

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)

This form is authorized by 1919 PA 419, as amended, authorizes this form being MCL 460.51 et seq.; and 1969 PA 306, as amended, being MCL 24.201 et seq. Filing of this form is mandatory. Failure to complete and submit this form will place you in violation of the Acts.

Report submitted for year ending:	DECEMBER 31, 2004		
Present legal name of respondent:	PENINSULAR GAS COMPANY		
Present DBA name in Michigan if different from legal name:			
Address of principal place of business:	307 SIXTH STREET CALUMET, MICHIGAN		
Utility representative to whom inquiries regarding this report may be directed:	Name WILLIAM MARCH Title PRESIDENT		
	Address 4205 SOUTH 94TH STREET		
	City OMAHA	State NE	Zip Code 68127
	Telephone: ( 402 ) 593-0037	E-mail:	
If the utility name has been changed during the past year:	Prior Name		
	Date of Change		
Two copies of the published annual report to stockholders:	<input type="checkbox"/> were forwarded to the Commission <input checked="" type="checkbox"/> will be forwarded to the Commission on or about _____, 20____		
Annual reports to stockholders:	<input type="checkbox"/> are published. <input checked="" type="checkbox"/> are not published.		

Should you have any questions regarding this report, please contact:

Brian Ballinger, Financial Analysis Section Supervisor  
(517) 241-6103 OR [blballi@michigan.gov](mailto:blballi@michigan.gov)

Michigan Public Service Commission  
Regulated Energy Division  
6545 Mercantile Way  
PO Box 30221  
Lansing, MI 48909

RECEIVED  
Michigan Public Service Commission

MAY 02 2005

REGULATED ENERGY  
DIVISION

INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF  
NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)

GENERAL INFORMATION

I. Purpose:

By authority conferred upon the Michigan Public Service Commission by 1919 PA 419, as amended, being MCL 460.51 et seq. and 1969 PA 306, as amended, being MCL 24.201 et seq., this form is a regulatory support requirement. It is designed to collect financial and operational information from public utilities, licensees and others subject to the jurisdiction of the Michigan Public Service Commission. This report is a nonconfidential public use form.

II. Who Must Submit:

Each major and nonmajor gas company, as classified by the Commission's Uniform System of Accounts must submit this form.

NOTE: Major- A gas company having annual natural gas sales over 50 million Dth in each of the 3 previous calendar years.

Nonmajor - A gas company having annual natural gas sales at or below 50 million Dth in each of the 3 previous calendar years.

The class to which any utility belongs shall originally be determined by the average of its annual gas sales for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas sales for each of the three immediately preceding years exceeds the upper limit, or is less than the lower limit of the classification previously applicable to the utility.

III. What and Where to Submit:

- (a) Submit an original copy of this form to:

Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

Retain one copy of this report for your files.

- (b) Submit immediately upon publication, one (1) copy of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analyst, or industry association. (Do not include monthly and quarterly reports. If reports to stockholders are not prepared, enter "NA" in column (c) on Page 5, the List of Schedules.) Mail these reports to:

Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission of the form, a letter or report prepared in conformity with current standards of reporting which will:

- (i) contain a paragraph attesting to the conformity, in all material aspects, of the schedules and pages listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

- (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications).

<u>Schedules</u>	<u>Reference Page</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

When accompanying this form, insert the letter or report immediately following the cover sheet. Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_ we have also reviewed schedules \_\_\_\_\_ of Form P-522 for the year filed with the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (d) Federal, state and local governments and other authorized users may obtain additional blank copies to meet their requirements for a charge from:

Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

IV. When to Submit

Submit this report form on or before April 30 of the year following the year covered by this report.

**GENERAL INSTRUCTIONS**

- I. Prepare this report in conformity with the Uniform System of Accounts (USOA). Interpret all accounting words and phrases in accordance with the USOA.
- II. Enter in whole number (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required). The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to

determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.

- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to respondent, either
  - (a) Enter the words "NOT APPLICABLE" on the particular page(s), or
  - (b) Omit the page(s) and enter "NA", "NONE", or "NOT APPLICABLE" in column <sup>Ⓢ</sup> on the List of Schedules, pages 2, 3 and 4.
- V. Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. The copies, however, may be carbon copies or other similar means of reproduction provided the impression are clear and readable.
- VI. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (See VIII, below).
- VII. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ( ).
- VIII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the identification and Attestation page, page 1. Mail dated resubmissions to:

Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909
- IX. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 ½ x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and page number supplemented.
- X. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- XI. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XII. Report all gas volumes on a pressure base of 14.65 psia and a temperature base 60° F.
- XIII. Respondents may submit computer printed schedules (reduced to 8 ½ x 11 inch size) instead of the preprinted schedules if they are in substantially the same format

#### DEFINITIONS

- I. BTU per cubic foot - The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.65 cm. Per sec.<sup>2</sup>) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)

II. Commission Authorization (Comm. Auth.) - The authorization of the Michigan Public Service Commission, or any other Commission. Name the Commission whose authorization was obtained and give the date of the authorization.

III. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

MPSC FORM P-522

ANNUAL REPORT OF NATURAL GAS COMPANIES (Major and Nonmajor)

IDENTIFICATION		
01 Exact Legal Name of Respondent PENINSULAR GAS COMPANY	02 Year of Report Dec. 31, 2004	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, State, Zip)		
05 Name of Contact Person WILLIAM MARCH	06 Title of Contact Person PRESIDENT	
07 Address of Contact Person (Street, City, State, Zip) 4205 SOUTH 94TH STREET OMAHA, NEBRASKA 68127		
08 Telephone of Contact Person, Including Area Code: 402-593-0037	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 4-29-05
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
01 Name WILLIAM MARCH	03 Signature <i>Wm March</i>	04 Date Signed (Mo, Da, Yr) 4-29-05
02 Title PRESIDENT		

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20_04
<b>LIST OF SCHEDULES (Natural Gas Utility)</b>			
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."			
Title of Schedule  (a)	Reference Page No. (b)	Remarks  (c)	
<b>GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</b>			
General Information	101		
Control Over Respondent & Other Associated Companies	M 102	NA	
Corporations Controlled by Respondent	103		
Officers and Employees	M 104		
Directors	105		
Security Holders and Voting Powers	M 106-107		
Important Changes During the Year	108-109		
Comparative Balance Sheet	M 110-113		
Statement of Income for the Year	M 114-117		
Statement of Retained Earnings for the Year	M 118-119		
Statement of Cash Flows	120-121		
Notes to Financial Statements	122-123		
<b>BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</b>			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
Gas Plant in Service	M 204-212B		
Gas Plant Leased to Others	213	NA	
Gas Plant Held for Future Use	214	NA	
Production Properties Held for Future Use	215	NA	
Construction Work in Progress - Gas	216		
Construction Overheads - Gas	217	NA	
General Description of Construction Overhead Procedure	M 218		
Accumulated Provision for Depreciation of Gas Utility Plant	M 219		
Gas Stored	220		
Nonutility Property	221		
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221		
Investments	222-223	NA	
Investment in Subsidiary Companies	224-225	NA	
Gas Prepayments Under Purchase Agreements	226-227	NA	
Advances for Gas Prior to Initial Deliveries or Commission Certification	229	NA	
Prepayments	230	NA	
Extraordinary Property Losses	230	NA	
Unrecovered Plant and Regulatory Study Costs	230	NA	
Preliminary Survey and Investigation Charges	231	NA	
Other Regulatory Assets	232	NA	
Miscellaneous Deferred Debits	233		
Accumulated Deferred Income Taxes (Account 190)	234-235		

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 <sup>04</sup>
--	---	--------------------------------	---

**LIST OF SCHEDULES (Natural Gas Utility) (Continued)**

Title of Schedule  (a)	Reference Page No.  (b)	Remarks  (c)
<b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)</b>		
Capital Stock	250-251	
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252	NA
Other Paid-in Capital	253	NA
Discount on Capital Stock	254	NA
Capital Stock Expense	254	NA
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255	NA
Long-Term Debt	256-257	NA
Unamortized Debt Expense, Premium and Discount on Long-Term Debt	258-259	NA
Unamortized Loss and Gain on Reacquired Debt	260	NA
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	M 261A-B	
Calculation of Federal Income Tax	M 261C-D	
Taxes Accrued, Prepaid and Charged During Year	262-263	
Investment Tax Credits Generated and Utilized	264-265	
Accumulated Deferred Investment Tax Credits	M 266-267	
Miscellaneous Current and Accrued Liabilities	M 268	
Other Deferred Credits	269	
Accumulated Deferred Income Taxes - Accelerated Amortization Property	272-273	NA
Accumulated Deferred Income Taxes - Other Property	274-275	NA
Accumulated Deferred Income Taxes - Other	M 276A-B	NA
Other Regulatory Liabilities	278	NA
<b>INCOME ACCOUNT SUPPORTING SCHEDULES</b>		
Gas Operating Revenues	300-301	
Rates and Sales Section	M 305A-C	
Off-System Sales - Natural Gas	M 310A-B	NA
Revenue from Transportation of Gas of Others-Natural Gas	312-313	
Sales of Products Extracted from Natural Gas	315	NA
Revenues from Natural Gas Processed by Others	315	NA
Gas Operation and Maintenance Expenses	M 320-325	
Number of Gas Department Employees	325	
Exploration and Development Expenses	326	NA
Abandoned Leases	326	NA
Gas Purchases	M 327,327A-B	
Exchange Gas Transactions	328-330	NA
Gas Used in Utility Operations - Credit	331	
Transmission and Compression of Gas by Others	332-333	NA
Other Gas Supply Expenses	334	NA
Miscellaneous General Expenses - Gas	M 335	
Depreciation, Depletion and Amortization of Gas Plant	336-338	
Income from Utility Plant Leased to Others	339	NA
Particulars Concerning Certain Income Deduction and Interest Charges	340	



Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
--	---	--------------------------------	---------------------------------

**LIST OF SCHEDULES (Natural Gas Utility) (Continued)**

Title of Schedule  (a)	Reference Page No.  (b)	Remarks   (c)
<b>COMMON SECTION</b>		
Regulatory Commission Expenses	350-351	
Research, Development and Demonstration Activities	352-353	NA
Distribution of Salaries and Wages	354-355	
Charges for Outside Professional and Other Consultative Services	357	
<b>GAS PLANT STATISTICAL DATA</b>		
Natural Gas Reserves and Land Acreage	500-501	NA
Changes in Estimated Hydrocarbon Reserves and Costs, and Net Realizable Value	504-505	NA
Compressor Stations	508-509	NA
Gas and Oil Wells	510	NA
Gas Storage Projects	M 512-513	
Distribution and Transmission Lines	M 514	
Liquefied Petroleum Gas Operations	516-517	
Distribution System Peak Deliveries	M 518	
Auxiliary Peaking Facilities	519	
System Map	522	
Footnote Data	551	
Stockholders' Report	---	
<b>MPSC SCHEDULES</b>		
Reconciliation of Deferred Income Tax Expense	117A-B	
Operating Loss Carryforward	117C	
Notes & Accounts Receivable Summary for Balance Sheet	228A	
Accumulated Provision for Uncollectible Accounts - Credit	228A	
Receivables From Associated Companies	228B	
Materials and Supplies	228C	
Notes Payable	260A	
Payables to Associated Companies	260B	NA
Customer Advances for Construction	268	NA
Accumulated Deferred Income Taxes - Temporary	277	
Gas Operation and Maintenance Expenses (Nonmajor)	320N-324N	
Lease Rentals Charged	333A-333D	
Depreciation, Depletion and Amortization of Gas Plant (Nonmajor)	336N	
Particulars Concerning Certain Other Income Accounts	341	
Gain or Loss on Disposition of Property	342A-B	
Expenditures for Certain Civic, Political and Related Activities	343	
Common Utility Plant and Expenses	356	
Summary of Costs Billed to Associated Companies	358-359	NA
Summary of Costs Billed from Associated Companies	360-361	NA



Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
--	---	--------------------------------	---------------------------------

**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

William March  
4205 South 94th Street  
Omaha, NE 68127

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.

Michigan                      October 17, 1917

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

NA

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

Residential and General Service Natural Gas Service  
as well as gas transportation service for one  
customer.

Michigan Only

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1)  Yes.....Enter date when such independent accountant was initially engaged: January, 1999 .  
(2)  No

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20_04
--	---	--------------------------------	----------------------------------

**CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES**

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for

whom trust was maintained, and purpose of the trust.  
2. List any entities which respondent did not control either directly or indirectly and which did not control respondent but which were associated companies at any time during the year.  
3. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

NA

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
--	---	--------------------------------	---------------------------------

**CORPORATIONS CONTROLLED BY RESPONDENT**

- |  |  |
|--|--|
| <p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> | <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> |
|--|--|

**DEFINITIONS**

- |  |   |
|--|---|
| <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent</p> | <p>of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p> |
|--|---|

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
	NONE		

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 <u>04</u>
--	---	--------------------------------	---

**OFFICERS**

- |   |   |
|---|---|
| <p>1. Report below the name, title and salary for the five executive officers.</p> <p>2. Report in column (b) salaries and wages accrued during the year including deferred compensation.</p> <p>3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc., and explain in a footnote what the amounts represent.</p> | <p>4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.</p> <p>5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees salaries.</p> |
|---|---|

Line No.	Name and Title (a)	Base Wages (b)	Other Compensation (c)	Total Compensation (d)
1	William March, President	\$96,000.00	\$25,000.00	\$121,000.00
2				
3				
4				
5		Bonus	\$ 10,000.00	
6		Profit Sharing	<u>15,000.00</u>	
7			\$ 25,000.00	
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20_04
<b>DIRECTORS</b>			
<p>1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
William March President and Treasurer  M. M. Brownlee  P. M. Romanovsky  William March, Jr. Asst. Secretary and Treasurer	4205 South 94th Street Omaha, NE 68127  Orlando, Florida  San Francisco, California  Boise, Idaho	1  1  1  1	\$1,000.00  1,000.00  1,500.00  1,000.00

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20_03
--	---	--------------------------------	----------------------------------

**SECURITY HOLDERS AND VOTING POWERS**

1. (A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

(B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondent of each officer and director not included in the list of 10 largest security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

NA

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

Total:                    5340

By Proxy:                    0

3. Give the date and place of such meeting:

Omaha, Nebraska



Name of Respondent PENINSULAR GAS COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report Dec. 31, 20 <sup>04</sup>	
SECURITY HOLDERS AND VOTING POWERS (Continued)							
Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES				Number of votes as of (date):	
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)		
4	TOTAL votes of all voting securities	5340	5340	0	0		
5	TOTAL number of security holders	1	1				
6	TOTAL votes of security holders listed below						
7	William March	5340					
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
--	---	--------------------------------	---------------------------------

**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 or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instructions 1 to 11 above, such notes may be attached to this page.

- 1 - NO
- 2 - NO
- 3 - YES
- 4 - NO
- 5 - NO
- 6 - NO
- 7 - NO
- 8 - NO
- 9 - NO
- 10 - NO
- 11 - All Classes increased due to rate increases.
- 12 - NA

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
---	---	---	--

IMPORTANT CHANGES DURING THE YEAR (Continued)

Empty area for reporting important changes during the year.

