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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION MI0049
FINANCIAL AND STATISTICAL REPORT	PERIOD ENDED December, 2007 (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(s) is/are specifically described in Part D of this report.

Robert Hance

3/4/2008

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	47,922,495	53,043,880	54,496,917	4,903,747
2. Power Production Expense	0			
3. Cost of Purchased Power	30,236,237	33,916,504	35,327,908	3,000,100
4. Transmission Expense	1,371			
5. Distribution Expense - Operation	2,007,989	1,595,238	2,012,907	171,829
6. Distribution Expense - Maintenance	2,556,477	3,369,329	2,755,992	360,357
7. Customer Accounts Expense	2,076,531	1,898,610	2,046,632	196,221
8. Customer Service and Informational Expense	256,217	282,620	295,510	21,843
9. Sales Expense	249,016	262,922	240,943	23,034
10. Administrative and General Expense	2,109,915	2,269,198	2,279,071	254,313
11. Total Operation & Maintenance Expense (2 thru 10)	39,493,753	43,594,421	44,958,963	4,027,697
12. Depreciation and Amortization Expense	3,546,874	3,789,715	3,634,458	321,325
13. Tax Expense - Property & Gross Receipts	1,256,406	1,372,394	1,522,500	(23,231)
14. Tax Expense - Other	189,323	211,545	189,316	38,005
15. Interest on Long-Term Debt	3,007,661	3,283,695	3,324,591	272,737
16. Interest Charged to Construction - Credit	0			
17. Interest Expense - Other	169,727	105,285	82,500	8,426
18. Other Deductions	12,736	10,342	16,639	1,549
19. Total Cost of Electric Service (11 thru 18)	47,676,480	52,367,397	53,728,967	4,646,508
20. Patronage Capital & Operating Margins (1 minus 19)	246,015	676,483	767,950	257,239
21. Non Operating Margins - Interest	106,717	100,081	60,031	27,319
22. Allowance for Funds Used During Construction	0			
23. Income (Loss) from Equity Investments	(115,286)	282,093	209,651	37,576
24. Non Operating Margins - Other	5,841	11,183	3,186	(490)
25. Generation and Transmission Capital Credits	386,575	551,703	375,000	433,690
26. Other Capital Credits and Patronage Dividends	145,732	173,103	139,467	7,819
27. Extraordinary Items	0			
28. Patronage Capital or Margins (20 thru 27)	775,594	1,794,646	1,555,285	763,153

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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	479	357	5. Miles Transmission	14.46	14.46
2. Services Retired	89	54	6. Miles Distribution - Overhead	3,158.36	3,150.58
3. Total Services in Place	37,230	37,618	7. Miles Distribution - Underground	672.20	703.49
4. Idle Services (Exclude Seasonals)	2,898	2,719	8. Total Miles Energized (5 + 6 + 7)	3,845.02	3,868.53

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service	29. Memberships.....
124,289,663	0
2. Construction Work in Progress	30. Patronage Capital.....
308,675	32,434,282
3. Total Utility Plant (1 + 2)	31. Operating Margins - Prior Years.....
124,598,338	4,595
4. Accum. Provision for Depreciation and Amort	32. Operating Margins - Current Year.....
32,122,815	1,401,289
5. Net Utility Plant (3 - 4)	33. Non-Operating Margins.....
92,475,523	393,358
6. Non-Utility Property (Net)	34. Other Margins and Equities.....
0	(3,536,963)
7. Investments in Subsidiary Companies	35. Total Margins & Equities (29 thru 34).....
3,194,202	30,696,561
8. Invest. in Assoc. Org. - Patronage Capital	36. Long-Term Debt - RUS (Net).....
6,106,038	58,160,963
9. Invest. in Assoc. Org. - Other - General Funds	37. Long-Term Debt - FFB - RUS Guaranteed.....
0	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	38. Long-Term Debt - Other - RUS Guaranteed.....
1,647,801	0
11. Investments in Economic Development Projects	39. Long-Term Debt Other (Net).....
0	9,714,701
12. Other Investments	40. Long-Term Debt - RUS - Econ. Devel. (Net).....
0	0
13. Special Funds	41. Payments - Unapplied
0	0
14. Total Other Property & Investments (6 thru 13) ...	42. Total Long-Term Debt (36 thru 40 - 41).....
10,948,041	67,875,664
15. Cash - General Funds	43. Obligations Under Capital Leases - Noncurrent.....
2,242,060	0
16. Cash - Construction Funds - Trustee	44. Accumulated Operating Provisions
90	and Asset Retirement Obligations..
17. Special Deposits	1,407,031
164	45. Total Other Noncurrent Liabilities (43 + 44).....
18. Temporary Investments	1,407,031
0	46. Notes Payable.....
19. Notes Receivable (Net)	1,800,000
125,046	47. Accounts Payable.....
20. Accounts Receivable - Sales of Energy (Net)	3,502,873
2,595,627	48. Consumers Deposits.....
21. Accounts Receivable - Other (Net)	579,565
164,488	49. Current Maturities Long-Term Debt.....
22. Materials and Supplies - Electric & Other	1,790,000
707,337	50. Current Maturities Long-Term Debt
23. Prepayments	-Economic Development.....
184,684	0
24. Other Current and Accrued Assets	51. Current Maturities Capital Leases.....
14,786	0
25. Total Current and Accrued Assets (15 thru 24)	52. Other Current and Accrued Liabilities.....
6,034,282	3,839,404
26. Regulatory Assets	53. Total Current & Accrued Liabilities (46 thru 52).....
0	11,511,842
27. Other Deferred Debits	54. Regulatory Liabilities.....
2,322,191	0
28. Total Assets and Other Debits (5+14+25 thru 27)..	55. Other Deferred Credits.....
111,780,037	288,939
	56. Total Liabilities and Other Credits
	(35+ 42 + 45 + 53 thru 55).....
	111,780,037

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PART D. NOTES TO FINANCIAL STATEMENTS

USDA - RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION MI0049
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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	104,955,661	7,311,730	899,266		111,368,125
2. General Plant	7,315,245	752,033	438,910		7,628,368
3. Headquarters Plant	4,513,723	24,555	3,845		4,534,433
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)	117,543,366	8,088,318	1,342,021	0	124,289,663
8. Construction Work in Progress	3,162,755	(2,854,080)			308,675
9. TOTAL UTILITY PLANT (7 + 8)	120,706,121	5,234,238	1,342,021	0	124,598,338

