502,809	474,876	8,091	
30						
31	Wisconsin Electric (Sub.of Parent):					
32	Purchased Power Costs	3,171,254	27,166,675	25,965,558	1,970,137	
33	Transmission of Electricity by Other	30,657	223,380	262,321	69,598	
34	Intercompany Transactions	245,602	944,789	767,169	67,982	
35	Construction	--	--	--	--	
36	Total	3,447,513	28,334,844	26,995,048	2,107,717	
37						
38	TOTAL ACCOUNT 234	3,790,052	32,541,005	31,169,903	2,418,950	
39						
40						
41						
42	TOTAL	\$ 22,590,052	\$ 37,344,258	\$ 38,773,156	\$ 24,018,950	\$ 1,358,950

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006
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	Accrued Professional Fees	82,500		
2	Various Payroll Deduction Plans	289,713		
3	Unclaimed Property	1,535		
4	Renewable Energy	2,980		
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	TOTAL	376,728		

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)				
Line No.	List advances by department (a)	Balance End of Year (b)		
21	Electric:			
22	Residential	300,694		
23	Commercial	346,943		
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	TOTAL	647,637		

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006
PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS (415, 416, 417, 417.1, 418, 418.1, 419, 421)			
<p>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.</p> <p>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.</p> <p>3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operations 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 allocation of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 12.</p> <p>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.</p> <p>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.</p> <p>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 13 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.</p> <p>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.</p>			
Line No.	Item (a)	Amount (b)	
1	Account 416 - Merchandising, Jobbing, & Contract Work	(50)	
2	Expense: Cost of Merchandise		
3			
4			
5	Account 419 - Interest and Dividend Income	3,820	
6	Early Sales Tax Payment Credit		
7			
8			
9	Account 421 - Other Income	4,702,098	
10	American Transmission Company		
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
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26			
27			
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40	TOTAL	4,705,868	

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/07	Year of Report December 31, 2006
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CUSTOMER CHOICE ELECTRIC OPERATING REVENUES

1. Report below operating revenues for each prescribed account.
2. 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.
3. If increases or decreases from pervious year (columns (c), (e), and (g)), are not derived from previously reported figures explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Customer Choice Sales of Electricity		
2	Residential Sales		
3	Commercial and Industrial Sales		
4	Small (or Commercial)	N/A	
5	Large (or Industrial)		
6		** Please refer to Footnote B, Restructuring in Michigan	
7			
8			
9			
10			
11			
12	TOTAL Customer Choice Sales		
13			
14			
15	TOTAL Sales of Electricity		
16			
17			
18	TOTAL Revenue Net of Provision for Refunds		
19	Other Operating Revenues		
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30	TOTAL Other Operating Revenues		
31			
32	TOTAL Electric Operating Revenues		

Name of Respondent	This Report Is: (1) [] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
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CUSTOMER CHOICE SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, avg number of customers, average KWh per customer, and average revenue per KWh, excluding data 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 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)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1						
2	N/A					
3						
4	** Please Refer to Footnote B,					
5	Restructuring in Michigan					
6						
7						
8						
9						
10						
11						
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36						
37						
38						
39						
40						
41						
42						
43						
44	Total Billed					
45	Total Unbilled Rev. (See Instr. 6)					
46	TOTAL					

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006	
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 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 2 3 4 5 6 7 8 9 10 11 12 13 14				N/A	
RENT FROM ELECTRIC 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 represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 or 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 17 18 19 20 21 22 23 24 25 26 27 28 29	Various Pole Attachments Various Property Rentals			86,476 2,750	
				\$ 89,226	

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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			N/A	
2				
3				
4				
5				
6				
7				
8				
9				
10	Total			-
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	Reconnect Fees	11,990		
12	Net Income from Temporary Facilities Charges	(139)		
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Total	11,851		

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LEASE RENTALS CHARGED				
<p>1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.</p> <p>2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000 the data called for in columns a, b (<i>description only</i>), f, g, and j.</p> <p>3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.</p> <p>4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.</p> <p>5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (<i>description only</i>), f, g, and j, unless the lessee has the option to purchase the property.</p> <p>6. In column (a) report the name of the lessor. List lessors which are associated companies * (describing association) first, followed by non-associated lessors.</p> <p>7. In column (b) for each leasing arrangement, report in order, classified by generating station, transmission line, distribution system, large substation, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:</p>				
A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES				
Line No.	Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)	
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 38 39 40	United States of America	Lease of any surplus water available to the United States in the St. Marys River, Sault Ste. Marie, Michigan, which is not required for the operations of facilities owned by the United States	12/31/2050	