Name of Respondent		This Report Is:	Date of Report	Year of Report
Peninsular Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04-30-05	Dec. 31, 2004
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114, 118)	200-201	4,615,396	4,657,328
3	Construction Work in Progress (107)	200-201		
4	<b>TOTAL Utility Plant (Enter Total of lines 2 and 3)</b>		4,615,396	4,657,328
5	(Less)Accum.Prov. for Depr.Amort.Depl. (108, 111, 115, 119)	200-201	2,594,903	2,736,480
6	<b>Net Utility Plant (Enter Total of line 4 less 5)</b>		2,020,493	1,920,848
7	Nuclear Fuel (120.1-120.4, 120.6)	---		
8	(Less)Accum.Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	---		
9	<b>Net Nuclear Fuel (Enter Total of line 7 less 8)</b>			
10	<b>Net Utility Plant (Enter Total of lines 6 and 9)</b>		2,020,493	1,920,848
11	Utility Plant Adjustments (116)	122-123		
12	Gas Stored Underground-Noncurrent (117)	220		
13	<b>OTHER PROPERTY AND INVESTMENTS</b>			
14	Nonutility Property (121)	221	1,124,161	124,161
15	(Less)Accum.Prov. for Depr. and Amort. (122)	221	111,366	117,306
16	Investments in Associated Companies (123)	222-223		
17	Investments in Subsidiary Companies (123.1)	224-225		
18	(For Cost of Account 123.1. See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	---		
20	Other Investments (124)	222-223,229		
21	Special Funds (125-128)	---		
22	<b>TOTAL Other Property and Investments (Total of lines 14 thru 21)</b>		12,795	ds 6,855
23	<b>CURRENT AND ACCRUED ASSETS</b>			
24	Cash (131)	---	48,814	100,717
25	Special Deposits (132-134)	---		
26	Working Fund (135)	---		
27	Temporary Cash Investments (136)	222-223		
28	Notes Receivable (141)	228A		
29	Customer Accounts Receivable (142)	228A	870,732	934,425
30	Other Accounts Receivable (143)	228A		
31	(Less)Accum.Prov. for Uncoll. Acct.-Credit( 144)	228A	160,524	161,650
32	Notes Receivable from Associated Companies (145)	228B		
33	Accounts Receivable from Assoc. Companies (146)	228B		
34	Fuel Stock (151)	228C	29,278	29,278
35	Fuel Stock Expenses Undistributed (152)	228C		
36	Residuals (Elec) and Extracted Products	228C		
37	Plant Materials and Operating Supplies (154)	228C	79,214	75,533
38	Merchandise (155)	228C		
39	Other Materials and Supplies (156)	228C		
40	Nuclear Materials Held for Sale (157)	228C		

Name of Respondent <b>Peninsular Gas company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
---	---	---	--

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
41	Allowances (158.1 and 158.2)	---		
42	(Less)Noncurrent Portion of Allowances	---		
43	Stores Expense Undistributed (163)	227C		
44	Gas Stored Underground-Current (164.1)	220		
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220		
46	Prepayments (165)	226,230	82,415	
47	Advances for Gas (166-167)	229		
48	Interest and Dividends Receivable (171)	---		
49	Rents Receivable (172)	---		
50	Accrued Utility Revenues (173)	---		
51	Miscellaneous Current and Accrued Assets (174)	---	261,120	390,200
52	<b>TOTAL Current and Accrued Assets</b> <i>(Enter Total of lines 24 thru 51)</i>		<b>1,211,049</b>	<b>1,368,503</b>
53	<b>DEFERRED DEBITS</b>			
54	Unamortized Debt Expenses (181)	---		
55	Extraordinary Property Losses (182.1)	230		
56	Unrecovered Plant & Regulatory Study Costs (182.2)	230		
57	Other Regulatory Assets	232		
58	Prelim. Survey & Invest. Charges (Electric) (183)	---		
59	Prelim. Survey & Invest. Charges (Gas) (183.1,183.2)	231		
60	Clearing Accounts (184)	---		
61	Temporary Facilities (185)	---		
62	Miscellaneous Deferred Debits (186)	233		
63	Def. Losses from Disposition of Utility Plant (187)	---		
64	Research, Devel. and Demonstration Expend. (188)	352-353		
65	Unamortized Loss on Reacquired Debt (189)	---		
66	Accumulated Deferred Income Taxes (190)	234-235		
67	Unrecovered Purchased Gas Costs (191)	---		
68	<b>TOTAL Deferred Debits</b> <i>(Enter Total of lines 54 thru 67)</i>			
69	<b>TOTAL Assets and Other Debits</b> <i>(Enter Total of lines 10, 11, 12, 22, 52 and 68)</i>		<b>2,977,361</b>	<b>3,296,206</b>

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Peninsular Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		04-30-05		Dec. 31, 20_04	
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)							
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)			
1	<b>PROPRIETARY CAPITAL</b>						
2	Common Stock Issued (201)	250-251	267,000	267,000			
3	Preferred Stock Issued (204)	250-251					
4	Capital Stock Subscribed (202, 205)	252					
5	Stock Liability for Conversion (203, 206)	252					
6	Premium on Capital Stock (207)	252					
7	Other Paid-In Capital (208-211)	253					
8	Installments Received on Capital Stock (212)	252					
9	(Less)Discount on Capital Stock (213)	254					
10	(Less)Capital Stock Expense (214)	254					
11	Retained Earnings (215, 215.1, 216)	118-119	1,192,786	1,072,783			
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119					
13	(Less)Reacquired Capital Stock (217)	250-251					
14	<b>TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)</b>		<b>1,459,786</b>	<b>1,339,783</b>			
15	<b>LONG-TERM DEBT</b>						
16	Bonds (221)	256-257					
17	(Less)Reacquired Bonds (222)	256-257					
18	Advances from Associated Companies (223)	256-257					
19	Other Long-Term Debt (224)	256-257					
20	Unamortized Premium on Long-Term Debt (225)	258-259					
21	(Less)Unamortized Discount on Long-Term Debt-Debit (226)	258-259					
22	<b>TOTAL Long-Term Debt (Enter Total of lines 16 thru 21)</b>						
23	<b>OTHER NONCURRENT LIABILITIES</b>						
24	Obligations Under Capital Leases-Noncurrent (227)	---					
25	Accumulated Prov. for Property Insurance (228.1)	---					
26	Accumulated Prov. for Injuries and Damages (228.2)	---					
27	Accumulated Prov. for Pensions and Benefits (228.3)	---					
28	Accumulated Misc. Operating Provisions (228.4)	---					
29	Accumulated Provision for Rate Refunds (229)	---					
30	<b>TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 thru 29)</b>						
31	<b>CURRENT AND ACCRUED LIABILITIES</b>						
32	Notes Payable (231)	260A	984,400	890,600			
33	Accounts Payable (232)	---	692,225	957,722			
34	Notes Payable to Associated Companies (233)	260A					
35	Accounts Payable to Associated Companies (234)	260A					
36	Customer Deposits (235)	---	500	500			
37	Taxes Accrued (236)	262-263	49,621	30,369			
38	Interest Accrued (237)	---					
39	Dividends Declared (238)	---					
40	Matured Long-Term Debt (239)	---					

Name of Respondent <b>Peninsular Gas Company</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)</b>					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	
41	Matured Interest (240)	---			
42	Tax Collections Payable (241)	---			
43	Misc. Current and Accrued Liabilities (242)	268	42,059	61,487	
44	Obligations Under Capital Leases-Current (243)	---			
45	Federal Income Taxes Accrued for Prior Years (244)	---			
46	Michigan Single Business Taxes Accrued for Prior Years (244.1)	---			
47	Fed. Inc. Taxes Accrued for Prior Years-Adj. (245)	---			
48	Michigan Single Business Taxes Accrued for Prior Years-Adj. (245.1)	---			
49	<b>TOTAL Current and Accrued Liabilities</b> <i>(Enter Total of lines 32 thru 48)</i>		<b>1,768,805</b>	<b>1,940,678</b>	
50	<b>DEFERRED CREDITS</b>				
51	Customer Advances for Construction (252)	---			
52	Accumulated Deferred Investment Tax Credits (255)	266-267	15,746	15,746	
53	Deferred Gains from Disposition of Utility Plt.(256)	---			
54	Other Deferred Credits (253)	269			
55	Other Regulatory Liabilities	278			
56	Unamortized Gain on Reacquired Debt (257)	260			
57	Accumulated Deferred Income Taxes (281-284)	272-277			
58	<b>TOTAL Deferred Credits</b> <i>(Enter Total of lines 51 thru 57)</i>				
59	<b>TOTAL Liabilities and Other Credits</b> <i>(Enter Total of lines 14, 22, 30, 49 and 58)</i>		<b>3,244,337</b>		

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**STATEMENT OF INCOME FOR THE YEAR**

1. Report amounts for accounts 412 and 413, *Revenue and Expenses from Utility Plant Leased to Others*, in another utility column (i, k, m, o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, *Other Utility Operating Income*, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	5,297,417	5,245,656
3	Operating Expenses			
4	Operation Expenses (401)	320-325	5,293,844	4,905,636
5	Maintenance Expenses (402)	320-325		
6	Depreciation Expense (403)	336-338	130,945	134,435
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263		
14	Income Taxes — Federal (409.1)	262-263	99,652	83,207
15	— Other (409.1)	262-263	(73,550)	(261,120)
16	Provision for Deferred Income Taxes (410.1)	234,272-277		
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266		
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		5,450,891	4,862,158
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		(153,474)	383,498



Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Peninsular Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04-30-05	Dec. 31, 20_04
STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 114)	—	(153,474)	383,498
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)		33,311	31,232
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)		18,027	18,655
31	Revenues From Nonutility Operations (417)			
32	(Less) Expenses of Nonutility Operations (417.1)			
33	Nonoperating Rental Income (418)		19,791	21,657
34	Equity in Earnings of Subsidiary Companies (418.1)	119		
35	Interest and Dividend Income (419)		464	757
36	Allowance for Other Funds Used During Construction (419.1)			
37	Miscellaneous Nonoperating Income (421)			
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		35,539	34,991
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)			
42	Miscellaneous Amortization (425)	340		
43	Miscellaneous Income Deductions (426.1-426.5)	340		925,000
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)			925,000
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263		
47	Income Taxes—Federal (409.2)	262-263		
48	Income Taxes—Other (409.2)	262-263		
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277		
50	(Less) Provision for Deferred Income Taxes—Cr. (411.2)	234,272-277		
51	Investment Tax Credit Adj.—Net (411.5)			
52	(Less) Investment Tax Credits (420)			
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 thru 52)			
54	Net Other Income and Deductions (Enter Total of lines 39, 44, 53)		(117,935)	(890,009)
55	Interest Charges			
56	Interest on Long-Term Debt (427)			
57	Amort. of Debt Disc. and Expense (428)	258-259		
58	Amortization of Loss on Reacquired Debt (428.1)			
59	(Less) Amort. of Premium on Debt-Credit (429)	258-259		
60	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)			
61	Interest on Debt to Assoc. Companies (430)	340		
62	Other Interest Expense (431)	340	2,069	716
63	(Less) Allowance for Borrowed Funds Used During Construction—Cr.(432)			
64	Net Interest Charges (Enter Total of lines 56 thru 63)			
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)		(120,004)	(507,227)
66	Extraordinary Items			
67	Extraordinary Income (434)			
68	(Less) Extraordinary Deductions (435)			
69	Net Extraordinary Items (Enter Total of line 67 less line 68)			
70	Income Taxes—Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)			
72	Net Income (Enter Total of lines 65 and 71)		(120,004)	(507,227)

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**RECONCILIATION OF DEFERRED INCOME TAX EXPENSE**

1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284. In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on these pages, then provide the additional information requested in instruction # 3, on a separate page.

2. The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on these pages.

Line No.	Electric Utility	Gas Utility
1 Debits to Account 410 from:		
2 Account 190		
3 Account 281	N/A	
4 Account 282		
5 Account 283		
6 Account 284		
7 Reconciling Adjustments		
8 TOTAL Account 410.1 (on pages 114-115 line 14)		
9 TOTAL Account 410.2 (on page 117 line 45)		
10 Credits to Account 411 from:		
11 Account 190		
12 Account 281		
13 Account 282		
14 Account 283		
15 Account 284		
16 Reconciling Adjustments		
17 TOTAL Account 411.1 (on pages 114-115 line 15)		
18 TOTAL Account 411.2 (on page 117 line 46)		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR		
21 ITC Amortized for the Year CR		
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*		
26 Net Reconciling Adjustments Account 411.5**		
27 Net Reconciling Adjustments Account 420***		

\* on pages 114-15 line 16

\*\* on page 117 line 47

\*\*\* on page 117 line 48

Name of Respondent Peninsular Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 2004
--	---	--	---------------------------------

**STATEMENT OF INCOME FOR THE YEAR (Continued)**

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the

basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>
--	---	--	---

**STATEMENT OF INCOME FOR THE YEAR (Continued)**

Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**RECONCILIATION OF DEFERRED INCOME TAX EXPENSE (Continued)**

3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on these pages.

(c) Identify the company's regulatory authority to utilize contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

(b) Identify all contra accounts (other than accounts 190 and 281-284).

Other Utility	Total Utility	Other Income	Total Company	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

Name of Respondent <b>Peninsular Gas co.</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**OPERATING LOSS CARRYFORWARD**

Fill in below when the company sustains an operating loss, loss carryback or carryforward whenever or wherever applicable.

Line No.	Year (a)	Operating Loss (b)	Loss Carryforward (F) or Carryback (B) (c)	Loss Utilized		Balance Remaining (f)
				Amount (d)	Year (e)	
1	2003	768,114	Carryforward			768,114
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

Name of Respondent <b>Peninulsar Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
---	---	---	--

**STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)**

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
29	Dividends Declared - Common Stock (Account 438)		
30			
31			
32			
33			
34			
35	<b>TOTAL Dividends Declared - Common Stock (Account 438)</b>		
36	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		
37	<b>Balance - End of Year (Enter Total of lines 1 thru 36)</b>		<b>1,072,783</b>

**APPROPRIATED RETAINED EARNINGS (Account 215)**

State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.

38			
39			
40			
41			
42			
43	<b>TOTAL Appropriated Retained Earnings (Account 215)</b>		

**APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL  
(Account 215.1)**

State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.