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	763,250	756,302	0	790,173	4,228	(62,415)	662,736
2. Other	62,334	49,399	0	65,894	1,238	0	44,601

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	.90	23.62	.01	2.48	27.01
2. Five-Year Average	2.13	6.33	.11	3.91	12.48

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	82	4. Payroll - Expensed	3,422,940
2. Employee - Hours Worked - Regular Time	165,629	5. Payroll - Capitalized	857,946
3. Employee - Hours Worked - Overtime	9,815	6. Payroll - Other	415,162

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	60,188	2,242,884
	c. Total Retirements (a + b)	60,188	10,112,422
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	38,980	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	86,672	
	c. Total Cash Received (a + b)	125,652	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. AMOUNT DUE OVER 60 DAYS	\$ 73,819	2. AMOUNT WRITTEN OFF DURING YEAR	\$ 121,719
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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	584,606,836	33,042,505	5.65		
2	Buckeye Rural Elec Coop, Inc (OH) (OH0088)	2502	18,126,881	873,999	4.82		
	Total		602,733,717	33,916,504	5.63		

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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 4/24/2007	2. Total Number of Members 28,579	3. Number of Members Present at Meeting 8	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 8	7. Total Amount of Fees and Expenses for Board Members \$ 170,984	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)	58,160,963	2,731,856	1,038,510	3,770,366
2	National Rural Utilities Cooperative Finance Corporation	9,714,701	551,839	783,301	1,335,140
3	Bank for Cooperatives				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
	Total	67,875,664	3,283,695	1,821,811	5,105,506

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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	30,011	30,038	
	b. kWh Sold			357,330,307
	c. Revenue			34,907,498
2. Residential Sales - Seasonal	a. No. Consumers Served	48	102	
	b. kWh Sold			1,071,683
	c. Revenue			73,773
3. Irrigation Sales	a. No. Consumers Served	355	285	
	b. kWh Sold			11,010,072
	c. Revenue			832,838
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,481	4,275	
	b. kWh Sold			139,617,120
	c. Revenue			12,053,683
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	4	4	
	b. kWh Sold			63,519,065
	c. Revenue			4,654,159
6. Public Street & Highway Lighting	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. TOTAL No. of Consumers (lines 1a thru 9a)		34,899	34,704	
11. TOTAL kWh Sold (lines 1b thru 9b)				572,548,247
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				52,521,951
13. Other Electric Revenue				521,929
14. kWh - Own Use				1,138,411
15. TOTAL kWh Purchased				602,733,717
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation				33,916,504
18. Interchange - kWh - Net				
19. Peak - Sum All kW Input (Metered) Non-coincident Coincident <input checked="" type="checkbox"/>				131,907

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PART I. INVESTMENTS

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	123.18 Midwest Energy, Inc.	3,194,202	0	282,093	
	123.18/123.25 Midwest Energy, Inc. - 100 Shares Stock	0	0		
	123.10 Patronage Capital - NRUCFC		255,893	70,485	
	123.11 Patronage Capital - WVPA		4,728,550	457,588	
	123.12 Patronage Capital - NISC	100,825	0	7,819	
	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	155,250	0	30,613	
	123.17 Patronage Capital - Buckeye	0	827,537	94,115	
	123.22 Capital Term Certificates - CFC		1,292,173	0	
	123.23 MI Electric Coop Association	54,034	0	0	
	123.24 Federated - Reciprocal Stock	42,982			
	123.24 Federated - Preferred Stock	12,450			
	123.24 Federated - Insurance Stock	100,000			
	123.24 Federated - Member Equity	87,039		29,855	
	123.24 NRUCFC Membership Fee		1,000		
	123.24 WVPA Membership Fee	5	0	0	
	123.24 NRTC	34,659	0	19,048	
	124.01 Talon Homes-SBT	0	0	0	
	124.10 Cooperative Response Center	20,906		12,176	
	123.24 Co-Bank		2,553	3,106	
	Totals	3,840,335	7,107,706	1,006,898	
5	Special Funds				
	128.50 Deferred Compensation				
	Totals				
6	Cash - General				
	131.10,131.12,131.13,131.30 Std. Federal	559,995			
	131.25,131.27, FNB General & Payroll	1,517,629			
	131.26 Valley Ridge Bank	14,303			
	135.00 Working Funds - Petty Cash	1,651			
	131.20 Fifth Third Construction Acct.	90			
	131.40 Transfer of Cash-Construct fund				
	131.24 IRP Loan funds, FNB	148,482			X
	Totals	2,242,150			
7	Special Deposits				
	134.00 U.S. Post Office	164			
	Totals	164			
8	Temporary Investments				
	136.00 Temporary Investments				
	Totals				
9	Accounts and Notes Receivable - NET				
	Accounts Receivable - Other (Net)	164,488			
	Notes Receivable (Net)	125,046			
	Totals	289,534			
11	TOTAL INVESTMENTS (1 thru 10)	6,372,183	7,107,706	1,006,898	

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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	4,024,411	
	Total		7,450,000	4,024,411	
	TOTAL (Include Loan Guarantees Only)		7,450,000	4,024,411	

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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 (Form7, Part C, Line3)]

8.34 %

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	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/15/2008	2007

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, 2007 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, 2007 and 2006, 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 \$5,606,420 and \$5,697,415 as of December 31, 2007 and 2006, 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, 2007 and 2006, 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.