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LEASE RENTALS CHARGED (Continued)								
<p>Description of the property, whether lease is a sale and leaseback, whether lease has option to purchase and conditions of purchase, whether lease is cancellable by either party and the cancellation conditions, the tax treatment used, the accounting treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement of property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, which ever occurs first.</p> <p>8. Report in column (d), as of the date of the current lease term, the original cost of the property leased, estimated if not known, or the fair market of the property if greater than original cost and indicate as shown. If leased property is part of a large unit, such as part of a building, indicate without associating any cost or value with it.</p> <p>9. Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancellable leases will not be cancelled when estimating the remaining charges.</p> <p>* See definition on page 226(B).</p>								
A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES								
Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)	Line No.
		Current Year		Accumulated to Date				
		Lessor (f)	Other (g)	Lessor (h)	Other (i)			
N/A	None	835,206		16,195,192		100,000 min	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 38 39 40	

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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	ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS	
2		
3	DONATIONS-426.1	
4	City of Mackinac Island	25,000
5		
6	Eastern Upper Peninsula History Consortium	1,000
7	United Way	11,270
8	Mackinac Island Golf Sponsor	1,250
9	Miscellaneous (Under \$ 1,000)	5,350
10	Chippewa County Fair	6,386
11	LSSU Foundation	2,251
12	Sault Tribe Golf Scholarship	1,000
13	Schoolcraft County	1,000
14		
15		
16		
17		
18	OTHER DEDUCTIONS-426.1	
19	Business Gifts	1,767
20	Sport Teams	3,628
21		
22	Total 426.1	59,902
23		
24	PSCR Refund Interest-426.2	(237,769)
25	Life Insurance-426.3	98,676
26	Life Insurance/Loan Insurance-426.6	18,711
27		
28		
29	TOTAL ACCOUNT 426	(60,480)
30		
31		
32	ACCOUNT 430	
33	Interest WEC Short-Term Debt (6.115% to 6.460%)	472,377
34	Interest WEC Long-Term Debt (6.886%)	886,573
35		
36	TOTAL ACCOUNT 430	1,358,950
37		
38	ACCOUNT 431	
39	Cust Dep Interest (Residential 9%, Commercial 7%)	10,470
40	Energy Thrift Note Interest (7.5% to 8%)	54,400
41	Miscellaneous Interest Expense	29,884
42		
43	TOTAL ACCOUNT 431	94,754
44		
45		

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICE				
<p>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 \$25,000, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.)</p> <p>(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.</p> <p>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.</p> <p>3. Designate with an asterisk associated companies.</p>				
Line No.	Paid to (Name and Address) (a)	Description of Service Rendered (b)	Account Charged (c)	Amount (d)
1	Dykema Gossett PLLC	Legal Services	923	128,984
2	Detroit, MI 48279			
3				
4				
5	Mead & Hunt, Inc.	Engineering Services	923	93,327
6	Madison, WI 53719			
7				
8				
9	Novak Engineering, Inc.	Engineering Services	923	109,323
10	Jackson, MI 49201			
11				
12				
13	Trimedia Consultants	Engineering Services	923	53,024
14	Marquette, MI 49855			
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36	TOTAL			\$ 384,658

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(MO, Da, Yr) 04/30/2007	Dec. 31, 2006

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	Northern Tree Service, Inc.	Sub of Parent	Administrative & General:		
2			Overheads	923,926	\$ 5,700
3	Northern Tree Service, Inc.	Sub of Parent	Labor Charges	920	6,920
4	Northern Tree Service, Inc.	Sub of Parent	Communication Charges	932	2,357
5	Northern Tree Service, Inc.	Sub of Parent	Transportation Charges	925	218
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TOTAL					\$ 15,195

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2007	Dec. 31, 2006

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the accounts in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the accounts 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.
				\$ 5,700	Cost	1
				6,920	Cost	2
				2,357	Cost	3
				218	Cost	4
						5
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	\$0		\$ --	\$15,195		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(MO, Da, Yr) 04/30/2007	Dec. 31, 2006

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 Energy Corporation	Parent Company	Short-Term/Long-Term Debt Transactions		-
2			Interest on Above Notes		
3			Dividend to Parent		
4					
5					
6			Allocation of Charges	923	341,028
7					
8			Total		\$ 341,028
9					
10	Northern Tree Service, Inc.	Sub Of Parent	Tree Trimming Services	593	474,876
11					
12			Radio Tower Rent	583	4,200
13					
14	Total		\$ 479,076		
15					
16	Wisconsin Electric	Sub Of Parent	Allocation Costs	Various O & M Expenses	767,169
17					
18					
19			Purchased Power Costs	555	22,424,613
20					
21	Trans Elec of Others	565	262,321		
22					
23	Total		\$ 23,454,103		
24					
25					
26					
27					
28					
29					
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37					
TOTAL					\$ 24,274,207

