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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION MI0049
FINANCIAL AND STATISTICAL REPORT	PERIOD ENDED December, 2006 (Prepared with Audited Data)
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	BORROWER NAME
<i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	MIDWEST ENERGY COOPERATIVE

CERTIFICATION

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

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

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

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

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

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default is more specifically described in Part B of this report.

RECEIVED
Michigan Public Service Commission

APR 20 2007

REGULATED ENERGY DIVISION

Robert Hance

3/2/2007

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	43,935,768	47,922,495	46,106,751	4,400,864
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	27,235,229	30,236,237	27,990,257	2,534,800
4. Transmission Expense	0	1,371	0	0
5. Distribution Expense - Operation	1,463,927	2,007,989	1,938,662	219,699
6. Distribution Expense - Maintenance	2,788,061	2,556,477	2,890,212	315,044
7. Customer Accounts Expense	2,173,996	2,076,531	1,913,117	198,129
8. Customer Service and Informational Expense	234,275	256,217	273,862	11,817
9. Sales Expense	293,168	249,016	238,671	24,884
10. Administrative and General Expense	2,036,133	2,109,915	2,000,052	300,805
11. Total Operation & Maintenance Expense (2 thru 10)	36,224,789	39,493,753	37,244,833	3,605,178
12. Depreciation and Amortization Expense	3,290,664	3,546,874	3,423,804	368,796
13. Tax Expense - Property & Gross Receipts	1,148,492	1,256,406	1,450,000	(72,760)
14. Tax Expense - Other	204,774	189,323	189,316	15,784
15. Interest on Long-Term Debt	2,647,769	3,007,661	3,049,129	285,976
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	85,266	169,727	103,477	21,847
18. Other Deductions	48,117	12,736	16,493	3,343
19. Total Cost of Electric Service (11 thru 18)	43,649,871	47,676,480	45,477,052	4,228,164
20. Patronage Capital & Operating Margins (1 minus 19)	285,897	246,015	629,699	172,700
21. Non Operating Margins - Interest	105,716	106,717	67,647	48,992
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	(715,935)	(115,286)	248,382	58,902
24. Non Operating Margins - Other	13,428	5,841	21,813	4,557
25. Generation and Transmission Capital Credits	442,793	386,575	427,044	293,075
26. Other Capital Credits and Patronage Dividends	101,862	145,732	101,262	6,265
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	233,761	775,594	1,495,847	584,491

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PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	567	479	5. Miles Transmission	14.46	14.46
2. Services Retired	69	89	6. Miles Distribution - Overhead	3,150.15	3,158.36
3. Total Services in Place	36,790	37,230	7. Miles Distribution - Underground	643.05	672.20
4. Idle Services (Exclude Seasonals)	2,712	2,898	8. Total Miles Energized (5 + 6 + 7)	3,807.66	3,845.02

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	117,543,366	29. Memberships.....	0
2. Construction Work in Progress	3,162,755	30. Patronage Capital.....	31,673,673
3. Total Utility Plant (1 + 2)	120,706,121	31. Operating Margins - Prior Years.....	(65,178)
4. Accum. Provision for Depreciation and Amort	29,337,332	32. Operating Margins - Current Year.....	778,321
5. Net Utility Plant (3 - 4)	91,368,789	33. Non-Operating Margins.....	(69,308)
6. Non-Utility Property (Net)	0	34. Other Margins and Equities.....	(1,835,340)
7. Investments in Subsidiary Companies	2,912,109	35. Total Margins & Equities (29 thru 34).....	30,482,168
8. Invest. in Assoc. Org. - Patronage Capital	5,549,481	36. Long-Term Debt - RUS (Net).....	58,989,474
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	1,689,625	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects	0	39. Long-Term Debt Other (Net).....	10,498,002
12. Other Investments	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds	0	41. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13) ...	10,151,215	42. Total Long-Term Debt (36 thru 40 - 41).....	69,487,476
15. Cash - General Funds	1,025,285	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee	65	44. Accumulated Operating Provisions and Asset Retirement Obligations..	818,511
17. Special Deposits	121	45. Total Other Noncurrent Liabilities (43 + 44).....	818,511
18. Temporary Investments	0	46. Notes Payable.....	500,000
19. Notes Receivable (Net)	126,422	47. Accounts Payable.....	3,258,075
20. Accounts Receivable - Sales of Energy (Net)	2,485,953	48. Consumers Deposits.....	568,930
21. Accounts Receivable - Other (Net)	260,818	49. Current Maturities Long-Term Debt.....	2,822,469
22. Materials and Supplies - Electric & Other	825,583	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments	235,071	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets	14,785	52. Other Current and Accrued Liabilities.....	0
25. Total Current and Accrued Assets (15 thru 24)	4,974,103	53. Total Current & Accrued Liabilities (45 thru 52).....	7,149,474
26. Regulatory Assets	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits	1,732,477	55. Other Deferred Credits.....	288,955
28. Total Assets and Other Debits (5+14+25 thru 27)..	108,226,584	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	108,226,584

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FINANCIAL AND STATISTICAL REPORT

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BORROWER DESIGNATION

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PART D. NOTES TO FINANCIAL STATEMENTS

Part N. Long-Term Debt Interest-column (b) Total \$3,007,660.92

Plus: RUS Interest Deferral equals the None in 2006

Total Interest Long Term Debt per Statement of

Operations, Part A, Line 15(b) \$3,007,660.92

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PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	98,227,776	9,062,330	2,334,445	0	104,955,661
2. General Plant	6,972,096	1,537,979	1,194,830	0	7,315,245
3. Headquarters Plant	4,432,756	139,258	58,291	0	4,513,723
4. Intangibles	0	0	0	0	0
5. Transmission Plant	758,737	0	0	0	758,737
6. All Other Utility Plant	0	0	0	0	0
7. Total Utility Plant in Service (1 thru 6)	110,391,365	10,739,567	3,587,566	0	117,543,366
8. Construction Work in Progress	3,674,572	(511,817)			3,162,755
9. TOTAL UTILITY PLANT (7 + 8)	114,065,937	10,227,750	3,587,566	0	120,706,121

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	655,063	1,147,923	0	912,601	0	(127,135)	763,250
2. Other	50,900	79,895	0	0	60,545	(7,916)	62,334

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	1.12	0.00	0.00	4.82	5.94
2. Five-Year Average	2.24	2.79	0.00	4.52	9.55

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	86	4. Payroll - Expensed	3,512,318
2. Employee - Hours Worked - Regular Time	173,651	5. Payroll - Capitalized	784,510
3. Employee - Hours Worked - Overtime	10,786	6. Payroll - Other	463,003

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	0	7,869,538
	b. Special Retirements	86,827	2,182,696
	c. Total Retirements (a + b)	86,827	10,052,234
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	39,547	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	78,215	
	c. Total Cash Received (a + b)	117,762	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. AMOUNT DUE OVER 60 DAYS	\$ 106,120	2. AMOUNT WRITTEN OFF DURING YEAR	\$ 165,322
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Part K. kWh PURCHASED AND TOTAL COST

No	ITEM (a)	RUS USE ONLY SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST (Cents/kWh) (e)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (f)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (g)
1	Wabash Valley Power Assn, Inc (IN) (IN0107)	40211	517,585,317	29,444,811	5.69	0	0
2	Buckeye Rural Elec Coop, Inc (OH) (OH0088)	2502	17,492,344	791,426	4.52	0	0
	Total		535,077,661	30,236,237	5.65	0	0

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PART L. LONG-TERM LEASES

No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
Total			

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PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/26/2006	2. Total Number of Members 28,894	3. Number of Members Present at Meeting 9	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 149,747	8. Does Manager Have Written Contract? Y

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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	57,178,474	2,460,232	1,013,667	3,473,899
2	National Rural Utilities Cooperative Finance Corporation	10,498,002	547,429	785,495	1,332,924
3	Bank for Cooperatives				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
	Total	67,676,476	3,007,661	1,799,162	4,806,823