As described in Note 1 to the financial statements, the Cooperative changed its method of accounting for its pension plan as of December 31, 2007, in accordance with Statement of Financial Accounting Standards No. 158, *Employer's Accounting for Defined Benefit Pension and Other Post Retirement Plans*.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2008, 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

March 13, 2008

731 S. Garfield Avenue, Traverse City, MI 49686 tel. 231-946-8930 fax. 231-946-1377
600 Charlevoix Avenue, Petoskey, MI 49770 tel. 231-348-6930 fax. 231-348-6931

**MIDWEST ENERGY COOPERATIVE
STATEMENT OF CHANGES IN PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>Total</u>	<u>Patronage Capital Assigned</u>	<u>Patronage Capital Assignable</u>	<u>Non-Assignable Non-Operating Margins</u>	<u>Unappropriated Undistributed Subsid. Earnings</u>	<u>Other Equities</u>	<u>Accumulated Other Comprehensive Loss</u>
Balance, December 31, 2005	\$ 29,627,466	\$ 31,264,145	\$ 348,931	\$ 77,854	\$ (3,472,808)	\$ 1,409,344	\$
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	30,482,170	31,177,116	1,127,253	190,413	(3,588,094)	1,575,482	
Adjustment for adoption of SFAS No. 158	(1,543,264)						(1,543,264)
Adjustments	13,865	(309)				14,174	
Net margins (loss)	1,794,646		1,401,289	111,264	282,093		
Capital credits retired	<u>(50,856)</u>	<u>(60,188)</u>				<u>9,332</u>	
Balance, December 31, 2007	<u>\$ 30,696,561</u>	<u>\$ 31,503,354</u>	<u>\$ 2,153,299</u>	<u>\$ 290,494</u>	<u>\$ (3,306,001)</u>	<u>\$ 1,598,679</u>	<u>\$ (1,543,264)</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.

Recently Adopted Accounting Pronouncement

In September 2006, The Financial Accounting Standards Board issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (an amendment of SFAS Nos. 87, 88, 106 and 132R). SFAS No. 158 requires an employer to: (a) recognize in its statement of financial position an asset for a plan's overfunded status or a liability for a plan's underfunded status; (b) measure a plan's assets and its obligation that determine its funded status as of the end of the employers fiscal year; and (c) recognize changes in the funded status of a defined benefit pension plan in the year in which the changes occur. These changes are to be reported in comprehensive income of a business entity. The provision sof SFAS No. 158 for entities without publicly traded equity securities are effective for fiscal years ending after June 15, 2007.

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.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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, 2007 and 2006 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).

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) 4/15/2008	Year of Report 2007
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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) 4/15/2008	Year of Report 2007
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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>
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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, 2007 AND 2006**

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from consumers	\$ 53,627,877	\$ 46,910,875
Cash paid to suppliers and employees	(42,474,187)	(40,262,971)
Interest received	100,081	106,717
Interest paid	(3,384,194)	(3,186,922)
Taxes paid	(1,925,675)	(1,842,443)
	<u>5,943,902</u>	<u>1,725,256</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction and acquisition of plant, net of retirements	(5,191,474)	(8,565,983)
Net proceeds from sale of plant	74,894	224,422
(Increase) decrease in:		
Materials inventory	118,246	(119,619)
Deferred charges	(589,714)	(766,437)
Notes receivable	1,376	(17,877)
Investments – associated organizations	210,073	32,340
Investment in subsidiary		(1,146)
	<u>(5,376,599)</u>	<u>(9,214,300)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from RUS and CFC	22,099,965	27,400,000
Advances from financial institutions		
Retirement of patronage capital credits, net	(37,008)	(70,650)
Payments on debt	(20,621,776)	(20,849,161)
Payments to pension	(1,600,000)	
Increase (decrease) in:		
Consumer deposits and advances	808,360	757,548
	<u>649,541</u>	<u>7,237,737</u>
Net Increase (Decrease) in Cash and Temporary Cash Investments	1,216,844	(251,307)
CASH AND TEMPORARY CASH INVESTMENTS – beginning	<u>1,025,471</u>	<u>1,276,778</u>
CASH AND TEMPORARY CASH INVESTMENTS - ending	<u>\$ 2,242,315</u>	<u>\$ 1,025,471</u>

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)

	<u>2007</u>	<u>2006</u>
RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net margins	\$ 1,794,647	\$ 775,595
Adjustments to reconcile net margins to net cash provided by		
Operating activities:		
Depreciation and amortization	4,084,046	3,786,115
G & T capital credits	(724,806)	(532,307)
(Gain) Loss on disposal of assets	(17,465)	9,820
(Income) Loss from subsidiary	(282,093)	115,286
(Increase) decrease in assets:		
Customer and other accounts receivable	503,516	(86,525)
Current and accrued assets – other	50,387	(93,637)
Post-retirement benefits other than pensions	199,464	159,368
Increase (decrease) in:		
Accounts payable	244,798	(1,398,938)
Current and accrued liabilities – other	91,408	(1,009,521)
	<u>4,149,255</u>	<u>949,661</u>
Total Adjustments		
	<u>\$ 5,943,902</u>	<u>\$ 1,725,256</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital credits	\$ 724,806	\$ 532,307
Income (Loss) from subsidiary	282,093	(115,286)
(Gain) Loss on disposition of plant	(17,465)	9,820
Capitalized depreciation	97,894	101,950

The accompanying notes are an integral part of these statements.

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) 04/15/08	Year of Report 2007
NONUTILITY PROPERTY (Account 121)				
1. Give a brief description and state the location of nonutility property included in Account 121.		4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.		
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.		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.		
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.				
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) 04/15/08	Year of Report 2007
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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*. 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.

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

(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) 04/15/08	Year of Report 2007
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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
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
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						26
						27
						28
						29
						30

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 4: INVESTMENTS IN ASSOCIATED ORGANIZATIONS

Investments in associated organizations consisted of the following at December 31, 2007 and 2006:

	2007	2006
Capital term certificates, at cost, issued by National Rural Utilities Cooperative Finance Corp. (CFC)	\$ 1,292,173	\$ 1,294,449
Patronage capital:		
CFC	255,893	249,049
National Information Solutions Cooperative	100,825	94,448
Wabash Valley Power Association	4,728,550	4,270,962
Buckeye Power, Inc.	728,648	665,679
Midwest Energy, Inc.	3,194,099	2,912,006
Michigan Electric Cooperative Assn.	54,034	54,034
Federal Rural Electric Insurance Cooperative, at cost	280,688	244,847
Buckeye Power, Inc. – membership	98,889	98,889
Talon Homes, LLC (SBT credit)		84,421
Other	214,242	182,431
 TOTAL	 \$ 10,948,041	 \$ 10,151,215

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, 2006	6,500,000
Undistributed loss, to date, December 31, 2006	(3,588,094)
 Book value as of December 31, 2006	 2,912,006
 Undistributed income during 2007	 282,093
 Book value as of December 31, 2007	 \$ 3,194,099

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.