44	<b>TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Acct. 215.1)</b>		
45	<b>TOTAL Appropriated Retained Earnings (Accounts 215 &amp; 215.1)</b>		
46	<b>TOTAL Retained Earnings (Accounts 215, 215.1 &amp; 216)</b>		

**UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)**

47	Balance - Beginning of Year (Debit or Credit)		
48	Equity in Earnings for Year (Credit) (Account 418.1)		
49	(Less) Dividends Received (Debit)		
50	Other Changes (Explain)		
51	<b>Balance - End of Year (Enter Total of lines 47 thru 50)</b>		

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**STATEMENT OF CASH FLOWS**

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be attached to page 122. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "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 page 122 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:	
2	Net Income (Line 72(c) on page 117)	(120,004)
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	147,517
5	Amortization of (Specify)	
6		
7		
8	Deferred Income Taxes (Net)	
9	Investment Tax Credit Adjustments (Net)	
10	Net (Increase) Decrease in Receivables	( 62,567)
11	Net (Increase) Decrease in Inventory	3,681
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	265,673
14	Net (Increase) Decrease in Other Regulatory Assets	( 46,665)
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	Net Cash Provided by (Used in) Operating Activities	
22	(Total of lines 2 thru 20)	187,635
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	41,932
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance for Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	41,932
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 <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**STATEMENT OF RETAINED EARNINGS FOR THE YEAR**

- |   |   |
|---|---|
| <p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first account 439, <i>Adjustments to Retained Earnings</i>, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit, items in that order.</p> | <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the state and federal income tax effect of items shown in account 439, <i>Adjustments to Retained Earnings</i>.</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.</p> |
|---|---|

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>		
1	Balance - Beginning of Year		1,192,786
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	TOTAL Credits to Retained Earnings (Acct. 439)		
9	Debit:		
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (Acct. 439)		
14	Balance Transferred from Income (Account 433 Less Account 418.1)		(120,004)
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	Dividends Declared - Preferred Stock (Account 437)		
23			
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		

**BLANK PAGE**

**(Next page is 118)**

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**STATEMENT OF CASH FLOWS (Continued)**

**4. Investing Activities**

Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122.

Do 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 page 122.

**5. Codes used:**

- (a) Net proceeds or payments.
- (b) Bonds, debentures and other long-term debt.
- (c) Include commercial paper.
- (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on page 122 clarifications and explanations.

Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (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)	41,932
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:	6,200
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	6,200
71		
72	Payments for Retirement of:	
73	Long-term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	100,000
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)	(93,800)
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	(93,800)
87		
88	Cash and Cash Equivalents at Beginning of Year	48,814
89		
90	Cash and Cash Equivalents at End of Year	100,717

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 2004
--	---	--	---------------------------------

**NOTES TO FINANCIAL STATEMENTS**

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of a material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, *Utility Plant Adjustments*, explain the origin of such amount, debits and credits during the year,

and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, *Unamortized Loss on Reacquired Debt*, and 257, *Unamortized Gain on Reacquired Debt*, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be attached hereto.

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>
--	---	--	---

NOTES TO FINANCIAL STATEMENTS (Continued)

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Peninsular Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	04-30-05	Dec. 31, 20_04
<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	4,657,328		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified			
7	Experimental Plant Unclassified			
8	TOTAL (Enter Total of lines 3 thru 7)	4,657,328		
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress			
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	4,657,328		
14	Accum. Prov. for Depr., Amort., & Depl.	2,736,480		
15	Net Utility Plant (Enter Total of line 13 less 14)	1,920,848		
<b>DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>				
16				
17	In Service:			
18	Depreciation			
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights	2,736,480		
20	Amort. of Underground Storage Land and Land Rights			
21	Amort. of Other Utility Plant			
22	TOTAL In Service (Enter Total of lines 18 thru 21)	2,736,480		
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)			
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amort. of Plant Acquisition Adj.			
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	2,736,480		

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
4,657,328					3
					4
					5
					6
					7
4,657,328					8
					9
					10
					11
					12
4,657,328					13
2,736,480					14
1,920,848					15
					16
					17
					18
2,736,480					19
					20
					21
2,736,480					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
2,736,480					33

Name of Respondent <b>Peninsulars Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20<u>04</u></b>
--	---	---	---

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106)**

- |  |   |
|--|---|
| <p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant in Service (Classified), this schedule includes Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Gas.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and</p> | <p>include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d); including the reversals of the prior year's tentative account distributions of these</p> |
|--|---|

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		<b>1. Intangible Plant</b>		
2	301	Organization		
3	302	Franchises and Consents	11,277	
4	303	Miscellaneous Intangible Plant	7,723	
5		<b>TOTAL Intangible Plant</b>	<b>19,000</b>	
6		<b>2. Production Plant</b>		
7		<b>Manufactured Gas Production Plant</b>		
8	304.1	Land		
9	304.2	Land Rights		
10	305	Structures and Improvements		
11	306	Boiler Plant Equipment		
12	307	Other Power Equipment		
13	308	Coke Ovens		
14	309	Producer Gas Equipment		
15	310	Water Gas Generating Equipment		
16	311	Liquefied Petroleum Gas Equipment		
17	312	Oil Gas Generating Equipment		
18	313	Generating Equipment-Other Processes		
19	314	Coal, Coke and Ash Handling Equipment		
20	315	Catalytic Cracking Equipment		
21	316	Other Reforming Equipment		
22	317	Purification Equipment		
23	318	Residual Refining Equipment		
24	319	Gas Mixing Equipment		
25	320	Other Equipment		
26		<b>TOTAL Manufactured Gas Production Plant</b>		



Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					1
				301	2
			11,277	302	3
			7,723	303	4
					5
					6
					7
				304.1	8
				304.2	9
				305	10
				306	11
				307	12
				308	13
				309	14
				310	15
				311	16
				312	17
				313	18
				314	19
				315	20
				316	21
				317	22
				318	23
				319	24
				320	25
					26

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
27		Natural Gas Production & Gathering Plant		
28	325.1	Producing Lands		
29	325.2	Producing Leaseholds		
30	325.3	Gas Rights		
31	325.4	Rights-of-Way		
32	325.5	Other Land		
33	325.6	Other Land Rights		
34	326	Gas Well Structures	<b>315,147</b>	
35	327	Field Compressor Station Structures		
36	328	Field Measuring and Regulating Station Structures		
37	329	Other Structures	<b>219,612</b>	
38	330	Producing Gas Wells-Well Construction		
39	331	Producing Gas Wells-Well Equipment		
40	332	Field Lines		
41	333	Field Compressor Station Equipment		
42	334	Field Measuring and Regulating Station Equipment		
43	335	Drilling and Cleaning Equipment		
44	336	Purification Equipment		
45	337	Other Equipment	<b>55,772</b>	
46	338	Unsuccessful Exploration & Development Costs		
47		<b>TOTAL Production and Gathering Plant</b>	<b>590,532</b>	
48		<b>Products Extraction Plant</b>		
49	340.1	Land		
50	340.2	Land Rights		
51	341	Structures and Improvements		
52	342	Extraction and Refining Equipment		
53	343	Pipe Lines		
54	344	Extracted Products Storage Equipment		
55	345	Compressor Equipment		
56	346	Gas Measuring and Regulating Equipment		
57	347	Other Equipment		
58		<b>TOTAL Products Extraction Plant</b>		
59		<b>TOTAL Natural Gas Production Plant</b>		
60		<b>SNG Production Plant (Submit Supplemental Statement)</b>		
61		<b>TOTAL Production Plant</b>		
62		<b>3. Natural Gas Storage and Processing Plant</b>		
63		<b>Underground Storage Plant</b>		
64	350.1	Land		

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
---	---	---	--

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					27
				325.1	28
				325.1	29
				325.3	30
				325.4	31
				325.5	32
				325.6	33
			<b>315,147</b>	326	34
				327	35
				328	36
			<b>219,612</b>	329	37
				330	38
				331	39
				332	40
				333	41
				334	42
				335	43
				336	44
			<b>55,772</b>	337	45
				338	46
			<b>590,532</b>		47
					48
				340.1	49
				340.2	50
				341	51
				342	52
				343	53
				344	54
				345	55
				346	56
				347	57
					58
					59
					60
					61
					62
					63
				350.1	64

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
65	350.2	Rights-of-Way		
66	351	Structures and Improvements		
67	352	Wells		
68	352.1	Storage Leaseholds and Rights		
69	352.2	Reservoirs		
70	352.3	Non-Recoverable Natural Gas		
71	353	Lines		
72	354	Compressor Station Equipment		
73	355	Measuring and Regulating Equipment		
74	356	Purification Equipment		
75	357	Other Equipment		
76	358	Gas in Underground Storage-Noncurrent		
77		<b>TOTAL Underground Storage Plant</b>		
78		<b>Other Storage Plant</b>		
79	360.1	Land		
80	360.2	Land Rights		
81	361	Structures and Improvements		
82	362	Gas Holders		
83	363	Purification Equipment		
84	363.1	Liquefaction Equipment		
85	363.2	Vaporizing Equipment		
86	363.3	Compressor Equipment		
87	363.4	Measuring and Regulating Equipment		
88	363.5	Other Equipment		
89		<b>TOTAL Other Storage Plant</b>		
90		<b>Base Load Liquefied NG Terminating and Processing Plant</b>		
91	364.1	Land		
92	364.1a	Land Rights		
93	364.2	Structures and Improvements		
94	364.3	LNG Processing Terminal Equipment		
95	364.4	LNG Transportation Equipment		
96	364.5	Measuring and Regulating Equipment		
97	364.6	Compressor Station Equipment		
98	364.7	Communication Equipment		
99	364.8	Other Equipment		
100		<b>TOTAL Base Load LNG Terminating and Processing Plant</b>		
101				
102		<b>TOTAL Natural Gas Storage and Processing Plant</b>		

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
				350.2	65
				351	66
				352	67
				352.1	68
				352.2	69
				352.3	70
				353	71
				354	72
				355	73
				356	74
				357	75
				358	76
					77
					78
				360.1	79
				360.2	80
				361	81
				362	82
				363	83
				363.1	84
				363.2	85
				363.3	86
				363.4	87
				363.5	88
					89
					90
				364.1	91
				364.1a	92
				364.2	93
				364.3	94
				364.4	95
				364.5	96
				364.6	97
				364.7	98
				364.8	99
					100
					101
					102

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
103		<b>4. Transmission Plant</b>		
104	365.1	Land		
105	365.2	Land Rights		
106	365.3	Rights-of-Way		
107	366	Structures and Improvements		
108	367	Mains		
109	368	Compressor Station Equipment		
110	369	Measuring and Regulating Station Equipment		
111	370	Communication Equipment		
112	371	Other Equipment		
113		<b>TOTAL Transmission Plant</b>		
114		<b>5. Distribution Plant</b>		
115	374.1	Land	2,582	
116	374.2	Land Rights		
117	375	Structures and Improvements	149,660	
118	376	Mains	1,584,368	
119	377	Compressor Station Equipment		
120	378	Measuring and Regulating Station Equip.-General	99,828	
121	379	Measuring and Regulating Station Equip.-City Gate		
122	380	Services	761,826	12,833
123	381	Meters	752,763	29,099
124	382	Meter Installations		
125	383	House Regulators	37,938	
126	384	House Regulator Installations		
127	385	Industrial Measuring and Regulating Station Equip.		
128	386	Other Property on Customer's Premises		
129	387	Other Equipment		
130		<b>TOTAL Distribution Plant</b>	3,388,966	
131		<b>6. General Plant</b>		
132	389.1	Land		
133	389.2	Land Rights		
134	390	Structures and Improvements		
135	391	Office Furniture and Equipment	90,497	
136	391.1	Computers and Computer Related Equipment	8,880	
137	392	Transportation Equipment	284,838	
138	393	Stores Equipment	2,070	
139	394	Tools, Shop and Garage Equipment	126,588	
140	395	Laboratory Equipment	28,2056	

Name of Respondent Peninsular Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>	
<b>GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					103
				365.1	104
				365.2	105
				365.3	106
				366	107
				367	108
				368	109
				369	110
				370	111
				371	112
					113
					114
			2,582	374.1	115
				374.2	116
			149,660	375	117
			1,584,368	376	118
				377	119
			99,828	378	120
				379	121
			774,659	380	122
			781,862	381	123
				382	124
			37,938	383	125
				384	126
				385	127
				386	128
				387	129
			3,430,899		130
					131
				389.1	132
				389.2	133
				390	134
			90,497	391	135
			8,880	391.1	136
			284,838	392	137
			2,070	393	138
			126,588	394	139
			28,205	395	140

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
141	396	Power Operated Equipment	47,476	
142	397	Communication Equipment	28,346	
143	398	Miscellaneous Equipment		
144		SUBTOTAL (Lines 132 thru 143)	616,898	
145	399	Other Tangible Property		
146		TOTAL General Plant	616,898	
147		TOTAL (Accounts 101 and 106)	4,615,396	
148	101.1	Property Under Capital Leases		
149	102	Gas Plant Purchased (See Instruction 8)		
150	(Less) 102	Gas Plant Sold (See Instruction 8)		
151	103	Experimental Gas Plant Unclassified		
152		TOTAL GAS PLANT IN SERVICE		



Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
---	---	---	--

**GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
			47,476	396	141
			28,346	397	142
				398	143
			616,898		144
				399	145
			61616,898		146
			4,657,328		147
				101.1	148
				102	149
				(102)	150
				103	151
					152

Name of Respondent peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**GAS PLANT LEASED TO OTHERS (Account 104)**

1. Report below the information called for concerning gas plant leased to others.      2. In column (c) give the date of Commission authorization of the lease of gas plant to others.

Line No.	Name of Lessee (Designate associated companies with an asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year
1					
2					
3					
4		N/A			
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**GAS PLANT HELD FOR FUTURE USE (Account 105)**

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natural Gas Lands, Leaseholds, and Gas Rights Held for Future Utility Use (Per Pages 500-501)			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46	<b>TOTAL</b>			

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**PRODUCTION PROPERTY HELD FOR FUTURE USE (Account 105.1)**

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.  
 2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.1.