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2007	Dec. 31, 2006

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the accounts in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the accounts 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.
		233	7,603,253	7,603,253	Cost	1
430	1,358,950			1,358,950	Cost	2
			2,000,000	2,000,000	Cost	3
					Cost	4
				341,028	Cost	5
					Cost	6
					Cost	7
	\$ 1,358,950		\$ 9,603,253	\$ 11,303,231	Total	8
				474,876	Cost	9
				4,200	Cost	10
					Cost	11
				4,200	Cost	12
					Cost	13
	\$ -		\$ -	\$ 479,076	Total	14
					Cost	15
				767,169	Cost	16
					Cost	17
				22,424,613	Cost	18
					Cost	19
				262,321	Cost	20
					Cost	21
	\$ -		\$ -	\$ 23,454,103	Total	22
					Cost	23
					Cost	24
					Cost	25
					Cost	26
					Cost	27
					Cost	28
					Cost	29
					Cost	30
					Cost	31
					Cost	32
					Cost	33
					Cost	34
					Cost	35
					Cost	36
					Cost	37
	\$ 1,358,950		\$ 9,603,253	\$ 35,236,410	Total	

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2007	Year of Report December 31, 2006
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HYDROELECTRIC GENERATING PLANTS

1. Report on this page Hyrdo plants of 10,000 Kw (name plate rating) or more of installed capacity.
2. Report the information called for concerning generating plants and equipment at year end. Show associated prime movers and generators on the same line.
3. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.
4. Designate any plant or portion thereof for which 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 (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.

Line No.	Name of Plant	Location	Name of Stream	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 units by appropriate footnote.)</i>			
				Attended or Unattended	Type of Unit	Year Installed	Gross Static Head with Pond Full
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Edison Sault Electric Company	Sault Ste. Marie, Michigan	St. Marys River	Attended	F - Horiz.	1901 - 1920	18.0
2				Attended	F - Horiz.	1915	18.0
3				Attended	F - Horiz.	1916	18.0
4				Attended	F - Horiz.	1916	18.0
5				Attended	F - Horiz.	1916	18.0
6				Attended	F - Horiz.	1916	18.0
7				Attended	F - Horiz.	1916	18.0
8			Total AC Units				
9							
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Name of Respondent Edison Sault Electric Company			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission				Date of Report (Mo, Da, Yr) 04/30/2007		Year of Report December 31, 2006		
HYDROELECTRIC GENERATING PLANTS (Continued)											
<p>1. Report on this page Hyrdo 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, Nonutility Property.</p> <p>4. Designate any plant or portion thereof for which 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 (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.</p> <p>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.</p> <p>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.</p>											
Water Wheels (Continued)			Generators							Total Installed Generating Capacity (Name Plate Ratings in MW)	Line No.
Design Head	RPM	Maximum Hp. Capacity of Unit at Design Head	Year Insalled	Voltage	Phase	Frequency or d.c.	Name Plate Rating of Unit (in MW)	No. of Units in Plant			
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)		
18.0	180	600	1963	4,400	3	60	0.585	38	22.23	1	
18.0	180	675	1963	4,400	3	60	0.585	6	3.51	2	
18.0	180	725	1963	4,400	3	60	0.585	10	5.85	3	
18.0	180	725	1916	4,000	3	60	0.480	4	1.92	4	
18.0	180	750	1916	4,000	3	60	0.480	11	5.28	5	
18.0	180	750	1916	4,400	3	60	0.480	4	1.92	6	
								73	40.71	7	
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Name of Respondent Edison Sault Electric Co.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2007	Year of Report Dec. 31, 2006
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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

2. Include watt-hour demand distribution meters, but not external demand meters. 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.

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-Hour Meters (b)	LINE TRANSFORMERS	
			Number (c)	Total Capacity (In MVA) (d)
1	Number at Beginning of Year	23,703	10,021	411,438
2	Additions During Year			
3	Purchases	412	190	4,745
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	412	190	4,745
6	Reductions During Year			
7	Retirements	289	85	1,250
8	Associated with Utility Plant Sold			
9	TOTAL Reductions (Enter Total of lines 7 and 8)	289	85	1,250
10	Number at End of Year (Lines 1 + 5 - 9)	23,826	10,126	414,933
11	In Stock	369	775	42,944
12	Locked Meters on Customers' Premises	66		
13	Inactive Transformers on System			
14	In Customers' Use	23,360	9,320	371,101
15	In Company's Use	31	31	888
16	TOTAL End of Year (Enter Total of lines 11 to 15. This line should equal line 10.)	23,826	10,126	414,933