Midwest Energy Cooperative									
Investment in Associated Organizations - Patronage Capital and Other NonGeneral Funds									
YTD 12/31/2007									
Account Number	Description	12/31/2006 Beginning Balance	Allocated	YTD 12/31/2007 Invested	YTD 12/31/2007 Profit(loss)	Adjusted Adjustments G/L	Retired (Cash Received)	YTD 12/31/2007 Form 7	YTD 12/31/2007 General Ledger
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.	\$ (3,587,991.08)	\$ -	\$ -	\$ 282,093.29	\$ -	\$ -	\$ (3,305,898)	\$ (3,305,897.79)
		\$ 2,912,108.92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,194,202	\$ 3,194,202.21
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
123.10	NRUCFC	\$ 249,049.39	\$ 70,485.41	\$ -	\$ -	\$ -	\$ (63,642.24)	\$ 255,893	\$ 255,892.56
123.11	Wabash Valley	\$ 4,270,961.85	\$ 457,588.03	\$ -	\$ -	\$ -	\$ -	\$ 4,728,550	\$ 4,728,549.88
123.12	NISC (formerly CADP)	\$ 94,447.69	\$ 7,819.09	\$ -	\$ -	\$ -	\$ (1,441.62)	\$ 100,825	\$ 100,825.16
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	\$ 132,470.90	\$ 30,613.00	\$ -	\$ -	\$ -	\$ (7,834.00)	\$ 155,250	\$ 155,249.90
123.17	Buckeye	\$ 764,568.04	\$ 94,114.83	\$ -	\$ -	\$ -	\$ (31,145.76)	\$ 827,537	\$ 827,537.11
		\$ 5,549,480.92	\$ 660,620.36	\$ -	\$ -	\$ -	\$ (104,063.62)	\$ 6,106,038	\$ 6,106,037.66
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
123.22	CFC Cap. Term Cert.	\$ 1,294,449.05	\$ -	\$ -	\$ -	\$ -	\$ (2,275.96)	\$ 1,292,173	\$ 1,292,173.09
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)	\$ 21,325.38	\$ 19,047.92	\$ -	\$ -	\$ -	\$ (5,714.38)	\$ 34,659	\$ 34,658.92
123.24	Federated Insurance	\$ 221,516.54	\$ 29,855.00	\$ -	\$ -	\$ -	\$ (8,901.00)	\$ 242,471	\$ 242,470.54
123.24	ECO INC.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
123.24	CoBank-New 10/2006	\$ 1,000.00	\$ 3,106.85	\$ -	\$ -	\$ -	\$ (1,553.42)	\$ 2,553	\$ 2,553.43
124.00	American Seating Park-SBT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
124.01/124.02	Talon Homes-SBT	\$ 84,421.24	\$ 100.00	\$ (63,417.74)	\$ (21,103.50)	\$ -	\$ -	\$ 0	\$ 0.00
124.10	Cooperative Response Center	\$ 11,873.70	\$ 12,175.74	\$ -	\$ -	\$ -	\$ (3,143.49)	\$ 20,906	\$ 20,905.95
		\$ 1,689,624.91	\$ 64,285.51	\$ (63,417.74)	\$ (21,103.50)	\$ -	\$ (21,588.25)	\$ 1,647,801	\$ 1,647,800.93
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128.50	Other Special Funds - Def. Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total - Form 7, Part C, Line 14	\$ 10,151,214.75	\$ 724,905.87	\$ (63,417.74)	\$ (21,103.50)	\$ -	\$ (125,651.87)	\$ 10,948,040.80	\$ 10,948,041

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) 04/15/08	Year of Report 2007
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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		See attachment				
6						
7						
8						
9						
10						
11						
12						
13						
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 12/31/07

<u>Line #</u>	<u>Particulars</u> (a)	<u>Balance</u> <u>Beginning of</u> <u>Year</u> (b)	<u>Debits</u> ©	<u>Credits</u> (d)	<u>Balance</u> <u>End of</u> <u>Year</u> (e)	<u>Interest</u> <u>for Year</u> (f)
1	146.00 Midwest Energy, Inc.- Unbilled	\$0	\$250	\$250	\$0	
2	146.01 Midwest Energy, Inc. Commerce Park	\$0	\$20	\$20	\$0	
3	146.10 Midwest Propane	\$0	\$56,017	\$56,017	\$0	
4	146.15 Midwest Energy, Inc. Propane Conversion	\$0	\$0	\$0	\$0	
5	146.18 Midwest Energy, Inc. Internet	\$0	\$0	\$0	\$0	
6	146.20 Midwest Energy, Inc. Long Distance	\$0	\$0	\$0	\$0	
7	146.35 Midwest Energy, Inc. Billed	\$2,735	\$36,220	\$36,875	\$2,080	
8	146.36 Midwest Propane Billed	\$91,491	\$560,564	\$603,449	\$48,606	
9	146.37 Due from wild Blue	\$1,749	\$85,933	\$81,243	\$6,439	
10	146.95 Midwest Propane Unreimbursed Medical	\$40	\$1,930	\$1,434	\$536	
11	146.96 Midwest Propane Cobra Suspense	\$0	\$0	\$0	\$0	
		<u>\$96,015</u>	<u>\$740,935</u>	<u>\$779,288</u>	<u>\$57,662</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) 04/15/08	Year of Report 2007
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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) 04/15/08	Year of Report 2007
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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
								15
								16-18
								19
								20
								21-22
								23
								24
								25
								26
								27
								28
								29
								30-32
								33
								34
								35
								36
								37
								38
								39
								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) 04/15/08	Year of Report 2007
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, Reacquired 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			
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12			
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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) 04/15/08	Year of Report 2007
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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-Discout 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
						2
						3
						4
						5
						6
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						24
						25