Line No.	Description and Location of Property (a)	Date Originally included in This Acct. (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natrual Gas Lands, and Gas Rights Held for Future Utility Use (Per 500-501)			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	<b>TOTAL</b>			

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**CONSTRUCTION WORK IN PROGRESS—GAS (Account 107)**

- |  |   |
|--|---|
| <p>1. Report below descriptions and balances at end of year of projects in process of construction (107).</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,</p> | <p>Development, and Demonstration (see Account 107 of the Uniform System of Accounts).</p> <p>3. Minor projects (less than \$500,000) may be grouped.</p> |
|--|---|

Line No.	Description of Project <i>(a)</i>	Construction Work in Progress—Gas (Account 107) <i>(b)</i>	Estimated Additional Cost of Project <i>(c)</i>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
<b>43</b>	<b>TOTAL</b>		

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**CONSTRUCTION OVERHEADS—GAS**

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.  
 2. On page 218 furnish information concerning construction overheads.  
 3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page

218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.  
 4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			
51			
52			
53			
54			
55			
56			
57			
58			
59			
60			
61			
62			
63			
64			
65			
66			
67			
68			
69			
70			
71			
72			
73			
74			
75			
76			
77			
78			
79			
80			
81			
82			
83			
84			
85			
86			
87			
88			
89			
90			
91			
92			
93			
94			
95			
96			
97			
98			
99			
100			
TOTAL			

Name of Respondent <b>Peninsular Gas company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20<u>04</u></b>
---	---	---	---

**GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.

N/A

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT** (Account 108 & 110)

- |  |   |
|--|---|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-211, column (d), excluding retirements of non-depreciable property.</p> <p>3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is remove from service.</p> | <p>If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|--|---|

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	2594903	2594903		
2	Depreciation Prov. for Year, Charged to				
3	(403) Depreciation Expense	130945	130945		
4	(403.1) Deprec. and Deplet. Expense				
5	(413) Exp. of Gas Plt. Leas. to Others				
6	Transportation Expenses-Clearing	10632	10632		
7	Other Clearing Accounts				
8	Other Accounts (Specify):				
9					
10	<b>TOTAL Deprec. Prov. for Year</b> (Enter Total of lines 3 thru 9)	<b>141577</b>	<b>141577</b>		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired				
13	Cost of Removal				
14	Salvage (Credit)				
15	<b>TOTAL Net Chrgs. for Plant Ret.</b> (Enter Total of lines 12 thru 14)				
16	Other Debit or Credit Items (Describe):				
17					
18					
19	<b>Balance End of Year</b> (Enter Total of lines 1, 10, 15, & 16)	<b>2736480</b>	<b>2736480</b>		

**Section B. Balances at End of Year According to Functional Classifications**

20	Production - Manufactured Gas	427484	427484		
21	Production and Gathering - Natural Gas				
22	Products Extraction - Natural Gas				
23	Underground Gas Storage				
24	Other Storage Plant				
25	Base Load LNG Terminating & Proc. Plt.				
26	Transmission				
27	Distribution	1803883	1803883		
28	General	505113	505113		
29	<b>TOTAL</b> (Enter total of lines 20 thru 28)	<b>2736480</b>	<b>2736480</b>		



Name of Respondent

This Report Is:

- (1)  An Original  
 (2)  A Resubmission

Date of Report  
 (Mo, Da, Yr)

Year of Report

Dec. 31, 20\_\_

**GAS STORED (ACCOUNT 117, 164.1, 164.2 AND 164.3)**

1. If during the year adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited.

2. Give in a footnote a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.

3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment

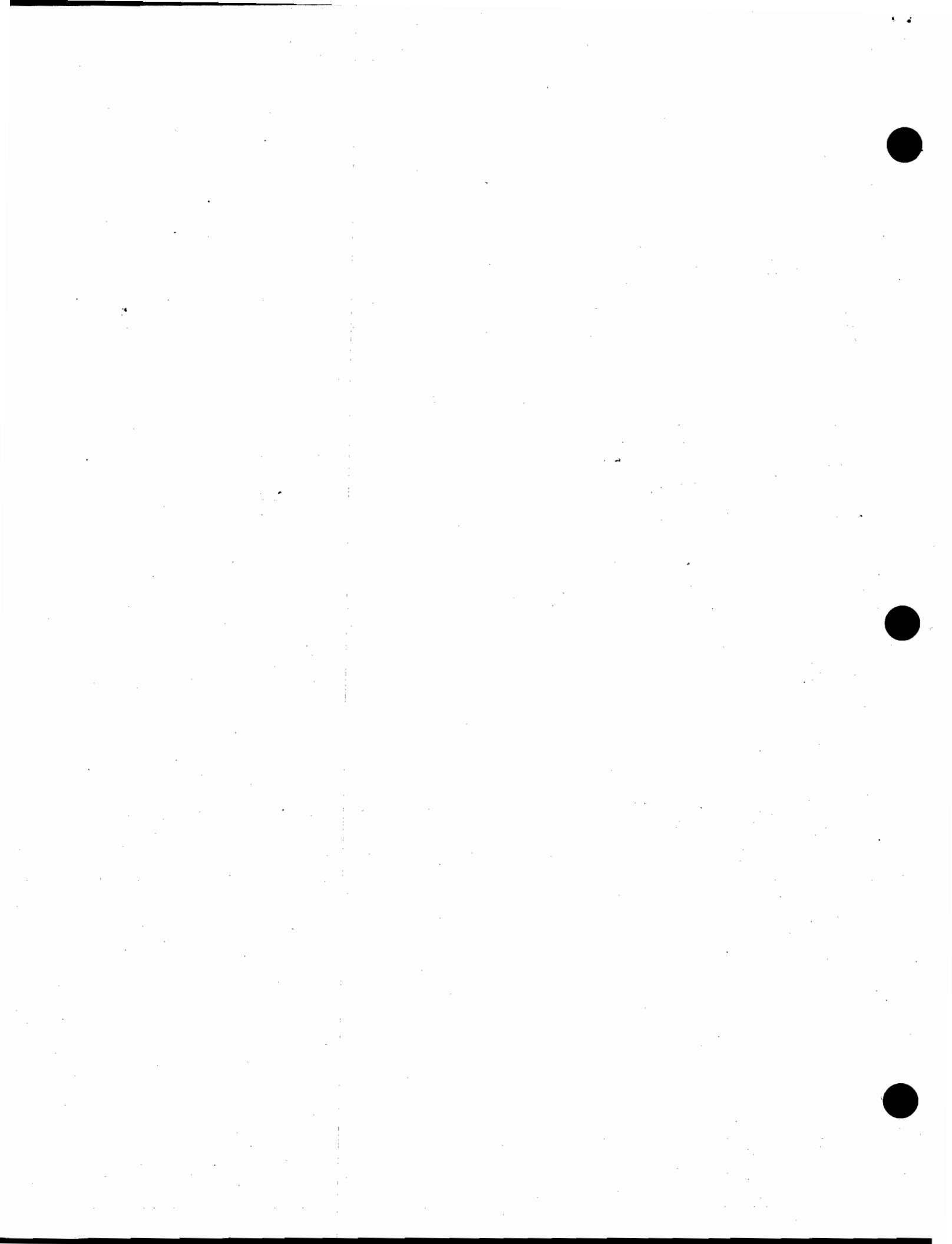
of withdrawals upon "base stock." or restoration of previous encroachment, including brief particulars of any such accounting during the year.

4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year.

5. Report pressure base of gas volumes as 14.65 psia at 60° F.

Line No.	Description (a)	Noncurrent (Account 117) (b)	Current (Account 164.1) (c)	LNG (Account 164.2) (d)	LNG (Account 164.3) (e)	Total (f)
1	Balance at Beginning of Year					
2	Gas Delivered to Storage (contra Account)					
3	Gas Withdrawn from Storage (contra Account)					
4	Other Debits or Credits (Net)					
5	Balance at End of Year					
6	Mcf					
7	Amount Per Mcf					

8 State basis of segregation of inventory between current and noncurrent portions:



**NONUTILITY PROPERTY (Account 121)**

- |  |  |
|--|--|
| <p>1. Give a brief description and state the location of non-utility property included in Account 121.</p> <p>2. Designate with an 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, <i>Nonutility Property</i>. These items are separate and dis-</p> | <p>tingent from those allowed to be grouped under Instruction No. 5.</p> <p>5. Minor items (5% of the Balance at the End of the Year, for Account 121) may be grouped.</p> <p>6. Natural gas companies which have oil property should report such property by State, classified as to (a) oil lands and land rights, (b) oil wells, and (c) other oil property. Gasoline plants and other plants for the recovery of products from natural gas are classifiable as gas plant and should be reported as such and not shown as <i>Nonutility Property</i>.</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				
2				
3	Building			
4	307 Sixth Street			
5	Calumet, MI	124,161		124,161
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

**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	111,366
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	5,940
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)	117,306

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**INVESTMENTS (Accounts 123, 124, 136)**

1. Report below investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investments*, 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 issuer, 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 open account.

Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (b)	Purchases or Additions During Year (c)
1	N/A		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**INVESTMENTS (Accounts 123, 124, 136) (Continued)**

Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.

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 <i>(d)</i>	Principal Amount or No. of Shares at End of Year <i>(e)</i>	Book Cost at End of Year <i>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.)</i> <i>(f)</i>	Revenues for Year <i>(g)</i>	Gain or Loss from Investment Disposed of <i>(h)</i>	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
					31
					32
					33
					34
					35
					36
					37
					38
					39

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)**

1. Report below Investments in Accounts 123.1, *Investments in Subsidiary Companies*.

2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).

(a) Investment in Securities — List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.

(b) Investment Advances — Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.

3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	<b>TOTAL Cost of Account 123.1 \$</b> _____		<b>TOTAL</b>	

Name of Respondent

This Report Is:

(1)  An Original

(2)  A Resubmission

Date of Report

(Mo, Da, Yr)

Year of Report

Dec. 31, 20\_\_

INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.

5. 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.

6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.

7. 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 interest adjustment includible in column (f).

8. Report on Line 42, column (a) the total cost of Account 123.1.

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	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
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
				42

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS**

1. Report below the information called for concerning gas prepayments as defined in the text of Account 165, *Prepayments*. (Report advances on page 229.)

2. If any prepayment at beginning of year (or incurred during year) was cancelled, forfeited, or applied to another purpose, state in a footnote gas volume and dollar amount, period when such prepayment was incurred, and accounting disposition of prepayment amount. Give a concise explanation of circumstances causing forfeiture or other disposition of the prepayment.

Line No.	Name of Vendor (Designate associated companies with an asterisk)  (a)	Seller FERC Rate Schedule No.  (b)	BALANCE BEGINNING OF YEAR	
			Mcf (14.73 psia at 60°F) (c)	Amount (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	<b>TOTAL</b>			



Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS (Continued)**

3. If for any reason a take or pay situation is in controversy, list in the columns below the amount of those prepayment claims which have not been paid, together with footnote notation that the amount is in controversy (and any explanation the respondent chooses to make).

4. If any prepayment was determined other than by reference to amounts per Mcf or demand-commodity factors, furnish in a footnote a concise explanation of basis of computation.

BALANCE END OF YEAR		PREPAYMENTS IN CURRENT YEAR			Make-up Period expiration date (i)	Line No.
Mcf (14.73 psia at 60°F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at 60°F) (h)	Percent of Year's required take (i)		
	N/A					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42

**NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET**

Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).

Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)	870,732	934,425
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)		
4	<b>TOTAL</b>		
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	160,524	161,650
6	<b>TOTAL, Less Accumulated Provision for Uncollectible Accounts</b>	<b>710,208</b>	<b>772,775</b>
7			
8			
9			
10			
11			
12			
13			
14			

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

1. Report below the information called for concerning this accumulated provision.
2. Explain any important adjustments of subaccounts.
3. Entries with respect to officers and employees shall not include items for utility services.

Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	160,524				
2	Prov. for uncollectibles for current year	26,487				
3	Accounts written off	(24,027)	( )	( )	( )	( )
4	Coll. of accounts written off	385				
5	Adjustments (explain): .....					
6	<b>Balance end of year</b>	<b>161,650</b>				
7						
8						
9						
10						
11						

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145,146)**

- |   |  |
|---|--|
| <p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</p> <p>3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.</p> | <p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> |
|---|--|

\* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company. This includes related parties.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	<b>TOTAL</b>					

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**MATERIAL AND SUPPLIES**

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material. Nonmajor companies may report total on line 4.

2. Give an explanation of important inventory adjustments during the year (on a supplemental page) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected-debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Dept. or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials & Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations & Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of line 5 thru 10)			
12	Merchandise (Account 155)			
13	Other Material & Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) <i>(Not applicable to Gas Utilities)</i>			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials & Supplies (Per Balance Sheet)			

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**ADVANCES FOR GAS PRIOR TO INITIAL DELIVERIES OR COMMISSION CERTIFICATION  
(Accounts 124, 166 and 167)**

1. Report below the information called for concerning all advances for gas, as defined in the text of Account 166, *Advances for Gas Exploration, Development and Production*, and 167, *Other Advances for Gas*, whether reported in Accounts 166, 167, or reclassified to Account 124, *Other Investments*. List Account 124 items first.

2. In column (a), give the date the advance was made, the payee (designate associated companies with an asterisk) a brief statement of the purpose, (exploration, development, production, general loan, etc.) and the estimated date of repayment. Do not use the term indefinite in reporting

estimated date of repayment. If advances are made to a payee in connection with different projects with different arrangements for repayments, use separate lines for reporting; otherwise all advances may be grouped by payee, subject to the requirements of instruction 3 below.

3. If the beginning balance shown in column (c) does not agree with the prior year's ending balance, column (g), provide a detailed explanation in a footnote. Show all Advances made during the year in column (d) and all repayments or other credits in column (e). Report amounts shown in column (e) separately by account, as reported in column (f).

Line No.	Date of Advance, Payee, Purpose and Estimated Date of Repayment (a)	Account Number (124, 166 or 167) (b)	Balance at Beginning of Year (c)	Advances During Year (d)	Repayments or Other Credits During Year (e)	Accounts Charged (f)	Balance at End of Year (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							

<b>Name of Respondent</b>	<b>This Report Is:</b> (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 20__
---------------------------	---	---------------------------------------	--

**PREPAYMENTS (Account 165)**

1. Report below the particulars (details) on each prepayment.  
 2. Report all payments for undelivered gas on line 5 and complete pages 226 to 227 showing particulars (details) for gas prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	
2	Prepaid Rents	
3	Prepaid Taxes (pages 262-263)	
4	Prepaid Interest	
5	Gas Prepayments (pages 226-227)	
6	Miscellaneous Prepayments:	
7	<b>TOTAL</b>	

**EXTRAORDINARY PROPERTY LOSSES (Account 182.1)**

Line No.	Description of Extraordinary Loss <i>[Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).]</i> (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9	<b>TOTAL</b>					

**UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)**

Line No.	Description of Unrecovered Plant and Regulatory Study Costs <i>[Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr).]</i> (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	<b>TOTAL</b>					

Name of Respondent

This Report Is:

(1)  An Original

(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)

Year of Report

Dec. 31, 20\_\_

**PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)**

1. Report below particulars (details) concerning the cost of plans, surveys, and investigations made for the purpose of determining the feasibility of projects under contemplation.

2. For gas companies, report separately amounts included in Account 183.1, *Preliminary Natural Gas Survey and*

*Investigation Charges, and Account 183.2, Other Preliminary Survey and Investigation Charges.*

3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description and Purpose of Project  (a)	Balance at Beginning of Year  (b)	Debits  (c)	CREDITS		Balance at End of Year  (f)
				Account Charged  (d)	Amount  (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	<b>TOTAL</b>					

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**OTHER REGULATORY ASSETS**

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).  
2. For regulatory assets being amortized, show period of amortization in column (a).  
3. Minor items (amounts less than \$50,000) may be grouped by classes.  
4. Give the number and name of the account(s) where each amount is recorded.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1					
2					
3					
4					
5					
6					
7					
8					
8					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	<b>TOTAL</b>				



Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20
--------------------	--	--------------------------------	-------------------------------

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.  
 2. For any deferred debit being amortized, show period of amortization in column (a).  
 3. Minor items (less than \$ 50,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	Misc. Work in Progress					
39	DEFERRED REGULATORY COMM. EXPENSES (SEE PAGES 350-351)					
40	TOTAL					

**BLANK PAGE**

**INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF  
MAJOR AND NONMAJOR GAS UTILITIES**

**TAX SCHEDULES**

**I. Purpose:**

The Commission will permit the option to adopt FERC reporting requirements if the company agrees to file the MPSC information on a historical test-year basis in a rate case or upon request of the Commission Staff. For the following pages:

<b>A.</b>	<b>Accumulated Deferred Income taxes</b>	<b>234-235</b>
<b>B.</b>	<b>Reconciliation of Reported Net Income With Taxable Income For Federal Income Taxes</b>	<b>261A-B</b>
<b>C.</b>	<b>Calculation of Federal Income Tax</b>	<b>261C-D</b>
<b>D.</b>	<b>Taxes Accrued, Prepaid and Charged During Year</b>	<b>262-263</b>
<b>E.</b>	<b>Accumulated Deferred Income taxes</b>	<b>272-277</b>

**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.      2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	<b>TOTAL Electric</b> (Enter Total of lines 2 thru 7)			
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	<b>TOTAL Gas</b> (Enter Total of lines 10 thru 15)			
17	Other (Specify)			
18	<b>TOTAL (Account 190)</b> (Enter Total of lines 8, 16 & 17)			
19	Classification of Total:			
20	Federal Income Tax			
21	State Income Tax			
22	Local Income Tax			

**NOTES**

*In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.*

**ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)**

3. If more space is needed, use separate pages as required. and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed other Other.