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PART O. POWER REQUIREMENTS DATA BASE - ANNUAL SUMMARY

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER	AVERAGE NO. CONSUMERS SERVED	TOTAL YEAR TO DATE
		(a)	(b)	(c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	30,063	29,990	
	b. kWh Sold			349,999,775
	c. Revenue			33,686,281
2. Residential Sales - Seasonal	a. No. Consumers Served	134	153	
	b. kWh Sold			879,286
	c. Revenue			97,466
3. Irrigation Sales	a. No. Consumers Served	5	260	
	b. kWh Sold			5,537,911
	c. Revenue			660,582
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,127	4,077	
	b. kWh Sold			137,051,222
	c. Revenue			11,505,469
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	3	2	
	b. kWh Sold			17,963,400
	c. Revenue			1,511,451
6. Public Street & Highway Lighting	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
7. Other Sales to Public Authorities	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. TOTAL No. of Consumers (lines 1a thru 9a)		34,332	34,482	
11. TOTAL kWh Sold (lines 1b thru 9b)				511,431,594
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				47,461,249
13. Other Electric Revenue				461,246
14. kWh - Own Use				1,036,628
15. TOTAL kWh Purchased				535,077,661
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation				30,237,608
18. Interchange - kWh - Net				0
19. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				125,521

No	DESCRIPTION	INCLUDED (\$)	EXCLUDED (\$)	INCOME OR LOSS (\$)	RURAL DEVELOPMENT (e)	PART I. INVESTMENTS					
1	Non-Utility Property (NET)										
	123.18 Midwest Energy, Inc.	0	0	0							
	Totals	0	0	0							
2	Investments in Associated Organizations										
	123.18/123.25 Midwest Energy, Inc. - 100 Shares Stock	2,912,109	0	0							
	123.10 Patronage Capital - NRUCFC	0	0	249,049							
	123.11 Patronage Capital - WVPA	0	0	4,270,962							
	123.12 Patronage Capital - NISC	94,448	0	0							
	123.13 Patronage Capital - Resco MI	17,877	0	0							
	123.15 Patronage Capital - Resco OH	20,106	0	0							
	123.16 Patronage Capital - Resco WI	132,471	0	0							
	123.17 Patronage Capital - Buckeye	0	764,568	0							
	123.22 Capital Term Certificates - CFC	0	1,294,449	0							
	123.23 MI Electric Coop Association	54,034	0	0							
	123.24 Federated - Reciprocal Stock	42,982	0	0							
	123.24 Federated - Preferred Stock	12,450	0	0							
	123.24 Federated - Insurance Stock	100,000	0	0							
	123.24 Federated - Member Equity	66,085	0	0							
	123.24 NRUCFC Membership Fee	0	1,000	0							
	123.24 WVPA Membership Fee	5	0	0							
	123.24 NRTC	21,325	0	0							
	124.01 Talon Homes-SBT	84,421	0	0							
	124.10 Cooperative Response Center	11,874	0	0							
	123.24 Co-Bank	0	1,000	0							
	Totals	3,570,187	6,581,028	532,907							
5	Special Funds										
	128.50 Deferred Compensation	0	0	0							
	Totals	0	0	0							
6	Cash - General										
	131.10,131.12,131.13,131.30 Sid. Federal	293,476	0	0							
	131.24,131.25,131.27, FNB	721,889	0	0							
	131.26 Valley Ridge Bank	8,169	0	0							
	135.00 Working Funds - Petty Cash	1,751	0	0							
	135.20 Fifth Third Construction Acct.	65	0	0							
	131.40 Transfer of Cash-Construct fund	0	0	0							
	Totals	1,025,350	0	0							
7	Special Deposits										
	134.00 U.S. Post Office	121	0	0							
	Totals	121	0	0							
8	Temporary Investments										
	136.00 Temporary Investments	0	0	0							
	Totals	0	0	0							
9	Accounts and Notes Receivable - NET										
	Accounts Receivable - Other (Net)	260,818	0	0							
	Notes Receivable (Net)	126,422	0	0							
	Totals	387,240	0	0							
11	TOTAL INVESTMENTS (1 thru 10)	4,982,898	6,581,028	532,907							

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PART II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Midwest Energy Inc.	9/30/2009	7,450,000	4,714,814	
	Total		7,450,000	4,714,814	
	TOTAL (Include Loan Guarantees Only)				

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Part III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT

[Total Of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

4.12 %

PART IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	Total				

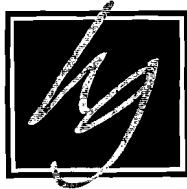
Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/19/2007	Year of Report 2006
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IMPORTANT CHANGES DURING THE YEAR

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 acceptable" 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 therefor 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 conditions. 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 and 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 instruction 1 to 11 above, such notes may be attached to this page.

Please reference the attached Midwest Energy Cooperative's notes to the financial statements, 2006 Annual Audit Report.



HARRIS GROUP

Certified Public Accountants

Independent Auditor's Report

The Board of Directors
Midwest Energy Cooperative
Cassopolis, Michigan

We have audited the accompanying balance sheets of Midwest Energy Cooperative as of December 31, 2006 and 2005, and the related statements of revenue, patronage capital, and cash flows for the years then ended. These financial statements are the responsibility of Midwest Energy Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Generally accepted accounting principles require that all majority-owned subsidiaries be included in financial statements with the parent corporation. If the financial statements of the company had been consolidated with its majority-owned subsidiaries, total assets and total liabilities would have increased by \$5,697,415 and \$5,984,516 as of December 31, 2006 and 2005, respectively.

In our opinion, except for the effect of not including the wholly-owned subsidiary's activities, the financial statements referred to above present fairly, in all material respects, the financial position of Midwest Energy Cooperative as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 22, 2007, on our consideration of Midwest Electric Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplementary material in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Midwest Energy Cooperative. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Harris Group

February 22, 2007

**MIDWEST ENERGY COOPERATIVE
STATEMENT OF CHANGES IN PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u>Total</u>	<u>Patronage Capital Assigned</u>	<u>Patronage Capital Assignable</u>	<u>Non-Assignable Non-Operating Margins</u>	<u>Pre- 1951 Operating Margins</u>	<u>Unappropriated Undistributed Subsid. Earnings</u>	<u>Retired Capital credits -Gain</u>	<u>Capital Gains & Losses</u>	<u>Donated Capital</u>
Balance, December 31, 2004	\$ 29,409,038	\$ 31,325,134	\$ (481,622)	\$ (41,290)	\$ 4,595	\$ (2,756,872)	\$ 64,719	\$ (1,074)	\$ 1,295,448
Adjustments	33,006	(87)							33,093
Net margins (loss)	233,761		830,553	119,144		(715,936)			
Capital credits retired	<u>(48,339)</u>	<u>(60,902)</u>							<u>12,563</u>
Balance, December 31, 2005	29,627,466	31,264,145	348,931	77,854	4,595	(3,472,808)	64,719	(1,074)	1,341,104
Adjustments	149,310	(202)							149,512
Net margins (loss)	775,595		778,322	112,559		(115,286)			
Capital credits retired	<u>(70,201)</u>	<u>(86,827)</u>							<u>16,626</u>
Balance, December 31, 2006	<u>\$ 30,482,170</u>	<u>\$ 31,177,116</u>	<u>\$ 1,127,253</u>	<u>\$ 190,413</u>	<u>\$ 4,595</u>	<u>\$ (3,588,094)</u>	<u>\$ 64,719</u>	<u>\$ (1,074)</u>	<u>\$ 1,507,242</u>

The accompanying notes are an integral part of these statements.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the accounting policies adopted by Midwest Energy Cooperative which have a significant effect on the financial statements.

Organization

Midwest Energy Cooperative (Midwest) is a non-profit organization generally exempt from income tax under Section 501(c)(12) of the United States Internal Revenue Code. Midwest is subject to the Single Business Tax Act of the State of Michigan. The Cooperative is engaged principally in the distribution and sale of electricity in Southwest and Southeast Michigan, Northern Indiana and Northern Ohio.