CFC Debt								
Midwest Energy Cooperative								
Long Term Debt - Account # 224.12								
CFC Debt - 2007 Annual Summary								
	Interest	Original Loan	Date Loan	Final Payment	12/31/2006 Principal Balance	YTD Interest Expense	YTD Principal Payments	12/31/2007 Principal Balance
	Rate	Amount	Executed	Date				
9001-001	3.075%	\$12,000.00	1/6/1972	3/1/2007	\$0.00	\$ -	\$ -	\$0.00
9002-001	6.875%	\$90,000.00	9/27/1973	9/1/2008	\$11,386.86	\$ 621.81	\$ 6,336.87	\$5,049.99
9003-001	4.375%	\$35,000.00	5/27/1976	3/1/2011	\$10,457.25	\$ 420.38	\$ 2,284.69	\$8,172.56
9004-001	3.825%	\$228,000.00	6/23/1977	6/1/2012	\$84,233.49	\$ 3,022.87	\$ 13,992.58	\$70,240.91
9005-001	5.025%	\$182,000.00	8/17/1979	6/1/2014	\$78,360.55	\$ 3,773.67	\$ 8,794.22	\$69,566.33
9006-001	5.125%	\$118,000.00	4/29/1982	2/28/2017	\$67,470.66	\$ 3,360.72	\$ 5,111.04	\$62,359.62
9007-001	5.175%	\$98,000.00	4/30/1984	3/1/2019	\$60,366.15	\$ 3,054.80	\$ 3,602.29	\$56,763.86
9008-001	5.975%	\$222,680.00	10/30/1986	9/1/2021	\$150,863.84	\$ 8,869.68	\$ 6,527.87	\$144,335.97
9009-001	6.075%	\$211,454.00	12/9/1988	11/30/2023	\$156,061.32	\$ 9,360.08	\$ 5,364.61	\$150,696.71
9009-002	6.075%	\$184,379.00	12/9/1988	11/30/2023	\$136,071.93	\$ 8,161.18	\$ 4,677.50	\$131,394.43
9010-001	5.025%	\$437,500.00	10/31/1991	9/1/2026	\$341,785.63	\$ 16,983.27	\$ 10,269.82	\$331,515.81
9011-001	5.025%	\$178,980.00	2/29/1996	2/28/1931	\$158,506.26	\$ 7,901.84	\$ 3,384.68	\$155,121.58
9011-002	5.025%	\$614,020.00	2/29/1996	3/1/1931	\$540,977.93	\$ 26,968.78	\$ 11,551.83	\$529,426.10
9012-001	6.875%	\$104,000.00	12/15/1971	3/1/2007	\$1,969.07	\$ 33.90	\$ 1,969.06	\$0.00
9013-001	6.875%	\$428,000.00	8/13/1973	6/1/2008	\$46,641.69	\$ 2,430.33	\$ 30,552.00	\$16,089.69
9014-001	6.875%	\$478,000.00	10/7/1974	9/1/2009	\$91,382.67	\$ 5,489.03	\$ 31,231.09	\$60,151.58
9015-001	5.525%	\$290,000.00	10/22/1975	9/1/2010	\$82,667.55	\$ 4,150.20	\$ 20,373.10	\$62,294.45
9016-001	3.075%	\$768,000.00	7/27/1978	6/1/2013	\$311,519.78	\$ 19,369.66	\$ 40,411.71	\$271,108.07
9017-001	3.425%	\$784,000.00	10/23/1979	9/1/2014	\$359,427.33	\$ 15,163.52	\$ 41,036.57	\$318,390.76
9018-001	6.025%	\$603,000.00	8/18/1982	6/1/2017	\$371,155.53	\$ 21,781.95	\$ 26,009.14	\$345,146.39
9019-001	3.075%	\$1,273,469.00	1/13/1989	12/1/2023	\$955,931.86	\$ 63,920.60	\$ 33,079.41	\$922,852.45
9020-001	7.225%	\$1,471,000.00	7/1/1997	5/1/2032	\$1,423,704.69	\$ 102,331.74	\$ 19,896.72	\$1,403,807.97
9020-002	5.375%	\$1,471,000.00	7/1/1997	5/1/2032	\$1,261,990.79	\$ 67,365.53	\$ 23,409.80	\$1,238,580.98
9021-003	2.975%	\$433,574.57	8/8/2003	8/31/2006	\$0.00	\$ -	\$ -	\$0.00
9021-004	3.075%	\$433,574.57	8/8/2003	8/31/2007	\$326,473.01	\$ 5,032.85	\$ 326,473.01	\$0.00
9021-005	3.425%	\$433,574.57	8/8/2003	8/31/2008	\$433,574.57	\$ 14,860.08	\$ 106,961.29	\$326,613.28
9021-006	3.775%	\$433,574.57	8/8/2003	8/31/2009	\$433,574.57	\$ 16,367.43	\$ -	\$433,574.57
9021-007	4.125%	\$433,574.57	8/8/2003	8/31/2010	\$433,574.57	\$ 17,884.93	\$ -	\$433,574.57
9021-008	4.375%	\$433,574.57	8/8/2003	8/31/2011	\$433,574.57	\$ 18,968.87	\$ -	\$433,574.57
9021-009	4.625%	\$433,574.57	8/8/2003	8/31/2012	\$433,574.57	\$ 20,052.82	\$ -	\$433,574.57
9021-010	4.775%	\$385,806.78	8/8/2003	8/31/2013	\$385,806.78	\$ 18,422.27	\$ -	\$385,806.78
9021-011	4.775%	\$47,767.79	8/8/2003	8/31/2014	\$47,767.79	\$ 2,280.90	\$ -	\$47,767.79
9021-012	5.025%	\$433,574.57	8/8/2003	8/31/2015	\$433,574.57	\$ 21,787.10	\$ -	\$433,574.57
9021-013	5.025%	\$433,574.53	8/8/2003	8/31/2016	\$433,574.53	\$ 21,787.10	\$ -	\$433,574.53
							\$ -	
Grand Total		\$14,618,227.66			10,498,002.36	551,979.89	\$ 783,300.90	9,714,701.44

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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						
15						
16						
17						
18						
19						
20						
21						
22						
23						
	TOTAL					

Midwest Energy Cooperative
 Payables to Associated Companies (Accts 233,234)
 232