4. In the space provided below, identify by amount

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
			N/A				2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21
							22

NOTES (Continued)

CAPITAL STOCK (Accounts 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year

and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Exchange  (a)	Number of Shares Authorized by Charter  (b)	Par or Stated Value Per Share  (c)	Call Price at End of Year  (d)
1	Common stock	10,000		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>
--	---	--	---

**CAPITAL STOCK (Accounts 201 and 204) (Continued)**

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.  
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.  
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
5,340	267,000					1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) 04-30-05	Year of Report Dec. 31, 20_04
--	---	---	----------------------------------

**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,  
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK**  
(Accounts 202 and 205, 203 and 206, 207, 212)

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

Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)
1			
2			
3			
4	N/A		
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46	<b>TOTAL</b>		



Name of Respondent

This Report Is:

(1)  An Original

(2)  A Resubmission

Date of Report

(Mo, Da, Yr)

Year of Report

Dec. 31, 20\_\_

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

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) *Donations Received from Stockholders* (Account 208)—State amount and give brief explanation of the origin and purpose of each donation.

(b) *Reduction in Par or Stated Value of Capital Stock* (Account 209)—State amount and give brief explanation of the

capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) *Gain on Resale or Cancellation of Recquired Capital Stock* (Account 210)—Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) *Miscellaneous Paid-In Capital* (Account 211)—Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	

<b>Name of Respondent</b>	<b>This Report Is:</b> (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 20__
---------------------------	---	---------------------------------------	--

**DISCOUNT ON CAPITAL STOCK (Account 213)**

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock.  
 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	<b>TOTAL</b>	

**CAPITAL STOCK EXPENSE (Account 214)**

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock.  
 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	<b>TOTAL</b>	

Name of Respondent

This Report Is:

(1)  An Original

(2)  A Resubmission

Date of Report

(Mo, Da, Yr)

Year of Report

Dec. 31, 20\_\_

**SECURITIES ISSUED OR ASSUMED AND  
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate,

nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Name of Respondent

This Report Is:

(1)  An Original

(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)

Year of Report

Dec. 31, 20\_\_

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

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, *Bonds*, 222, *Reacquired Bonds*, 223, *Advances from Associated Companies*, and 224, *Other Long-Term Debt*. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.

3. 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.

4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

line no.	Class and Series of Obligation and Name of Stock Exchange  (a)	Nominal Date of Issue  (b)	Date of Maturity  (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent)  (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
0				
1				

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)**

5. In a supplemental statement, 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.

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities which have been nominally issued and are nominally

outstanding at end of year, describe such securities in a footnote.

8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price Per \$100 at End of Year	Line No.
Rate (in %)	Amount	Reacquired Bonds (Acct. 222)	Sinking and Other Funds		
(e)	(f)	(g)	(h)	(i)	
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38

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

Date of Report  
 (Mo, Da, Yr)

Year of Report  
 Dec. 31, 20\_\_

**UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)**

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.  
 2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.  
 4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No	Designation of Long-Term Debt  (a)	Principal Amount of Debt Issued  (b)	Total Expense, Premium or Discount  (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					

Name of Respondent

This Report Is:

(1)  An Original

(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)

Year of Report

Dec. 31, 20\_\_

**UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226) (Cont.)**

5. 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.

6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.

7. 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*.

Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	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
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
				42
				43
				44

This report is:  
 (1)  An Original  
 (2)  A Resubmission

Date of Report  
 (Mo, Da, Yr)

Year of Report  
 Dec. 31, 20\_\_

**UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)**

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized

- on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
  5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, *Amortization of Loss on Reacquired Debt*, or credited to Account 429.1, *Amortization of Gain on Reacquired Debt-Credit*.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						





Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**NOTES PAYABLE (Accounts 231)**

- |  |   |
|--|---|
| <p>1. Report the particulars indicated concerning notes payable at end of year.</p> <p>2. Give particulars of collateral pledged, if any.</p> <p>3. Furnish particulars for any formal or informal compensating balance agreements covering open lines</p> | <p>of credit.</p> <p>4. Any demand notes should be designated as such in column (d).</p> <p>5. Minor amounts may be grouped by classes, showing the number of such amounts.</p> |
|--|---|

Line No.	Payee (a)	Purpose for which issued (b)	Date of Note (c)	Date of Maturity (d)	Int. Rate (e)	Balance End of Year (f)
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						
<b>TOTAL</b>						

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
---	---	---	--

**PAYABLES TO ASSOCIATED COMPANIES\* (Accounts 233, 234)**

- |  |  |
|--|--|
| <p>1. Report particulars of notes and accounts payable to associated companies at end of year.</p> <p>2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.</p> <p>3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.</p> | <p>4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.</p> <p>5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.</p> <p align="center">* See definition on page 226B</p> |
|--|--|

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2						
3						
4	N/A					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
<b>TOTAL</b>						

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
---	---	---	---

**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

Line No.		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)	(120,004)
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	(73,550)
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	(193,554)

Name of Respondent

Peninsular Gas Company

This Report Is:

(1)  An Original  
(2)  A Resubmission

Date of Report

(Mo, Da, Yr)  
04-30-05

Year of Report

Dec. 31, 20\_04

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (continued)

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.

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 the data is consistent and meets the requirements of the above instructions.

Utility	Other	Line No.
(120,004)		1
		2
		3
		4
		5
		6
(73,550)		7
		8
		9
		10
		11
		12
		13
		14
		15
		16
		17
		18
		19
		20
		21
		22
		23
		24
		25
(193,554)		26

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>
--	---	--	---

**CALCULATION OF FEDERAL INCOME TAX**

Line No.		TOTAL AMOUNT
1	Estimated Federal taxable income for the current year (page 261A)	(193,554)
2		
3	Show computation of estimated gross Federal income tax applicable to line 1:	
4		
5	(193,554) x 38% = Rounded to	(73,550)
6		
7		
8	TOTAL	
9		
10	Allocation of estimated gross Federal income tax from line 8	
11	Investment tax credits estimated to be utilized for the year (page 264 col (c))	
12		
13	Adjustment of last year's estimated Federal income tax to the filed tax return:	
14		
15	Last year's gross Federal income tax expense per the filed return	
16	Last year's estimated gross Federal income tax expense	
17	Increased (decreased) gross Federal income tax expense	
18		
19	Last year's investment tax credits utilized per the filed return	
20	Last year's investment tax credits estimated to be utilized	
21	Increased (decreased) investment tax credits utilized	
22		
23	Additional Adjustments (specify)	
24		
25		
26		
27	Total Current Federal Income Tax	
28	Expense:	
29	409.1 (page 114, line 12)	
30	409.2 (page 117, line 44)	

Name of Respondent

Peninsular Gas Company

This Report Is:

(1)  An Original

(2)  A Resubmission

Date of Report

(Mo, Da, Yr)

04-30-05

Year of Report

Dec. 31, 2004

CALCULATION OF FEDERAL INCOME TAX (continued)

Utility	Other	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

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or

accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner

Line No.	Kind of Tax (See Instruction 5)  (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236)  (b)	Prepaid Taxes (Incl. in Account 165)  (c)
1	Real Estate and Property Tax	31,133	
2			
3	Michigan State Income Tax		14,040
4			
5	Payroll Taxes	7,416	
6			
7	Federal Income Tax		295,379
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18	<b>TOTAL</b>		

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.	Electric (Account 408.1, 409.1)  (j)	Gas (Account 408.1, 409.1)  (k)	Other Utility Departments (Account 408.1, 409.1)  (l)	Other Income and Deductions (Account 408.2, 409.2)  (m)
1		42,000		
2				
3				
4				
5				
6				
7				
8		40,648		
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	<b>TOTAL</b>			



Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>
--	---	--	---

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and state income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
42,000	50,180		22,953		1
		3,350		17,390	2
					3
					4
40,648	44,131		3,933		5
					6
					7
					8
					9
					10
					11
					12
		73,550		368,929	13
					14
					15
					16
					17
					18

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20 04</b>
---	---	---	---

**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

1. Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and non-utility operations. Explain by footnote any correction adjustments to the account balance shown in column (h). Include in column (j) the average period over which the tax credits are amortized.  
 2. Fill in columns for all line items as appropriate.

Line No.	Account Subdivisions (a)	Subaccount Number (b)	Balance at Beginning of Year (c)	Deferred for Year	
				Account Number (d)	Amount (e)
1	<i>Gas Utility</i>				
2	3%				
3	4%				
4	7%				
5	8%				
6	10%		11,904		
7					
8					
9					
10					
11					
12					
13					
14					
15	JDITC				
16					
17					
18					
19					
20	<b>TOTAL</b>		<b>11,904</b>		
21	<i>Other</i>				
22	3%				
23	4%				
24	7%				
25	8%				
26	10%				
27					
28					
29					
30					
31					
32	JDITC				
33					
34					
35	<b>TOTAL</b>				

NOTES

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>
--	---	--	---

**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)**

Allocations to Current Year's Income		Adjustments (h)	Balance at End of Year (i)	Average Period of Allocation to Income (h)	Line No.
Account Number (f)	Amount (g)				
					1
			11,904		2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
			11,904		20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35

NOTES (Continued)

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20 04</b>
---	---	---	---

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)**

1. Give description and amount of other current and accrued liabilities as of the end of year.
2. Minor items may be grouped by classes, showing number of items in each class.

Line No.	Item (a)	Balance End of Year (b)
1		\$
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	<b>TOTAL</b>	

**CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)**

Line No.	List advances by department (a)	Balance End of Year (b)
21		\$
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	<b>TOTAL</b>	

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**OTHER DEFERRED CREDITS (Account 253)**

- |  |   |
|--|---|
| <p>1. Report below the particulars (details) called for concerning other deferred credits.</p> <p>2. For any deferred credit being amortized, show the period of amortization.</p> <p>3. Minor Items (less than \$10,000) may be grouped by classes.</p> | <p>4. For any undelivered gas obligations to customers under take-or-pay clauses of sale agreements, show the total amount on this page and report particulars (details) called for by page 267. Show also on this page, but as a separate item, any advance billings or receipts for gas sales or service classified in Account 253 but not related to take-or-pay arrangements.</p> |
|--|---|

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	<b>TOTAL</b>					

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**ACCUMULATED DEFERRED INCOME TAXES—ACCELERATED AMORTIZATION PROPERTY (Account 281)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.  
 2. For Other (Specify), include deferrals relating to other

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16	Other (Specify)			
17	TOTAL (Acct 281) (Total of 8, 15 and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**ACCUMULATED DEFERRED INCOME TAXES—ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)**

Income and deductions.  
3. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21

NOTES (Continued)

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**ACCUMULATED DEFERRED INCOME TAXES—OTHER PROPERTY (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating

to property not subject to accelerated amortization.  
2. For Other (Specify), include deferrals relating to other

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other (Define)			
5	TOTAL (Enter Total of lines 2 thru 4)			
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)			
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

**NOTES**



Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**ACCUMULATED DEFERRED INCOME TAXES—OTHER PROPERTY (Account 282) (Continued)**

income and deductions.  
3. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13

NOTES (Continued)

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

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

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.      2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Electric			
2				
3				
4				
5				
6	Other			
7	<b>TOTAL Electric (total of lines 2 thru 6)</b>			
8	Gas			
9				
10				
11				
12				
13	Other			
14	<b>TOTAL Gas (Total of lines 9 thru 13)</b>			
15	Other (Specify)			
16	<b>TOTAL (Account 283)</b> (Enter Total of lines 7, 14 and 15)			
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

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

3. Provide in the space below, the order authorizing the use of the account for each line item. Include amounts relating to insignificant items listed under Other.  
 4. Fill in all columns for all items as appropriate.  
 5. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Acct 410.2 (e)	Amounts Credited to Acct 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20

NOTES (Continued)

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**ACCUMULATED DEFERRED INCOME TAXES - TEMPORARY (Account 284)**

1. Report the information called for below concerning each item included in this account at year end.

Line No.	Description of Item (a)	Balance at End of Year (b)	Date of Filing for Commission Approval (c)	Case Number (d)
1	Electric			
2				
3				
4				
5				
6				
7	<b>TOTAL Electric (total of lines 2 thru 6)</b>			
8	Gas			
9				
10				
11				
12				
13				
14	<b>TOTAL Gas (Total of lines 9 thru 13)</b>			
15	Other (Specify)			
16	<b>TOTAL (Account 284)</b> (Enter Total of lines 7, 14 and 15)			
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**OTHER REGULATORY LIABILITIES**

- |  |   |
|--|---|
| <p>1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> | <p>3. Minor items (amounts less than \$50,000) may be grouped by classes.</p> <p>4. Give the number and name of the account(s) where each amount is recorded.</p> |
|--|---|

Line No.	Description and Purpose of Other Regulatory Liabilities  (a)	DEBITS		Credits  (d)	Balance at End of Year  (e)
		Account Credited  (b)	Amount  (c)		
1					
2					
3					
4					
5					
6					
7					
8					
8					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**GAS OPERATING REVENUES (ACCOUNT 400)**

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.  
 2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.  
 3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted

for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.  
 4. Report quantities of natural gas sold in Mcf (14.73 psia at 60°F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.  
 5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	<b>GAS SERVICE REVENUES</b>		
2	480 Residential Sales		
3	481 Commercial & Industrial Sales		
4	Small (or Comm.) (See Instr. 6)		
5	Large (or Ind.) (See Instr. 6)		
6	482 Other Sales to Public Authorities		
7	484 Interdepartmental Sales		
8	TOTAL Sales to Ultimate Consumers		
9	483 Sales for Resale		
10	TOTAL Nat. Gas Service Revenues		
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues		
13	<b>OTHER OPERATING REVENUES</b>		
14	485 Intracompany Transfers		
15	487 Forfeited Discounts		
16	488 Misc. Service Revenues		
17	489 Rev. from Trans. of Gas of Others		
18	490 Sales of Prod. Ext. from Nat. Gas		
19	491 Rev. from Nat. Gas Proc. by Others		
20	492 Incidental Gasoline and Oil Sales		
21	493 Rent from Gas Property		
22	494 Interdepartmental Rents		
23	495 Other Gas Revenues		
24	TOTAL Other Operating Revenues		
25	TOTAL Gas Operating Revenues		
26	(Less) 496 Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds		
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)		
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)		
30	Sales for Resale		
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales		
33	TOTAL (Same as Line 10, Columns (b) and (d))		

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**GAS OPERATING REVENUES (ACCOUNT 400) (Continued)**

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.

MCF OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
<b>NOTES</b>				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**RATE AND SALES SECTION**

**DEFINITIONS OF CLASSES OF SERVICE AND INSTRUCTIONS PERTAINING TO STATEMENTS ON SALES DATA**

In the definitions below, the letters preceding the captions distinguish the main classes from the subclasses. Show the data broken into the subclasses if possible, but if not, report data under the main classes, drawing a dash through the subclass.