It is the Cooperatives policy not to charge membership fees and all previously collected membership fees have been refunded.

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Accounting Records

The Cooperative maintains its records in accordance with policies prescribed or permitted by the Michigan Public Service Commission (MPSC) and United States Department of Agriculture Rural Utilities Service (RUS). The applicable uniform system of accounts prescribed by these regulatory commissions conform in all material respects with generally accepted accounting principles as applied to rate regulated utilities.

Electric Plant

Additions, with a life expectancy of more than one year, are recorded at cost, less contributions in aid of construction received from customers. As items are retired or otherwise disposed of, the asset account is credited for the cost and the accumulated depreciation account is charged. The cost of removal, less salvage, is also charged to the accumulated depreciation account.

Investments

The carrying values of investments in associated organizations are stated at cost, adjusted for capital credits earned or retired. Short-term investments are stated at cost, which approximates market value.

Cash

For purposes of the statement of cash flows, Midwest considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Unbilled Revenues

Unbilled revenues for the year were determined to be immaterial and therefore not recorded.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

Cash and cash equivalents includes cash in bank. The Cooperative places its cash in investments with high credit quality financial institutions. At times, such investments may be in excess of the FDIC insurance limit.

Advertising

The cost of advertising is expensed as incurred.

Compensated Absences

The Cooperative's policy on accumulated extended sick leave is to grant 96 hours annually with any unused hours available to be carried forward to future years up to a maximum of 800 hours. It is the Cooperative's policy to pay one-half of the employee's accumulated unused sick leave upon normal retirement by the employee or if the employee qualifies to draw benefits from the Cooperative pension plan. However, upon termination of employment, other than by normal retirement, or does not qualify to receive pension benefits, the employee forfeits all rights to the accumulated unused hours. For the years ended December 31, 2006 and 2005 an accrual has been made for individuals who have attained the age of 60 and have qualified to receive pension benefits.

NOTE 2: ASSETS PLEDGED

Substantially all assets are pledged as collateral on long-term debt payable to the Rural Utilities Service (RUS) of the United States of America and the National Rural Utilities Cooperative Finance Corporation (CFC).

NOTE 3: ELECTRIC PLANT AND DEPRECIATION RATES AND PROCEDURES

Major classes of electric plant as of December 31, 2006 and 2005 consisted of:

	2006	2005
Cost:		
General plant	\$ 11,828,964	\$ 11,404,851
Transmission plant	758,737	758,737
Distribution plant	104,955,665	98,227,779
Construction in progress	3,162,755	3,674,575
	120,706,121	114,065,942
Accumulated depreciation and amortization	29,337,332	27,244,968
Net Electric Plant	\$ 91,368,789	\$ 86,820,974

Provision has been made for depreciation of the distribution plant at a straight-line composite rate of 3.0 percent per annum, except for yard lights and street lighting systems which are being depreciated at the rate of 4.2 percent per annum.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts receivable

Accounts receivable consist primarily of amounts due from members for electric service. An allowance for doubtful accounts has been estimated based on collection history. When a member's account becomes past due and uncollectible, the member's service is terminated. The Board of Director's approve all accounts charged off.

Purchased Power Billing

Refundable or recoverable PSCR credit-over collections as well as under collections of the cost of electricity purchased not recovered or refunded through rates are deferred and are being refunded or recovered in accordance with procedures approved by the MPSC.

Materials and Supplies

Electrical materials and supplies are valued at lower of market value or average cost.

Regulation

The MPSC has jurisdiction over Rural Electric Cooperatives in Michigan. This agency regulates the Cooperative's utility business operations and rates. The financial statements of the Cooperative are based on generally accepted accounting principles, which give recognition to the rate-making and accounting practices of this agency.

Revenue Recognition

Revenue, and its related receivable, are recorded as of the monthly meter reading date and accordingly, does not include the consumption for the balance of the month. Although this accounting policy is not a generally accepted accounting principle, the effect on the financial statements is immaterial. Electric rates used in the determination of revenues are approved by the MPSC.

Recognition of Patronage Revenue

Patronage revenue of associated organizations is recognized in the year in which the associated organization allocates its earnings to their respective members.

Unclaimed Property

Unclaimed property represents refunds to members of deposits, membership fees received and patronage refunds received which have not been claimed. After five years and appropriate notification, such amounts may be credited back to the cooperative as donated capital

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/19/2007	Year of Report 2006
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STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
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 on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)	
2	Net Income (Line 72 (c) on page 117)	
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	
5	Amortization of (Specify)	
6	Intangible Plant	
7		
8	Deferred Income Taxes (Net)	
9	Investment Tax Credit Adjustment (Net)	
10	Net (Increase) Decrease in Receivables	
11	Net (Increase) Decrease in Inventory	
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net (Increase) Decrease in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other:	
19		
20		
21		
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	
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)	

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/19/2007	Year of Report 2006
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STATEMENT OF CASH FLOWS (Continued)

- | | |
|--|--|
| <p>4. Investing Activities</p> <p>(a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123.</p> <p>(b) Don not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.</p> | <p>5. Codes used:</p> <p>(a) Net proceeds or payments.</p> <p>(b) Bonds, debentures and other long-term debt.</p> <p>(c) Include commercial paper.</p> <p>(d) Identify separately such items as investments, fixed assets, intangibles, etc. 6.</p> <p>Enter on pages 122-123 clarifications and explanations.</p> |
|--|--|

Line No.	Description (See instructions for Explanation of Codes) (a)	Amount (b)
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:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	
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:	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	
87		
88	Cash and Cash Equivalents at Beginning of Year	
89		
90	Cash and Cash Equivalents at End of Year	

**MIDWEST ENERGY COOPERATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from consumers	\$ 46,910,875	\$ 43,210,765
Cash paid to suppliers and employees	(40,262,971)	(32,126,658)
Interest received	106,717	105,884
Interest paid	(3,186,922)	(5,624,622)
Taxes paid	(1,842,443)	(1,508,076)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,725,256	4,057,293
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction and acquisition of plant, net of retirements	(8,565,983)	(9,521,672)
Net proceeds from sale of plant	224,422	244,183
(Increase) decrease in:		
Materials inventory	(119,619)	(49,191)
Deferred charges	(766,437)	(767,904)
Notes receivable	(17,877)	(16,822)
Investments – associated organizations	32,340	237,283
Investment in subsidiary	(1,146)	1,232
NET CASH (USED IN) INVESTING ACTIVITIES	(9,214,300)	(9,872,891)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from RUS and CFC	27,400,000	17,985,000
Advances from financial institutions		
Retirement of patronage capital credits, net	(70,650)	415,795
Payments on debt	(20,849,161)	(12,968,613)
Increase (decrease) in:		
Consumer deposits and advances	757,548	765,845
NET CASH PROVIDED BY FINANCING ACTIVITIES	7,237,737	6,198,027
Net Increase (Decrease) in Cash and Temporary Cash Investments	(251,307)	382,429
CASH AND TEMPORARY CASH INVESTMENTS – beginning	1,276,778	894,349
CASH AND TEMPORARY CASH INVESTMENTS - ending	\$ 1,025,471	\$ 1,276,778

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(Continued)

	2006	2005
RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net margins	\$ 775,595	\$ 233,761
Adjustments to reconcile net margins to net cash provided by Operating activities:		
Depreciation and amortization	3,786,115	3,478,802
G & T capital credits	(532,307)	(544,656)
(Gain) Loss on disposal of assets	9,820	(28,521)
(Income) Loss from subsidiary	115,286	715,936
(Increase) decrease in assets:		
Customer and other accounts receivable	(86,525)	(431,729)
Current and accrued assets – other	(93,637)	42,530
Post-retirement benefits other than pensions	159,368	151,273
Increase (decrease) in:		
Accounts payable	(1,398,938)	110,253
Current and accrued liabilities – other	(1,009,521)	329,644
Total Adjustments	949,661	3,823,532
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,725,256	\$ 4,057,293
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital credits	\$ 532,307	\$ 544,656
Income (Loss) from subsidiary	(115,286)	(715,936)
(Gain) Loss on disposition of plant	9,820	(28,521)
Materials salvaged from plant	463,099	(103,866)
Capitalized depreciation	101,950	130,909
Amortization of RUS deferral to long term debt		(3,367,797)