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	(\$40,992)	\$8,858,276	\$8,866,931	(\$49,647)	
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	(\$27,901)	\$481,258	\$453,358	(\$0)	
5	233.10 Accounts Payable Midwest Energy, Inc.	\$0	\$0	\$0	\$0	
6	242.58 Afjac Pretax Deduction-Employee transfer to Propane-due coop	\$0	\$17,097	\$17,097	\$0	
		(\$68,893)	\$9,356,631	\$9,337,385	(\$49,648)	\$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) 04/15/08	Year of Report 2007
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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	

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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)			
3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2			
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.			
Utility	Other		Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
			13
			14
			15
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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) 04/15/08	Year of Report 2007
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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					
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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) 04/15/08	Year of Report 2007
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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					
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31					
32					
33					
34	Total Loss				

Midwest Energy Cooperative										
Schedule of general plant assets disposed of in 2007										
Reconciliation of G/I #421.10 gain or loss on disposition of property										
				CR	DR	#421.10				
Date	Acct #	Item #	Description	Cost	A/D	Carrying Value	Sales Price	(Gain) Loss	Cash Sheet	JL#
1/29/2007	396.01	39600075ver	75Vermer Trencher	112,460.70	24,600.83	87,859.87	102,837.50	(14,977.63)		
1/12/2007	392.00	3920000297	1997 f150 Truck-Paw Paw	18,032.64	18,032.64	0.00	2,051.00	(2,051.00)	posinv#20070090 WolfesSouth Bend Auto Auction	
1/12/2007	392.00	3920003797	1997 Ford F150 Truck-Paw Paw	22,011.14	22,011.14	0.00	1,716.00	(1,716.00)	POS inv#20070091 Wolfe's South Bend Auto Auction	
1/30/2007	392.00	3920004797	1997 f150 Ford-Cass	22,011.14	22,011.14	0.00	2,000.00	(2,000.00)	pos inv#20070196 Greenleaf	
No activity in February						0.00				
3/21/2007	see 2006 file	3920000493	Dell laptop, was removed from FA in Dec 2006.			0.00		(1,232.25)	POS inv 3-07 and pd for 2006 asset removed. B russell BOD	
5/23/2007	391.10	3911000122	Laptop- John Duford	2,019.94	2,019.94	0.00	0.00	0.00	obsolete per email rec 5-23-07	
5/30/2007	392.00	3920002702	2002 RANGER- J HANCE	16,659.52	16,659.52	0.00	3,000.00	(3,000.00)	REC FEDER INS CK POS INV#20071052	
5/24/2007	391.10	3911000125	SOLD FA #125 hp 8500 COL PRTR	3,683.50	3,683.50	0.00	96.80	(96.80)	CRIEM SOLD ON EBAY POS INV#20071018	
8/14/2007	392.00	3920001896	sold v#1896 & accessories	37,000.00	37,000.00	0.00	10,000.00	(10,000.00)	POS INV#20071729 TO SPECIALIZED HYDRAULICS 8-14-07	
8/14/2007	392.00	3920001896A	sold v#1896 & accessories	84,095.86	84,095.86	0.00		0.00	POS INV#20071729 TO SPECIALIZED HYDRAULICS 8-14-07	
8/14/2007	392.00	3920001896B	sold v#1896 & accessories	841.55	841.55	0.00		0.00	POS INV#20071729 TO SPECIALIZED HYDRAULICS 8-14-07	
8/14/2007	392.00	3920001896C	sold v#1896 & accessories	2,279.00	2,279.00	0.00		0.00	POS INV#20071729 TO SPECIALIZED HYDRAULICS 8-14-07	
8/1/2007	392.00	392003401A	SOLD V#3401 12-06 missed access	1,017.92	1,017.92	0.00		0.00		
10/22/2007	392.00	3920002003	Settlement for V#2003	91,653.96	49,645.96	42,008.00	22,000.00	20,008.00	Cass-Cash Register prmt. rec'd 10/23/2007	
10/23/2007	392.00	3920001594	Sold V# 1594 to employee	16,805.00	16,805.00	0.00	1,800.00	(1,800.00)	POS Inv# 20072140 to Empl-Eric Keck	
12/10/2007	392.00	3920001697	Sold V# 1697 to J. Clymer	18,032.64	18,032.64	0.00	600.00	(600.00)	POS Inv # 20072411 to emp-Jim Clymer	
				=====	=====	=====	=====	=====		
Nov-07				448,604.51	318,736.64	129,867.87	146,101.30	(17,465.68)		
				=====	=====	=====	=====	=====		

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) 4/15/2008	Year of Report 2007
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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			
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Midwest Energy Cooperative
 Charges for Outside Professional and Other Consultive Service
 Year Ending 12/31/07

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		\$40,058.94	921.60-01 923.00-01	\$400.00 39,658.94 <u>40,058.94</u>
CC Power Electrical Contracting PO Box 5663 Traverse City, MI 49696	Contractor-Construction	<i>Not used in 2007</i>		107.10	<u>-</u>
Cooperative Response Center 2000 8th Street N.W. Austin, MN 55912			\$95,193.99	1.00.923. 581.01-22 903.00-22 588.10-46	11,021.48 83,372.51 400.00 400.00 <u>95,193.99</u>
Harris Group 731 S. Garfield Ave Traverse City, MI 49686	CPA		\$28,245.21	923.00-11	28,245.21 <u>28,245.21</u>
Asplundh Tree Expert P.O. Box 827464 Phila, PA 19182	Contractor-Construction	<i>Not used in 2007</i>		107.10 593.30-54	<u>-</u>
Dykema Gossett 400 Renaissance Center Detroit, MI 48243	Legal Services		\$158,066.88	1.00.925 3.00.923.01 923.00-01 923.01-01	2,206.50 6,878.00 112,703.27 36,279.11 <u>158,066.88</u>
American Energy Services PO Box 295 Richmond, MI 48062	Pole Testing		\$35,798.15	593.00-51	35,798.15 <u>35,798.15</u>
Green Leaf Tree Service 5280 Engle Rd Middleville, MI 49333	Contractor- Tree Work		\$1,435,458.75	107.10 108.90 593.30-54	141,985.00 \$0.00 1,293,473.75 <u>1,435,458.75</u>
Hydaker Wheatlake 1435 Reliable parkway Chicago, IL 60686	Contractor-Construction		\$850,715.57	107.10 108.90 582.00-45 583.00-51 586.00-51 593.01-51	667,929.59 69,215.63 2,062.91 27,262.00 28,864.00 55,381.44 <u>850,715.57</u>
Harris McBurney PO Box 3742 Grand Rapids, MI 49501	Meter Reading	<i>Not used in 2007</i>		904.02-21 902.70-21	<u>-</u>