When gas measured through a single meter is used for more than one class of service as here defined, as for example, for both commercial and residential purposes, assign the total to the class having the principal use.

Average Number of Customers. Number of customers should be reported on the basis of number of meters, plus number of flat-rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for code group of meters so added. The average number of customers means the average of the 12 figures at the close of each month.

Thousands of Cubic Feet or Therms Sold (indicate which one by crossing out the one that does not apply). Give net figures, exclusive of respondent's own use and losses.

Revenues. This term covers revenues derived from (a) Sale of Gas (exclusive of forfeited discounts and penalties) and (b) Other Gas Revenues, such as rent from gas property, interdepartmental rents, customers' forfeited discounts and penalties, servicing of customers' installations and miscellaneous gas revenues.

**AB. Residential Service.** This class includes all sales of gas for residential uses such as cooking, refrigeration, water heating, space heating and other domestic uses.

**A. Residential Service.** This class includes all sales of gas for residential use except space heating.

**B. Residential Space Heating.** This class includes all sales of gas for space heating including gas for other residential uses only when measured through the same meter.

**CD. Commercial Service.** This class includes service rendered primarily to commercial establishments such as restaurants, hotels, clubs, hospitals, recognized rooming and boarding houses, apartment houses (but not individual tenants therein), garages, churches, warehouses, etc.

**C. Commercial Service.** This class includes all sales of gas for commercial use except space heating.

**D. Commercial Space Heating.** This class includes all sales of gas for space heating including gas for other commercial uses only when measured through the same meter.

**E. Industrial Service.** This class includes service rendered primarily to manufacturing and industrial establishments where gas is used principally for large power, heating and metallurgical purposes.

**F. Public Street and Highway Lighting.** Covers service rendered to municipalities or other governmental units for the purpose of lighting streets, highways, parks and other public places.

**G. Other Sales to Public Authorities.** Covers service rendered to municipalities or other governmental units for lighting, heating, cooking, water heating and other general uses.

**H. Interdepartmental Sales.** This class includes gas supplied by the gas department to other departments of the utility when the charges therefor are at tariff or other specific rates.

**I. Other Sales.** This class includes all service to ultimate consumers not included in the foregoing described classifications.

\* **A - I. Total sales to Ultimate Consumers.** This is the total of the foregoing described classifications.

**J. Sales to Other Gas Utilities for Resale.** This class includes all sales of gas to other gas utilities or to public authorities for resale to ultimate consumers.

**K. Other Gas Revenues.** Revenues derived from operations of the respondent other than sales of gas. They include rent from gas property, interdepartmental rents, customers' forfeited discounts and penalties, services of customers' installations and miscellaneous gas revenues, such as fees and charges for changing, connecting and disconnecting service, profit on sales of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' gas (sold under rates filed by such others), management or supervision fees, sale of steam (except where the respondent furnishes steam-heating service) and rentals from leased property on customers' premises.

\* **A - K. Total Gas Operating Revenues.** The total of all the foregoing accounts.

Separate Schedules for Each State. Separate schedules in this section should be filed for each state in which the respondent operates.

Estimates. If actual figures are not available for the schedules in this section, give estimates. Explain the methods used and the factual basis of the estimates, using supplementary sheets, if necessary.



Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**625-A. SALES DATA FOR THE YEAR**  
(For the State of Michigan)

Line No.	Class of Service (a)	Average Number of Customers per Month (b)	Gas Sold Mcf* (c)	Revenue (Show to nearest dollar) (d)	AVERAGES		
					Mcf* per Customer (e)	Revenue per Customer (f)	Revenue per Mcf* (g)
1	AB. Residential Service			\$		\$	\$
2	A. Residential Service						
3	B. Residential space heating service						
4	CD. Commercial Service						
5	C. Commercial service, except space heating						
6	D. Commercial space heating						
7	E. Industrial service						
8	F. Public street & highway lighting						
9	G. Other sales to public authorities						
10	H. Interdepartmental sales						
11	I. Other sales						
12	A-I. Total sales to ultimate customers						
13	J. Sales to other gas utilities for resale						
14	A-J. TOTAL SALES OF GAS						
15	K. Other gas revenues						
16	A-K. TOTAL GAS OPERATING REVENUE						

\* Report Mcf on a pressure base of 14.65 psia dry and a temperature base of 60°F. Give two decimals.

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**625-B. SALES DATA BY RATE SCHEDULES FOR THE YEAR**

1. Report below the distribution of customers, sales and revenue for the year by individual rate schedules. (See definitions on first page of this section).
2. Column (a) - List all rate schedules by identification number or symbol. Where the same rate schedule designation applies to different rates in different zones, cities or districts, list separately data for each such area in which the schedule is available.
3. Column (b) - Give the type of service to which the rate schedule is applicable, i.e. cooking, space heating, commercial heating, commercial cooking, etc.
4. Column (c) - Using the classification shown in Schedule 625-A, column (a), indicate the class or classes of customers served under each rate schedule, e.g., (A) for Residential Service, (B) Heating Service, etc.
5. Column (d) - Give the average number of customers billed under each rate schedule during the year. The total of this column will approximate the total number of ultimate customers, line 12, Schedule 625-A.
6. Columns (e) and (f) - For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule. The totals of these columns should equal the totals shown on line 12, Schedule 625-A. If the utility sells gas to ultimate customers under special contracts, the totals for such sales should be entered on a line on this page in order to make the totals of columns (e) and (f) check with those entered on line 12, Schedule 625-A.
7. When a rate schedule was not in effect during the entire year, indicate in a footnote the period in which it was effective.

Line No.	Rate Schedule Designation (a)	Type of Service to which Schedule is applicable (b)	Class of Service (c)	Average Number of Customers per Month (d)	Mcf Sold (e)	Revenue (Show to nearest dollar) (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 <sup>04</sup>
--	---	--------------------------------	---

OFF-SYSTEM SALES - NATURAL GAS (Continued)

Revenue for Year (See Instr. 5) (e)	Average Revenue per Mcf (in cents) (f)	Peak Day Delivery to Customers			Line No.
		Date (g)	Mcf		
			Noncoin- cidental (h)	Coin- cidental (i)	
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
	NA				11
					12
					13
					14
					15
					16
					17
					18
					19
					20

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 <sup>04</sup>
--	---	--------------------------------	---

**REVENUE FROM TRANSPORTATION OF GAS OF OTHERS--NATURAL GAS (Account 489)**

1. Report below particulars (details) concerning revenue from transportation or compression (by respondent) of natural gas for others. Subdivide revenue between transportation or compression for interstate pipeline companies and others.

2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. Designate with an asterisk, however, if gas transported or compressed is other than natural gas.

3. In column (a) include the names of companies from which revenues were derived, points of receipt and delivery, and names of companies from which gas was received and to which delivered. Also specify the Commission order or regulation authorizing such transaction.

Line No.	Name of Company and Description of Service Performed <i>(Designate associated companies with an asterisk)</i>  (a)	Distance Transported (in miles) (b)
1	Peninsula Copper Industries, Inc. Gas is received at Lake Linden TBS and is transported to customer's meter, Gas is received from PCI's supplier. Delivery is authorized by contract between respondent and PCI which was submitted to Commission.	1 Mile
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		
TOTAL		

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__04
--	---	--------------------------------	-----------------------------------

**REVENUE FROM TRANSPORTATION OF GAS OF OTHERS--NATURAL GAS (Account 489) (Continued)**

4. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipe line system.  
 5. Enter Mcf at 14.65 psia at 60°F.  
 6. Minor items (less than 1,000,000 mcf) may be grouped.

"Note: For transportation provided under Part 284 of Title 18 of the Code of Federal Regulations, report only grand totals for all transportation in columns (b) through (g) for the following regulation sections to be listed in column (a): 284.102, 284.122, 284.222, 284.223(a), 284.223(b) and 284.224. Details for each transportation are reported in separate annual reports required under Part 284 of the Commission's regulations."

Mcf of Gas Received (c)	Mcf of Gas Delivered (d)	Revenue (e)	Average Revenue per Mcf of Gas Delivered (in cents) (f)	FERC Tariff Rate Schedule Designation (g)	Line No.
135,170	135,170	\$92,751.00	\$68.62¢		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
135,170	135,170	\$92,751.00	\$68.62¢		

Name of Respondent PENINSULAR GAS COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
<b>SALES OF PRODUCTS EXTRACTED FROM NATURAL GAS (Account 490)</b>					
1. Report particulars (details) concerning sales of gasoline, butane, propane, and other products extracted from natural gas, including sales of any such products which may have been purchased from others for resale.			2. If the purchasers are numerous, it is permissible to group the sales by kind of product. Show the number of purchasers grouped. Show separately, however, sales to associated companies or to companies which were associated at the time the applicable sales contracts were made.		
Line No.	Name of Purchaser (Designate associated companies with an asterisk) (a)	Name of Product (b)	Quantity (In gallons) (c)	Amount of Sales (In dollars) (d)	Sales Amount per Gallon (In cents) (d ÷ c) (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11		NA			
12					
13					
14					
15					
16					
17					
<b>REVENUES FROM NATURAL GAS PROCESSED BY OTHERS (Account 491)</b>					
1. Report particulars (details) concerning royalties and other revenues derived from permission granted to others for the right to remove products from the respondent's natural gas.			2. If the respondent's natural gas is processed by others for removal of saleable products and no revenue therefrom is derived by the respondent, complete only columns (a) and (b) below, and include the date of contract in column (a).		
Line No.	Name of Processor and Description of Transaction (Designate associated companies with an asterisk) (a)	Mcf of Respondent's Gas Processed (14.73 psia at 60°F) (b)	Revenue (In dollars) (c)		
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					

Name of Respondent Peninsular Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) 04-30-05	Year of Report Dec. 31, 20_04
<b>GAS OPERATION AND MAINTENANCE EXPENSES (NONMAJOR)</b>				
Line No.	Account	Amount for Current Year	Amount for Previous Year	
32	798 Other Exploration			
33	799 Natural Gas Purchases			
34	TOTAL Expl. and Dev. (Total of lines 29 thru 33)			
35				
36	D. Other Gas Supply Expenses			
37	803.1 Off-system Gas Purchases			
38	805 Other Gas Purchases			
39	807 Purchased Gas Expenses	4,186,784	3,793,156	
40	808.1 Gas Withdrawn from Underground Storage-Debit			
41	808.2 Gas Delivered to Underground Storage-Credit			
42	812.1 Gas Used in Utility Operations-Credit			
43	813 Other Gas Supply Expenses			
44	813.1 Synthetic Gas Supply Expenses			
45	813.2 Gas Cost Recovery Expenses-Royalties			
46	TOTAL Other Gas Sup. Exp. (Total of lines 37 thru 45)	4,186,784	3,793,156	
47	TOTAL Production Exp. (Total of lines 3,18,25,34 & 46)	4,220,309	3,828,936	
48				
49	2. NATURAL GAS STORAGE EXPENSE			
50	A. Underground Storage Expense			
51	Operation			
52	814 Operation Supervision and Engineering			
53	823 Gas Losses			
54	825 Storage Well Royalties			
55	826 Rents			
56	827 Operation Supplies and Expenses			
57	TOTAL Operation (Total of lines 52 thru 56)			
58	Maintenance			
59	832 Maintenance of Reservoirs and Wells			
60	838 Maint. of Other Underground Storage Plant			
61	TOTAL Maintenance (Total of lines 59 and 60)			
62	TOTAL Underground Stor. Exp. (Total of lines 57&61)			

Name of Respondent		This Report Is:	Date of Report	Year of Report
Peninsular Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission.	(Mo, Da, Yr) 04-30-05	Dec. 31, 20_04
<b>GAS OPERATION AND MAINTENANCE EXPENSES (NONMAJOR)</b>				
Line No.	Account	Amount for Current Year	Amount for Previous Year	
63	B. Other Storage Expenses			
64	848.4 Maintenance of Other Storage Plant			
65	TOTAL Other Storage Expenses			
66	TOTAL Natural Gas Storage (Total of lines 62 & 65)			
67				
68	3. TRANSMISSION EXPENSES			
69	Operation			
70	850 Operation Supervision and Engineering			
71	853.1 Compressor Station Fuel and Power			
72	857.1 Operation Supplies and Expenses			
73	858 Transmission and Compression of Gas by Others			
74	860 Rents			
75	TOTAL Operation (Total of lines 70 thru 74)			
76	Maintenance			
77	863 Maintenance of Mains			
78	864 Maintenance of Compressor Station Equipment			
79	868 Maintenance of Other Plant			
80	TOTAL Maintenance (Total of lines 77 thru 79)			
81	TOTAL Transmission Exp. (Total of lines 75 and 80)			
82				
83	4. DISTRIBUTION EXPENSES			
84	Operation			
85	870 Operation Supervision and Engineering	7,432	7,595	
86	874 Mains and Services Expenses			
87	878 Meter and House Regulator Expenses	27,865	23,630	
88	879 Customer Installations Expenses	21,635	24,166	
89	880.1 Miscellaneous Distribution Expenses			
90	881 Rents	11,982	12,050	
91	TOTAL Operation (Total of lines 85 thru 90)	68,914	67,441	
92				
93				



Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
--------------------	--	--------------------------------	---------------------------------

**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	<b>2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES</b>		
99	<b>A. Underground Storage Expenses</b>		
100	Operation		
101	814 Operation Supervision and Engineering		
102	815 Maps and Records		
103	816 Wells Expenses		
104	817 Lines Expense		
105	818 Compressor Station Expenses		
106	819 Compressor Station Fuel and Power		
107	820 Measuring and Regulating Station Expenses		
108	821 Purification Expenses		
109	822 Exploration and Development		
110	823 Gas Losses		
111	824 Other Expenses		
112	825 Storage Well Royalties		
113	826 Rents		
114	<b>TOTAL Operation (Enter Total of lines 101 thru 113)</b>		
115	Maintenance		
116	830 Maintenance Supervision and Engineering		
117	831 Maintenance of Structures and Improvements		
118	832 Maintenance of Reservoirs and Wells		
119	833 Maintenance of Lines		
120	834 Maintenance of Compressor Station Equipment		
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment		
123	837 Maintenance of Other Equipment		
124	<b>TOTAL Maintenance (Enter Total of lines 116 thru 123)</b>		
125	<b>TOTAL Underground Storage Expenses (Total of lines 114 and 124)</b>		
126	<b>B. Other Storage Expenses</b>		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	<b>TOTAL Operation (Enter Total of lines 128 thru 133)</b>		
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures and Improvements		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring and Regulating Equipment		
144	843.9 Maintenance of Other Equipment		
145	<b>TOTAL Maintenance (Enter Total of lines 136 thru 144)</b>		
146	<b>TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)</b>		

Name of Respondent		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20__
<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	<b>C. Liquefied Natural Gas Terminating and Processing Expenses</b>			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts—Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	<b>TOTAL Operation (Enter Total of lines 149 thru 164)</b>			
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	<b>TOTAL Maintenance (Enter Total of lines 167 thru 174)</b>			
176	<b>TOTAL Liquefied Nat Gas Terminating and Processing Exp (Lines 165 &amp; 175)</b>			
177	<b>TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)</b>			
178	<b>3. TRANSMISSION EXPENSES</b>			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	<b>TOTAL Operation (Enter Total of lines 180 thru 190)</b>			