The accompanying notes are an integral part of these statements.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 3: ELECTRIC PLANT AND DEPRECIATION RATES AND PROCEDURES - continued

General plant depreciation rates have been applied on a straight-line basis as follows:

Structures and improvements	2.0%
Office furniture, fixtures, data processing and laboratory equipment	4.8-20.0%
Transportation equipment	10.0-33.3%
Stores, tools and power operated equipment	6.0%
Communications	8.4%
Miscellaneous	9.6%

Depreciation and amortization of electric plant in service was charged as follows for the years ended December 31, 2006 and 2005:

	2006	2005
Charged to operations-		
Classified as depreciation	\$ 3,546,874	\$ 3,290,664
Classified in other operating expenses	239,241	188,138
Capitalized	3,786,115	3,478,802
	101,950	130,909
TOTAL DEPRECIATION	\$ 3,888,065	\$ 3,609,711

NOTE 4: INVESTMENTS IN ASSOCIATED ORGANIZATIONS

Investments in associated organizations consisted of the following at December 31, 2006 and 2005:

	2006	2005
Capital term certificates, at cost, issued by National Rural Utilities Cooperative Finance Corp. (CFC)	\$ 1,294,449	\$ 1,295,252
Patronage capital:		
CFC	249,049	242,544
National Information Solutions Cooperative	94,448	87,583
Wabash Valley Power Association	4,270,962	3,977,886
Buckeye Power, Inc.	665,679	606,964
Midwest Energy, Inc.	2,912,006	3,027,292
Michigan Electric Cooperative Assn.	54,034	54,034
Federal Rural Electric Insurance Cooperative, at cost	244,847	206,750
Buckeye Power, Inc. – membership	98,889	98,889
Talon Homes, LLC (SBT credit)	84,421	
Other	182,431	169,340
TOTAL	\$ 10,151,215	\$ 9,766,534

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 4: INVESTMENTS IN ASSOCIATED ORGANIZATIONS - continued

The accounting policies for recognition of patronage revenue are described in Note 1. Investments are pledged to secure long-term debt as described in Note 8.

The following is a detailed schedule of investments in affiliated and subsidiary companies:

	Midwest Energy, Inc.
Original Investment	\$ 100
Capital contributions, to date, December 31, 2005	6,500,000
Undistributed loss, to date, December 31, 2005	(3,472,808)
Book value as of December 31, 2005	3,027,292
Undistributed loss during 2006	(115,286)
Book value as of December 31, 2006	\$ 2,912,006

Midwest Energy, Inc. provides telecommunication/internet services and owns a 100% interest in Midwest Propane, LLC. Midwest Energy Cooperative owns 100% of the outstanding stock and accounts for the investment on the equity basis.

NOTE 5: DEFERRED CHARGES AND CREDITS

Following is a summary of the amounts recorded as deferred charges as of December 31, 2006 and 2005:

	2006	2005
Global positioning mapping	\$	\$ 49,320
WVPA buyout	1,437,716	709,841
Other work-in-progress	294,761	206,879
TOTAL	\$ 1,732,477	\$ 966,040

Following is a summary of the amounts recorded as deferred credits as of December 31, 2006 and 2005:

	2006	2005
Line extension contributions	\$ 54,587	\$ 74,078
WVPA buyout	1,437,716	709,841
Prepaid deposits from subsidiary	72,000	72,000
	\$ 1,564,303	\$ 885,919

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 6: CASH AND INVESTMENTS

Statements of Financial Accounting Standards (SFAS) No. 105 require disclosure of significant concentrations of credit risk arising from cash deposits in excess of federally insured limits. The detail of these deposits follows:

	Per Institution
Insured	\$ 208,234
Uninsured	1,199,152
	1,407,386
In-transit transactions	(381,915)
	\$ 1,025,471
Total cash in bank	\$ 1,023,599
Working funds	1,872
Total Cash	\$ 1,025,471

NOTE 7: NOTES RECEIVABLE

Notes receivable includes loans to customers for purchase of electrical equipment, these loans are limited to \$10,000.

NOTE 8: MORTGAGE NOTES

Long-term debt is composed of 3.0% to 7.35% mortgage notes payable to the Rural Utilities Service (RUS) of the United States of America and the National Rural Utilities Cooperative Finance Corporation (CFC). All mortgage notes to CFC will be repriced and the interest rate adjusted accordingly during the next 10 years in accordance with the policy and procedure governing such repricing. The notes are for 35 year periods each, with principal and interest installments due either quarterly or monthly. The notes are scheduled to be fully repaid at various times from 2007 through 2037. Unadvanced loan funds were available from RUS at December 31, 2006 and 2005 in the amounts of \$14,000,000 and \$0, respectively.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 8: MORTGAGE NOTES - Continued

Detail of the long-term debt is as follows:

	2006	2005
Notes payable to CFC in quarterly installments of \$345,100, including interest at 3.2%-7.35%, with final maturity ranging from 2007 to 2032. Secured by substantially all assets	\$ 10,498,002	\$ 11,283,497
Notes, payable to RUS in monthly and quarterly installments ranging from \$116,000 to \$139,000, including interest at 3.00-5.375% with final maturity ranging from 2007 to 2040. Secured by substantially all assets.	58,989,474	52,003,140
Promissory note, RUS Intermediary Relending Program, interest at 1%, proceeds to be used for economic development	_____	150,000
	69,487,476	63,436,637
Less current maturities	1,811,000	1,811,000
TOTAL LONG-TERM DEBT, less current portion	\$ 67,676,476	\$ 61,625,637

Approximate maturities of long-term debt for each of the next five years are as follows:

2007	\$	1,811,000
2008		1,870,000
2009		1,905,000
2010		1,940,000
2011		1,975,000
Thereafter		59,986,476
	\$	69,487,476

NOTE 9: LINE OF CREDIT

The Cooperative has available a perpetual line of credit with CFC in the amount of \$10,000,000 for 2006 and 2005, respectively. The Cooperative had an outstanding balance of \$-0- for 2006 and \$-0- in 2005. Interest at December 31, 2006 was charged at 7.15%

The Cooperative has available a line of credit with CoBank in the amount of \$10,000,000 for 2006. The Cooperative had an outstanding balance of \$500,000 for 2006 and \$-0- in 2005. Interest at December 31, 2006 was charged at 6.22%.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10: COMMITMENTS AND CONTINGENCIES

Under its wholesale power agreement, the Cooperative is committed to purchase most of its electric power and energy requirements from WVPA, until March 1, 2027. The rates paid for such purchases are subject to approval of the Federal Energy Regulatory Commission (FERC). During 2004, the Cooperative exercised its right of termination, whereby the Cooperative may elect to terminate its contract with WVPA in 10 years. Pursuant to the termination agreement, the Cooperative is depositing annually a sum equal to 1.5 mills of KWH purchased by the old Fruit Belt division.

NOTE 11: RETIREMENT PLAN

The Cooperative has a defined benefit pension plan covering substantially all of its employees, but none of its subsidiary employees. Prior to July 1, 1995, employees became eligible to participate in the plan after completion of one year of service and attainment of age 20. Beginning July 1, 1995, the plan was amended such that employees are now eligible to participate in the plan after completion of six months of service and attainment of age 20, and the normal retirement age was reduced to age 62. Retirement benefits are based on a percentage of compensation as defined in the plan and benefits vested after completion of five years of service or age 55. The assets of the plan consist primarily of mutual funds. The Cooperative's funding policy is to contribute so as to amortize the unfunded actuarial accrued liabilities over a 30-year period from January 1, 1987.