Markur Consulting, LLC 9319 Mockingbird Lane Cadillac, MI 49601	Information Systems Contractor	\$153,291.48	903.12-22	46,426.07
			927.00-23	103,871.94
			927.10-23	424.00
			927.20-23	672.00
			912.30-70	1,897.47
			153,291.48	
Michigan Electric Coop Assoc 2859 W. Jolly Rd Okemos, MI 48864	Utility Restructuring Country Line Magazine Deferred Income	\$226,335.94	1.00.913.00	5,700.00
			903.22-01	111,215.75
			921.60-01	350.00
			923.00-01	8,347.16
			903.21-03	2,375.00
			921.60-11	450.00
			921.60-45	175.00
			583.00-51	360.00
			583.50-51	490.20
			909.01-70	93,644.23
			909.02-70	2,878.60
			921.60-70	350.00
Kent Power 90 Spring St Box 327 Kent City, MI 49330	Contractor		<i>Not used in 2007</i>	107.20
				-
NISC SDS 12-2053 Minneapolis, MN 55486	Computer System Support	\$413,969.75	1.00.921.	16,060.68
			1.00.921.40	23,921.34
			2.00.731	1,708.67
			186.00	7,196.34
			923.00-01	10,333.49
			930.21-03	6,399.12
			921.00-11	2,075.33
			921.01-11	1,157.80
			921.60-11	775.00
			903.00-21	3,498.00
			903.02-21	1,979.94
			903.04-21	181,707.45
			903.06-21	228.39
			903.08-21	531.72
			903.09-21	4,460.76
			903.60-21	989.00
			921.00-21	843.70
			903.00-22	375.00
			903.08-22	8,130.50
			903.60-22	808.00
903.02-23	120,357.24			
921.00-23	1,038.80			
921.60-23	399.00			
583.60-46	808.00			
588.10-46	8,499.96			
593.00-51	9,686.52			
			413,969.75	
Runkle Electric 28807 Sarabyn St. Dowagiac, MI 49047	Contractor	\$27,335.00	586.01-45	\$125.00
			587.00-45	26,835.00
			416.11-70	\$125.00
			587.15-70	125.00
			587.20-70	\$125.00
			\$27,335.00	
			TOTAL	\$3,464,469.66

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) 4/15/2008	Year of Report 2007
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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)
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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) 4/15/2008	Year of Report 2007
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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
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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) 4/15/2008	Year of Report 2007
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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)
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TOTAL					

Miscellaneous Midwest Inc/Propane Expenses Paid by Midwest Energy Cooperative to be reimbursed For year 2007								
Line #	Company	Affiliation	Form 7 MPSC 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		\$ 3,570.71 \$ 19,981.58			Cost Cost
				#146.00/146.35	\$ 23,552.29	\$ -	\$ -	
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		\$ 1,772.88 \$ 10,894.86			Cost Cost
				#146.00/146.35	\$ 12,667.74	\$ -	\$ -	
				#146.00/146.35	\$ 36,220.03			
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		\$ 19,020.00 \$ 268,348.24 \$ 273,196.19			contract Cost Cost
				#146.10/#146.36	\$ 560,564.43	\$ -	\$ -	
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		\$ 64,228.87 \$ 21,704.59			Cost Cost
				#146.18/#146.37	\$ 85,933.46	\$ -	\$ -	
			Total Costs billed To Associated Companies		\$ 682,717.92	\$ -	\$ -	

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) 4/15/2008	Year of Report 2007	
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.				reported.		
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which				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.
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Miscellaneous Midwest Inc/Propane Expenses			
Paid by Midwest Energy Cooperative to be reimbursed			
For year 2007			
		Form 7 MPSC page	
Expenses:	Desc: nature of Goods and Services	Desc: nature of Goods and Services	YTD 2007
G/L #146.35 Midwest Energy Inc			
Dykema -Legal	Legal & Professional	Out of Pocket expense	\$ 3,518.00
Federated/etc	misc invoices	Out of Pocket expense	\$ 9.13
misc / office supplies	food/office	Out of Pocket expense	\$ 43.58
Administrative Services	Administrative Services	Labor & Benefit Allocation	\$ 8,723.07
Accounting Services	Accounting Services	Labor & Benefit Allocation	\$ 11,258.51
Total #146.35 billed			\$ 23,552.29
146.35 Long Distance Expense TWN			\$ -
Accounting Services	Accounting Services	Labor & Benefit Allocation	\$ 1,772.88
Bill Stuffers fee MJ-46	Office Supplies & Postage	Out of Pocket expense	\$ 10.56
Misc Natural Gas Exp	NAT Gas training	Out of Pocket expense	\$ 451.22
Natural Gas Bill Stuffers Sept07	Advertising	Out of Pocket expense	\$ 877.27
Meal Natural Gas P Nowlin	Meals	Out of Pocket expense	\$ 18.96
Parking/airlines/hotel	Travel Expense	Out of Pocket expense	\$ 107.99
MECA	Legal & Professional	Out of Pocket expense	\$ 3,360.00
SBC-Ameritech 616 r0216477443	Advertising	Out of Pocket expense	\$ 52.59
General Tax and Accounting Service	Accounting Services	Out of Pocket expense	\$ 3,724.46
NISC-postage	postage	Out of Pocket expense	\$ -
idearc Media	Advertising	Out of Pocket expense	\$ 1,991.49
AT&T	phone	Out of Pocket expense	\$ 242.08
Double Day	Audit Supplies	Out of Pocket expense	\$ 58.24
Total #146.35 billed			\$ 12,667.74
#146.35 Due from total includes TWN & MWE INC			\$ 36,220.03