Name of Respondent Peninsular Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20 <u>04</u>
<b>GAS OPERATION AND MAINTENANCE EXPENSES (NONMAJOR)</b>				
Line No.	Account	Amount for Current Year	Amount for Previous Year	
94	Maintenance	34,236	36,601	
95	892.1 Maintenance of Lines	34,236	36,601	
96	893 Maintenance of Meters and House Regulators	13,597	20,267	
97	895 Maintenance of Other Plant	9,377	10,021	
98	TOTAL Maintenance (Total of lines 95 thru 97)	57,210	66,889	
99	TOTAL Distribution Exp. (Total of lines 91 & 98)	126,124	134,330	
100				
101	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>			
102	902 Meter Reading Expenses	29,477	35,568	
103	903 Customer Records and Collection Expenses	11,039	9,046	
104	904 Uncollectible Accounts	26,487		
105	TOTAL Customer Accts. Exp. (Total of lines 102-104)	67,003	44,614	
106				
107	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>			
108	906 Customer Service and Informational Expenses	5,551	8,566	
109	TOTAL Cust. Service & Informational Exp.	5,551	8,566	
110				
111	<b>7. SALES PROMOTION EXPENSES</b>			
112	917 Sales Expense	5,229	5,365	
113	TOTAL Sales Expenses	5,229	5,365	
114				
115	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
116	Operation			
117	920 Administrative and General Salaries	190,341	202,683	
118	921 Office Supplies and Expenses	3,716	3,798	
119	922 Administrative Services Transferred-Credit			
120	923 Outside Services Employed			
121	924 Property Insurance	255,203	215,634	
122	925 Injuries and Damages			
123	926 Employee Pensions and Benefits	163,584	162,901	

Name of Respondent <b>Peninsular Gas Company</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission:	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
<b>GAS OPERATION AND MAINTENANCE EXPENSES (NONMAJOR)</b>				
Line No.	Account	Amount for Current Year	Amount for Previous Year	
124	927 Franchise Requirements			
125	928 Regulatory Commission Expenses	52,462	27,615	
126	929 Duplicate Charges-Credit			
127	930.1 General Advertising Expenses			
128	930.2 Miscellaneous General Expenses	185,612	250,077	
129	931 Rents	15,000	15,000	
130	TOTAL Operation (Total of lines 117 thru 129)	865,918	877,708	
131	Maintenance			
132	933 Transportation Expenses			
133	935 Maintenance of General Plant	6,220	6,117	
134	TOTAL Maintenance (Total of lines 132 & 133)	6,220	6,117	
135	TOTAL Admin. & Gen. Exp. (Total of lines 130 & 134)	872,138	883,285	
136	TOTAL Gas Operation and Maintenance Expenses (Total of lines 47, 66, 81,99, 105, 109, 113 and 135)	5,296,354	4,905,636	

**NUMBER OF GAS DEPARTMENT EMPLOYEES**

1. The data on number of employees should be reported for the payroll period ending nearest to December 31, or any payroll period ending 60 days before or after December 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.

1. Payroll Period Ended (Date)
2. Total Regular Full-Time Employees
3. Total Part-Time and Temporary Employees
4. Total Employees

Name of Respondent <b>Peninsular Gas Company</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20_04</b>
<b>MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)</b>				
1	Industry association dues			
2	Experimental and general research expenses			
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent			
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)			
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49	<b>TOTAL</b>			

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 2004</b>
---	---	---	--

**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 405)**  
*(Except Amortization of Acquisition Adjustments)*

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.

2. Report all available information called for in Section B for the report year 1971, 1974 and every fifth year thereafter. Report only annual changes in the intervals

between the report years (1971, 1974 and every fifth year thereafter).

Report in column (b) all depreciable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate at the bottom of Section B the

**Section A. Summary of Depreciation, Depletion, and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant			
2	Production plant, manufactured gas			
3	Production and gathering plant, natural gas	11,866		
4	Products extraction plant			
5	Underground gas storage plant			
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant			
9	Distribution plant	107,470		
10	General plant	22,240		
11	Common plant-gas			
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	<b>TOTAL</b>	<b>141,576</b>		

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 2004
--	---	--	---------------------------------

**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)**

**B. Gas, R, D & D Performed Externally**

- (1) Research Support to American Gas Association
- (2) Research Support to Others (Classify)
- (3) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A.(13) and B.(2)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107 (Construction Work in Progress) first. Show in column (f) the amounts related to the account charged in column (e).

5. Show in column (g) the total unamortized accumulation of costs of projects. This total must equal the balance in Account 188 *Research, Development, and Demonstration Expenditures* outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d) and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38

Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 20_04
--	---	--	----------------------------------

**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to *Utility Departments, Construction, Plant Removals, and Other Accounts*, and enter such amounts

in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
<b>Electric</b>			
Operation			
Production			
Transmission			
Distribution			
Customer Accounts			
Customer Service and Informational			
Sales			
Administrative and General			
TOTAL Operation (Total of lines 3 thru 9)			
Maintenance			
Production			
Transmission			
Distribution			
Administrative and General			
TOTAL Maint. (Total of lines 12 thru 15)			
Total Operation and Maintenance			
Production (Total of lines 3 and 12)			
Transmission (Total of lines 4 and 13)			
Distribution (Total of lines 5 and 14)			
Customer Accounts (Line 6)			
Customer Service and Informational (Line 7)			
Sales (Line 8)			
Administrative and General (Total of lines 9 and 15)			
TOTAL Oper. and Maint. (Total of lines 18 thru 24)			
<b>Gas</b>			
Operation			
Production—Manufactured Gas			
Production—Nat. Gas (Including Expl. and Dev.)			
Other Gas Supply			
Storage, LNG Terminating and Processing			
Transmission			
Distribution	34,617		
Customer Accounts	5,981		
Customer Service and Informational	36,810		
Sales			
Administrative and General	157,458		
TOTAL Operation (Total of lines 28 thru 37)	234,866		
Maintenance			
Production—Manufactured Gas			
Production—Natural Gas			
Other Gas Supply			
Storage, LNG Terminating and Processing			
Transmission			
Distribution	43,710		
Administrative and General	7,499		
TOTAL Maint. (Total of lines 40 thru 46)	51,209		



Name of Respondent Peninsular Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04-30-05	Year of Report Dec. 31, 2004
--	---	--	---------------------------------

**DISTRIBUTION OF SALARIES AND WAGES (Continued)**

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	Gas (Continued)			
48	Total Operation and Maintenance			
49	Production—Manufactured Gas (Lines 28 and 40)			
50	Production—Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)			
51	Other Gas Supply (Lines 30 and 42)			
52	Storage, LNG Terminating and Processing (Lines 31 and 43)			
53	Transmission (Lines 32 and 44)			
54	Distribution (Lines 33 and 45)	78,327		
55	Customer Accounts (Line 34)	5,981		
56	Customer Service and Informational (Line 35)	36,810		
57	Sales (Line 36)			
58	Administrative and General (Lines 37 and 46)	164,957		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	286,075		
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	286,075		
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	28,737		
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	28,737		
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)			
74	Other Accounts (Specify):			
75				
76				
77				
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts			
96	TOTAL SALARIES AND WAGES	314,812		

Name of Respondent <b>Peninsular Gas Company</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>04-30-05</b>	Year of Report <b>Dec. 31, 20<sup>04</sup></b>
---	---	---	---

**COMMON UTILITY PLANT AND EXPENSES**

1. Furnish a schedule describing the property carried in the utility's accounts as common utility plant and showing the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 14, Common Utility Plant, of the Uniform System of Accounts. Such schedule also shall show the allocation of such plant costs to the respective departments using the common utility plant, explain the basis of allocation used, and give the allocation factors.

2. Furnish a schedule of the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which

such accumulated provisions relate including explanation of basis of allocation and factors used.

3. Furnish a schedule showing for the year the expenses of operation, maintenance, rents, depreciation and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Such schedule also shall show the allocation of such expenses to the departments using the common utility plant to which such expenses are related, explain the basis of allocation used, and give the factors of allocation.

4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

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	
31	
32	
33	
34	
35	

Name of Respondent  PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report  Dec. 31, 2004
--	---	--------------------------------	-------------------------------------

**LIQUEFIED PETROLEUM GAS OPERATIONS (Continued)**

Designate any plant held under a title other than full ownership and in a footnote state name of owner or co-owner, nature of respondent's title, and percent ownership if jointly owned.  
 4. For column (g) report the Mcf that is mixed with natural gas or which is substituted for deliveries normally made from natural gas. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas or mixture of natural gas and gasified LPG.

5. If any plant was not operated during the past year, give particulars (details) in a footnote, and state whether the book cost of such plant, or any portion thereof, has been retired in the books of account, or what disposition of the plant and its book cost is contemplated.  
 6. Report pressure base of gas at 14.73 psia at 60 °F. Indicate the Btu content in a footnote.

Gallons of LPG Used  (e)	Gas Produced		LPG Storage Cap. Gallons  (h)	Function of Plant (Base load, peaking, etc.)  (i)	Line No.
	Amount of Mcf  (f)	Amount of Mcf Mixed with Natural Gas  (g)			
-0-			90,000	Emergency and Peaking	1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
			90,000		40

Name of Respondent PENINSULAR GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 <u>04</u>
--	---	--------------------------------	---

**DISTRIBUTION SYSTEM PEAK DELIVERIES**

1. Report below the total distribution system deliveries of gas, excluding deliveries to storage, for the periods of system peak deliveries indicated below during the calendar year.      2. Report Mcf on a pressure base of 14.73 psia at 60°F.

Line No.	Item (a)	Day/Month (b)	Amount of Mcf (c)	Curtailments on Day/Month Indicated (d)
<b>Section A. Three Highest Days of System Peak Deliveries</b>				
1	Date of Highest Day's Deliveries	1-22-04		
2	Deliveries to Customers Subject to MPSC Rate Schedules		4618	
3	Deliveries to Others		-	
4	<b>TOTAL</b>		4618	
5	Date of Second Highest Day's Deliveries	12-24-04		
6	Deliveries to Customers Subject to MPSC Rate Schedules		4464	
7	Deliveries to Others		-	
8	<b>TOTAL</b>		4464	
9	Date of Third Highest Day's Deliveries	1-28-04		
10	Deliveries to Customers Subject to MPSC Rate Schedules		4397	
11	Deliveries to Others		-	
12	<b>TOTAL</b>		4397	
<b>Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)</b>				
13	Dates of Three Consecutive Days Highest System Peak Deliveries	1-22-04		
		1-23-04		
		1-24-04		
14	Deliveries to Customers Subject to MPSC Rate Schedules		12913	
15	Deliveries to Others		-	
16	<b>TOTAL</b>		12913	
17	Supplies from Line Pack			
18	Supplies from Underground Storage			
19	Supplies from Other Peaking Facilities			
<b>Section C. Highest Month's System Deliveries</b>				
20	Month of Highest Month's System Deliveries	January		
21	Deliveries to Customers Subject to MPSC Rate Schedules		115,436	
22	Deliveries to Others		-	
23	<b>TOTAL</b>		115,436	

**PENINSULAR GAS COMPANY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Inventories

Inventories are stated at the lower of cost (FIFO) or market.

Property, Plant and Equipment and Depreciation

In 1946 the value of the utility plant was written down to an appraised value established by a cost and valuation study made by the Michigan Public Service Commission. Fixed assets are, therefore, stated at this appraised value, plus cost of net additions, less depreciation allowance since the appraisal date. Net additions in the years 2004 and 2003 amounted to \$41,932 and \$62,283, respectively.

The Company charged operations for depreciation, using the straight line method, on utility plant assets at annual rates ranging from 2% to 11%. Depreciation for 2004 and 2003 was \$147,517 and \$151,008, respectively.

Use of Estimates

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

Unbilled Revenues Under Gas Cost Recovery Adjustment and Refunds Due Customers as Results of Refunds Received from Pipeline Companies

The Company at various times purchases propane gas to be used for making propane-air gas for peak shaving purposes. The Company ultimately recovers this cost through increase in rates to customers in a later period. The purchase of natural gas from interstate pipelines is sometimes purchased at rates given preliminary approval by the Federal Energy Regulatory Commission. If, after examination, the rates are determined to be excessive, refunds are received from the pipeline companies and are refunded to customers, many times in a later period.

The Company follows the policy of expensing cost of propane and emergency gas purchases during the period used and booking as revenues the over-recovery or under-recovery of this cost in the period in which the costs are accrued. Likewise, recovery of increased or decreased cost of gas under gas cost recovery adjustments clauses are booked as increases or decreases in revenues in the period in which they arise.



PENINSULAR GAS COMPANY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unbilled Revenues Under Gas Cost Recovery Adjustment and Refunds Due Customers as Results of Refunds Received from Pipeline Companies

The Company's policy with regard to refunds received from pipeline companies is to book the refunds as a reduction in the cost of purchased gas in the period they are received or credited and to reduce revenue in the same periods.

Gas Sales Revenues

In accordance with customary industry practices, revenues are included in income as billed on the basis of scheduled meter readings. Accordingly, these revenues do not include deliveries of gas from the meter reading date to the end of the accounting period. At the end of each period, therefore, there are volumes of gas consumed and recorded as costs, but not yet billed to customers and not yet recorded as revenues. Such volumes of gas will vary between periods. Unbilled revenues were as follows:

	<u>2004</u>	<u>2003</u>
End of year	\$ 516,506	\$ 304,502
Beginning of year	<u>304,502</u>	<u>239,340</u>
INCREASE IN UNBILLED REVENUES	<u>\$ 212,004</u>	<u>\$ 65,162</u>

Statement of Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.