The following table sets forth the plan's funded status and amounts recognized in the Cooperative's financial statements at December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Actuarial present value of benefit obligations: Accumulated Benefit obligation, including vested benefits of \$7,898,317 for 2006 and \$6,927,890 for 2005 respectively	<u>\$ 8,197,590</u>	<u>\$ 7,255,266</u>
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$ 8,694,451	\$ 7,074,301
Service cost	494,175	450,460
Interest cost	515,667	456,647
Actuarial (gain) loss	(206,729)	787,284
Benefits paid	(89,960)	(74,241)
Benefit obligation at end of year	<u>\$ 9,407,604</u>	<u>\$ 8,694,451</u>
Change in Plan Assets		
Fair value of plan assets at beginning of year	\$ 6,258,595	\$ 5,271,671
Actual return on plan assets	859,848	401,165
Employer contributions	1,400,000	660,000
Benefits paid	(89,960)	(74,241)
Fair value of plan assets at end of year	<u>\$ 8,428,483</u>	<u>\$ 6,258,595</u>

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 11: RETIREMENT PLAN - continued

	2006	2005
Reconciliation of Funded Status		
Funded status (underfunded)/overfunded	\$ (979,121)	\$ (2,435,856)
Unrecognized net actuarial (gain)/loss	1,263,654	1,919,101
Unrecognized prior service cost	153,033	181,365
(Accrued)/Prepaid benefit cost	\$ 437,566	\$ (335,390)
Net pension cost included the following components:		
Service cost- benefits earned during the period	\$ 494,175	\$ 450,460
Interest cost on projected benefit obligation	515,667	456,647
Actual return on plan assets	(486,645)	(406,703)
Net amortization and deferral	103,847	72,194
Net periodic pension cost	\$ 627,044	\$ 572,598

Prepaid pension cost is included in prepaid assets. Accrued pension cost is included in other current liabilities.

The weighted-average discount rate was 6.00% for 2006 and 2005, respectively. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation was 3.5% and 4.0% for 2006 and 2005, respectfully. The expected long-term rate of return on assets was 7.5% for 2006 and 2005, respectively.

The Cooperative expects to contribute \$1,200,000 to its pension plan in 2007. Expected benefit payments for 2007 are estimated at \$280,000, \$330,000 for 2008, \$560,000 for 2009, \$610,000 for 2010, \$650,000 for 2011 and \$4,530,000 for 2012 – 2016.

NOTE 12: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS

The Cooperative sponsors a defined benefit post-retirement plan that covers both salaried and nonsalaried employees, but none of its subsidiary employees. The plan provides for medical benefits for retirees between the ages of 60 and 65. The Cooperative's funding policy is pay-as-you-go.

The following table sets forth the plan's combined funded status reconciled with the amount shown in the Cooperative's statement of financial position at December 31, 2006 and 2005:

	2006	2005
(Accrued) post-retirement benefit costs, beginning	\$ (1,094,439)	\$ (943,166)
Net periodic post-retirement benefit (costs)	(255,732)	(294,920)
Contributions made	96,364	143,647
(Accrued) post-retirement benefit cost, end of year	\$ (1,253,807)	\$ (1,094,439)

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 12: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - continued

Net periodic post-retirement benefit cost includes the following components:

	2006	2005
Service cost-benefits attributed to service during the period	\$ 25,978	\$ 73,261
Interest cost	153,829	145,734
Net amortization and deferral	75,925	75,925
Net periodic post-retirement benefit cost	\$ 255,732	\$ 294,920

Midwest Energy Cooperative assumes for measurement purposes a 10.0% annual rate of increase in the per capita cost of covered health care benefits for 2007. The rate was assumed to decrease by .5% per year to an ultimate rate of 5%, and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care cost trend rates by 1 percentage point would increase the accumulated post-retirement obligation by \$33,584 and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the years then ended by \$8,394.

The weighted average discount rate used in determining the accumulated post-retirement benefit obligation as 6.75% for 2006 and 2005.

NOTE 13: RECLASSIFICATION OF AMOUNTS

Certain amounts previously reported have been reclassified to conform to the 2006 presentation.

NOTE 14: RELATED PARTY TRANSACTIONS

Midwest Energy, Inc. is a wholly-owned subsidiary of Midwest Energy Cooperative. In addition, Midwest Energy Cooperative has furnished some personnel, office space, and other necessary operating facilities such as computer time for Midwest Energy's operations. During the year Midwest Energy Cooperative charged Midwest Energy, Inc.'s operations for such services. The total inter-company receivable was \$95,975 and \$1,043 at December 31, 2006 and 2005, respectively.

The Cooperative has leased space within its building to First National Bank of Three Rivers. The bank has opened a branch location within the lobby of the cooperative. The Cooperatives Chief Executive Officer is a member of the Board of Directors for the Bank.



HARRIS GROUP

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The Board of Directors
Midwest Electric Cooperative
Cassopolis, Michigan

We have audited the financial statements of Midwest Electric Cooperative, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated February 22, 2007. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Midwest Electric Cooperative's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting which we have reported to the management of Midwest Electric Cooperative in a separate letter dated February 22, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Midwest Electric Cooperative's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, the Rural Utilities Service, and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

Harris Group

February 22, 2007

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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NONUTILITY PROPERTY (Account 121)

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

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL			

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	
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	
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)	

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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INVESTMENTS (Accounts 123, 124, 136)

1. Report below the investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investment*, and 136, *Temporary Cash Investments*.
 2. Provide a subheading for each account and list thereunder the information called for:
 (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.
 (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. Each note should be

Line No.	Description of Investment (a)	Book Cost at Beginning of Year <i>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)</i> (b)		Purchases or Additions During Year (c)
		Original Cost	Book Value	
1	See attachment			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)

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.

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.

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.

5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

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).

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 of Loss from Improvement Disposed of (h)	Line No.
		Original Cost	Book Value			
						1
						2
						3
						4
						5
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Midwest Energy Cooperative												
Investment in Associated Organizations - Patronage Capital and Other NonGeneral Funds												
12/31/2006												
Account Number	Description	12/31/2005	12/31/2005	12/31/2006	12/31/2006	12/31/2006	Adjusted	Retired	12/31/2006	12/31/2006		
		Beginning	Allocated	Invested	Profit(loss)	Adjustments	(Cash Received)	Form 7	General Ledger			
		Balance				G/L						
Investment in Subsidiary Companies												
123.25	Midwest Energy-100 shares	\$ 6,500,100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500,100	\$ 6,500,100.00		
123.18	Midwest Energy, Inc.	\$ (3,472,805.53)	\$ -	\$ -	\$ (115,285.55)	\$ -	\$ -	\$ (3,588,091)	\$ (3,588,091.08)			
		\$ 3,027,294.47	\$ -	\$ -	\$ (115,285.55)	\$ -	\$ -	\$ 2,912,009	\$ 2,912,008.92			
123.10	NRUCFC	\$ 242,543.74	\$ 69,360.30	\$ -	\$ -	\$ -	\$ (62,854.65)	\$ 249,049	\$ 249,049.39			
123.11	Wabash Valley	\$ 3,977,886.41	\$ 293,075.44	\$ -	\$ -	\$ -	\$ -	\$ 4,270,962	\$ 4,270,961.85			
123.12	NISC (formerly CADP)	\$ 87,582.85	\$ 6,864.84	\$ -	\$ -	\$ -	\$ -	\$ 94,448	\$ 94,447.69			
123.13	Resco - Michigan	\$ 17,877.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,877	\$ 17,877.00			
123.15	Resco - Ohio	\$ 20,106.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,106	\$ 20,106.05			
123.16	Resco - Wisconsin	\$ 118,180.90	\$ 19,053.00	\$ -	\$ -	\$ -	\$ (4,763.00)	\$ 132,471	\$ 132,470.90			
123.17	Buckeye	\$ 705,852.98	\$ 93,499.53	\$ -	\$ -	\$ -	\$ (34,784.47)	\$ 764,568	\$ 764,568.04			
		\$ 5,170,029.93	\$ 481,853.11	\$ -	\$ -	\$ -	\$ (102,402.12)	\$ 5,549,481	\$ 5,549,480.92			
123.22	CFC Cap. Term Cert.	\$ 1,295,251.63	\$ -	\$ -	\$ -	\$ -	\$ (802.58)	\$ 1,294,449	\$ 1,294,449.05			
123.23	MECA	\$ 54,034.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,034	\$ 54,034.00			
123.24	NRUCFC Membership	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000.00			
123.24	Wabash Membership	\$ 5.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 5.00			
123.24	NRTC (New 6/03)	\$ 3,019.63	\$ 26,151.07	\$ -	\$ -	\$ -	\$ (7,845.32)	\$ 21,325	\$ 21,325.38			
123.24	Federated Insurance	\$ 202,725.54	\$ 24,903.00	\$ -	\$ -	\$ -	\$ (6,112.00)	\$ 221,517	\$ 221,516.54			
123.24	ECO INC.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
123.24	CoBank-New 10/2006	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000.00			
124.00	American Seating Park-SBT	\$ -	\$ -	\$ 100.00	\$ -	\$ (100.00)	\$ -	\$ -	\$ -			
124.01	Talon Homes-SBT	\$ -	\$ -	\$ 84,421.24	\$ -	\$ -	\$ -	\$ 84,421	\$ 84,421.24			
124.10	Cooperative Response Center	\$ 13,073.70	\$ -	\$ (600.00)	\$ -	\$ -	\$ (600.00)	\$ 11,874	\$ 11,873.70			
		\$ 1,569,109.50	\$ 51,054.07	\$ 84,921.24	\$ -	\$ (100.00)	\$ (15,359.90)	\$ 1,689,625	\$ 1,689,624.91			
128.50	Other Special Funds - Def. Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
	Total - Form 7, Part C, Line 14	\$ 9,766,433.90	\$ 532,907.18	\$ 84,921.24	\$ (115,285.55)	\$ (100.00)	\$ (117,762.02)	\$ 10,151,115	\$ 10,151,115			