Miscellaneous Midwest Inc/Propane Expenses			
Paid by Midwest Energy Cooperative to be reimbursed			
For year 2007			
		Form 7 MPSC page	
Expenses:	Desc: nature of Goods and Services	Desc: nature of Goods and Services	YTD 2007
GI #146.36/146.10 Midwest Propane LLC			
Facility Rental	Office Space Rental	Facility Lease	\$ 8,460.00
Office Space Rental	Office Space Rental	Facility Lease	\$ 10,560.00
Coop Services interco labor	Coop Services	Labor & Benefit Allocation	\$ 253,754.93
Coop Labor-Garage	Coop Services	Labor & Benefit Allocation	\$ 14,593.31
Garage expense after markup	Vehicle Expense	Out of Pocket expense	\$ 15,415.58
Fed Express	Misc	Out of Pocket expense	\$ 177.57
Double Day	Misc	Out of Pocket expense	\$ 689.32
credit card fees mj-79	Bank S/C -CC Fees	Out of Pocket expense	\$ 11,256.00
Experian	credit check fees	Out of Pocket expense	\$ 3,450.68
SBC - Ameritech	Advertising	Out of Pocket expense	\$ 754.27
Verizon 517-263-1808	Advertising	Out of Pocket expense	\$ 2,158.64
Verizon Directories/Windstream 38008	Advertising	Out of Pocket expense	\$ 210.68
Alltell Publishing Directory/Windstream	Advertising	Out of Pocket expense	\$ 949.89
Dowagiac Commer Press	Advertising	Out of Pocket expense	\$ 871.06
Windstream	Advertising	Out of Pocket expense	\$ 316.02
AT&T	phone	Out of Pocket expense	\$ 8,193.27
Nextel Cell phones	phone	Out of Pocket expense	\$ 2,747.36
Weller Wireless	phone	Out of Pocket expense	\$ 89.68
yellow book- directories-big rapids	Advertising	Out of Pocket expense	\$ 210.68
NISC-postage mailing bills	postage	Out of Pocket expense	\$ 21,597.50
NISC -monthly user fees etc	Legal & Professional	Out of Pocket expense	\$ 23,045.38
CRC	Legal & Professional	Out of Pocket expense	\$ 11,021.48
Dykema	Legal & Professional	Out of Pocket expense	\$ 2,206.50
Federated Ins	Liability & Comp Insurance	Out of Pocket expense	\$ 85,139.00
Accident Fund	Liability & Comp Insurance	Out of Pocket expense	\$ 15,578.12
Idearc Media Corp	Dir. Advertising	Out of Pocket expense	\$ 30,128.70
Sponsorship/promos/donations	Advertising	Out of Pocket expense	\$ 1,174.78
MI Electric Coop (MECA)	Advertising	Out of Pocket expense	\$ 5,700.00
Lands End	Clothing	Out of Pocket expense	\$ 600.00
Superior Business Solutions	Misc	Out of Pocket expense	\$ 142.00
Annual picnic expenses-billed late/apprec din	Employee Benefit Costs	Out of Pocket expense	\$ 2,843.98
Lakeland Medical-new benefit wellness	Employee Benefit Costs	Out of Pocket expense	\$ 67.87
Unum	Employee Benefit Costs	Out of Pocket expense	\$ 11,459.22
CVS Caremark (Pharmacare RX)	Employee Benefit Costs	Out of Pocket expense	\$ 5,683.34
US Bank	Misc fees	Out of Pocket expense	\$ 4,769.35
Dell Marketing for Gobles Flat Screen	Office Supplies	Out of Pocket expense	\$ 221.54
Little Red Barn	Clothing	Out of Pocket expense	\$ 1,555.21
Farmhouse Bakery	Misc	Out of Pocket expense	\$ 350.00
Resco	Misc	Out of Pocket expense	\$ 114.87
Fast Signs	Misc	Out of Pocket expense	\$ 22.52
Charmin Ruth	Misc	Out of Pocket expense	\$ 8.00
P Nowlin	Misc	Out of Pocket expense	\$ 155.60
Postage/nisc postage gas stmts	Office Supplies & Postage	Out of Pocket expense	\$ 2,120.53
Total Midwest Propane			\$ 560,564.43

Miscellaneous Midwest Inc/Propane Expenses			
Paid by Midwest Energy Cooperative to be reimbursed			
For year 2007			
			Form 7 MPSC page
Expenses:	Desc: nature of Goods and Services	Desc: nature of Goods and Services	YTD 2007
GL#146.37 -MIDWEST WILDBLUE			
Accounting Services	Accounting Services	Labor & Benefit Allocation	\$ 4,955.85
Admin Services	Admin Services	Labor & Benefit Allocation	\$ 2,921.40
Marketing Services	Marketing Services	Labor & Benefit Allocation	\$ 53,546.09
Dispatch Dept Services	Billing Services	Labor & Benefit Allocation	\$ 2,629.77
Customer Service/disp	Customer Service/disp	Labor & Benefit Allocation	\$ 175.76
Verizon #517-263-1808	Advertising	Out of Pocket expense	\$ 112.07
Alltell Publishing/windstream 020-202-2880	Advertising	Out of Pocket expense	\$ 278.00
Windstream	Advertising	Out of Pocket expense	\$ 69.54
Bursma Electronics	Misc Supplies	Out of Pocket expense	\$ 641.57
WB cc/eck fees	Bank fees	Out of Pocket expense	\$ 480.00
US Bank Corp	Supplies	Out of Pocket expense	\$ 2,920.17
Federal Express	Postage	Out of Pocket expense	\$ 13.73
NISC	Mis Expense	Out of Pocket expense	\$ 1,536.22
NISC	Misc Expenses	Out of Pocket expense	\$ 166.50
Vehicle 2707 depreciation and fuel	Misc Expenses	Out of Pocket expense	\$ 13,715.12
Domain Bank	Misc Expenses	Out of Pocket expense	\$ 198.00
Misc	Misc Expenses	Out of Pocket expense	\$ 863.78
Wild Blue Meals	Meals	Out of Pocket expense	\$ 32.03
Wild Blue Conference	Training	Out of Pocket expense	\$ 425.65
WB-Nisc-postage for billing stmt	Office Supplies & Postage	Out of Pocket expense	\$ 189.12
Petty Cash- Tolls	Travel	Out of Pocket expense	\$ 2.45
Petty Cash-Postage; wild blue-billed late	Office Supplies & Postage	Out of Pocket expense	\$ 60.64
Total Midwest Connections			\$ 85,933.46