**PENINSULAR GAS COMPANY**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003

2. PROPERTY, PLANT AND EQUIPMENT

On December 31, property, plant and equipment - gas utility plant consists of the following:

	<u>2004</u>	ACCUMULATED	BOOK
	COST	DEPRECIATION	VALUE
<b>Intangible Plant:</b>			
Franchises and Consents	\$ 11,277	\$ -	\$ 11,277
Land and Land Rights	7,724	-	7,724
<b>TOTAL INTANGIBLE PLANT</b>	<u>19,001</u>	<u>-</u>	<u>19,001</u>
<b>Production Plant:</b>			
Structures and Improvements	315,147	161,473	153,674
Petroleum Gas Equipment	219,612	219,612	-
Other Production Equipment	55,772	46,399	9,373
<b>TOTAL PRODUCTION PLANT</b>	<u>590,531</u>	<u>427,484</u>	<u>163,047</u>
<b>Distribution Plant:</b>			
Land and Land Rights	2,582	1,347	1,235
Structures and Improvements	149,660	73,715	75,945
Mains	1,584,368	859,018	725,350
Measuring and Regulating Station Equipment	99,828	83,825	16,003
Services	774,659	477,267	297,392
Meters	781,862	285,415	496,447
Home Regulators	37,938	23,296	14,642
<b>TOTAL DISTRIBUTION PLANT</b>	<u>3,430,897</u>	<u>1,803,883</u>	<u>1,627,014</u>
<b>General Plant:</b>			
Office Furniture and Equipment	90,497	90,497	-
Computers	8,880	8,402	478
Transportation Equipment			
Prior to 1995	113,284	113,284	-
Post 1995	171,554	83,428	88,126
Stores Equipment	2,070	1,867	203
Tools, Shop and Garage Equipment	126,588	112,694	13,894
Laboratory Equipment	28,205	19,120	9,085
Power Operating Equipment	47,476	47,476	-
Communications Equipment	28,345	28,345	-
<b>TOTAL GENERAL PLANT</b>	<u>616,899</u>	<u>505,113</u>	<u>111,786</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>\$ 4,657,328</u>	<u>\$ 2,736,480</u>	<u>\$ 1,920,848</u>



**PENINSULAR GAS COMPANY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**2. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	<u>2003</u>	<u>ACCUMULATED</u>		<u>BOOK</u>
	<u>COST</u>	<u>DEPRECIATION</u>		<u>VALUE</u>
<b>Intangible Plant:</b>				
Franchises and Consents	\$ 11,277	\$ -		\$ 11,277
Land and Land Rights	7,724	-		7,724
<b>TOTAL INTANGIBLE PLANT</b>	<b>19,001</b>	<b>-</b>		<b>19,001</b>
<b>Production Plant:</b>				
Structures and Improvements	315,147	156,462		158,685
Petroleum Gas Equipment	219,612	214,385		5,227
Other Production Equipment	55,772	44,770		11,002
<b>TOTAL PRODUCTION PLANT</b>	<b>590,531</b>	<b>415,617</b>		<b>174,914</b>
<b>Distribution Plant:</b>				
Land and Land Rights	2,582	1,242		1,340
Structures and Improvements	149,660	69,899		79,761
Mains	1,584,368	813,072		771,296
Measuring and Regulating Station Equipment	99,828	79,892		19,936
Services	761,826	446,307		315,519
Meters	752,763	263,624		489,139
House Regulators	37,938	22,377		15,561
<b>TOTAL DISTRIBUTION PLANT</b>	<b>3,388,965</b>	<b>1,696,413</b>		<b>1,692,552</b>
<b>General Plant:</b>				
Office Furniture and Equipment	90,497	90,497		-
Computers	8,880	6,626		2,254
Transportation Equipment				
Prior to 1995	113,284	113,284		-
Post 1995	171,554	70,527		101,027
Stores Equipment	2,070	1,763		307
Tools, Shop and Garage Equipment	126,588	108,010		18,578
Laboratory Equipment	28,205	17,986		10,219
Power Operating Equipment	47,476	47,101		375
Communications Equipment	28,345	27,079		1,266
<b>TOTAL GENERAL PLANT</b>	<b>616,899</b>	<b>482,873</b>		<b>134,026</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>\$ 4,615,396</b>	<b>\$ 2,594,903</b>		<b>\$ 2,020,493</b>



**PENINSULAR GAS COMPANY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**3. LINE OF CREDIT**

The Company has a revolving loan agreement with First National Bank of Omaha that allows the Company to borrow up to \$1,000,000, with interest at the bank's regional base rate.

**4. SETTLEMENT**

The Company entered into an agreement with the Michigan Department of Environmental Quality to contribute \$925,000 in full settlement of all environmental claims. An initial payment of \$100,000 was made on March 3, 2004 and the balance of \$825,000 is payable in annual installments over 10 years. The note does not bear interest.

**5. PENSION AND PROFIT-SHARING PLANS**

The Company contributes to a union-negotiated pension plan which covers full-time employees, except administrative and clerical personnel. Contributions were \$20,400 in 2004 and \$22,865 for 2003.

Administrative and clerical personnel are covered by a profit-sharing plan which began in 1978. Company contributions, which are discretionary, were \$37,000 and \$39,821 for 2004 and 2003, respectively.

**6. COMMITMENTS AND CONTINGENCIES AND RELATED PARTY TRANSACTIONS**

In April, 1984, the Company purchased the building where the main facility and administrative offices are located. The building also contains a number of apartments for rent. The building is considered non-utility property and charges the utility operations a fair market rental for the portion of the building used for Company offices. The rental charge is \$13,200 for both years, and is included in other operating expenses and non-utility net rental income.

Omaha offices are located on premises leased on a year to year basis. Rent expense was \$11,982 for 2004 and \$11,976 in 2003.



INDEX

<u>Schedule</u>	<u>Page No.</u>
Abandoned leases .....	326
Accrued and prepaid taxes .....	262-263
Accounts receivable .....	228A
Accumulated Deferred Income Taxes .....	234-235, 272-5, 276A-B, 277
Accumulated provisions for depreciation of common utility plant.....	356
utility plant.....	219
utility plant (summary)...	200-201
Advances	
for gas .....	229
from associated companies .....	256-257
from customers for construction...	268
to associated companies .....	222-223
Amortization	
miscellaneous .....	340
of nonutility property.....	221
of other gas plant in service .....	336-338
and depletion of production natural gas land and land rights .....	336-338
Appropriations of Retained Earnings .....	118-119
Assets, miscellaneous current & accrued .....	268
Associated Companies	
advances from .....	256-257
advances to .....	222-223
control over respondent .....	102
corporations controlled by respondent.....	103
interest on debt to .....	256-257
investment in.....	222-223
payables to .....	260B
receivables from.....	228B
service contracts charges. ....	357
summary of costs billed to.....	358-359
summary of costs billed from .....	360-361
Attestation.....	1
Balance Sheet	
comparative .....	110-113
notes to .....	122-123
Bonds ..	256-257
Calculation of Federal Income Taxes.....	261C-D
Capital Stock .....	250-251
discount .....	254
expenses .....	254
installments received .....	252
liability for conversion ..	252
premiums .....	252
reacquired .....	250-251
subscribed .....	252
Cash flows, statement of .....	120-121
Changes	
important during year .....	108-109
Charges for outside professional and other consultative services .....	357
Civic activities, expenditures for ..	343
Compressor stations .....	508-509

INDEX

<u>Schedule</u>	<u>Page No.</u>
Construction	
overheads, gas .....	217
overhead procedures, general description of .....	218
work in progress - common utility plant .....	356
work in progress - gas.....	216
work in progress - other utility departments .....	200-201
Consultative services, charges for .....	357
Control	
corporation controlled by respondent.....	103
over respondent .....	102
security holders and voting powers .....	106-107
Corporation	
controlled by respondent. ....	103
incorporated.....	101
CPA, background information on. ....	101
CPA Certification, this report form .....	i-ii
Current and accrued liabilities, miscellaneous .....	268
Deferred	
credits, other .....	269
debts, miscellaneous .....	233
income taxes, accumulated - accelerated amortization property.....	272-273
income taxes, accumulated - other property .....	274-275
income taxes, accumulated - other .....	276A-B
income taxes, accumulated - pollution control facilities .....	234-235
income taxes, accumulated - temporary .....	277
regulatory expenses.....	350-351
Definitions, this report form .....	iii-iv
Demonstration and development, research .....	352-353
Depletion	
amortization and depreciation of gas plant.. .....	336-338
and amortization of producing natural gas land and land rights.....	336-338
Depreciation and amortization	
of common utility plant .. .....	356
of gas plant.....	219, 336-338
Directors .....	105
Discount on capital stock.....	254
Discount - premium on long-term debt .....	256-257
Disposition of property, gain or loss .....	342A-B
Distribution Lines.....	514
Distribution of salaries and wages .....	354-355
Dividend appropriations .....	118-119
Earnings, Retained .....	118-119
Exchange Gas Transactions .....	328-330
Expenses	
gas operation and maintenance.....	320-325
gas operation and maintenance (nonmajor) .....	320N-324N
gas operation and maintenance, summary .. .....	325
unamortized debt.....	256-257
Exploration and development expenses .....	326
Extraordinary property losses .....	230
Filing requirements, this report form.....	i-ii
Footnote Data ... .....	551



INDEX

<u>Schedule</u>	<u>Page No.</u>
Gains	
on disposition of property . . . . .	342A-B
unamortized, on reacquired debt . . . . .	260
Gas	
advances . . . . .	229
exchanged, natural . . . . .	328-330
production and gathering statistics, natural . . . . .	506
purchases, natural and other . . . . .	327
reserves, land acreage, natural gas . . . . .	500-501
stored underground . . . . .	220
used in utility operations, credit . . . . .	331
plant in service . . . . .	202-212B
General description of construction overhead procedure . . . . .	218
General information . . . . .	101
General instructions . . . . .	ii-iii
Identification . . . . .	101
Important changes during year . . . . .	108-109
Income	
deductions - details . . . . .	256-259, 340
from utility plant leased to others . . . . .	339
statement of, by departments . . . . .	114-117
statement of, for the year (see also revenues) . . . . .	114-117
Incorporation information . . . . .	101
Installments received on capital stock . . . . .	252
Interest	
charges, on debt to associated companies . . . . .	340
charges, other . . . . .	340
charges, paid on long-term debt, advances, etc. . . . .	256-257
received from investments, advances, etc. . . . .	222-223
Investment tax credits, accumulated deferred . . . . .	266-267
Investment tax credits generated and utilized . . . . .	264-265
Investments	
in associated companies . . . . .	222-223
nonutility property . . . . .	221
other . . . . .	222-223
securities disposed of during year . . . . .	222-223
subsidiary companies . . . . .	224-225
temporary cash . . . . .	222-223
Law, excerpts applicable to this report form . . . . .	i-iv
Legal proceedings during year . . . . .	108-109
Leases	
income from utility plant leased to others . . . . .	339
lease rentals charged . . . . .	333A-D
Liabilities, miscellaneous current & accrued . . . . .	268
Liquefied petroleum gas operation . . . . .	516-517
List of schedules, this report form . . . . .	2-4
Long-term debt . . . . .	256-257
Losses - Extraordinary property . . . . .	230
Losses	
on disposition of property . . . . .	342A-B
operating, carryforward . . . . .	117C
unamortized, on reacquired debt . . . . .	260
Management and engineering contracts . . . . .	357
Map, system . . . . .	522

INDEX

<u>Schedule</u>	<u>Page No.</u>
Materials and supplies .....	228C
Miscellaneous general expenses .....	335
Nonutility property .....	221
Notes	
payable .....	260A
payable, advances from associated companies .....	256-257
receivable .....	228A
to balance sheet .....	122-123
to statement of cash flow .....	122-123
to statement of income .....	122-123
to statement of retained earnings .....	122-123
Number of Gas Department Employees .....	325
Officers and officers' salaries .....	104
Oil and gas wells, number of .....	510
Operating	
expenses - gas .....	320-325
expenses - gas (summary) .....	325
loss carryforward .....	117C
revenues - gas .....	300-301
Operation and maintenance expense (nonmajor) .....	320N-324N
Other	
donations received from stockholders .....	253
gains on resale or cancellations of reacquired capital stock .....	253
income accounts .....	341
miscellaneous paid-in capital .....	253
other supplies expense .....	334
paid-in capital .....	253
reduction in par or stated value of capital stock .....	253
regulatory assets .....	232
regulatory liabilities .....	278
Outside services, charges for .....	357
Overhead, construction - gas .....	217
Payables, to associated companies .....	260B
Peak, deliveries, distribution system, Mcf .....	518
Peaking facilities, auxiliary .....	519
Plant, Common utility	
accumulated provision for depreciation .....	356
acquisition adjustments .....	356
allocated to utility departments .....	356
completed construction not classified .....	356
construction work in progress .....	356
expenses .....	356
held for future use .....	356
in service .....	356
leased to others .....	356
Plant data .....	217-218
	336-338
	500-519
Plant - gas	
accumulated provision for depreciation .....	219
construction work in progress .....	216
held for future use .....	214
in service .....	204-212B
leased to others .....	213

INDEX

<u>Schedule</u>	<u>Page No.</u>
Plant - utility	
and accumulated provisions (summary) .....	200-201
leased to others, income from.....	339
Political activities, expenditures for .....	343
Pollution control facilities, accumulated deferred income taxes .....	234-235
Preliminary survey and investigation charges.....	231
Premium and discount on long-term debt....	256-257
Premium on capital stock.....	252
Prepaid gas purchases under purchase agreements...	226-227
Prepaid taxes .....	262-263
Prepayments .....	230
Production	
properties held for future use .....	215
Professional services, charges for. ....	357
Property - losses, extraordinary... ..	230
Purchased gas ... ..	327, 327A-B
Reacquired	
capital stock.....	250-251
debt, unamortized loss and gain on .....	260
long-term debt .....	256-257
Receivables	
from associated companies .....	228B
notes and accounts .....	228A
Receivers' certificates.....	256-257
Reconciliation of deferred income tax expense .....	117A-B
Reconciliation of reported net income with taxable income for Federal income taxes. ....	261A-B
Regulatory Assets, Other .....	232
Regulatory Commission Expenses Deferred .....	233, 350-351
Regulatory Commission Expenses For Year .....	350-351
Regulatory Liabilities, Other.....	278
Rent	
from lease of utility plant .....	339
lease rentals charged.....	333A-D
Research, development and demonstration activities .....	352-353
Reserves	
changes in estimated hydrocarbon. ....	504-505
natural gas land acreage.. ..	500-501
Retained Earnings	
amortization reserve, Federal .....	119
appropriated.....	118-119
statement of, for year.....	118-119
unappropriated.....	118-119
Revenues	
from natural gas processed by others.....	315
from transportation of gas of others .....	312-313
gas operating.....	300-301
Salaries and wages	
directors fees.....	105
distribution of.....	354-355
officers' .....	104

INDEX

<u>Schedule</u>	<u>Page No.</u>
<b>Sales</b>	
gasoline - extracted from natural gas .....	315
natural gas - for resale ... ..	310A-B
products extracted from natural gas.....	315
Schedules, this report form .....	2-4
<b>Securities</b>	
disposed of during year .. .....	222-223
holders and voting powers.....	106-107
investment in associated companies.....	222-223
investment, others.....	222-223
investment, temporary cash .....	222-223
issued or assumed during year .....	255
refunded or retired during year .....	255
registered on a national exchange .....	250-251,256-257
Service contract charges .....	357
Statement of cash flows.....	120-121
Statement of income for the year.. .....	114-117
Statement of retained earnings for the year. ....	118-119
Stock liability for conversion .....	252
Storage of natural gas, underground.....	512-513
Supplies - materials and .....	228C
Survey and investigation, preliminary charges .....	231
System map .....	522
<b>Taxes</b>	
accrued and prepaid .....	262-263
accumulated deferred income - temporary .....	277
calculation of, federal .....	261C-D
charged during year .....	262-263
on income, deferred and accumulated .....	234-235,272-275
reconciliation of deferred income tax expense .....	276A-B
reconciliation of net income with taxable income .....	117A-B
reconciliation of net income with taxable income .....	261A-B
Temporary cash investments.....	222-223
<b>Transmission</b>	
and compression of gas by others . .....	332-333
lines .....	514
Transportation of gas of others - revenues . .....	312-313
<b>Unamortized</b>	
debt discount.....	258-259
debt expense .....	258-259
loss and gain on reacquired debt .. .....	260
premium on debt .....	258-259
Uncollectible accounts, provision for .....	228A
<b>Underground</b>	
storage of natural gas, expense, operating data, plant .....	512-513
gas, stored.....	220
Unrecovered Plant and Regulatory Study Costs .....	230
Wells, gas and oil, number of .....	510