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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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 account 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						
2						
3						
4						
5						
6						
7						
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12						
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14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	TOTAL					

**Midwest Energy Cooperative
Receivables from Associated Companies (Account 145,146)
For Year Ending 12/31/06**

<u>Line #</u>	<u>Particulars</u> (a)	<u>Balance Beginning of Year</u> (b)	<u>Debits</u> ©	<u>Credits</u> (d)	<u>Balance End of Year</u> (e)	<u>Interest for Year</u> (f)
1	146.00 Midwest Energy, Inc.- Unbilled	\$0	\$2,215	\$2,215	\$0	
2	146.01 Midwest Energy, Inc. Commerce Park	\$0	\$0	\$0	\$0	
3	146.10 Midwest Propane	\$5,794	\$97,958	\$103,752	\$0	
4	146.15 Midwest Energy, Inc. Propane Conversion	\$0	\$0	\$0	\$0	
5	146.18 Midwest Energy, Inc. Internet	\$1,043	\$1,485	\$2,528	\$0	
6	146.20 Midwest Energy, Inc. Long Distance	\$0	\$3,610	\$3,610	\$0	
7	146.35 Midwest Energy, Inc. Billed	\$9,401	\$37,577	\$44,243	\$2,735	
8	146.36 Midwest Propane Billed	\$56,422	\$667,830	\$632,761	\$91,491	
9	146.37 Due from wild Blue	\$0	\$13,999	\$12,250	\$1,749	
10	146.95 Midwest Propane Unreimbursed Medical	\$1,478	\$480	\$1,918	\$40	
11	146.96 Midwest Propane Cobra Suspense	\$0	\$0	\$0	\$0	
		<u>\$74,139</u>	<u>\$825,154</u>	<u>\$803,277</u>	<u>\$96,016</u>	<u>\$0</u>

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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ALLOWANCES

- | | |
|--|--|
| <p>1. Report below the details called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first</p> | <p>eligible for use; the current year;s allowances in columns (b)-(c), allowances for the three succeeding years in column(d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.</p> |
|--|--|

Line No.	Allowance Inventory (a)	Current Year		20__	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance - Beginning of Year				
2-4	Acquired During Year: Issued (Less Withheld Allow.)				
5	Returned by EPA				
6-8	Purchases/Transfers:				
9					
10			N/A		
11					
12					
13					
14					
15	Total				
16-18	Relinquished During Year: Charges to Acct. 509				
19	Other:				
20					
21-22	Cost of Sales/Transfers:				
23					
24					
25					
26					
27					
28	Total				
29	Balance - End of Year				
30-32	Sales:				
	Net Sales Proceeds (Assoc Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld				
36	Balance - Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance - End of Year				
41-43	Sales:				
	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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ALLOWANCES (Continued)

6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales or auction of the withheld allowances.

7. Report on lines 8-14 the names of vendors/transfers of allowances acquired and identify associated companies (See "associated co." under "Definitions" in Uniform System of Accounts).

8. Report on lines 22-27 the names of purchasers/transfers of allowances disposed of and identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.

20__		20__		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								1
								2-4
								5
								6-8
								9
								10
								11
								12
								13
								14
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								16-18
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								21-22
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								30-32
								33
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								36
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								40
								41-43
								44
								45
								46

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
LONG-TERM DEBT (Accounts 221, 222, 223 and 224)			
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>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.</p> <p>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.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>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.</p> <p>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.</p>			
Line No.	Class and Series of Obligation, Coupon Rate <i>(For new issue, give Commission Authorization numbers and dates)</i> (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)
1	See attachment		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
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17			
18			
19			
20			
21			
22			
23			
24			
25	TOTAL		

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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LONG-TERM DEBT (Accounts 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 amortization debited to Account 428, Amortization of Debt-Discount and Expense, or credited to Account 429, *Amortization of Premium on Debt-Credit*.
12. In a footnote, give explanatory particulars (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) principal 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
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Midwest Energy Cooperative					
RUS Debt Reconciliation					
December 2006					
		Date	Final	12/31/2006	YTD
		Loan	Payment	Principal	Interest
	A/C #	Executed	Date	Balance	Expense
1	B200	1/6/1972	1/6/2007	\$ -	\$ 27.78
2	B202	1/6/1972	1/6/2007	\$ -	\$ 27.78
3	4210	1/6/1972	1/6/2007	\$ -	\$ 31.61
4	1B260	4/29/1982	4/29/2017	\$ 105,449.54	\$ 5,513.89
5	1B262	4/29/1982	4/29/2017	\$ 105,110.61	\$ 5,496.16
6	1B270	4/30/1984	4/30/2019	\$ 94,264.55	\$ 4,859.39
7	1B271	4/30/1984	4/30/2019	\$ 448.00	\$ 23.10
8	1B273	4/30/1984	4/30/2019	\$ 97,223.33	\$ 5,011.90
9	1B280	10/30/1986	10/30/2021	\$ 239,746.90	\$ 12,277.77
10	1B282	10/30/1986	10/30/2021	\$ 199,789.07	\$ 10,231.47
11	1B283	10/30/1986	10/30/2021	\$ 41,028.87	\$ 2,101.14
12	1B290	12/9/1988	12/9/2023	\$ 450,201.68	\$ 22,957.58
13	1B292	12/9/1988	12/9/2023	\$ 441,231.70	\$ 22,500.17
14	1B293	12/9/1988	12/9/2023	\$ 5,021.11	\$ 256.04
15	1B301	10/31/1991	10/31/2026	\$ 546,965.26	\$ 27,773.13
16	1B310	2/29/1996	2/28/2031	\$ 689,293.88	\$ 29,661.67
17	1B311	2/29/1996	2/28/2031	\$ 106,083.59	\$ 3,764.79
18	1B312	2/29/1996	2/28/2031	\$ 212,049.12	\$ 10,455.55
19	1B313	2/29/1996	2/28/2031	\$ 320,687.83	\$ 14,876.61
20	1B314	2/29/1996	2/28/2031	\$ 25,760.41	\$ 1,230.01
21	1B315	2/29/1996	2/28/2031	\$ 1,064,561.55	\$ 57,825.08
22	1B316	9/23/1999	2/28/2031	\$ 325,027.04	\$ 10,716.50
23	1B520	12/15/1971	12/15/2006	\$ -	\$ 243.13
24	1B522	12/15/1971	12/15/2006	\$ -	\$ 243.13
25	1B591	1/31/1989	3/20/2030	\$ 1,675,486.11	\$ 84,783.39
26	1B596	1/31/1989	3/20/2030	\$ 1,675,659.40	\$ 84,792.18
27	1B600	7/1/1997	7/1/2032	\$ 4,129,781.75	\$ 208,598.14
28	1B605		7/1/2032	\$ 4,063,134.02	\$ 184,865.21
29	1B610	8/11/1999	3/12/1934	\$ 3,495,669.48	\$ 150,096.51
30	1B611	2/9/2000	3/12/1934	\$ 3,842,224.68	\$ 198,671.36
31	1B612	2/16/2000	3/12/1934	\$ 1,002,929.77	\$ 46,836.89
32	1B613	1/9/2001	3/12/1934	\$ 1,918,580.10	\$ 87,193.71
33	1B614	2/27/2001	3/12/1934	\$ 2,449,395.11	\$ 74,412.32
34	1B615	9/11/2001	3/1/2034	\$ 2,181,516.29	\$ 99,146.48
35	1B620	3/25/2003	8/1/2037	\$ 2,351,498.02	\$ 120,313.31
36	1B621	3/31/2003	8/1/2037	\$ 2,334,508.40	\$ 93,265.44
37	1B622	4/2/2003	8/1/2037	\$ 2,314,394.28	\$ 67,612.32
38	1B623	12/23/2003	8/1/2037	\$ 1,939,886.03	\$ 99,442.62
39	1B624	7/8/2004	8/1/2037	\$ 2,912,583.52	\$ 154,258.02
40	1B625	3/29/2005	8/1/2037	\$ 3,419,187.18	\$ 168,092.06
41	1B626	9/13/2005	8/1/2037	\$ 1,963,484.70	\$ 88,078.53
42	1B627	11/22/2005	8/1/2037	\$ 2,249,590.88	\$ 104,744.66
	1A320			\$ 4,000,000.00	\$ 78,133.70
	1A321			\$ 4,000,000.00	\$ 18,787.65
				\$ 19.97	
				\$ 58,989,473.73	\$ 2,460,229.88

CFC Debt					
Midwest Energy Cooperative					
Long Term Debt - Account # 224.12					
CFC Debt - 2006 Annual Summary					
	Original	Date	Final	12/31/2006	YTD
	Loan	Loan	Payment	Principal	Interest
	Amount	Executed	Date	Balance	Expense
9001-001	\$12,000.00	1/6/1972	3/1/2007	\$0.00	\$22.80
9002-001	\$90,000.00	9/27/1973	9/1/2008	\$11,386.86	\$1,002.46
9003-001	\$35,000.00	5/27/1976	3/1/2011	\$10,457.25	\$508.60
9004-001	\$228,000.00	6/23/1977	6/1/2012	\$84,233.49	\$3,495.97
9005-001	\$182,000.00	8/17/1979	6/1/2014	\$78,360.55	\$4,162.84
9006-001	\$118,000.00	4/29/1982	2/28/2017	\$67,470.66	\$3,591.32
9007-001	\$98,000.00	4/30/1984	3/1/2019	\$60,366.15	\$3,218.90
9008-001	\$222,680.00	10/30/1986	9/1/2021	\$150,863.84	\$9,211.85
9009-001	\$211,454.00	12/9/1988	11/30/2023	\$156,061.32	\$9,645.84
9009-002	\$184,379.00	12/9/1988	11/30/2023	\$136,071.93	\$8,410.34
9010-001	\$437,500.00	10/31/1991	9/1/2026	\$341,785.63	\$17,437.74
9011-001	\$178,980.00	2/29/1996	2/28/1931	\$158,506.26	\$8,051.61
9011-002	\$614,020.00	2/29/1996	3/1/1931	\$540,977.93	\$27,479.98
9012-001	\$104,000.00	12/15/1971	3/1/2007	\$1,969.07	\$415.59
9013-001	\$428,000.00	8/13/1973	6/1/2008	\$46,641.69	\$4,265.56
9014-001	\$478,000.00	10/7/1974	9/1/2009	\$91,382.67	\$7,365.03
9015-001	\$290,000.00	10/22/1975	9/1/2010	\$82,667.55	\$5,139.58
9016-001	\$768,000.00	7/27/1978	6/1/2013	\$311,519.78	\$3,580.05
9017-001	\$784,000.00	10/23/1979	9/1/2014	\$359,427.33	\$26,535.94
9018-001	\$603,000.00	8/18/1982	6/1/2017	\$371,155.53	\$23,156.39
9019-001	\$1,273,469.00	1/13/1989	12/1/2023	\$955,931.86	\$30,073.22
9020-001	\$1,471,000.00	7/1/1997	5/1/2032	\$1,423,704.69	\$103,585.69
9020-002	\$1,471,000.00	7/1/1997	5/1/2032	\$1,261,990.79	\$68,472.16
9021-003	\$433,574.57	8/8/2003	8/31/2006	\$0.00	\$4,043.63
9021-004	\$433,574.57	8/8/2003	8/31/2007	\$326,473.01	\$13,112.12
9021-005	\$433,574.57	8/8/2003	8/31/2008	\$433,574.57	\$14,849.93
9021-006	\$433,574.57	8/8/2003	8/31/2009	\$433,574.57	\$16,367.43
9021-007	\$433,574.57	8/8/2003	8/31/2010	\$433,574.57	\$17,884.98
9021-008	\$433,574.57	8/8/2003	8/31/2011	\$433,574.57	\$18,968.92
9021-009	\$433,574.57	8/8/2003	8/31/2012	\$433,574.57	\$20,052.85
9021-010	\$385,806.78	8/8/2003	8/31/2013	\$385,806.78	\$18,422.27
9021-011	\$47,767.79	8/8/2003	8/31/2014	\$47,767.79	\$2,280.89
9021-012	\$433,574.57	8/8/2003	8/31/2015	\$433,574.57	\$21,787.09
9021-013	\$433,574.53	8/8/2003	8/31/2016	\$433,574.53	\$21,787.09
					\$1,621.36
Grand Total	#REF!			10,498,002.36	\$540,008.02

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

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

***See definition on page 226B**

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						
4						
5						
6	See attachment					
7						
8						
9						
10						
11						
12						
13						
14						
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17						
18						
19						
20						
21						
22						
23						
	TOTAL					

Midwest Energy Cooperative
 Payables to Associated Companies (Accts 233,234)
 For Year Ending 12/31/06

Note () ='s credit balance

Line #	Particulars (a)	Balance Beginning of Year (b)	Debits ©	Credits (d)	Balance End of Year (e)	Interest for Year (f)
1	232.50 Accounts Payable Midwest Propane payments made with Electric bill that need to be transferred to Propane	(\$61,229)	\$7,787,204	\$7,766,968	(\$40,992)	
2	232.51 Accounts Payable Midwest Propane Gobles location payments made with Electric bill that are NSF's	\$0	\$0	\$0	\$0	
3	232.52 Accounts Payable Midwest Energy, Inc. Propane tank cylinder & gas sales	\$0	\$0	\$0	\$0	
4	232.70 Accounts payable-Wild Blue payments made with Electric bill that need to be transferred to Wild Blue	(\$27,084)	\$322,802	\$323,618	(\$27,901)	
5	233.10 Accounts Payable Midwest Energy, Inc.	\$0	\$0	\$0	\$0	
6	242.58 Aflac Pretax Deduction-Employee transfer to Propane-due coop	\$40	\$19,831	\$19,871	\$0	
		(\$88,273)	\$8,129,837	\$8,110,457	(\$68,893)	\$0

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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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 members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	N/A, MWE is a tax exempt organization and does not file a Federal Income Tax Return.	TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
5	Net income for the year (page 117 line 68)	
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	
8		
9	Total pre-tax income	
10		
11	Add: Taxable income not reported on books:	
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return	
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	
24		
25		
26	Federal taxable income for the year	

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)			
<p>3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2</p> <p>4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.</p>			
Utility	Other		Line No.
			1
			2
			3
			4
			5
			6
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			10
			11
			12
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			25
			26

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421. 2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.
2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2					
3					
4					
5	See Attachment				
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain				

Name of Respondent Midwest Energy Cooperative		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/07	Year of Report 2006	
GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)					
Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
18	Loss on disposition of property:				
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss				

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/19/2007	Year of Report 2006
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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.)
 (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.
 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.
 3. Designate with an asterisk associated companies.

Line No.	Name / Address	Service	Basis of Charges	Acct #	Amount
1					
2					
3		See Attachment			
4					
5					
6					
7					
8					
9					
10					
11					
12					
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31					
32					
33					
34					
35					

Midwest Energy Cooperative
 Charges for Outside Professional and Other Consultive Service
 Year Ending 12/31/06

Amounting to more than \$25,000.00

<u>Name and Address</u>	<u>Description of Services</u>	<u>Basis of Charges</u>	<u>Total Charges for the Year</u>	<u>Account Charged</u>	<u>Amount</u>
EnerVision PO Box 450789 Atlanta, GA 31145	Power Supply Diagnostics Analysis		\$32,130.60	923.00-01	32,130.60 <u>32,130.60</u>
CC Power Electrical Contracting PO Box 5663 Traverse City, MI 49696	Contractor-Construction		\$40,846.50	107.10	40,846.50 <u>40,846.50</u>
Cooperative Response Center 2000 8th Street N.W. Austin, MN 55912			\$112,765.12	1.00.923. 1.00.925. 1.00.921.30 581.01-22	15,509.56 5,001.10 1,084.27 91,170.19 <u>112,765.12</u>
Harris Group 1107 East 8th Street Traverse City, MI 49686	CPA		\$34,199.68	923.00-11	34,199.68 <u>34,199.68</u>
Asplundh Tree Expert P.O. Box 827464 Phila, PA 19182	Contractor-Construction			107.10 593.30-54	117,528.26 218,266.75 <u>335,795.01</u>
Dykema Gossett 400 Renaissance Center Detroit, MI 48243	Legal Services		\$219,112.33	1.00.925 3.00.923.01 923.00-01	248.00 423.25 218,441.08 <u>219,112.33</u>
American Energy Services PO Box 295 Richmond, MI 48062	Pole Testing		\$30,238.40	593.00-51	30,238.40 <u>30,238.40</u>
Green Leaf Tree Service 5280 Engle Rd Middleville, MI 49333	Contractor- Tree Work		\$982,534.50	107.10 593.30-54 108.90	402,673.53 578,160.97 1,700.00 <u>982,534.50</u>
Hydaker Wheatlake 1435 Reliable parkway Chicago, IL 60686	Contractor-Construction		\$1,393,118.61	107.10 108.90 593.01-51 583.00-51 586.00-51	1,297,131.48 1,851.90 14,854.88 44,154.35 35,126.00 <u>1,393,118.61</u>
Harris McBurney PO Box 3742 Grand Rapids, MI 49501	Meter Reading		\$131,772.54	904.02-21 902.70-21	2,450.00 129,322.54 <u>131,772.54</u>

Markur Consulting, LLC 9319 Mockingbird Lane Cadillac, MI 49601	Information Systems Contractor	\$157,104.09	921.00-70	92.54
			143.01	75.00
			927.00-23	101,342.50
			921.00-22	913.79
			903.12-22	41,005.34
			1.01.921.30	653.32
			927.20-23	11,424.00
			236.70	(91.44)
			186.00	73.60
			391.10	1,615.44
				<u>157,104.09</u>
			Michigan Electric Coop Assoc 2859 W. Jolly Rd Okemos, MI 48864	Utility Restructuring Country Line Magazine Deferred Income
1.00.913.	8,148.60			
146.20				
186.60	2,240.00			
580.60-50				
583.50-51	400.37			
909.01-70	86,354.36			
909.02-70	3,679.18			
921.60-1				
921.60-60				
921.60-70				
923.00-01	16,458.02			
930.21-3				
930.22-1	101,216.25			
930.23-1	3,850.00			
	<u>222,916.78</u>			
Kent Power 90 Spring St Box 327 Kent City, MI 49330	Contractor	\$266,114.20	107.20	266,114.20
				<u>266,114.20</u>
NISC SDS 12-2053 Minneapolis, MN 55486	Computer System Support	\$518,918.82	1.00.913.	330.00
			1.00.921.	15,356.18
			1.00.921.40	23,116.75
			2.00.731	1,651.20
			186	151,721.39
			923.00-1	5,864.91
			921.00-11	1,606.04
			921.60-11	1,693.23
			902.00-21	450.00
			903.00-21	2,708.70
			903.02-21	12,084.04
			903.04-21	159,029.66
			903.09-21	4,450.94
			903.60-21	1,568.99
			921.60-21	1,300.21
			581.01-22	2,083.43
			903.60-22	1,003.00
			903.08-22	4,039.43
			921.00-22	1,077.95
			903.02-23	108,259.63
			588.10-46	10,538.65
			593.00-51	8,322.60
			921.60-22	300.00
236.7	(157.92)			
580.60-46	500.00			
903.06-21	19.81			
	<u>518,918.82</u>			
Owen Speciality Service, Inc. 300 Fenway Drive Fenton, MI 48430		\$63,460.80	593.10-54	42,564.89
			107.10	20,895.91
				<u>63,460.80</u>
			TOTAL	<u>\$4,541,027.98</u>

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/19/2007	Year of Report 2006
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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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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19					
20					
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22					
23					
24					
25					
26					
27					
28					
29					
30					
TOTAL					

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/19/2007	Year of Report 2006
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) 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.
						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

Miscellaneous Midwest Inc./Propane Expenses Paid by Midwest Energy Cooperative to be reimbursed For Year 2006									
Line #	Company	Affiliation	Form 7 MISC page Desc: nature of Goods and Services	Account #	Account Classified To Balance	Amount Classified to Operating Income	Amount Classified to Non-operating	Pricing Method	
1	Midwest Energy Inc old #146.00 new#146.35 eff 2-06	Wholly owned Subsidiary of Midwest Energy Cooperative	Out of Pocket expense Labor & Benefit Allocation	#146.00/146.35	\$ 93.60 \$ 24,048.61	\$ 24,142.21	\$ -	Cost Cost	
2	Long Distance Expense TWN GL#146.20 old new #146.35 eff 2-06	Midwest Energy, Inc. Line of Business	Labor & Benefit Allocation Out of Pocket expense	#146.00/146.35	\$ 5,294.89 \$ 3,472.25	\$ 8,767.14	\$ -	Cost Cost	
3	Midwest Propane LLC GL#146.10 new #146.36 Eff 2-06	Wholly owned subsidiary of Midwest Energy Cooperative	Facility Lease Labor & Benefit Allocation Out of Pocket expense	#146.00/146.35	\$ 32,909.35 \$ 19,020.00 \$ 323,195.87	\$ 313,177.29	\$ -	contract Cost Cost	
4	Midwest Energy Inc.-Connections/Wildblue old G:#146.18 new #146.37 eff 2-06	Midwest Energy, Inc. Line of Business	Labor & Benefit Allocation Out of Pocket expense	#146.18/#146.37	\$ 7,005.11 \$ 5,282.14	\$ 12,287.25	\$ -	Cost Cost	
Total Costs billed To Associated Companies					\$ 700,589.76	\$ -	\$ -		

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/19/2007	Year of Report 2006
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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					
2					
3					
4					
5			NONE		
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					
TOTAL					