

MICHIGAN PUBLIC SERVICE COMMISSION

ADDITIONAL SCHEDULES FOR AN ELECTRIC UTILITY COOPERATIVE

This form is authorized by Case No. U-12134, the Code of Conduct.
Filing of this form is mandatory.

Report submitted for year ending: December 31, 2012
Present name of respondent: Presque Isle Electric & Gas Co-op
Address of principal place of business: 19831 M-68 Highway Onaway, MI 49765
Utility representative to whom inquires regarding this report may be directed: Name: Thomas J. Sobeck Title: Chief Financial Officer Address: 19831 M-68 Highway City: Onaway State: MI Zip: 49765 Direct Telephone, Include Area Code: 989-733-8515
If the utility name has been changed during the past year: Prior Name: Date of Change:
Two copies of the published annual report to stockholders: [] were forwarded to the Commission [] will be forwarded to the Commission on or about
Annual reports to stockholders: [] are published [] are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Heather Cantin) at
(517) 241-0967 or cantinh@michigan.gov OR forward correspondence to:

DLARA/MPSC
Regulated Energy Division (Heather Cantin)
4300 W Saginaw
Lansing, MI 48917

PRESQUE ISLE ELECTRIC & GAS CO-OP
REPORT ON FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

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**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD OF DIRECTORS
DECEMBER 31, 2012**

John F. Brown	Chairperson
Allen L. Barr	Vice Chairperson
David W. Smith	Secretary
Daryl Peterson	Treasurer
Robert W. Wegmeyer	Director
Allan Berg	Director
Bernice C. Krajniak	Director
Raymond Wozniak	Director
Sally Knopf	Director

President & Chief Executive Officer

Brian J. Burns



Independent Auditor's Report

The Board of Directors
Presque Isle Electric & Gas Co-op
Onaway, Michigan

We have audited the accompanying balance sheets of **Presque Isle Electric & Gas Co-op** as of December 31, 2012 and 2011, and the related statements of revenue and patronage capital, and cash flows for the years then ended. These financial statements are the responsibility of **Presque Isle Electric & Gas Co-op's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Presque Isle Electric & Gas Co-op** as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants
March 6, 2013

PRESQUE ISLE ELECTRIC & GAS CO-OP
BALANCE SHEETS
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
UTILITY PLANT:		
In-Service – at cost	\$ 123,970,759	\$ 120,682,867
Construction work in progress	946,713	852,911
SUBTOTAL	124,917,472	121,535,778
Less accumulated depreciation and amortization	48,585,345	45,954,018
NET UTILITY PLANT	76,332,127	75,581,760
OTHER ASSETS AND INVESTMENTS		
Investments on associated organizations	22,222,658	20,885,708
CURRENT ASSETS:		
Cash and temporary cash investments	2,708,663	1,830,054
Accounts Receivable, less allowance for possible losses of \$118,000 in 2012 and 2011.	5,119,420	4,725,144
Materials and supplies (at average cost)	1,286,667	1,285,871
Other current assets	328,171	292,889
TOTAL CURRENT ASSETS	9,442,921	8,133,958
DEFERRED DEBITS	197,416	155,512
TOTAL ASSETS	\$ 108,195,122	\$ 104,756,938

The accompanying notes are an integral part of these statements.

	<u>2012</u>	<u>2011</u>
EQUITIES AND LIABILITIES		
EQUITIES:		
Memberships	\$ 240,265	\$ 233,595
Patronage capital	39,987,376	38,937,908
Other equities	<u>(1,588,940)</u>	<u>(1,301,485)</u>
 TOTAL EQUITIES	 <u>38,638,701</u>	 <u>37,870,018</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES:		
Mortgage notes to National Rural Utilities Cooperative Finance Corporation (CFC)	50,555,379	50,559,819
Accrued post – retirement benefits	<u>3,616,570</u>	<u>2,923,738</u>
 TOTAL LONG-TERM DEBT	 <u>54,171,949</u>	 <u>53,483,557</u>
CURRENT LIABILITIES:		
Current maturities of long-term debt	2,006,000	1,888,300
CFC line of credit	7,278,699	6,200,310
Accounts payable, purchased energy	2,166,090	2,416,786
Accounts payable, other	1,080,625	370,984
Patronage capital payable		
Customer deposits	360,229	339,378
Accrued property taxes	456,917	446,614
Accrued interest	353,883	362,326
Accrued sick and vacation pay	549,340	529,592
Accrued other	<u>544,174</u>	<u>432,519</u>
 TOTAL CURRENT LIABILITIES	 <u>14,795,957</u>	 <u>12,986,809</u>
 DEFERRED CREDITS	 <u>588,515</u>	 <u>416,554</u>
 TOTAL EQUITIES AND LIABILITIES	 <u>\$ 108,195,122</u>	 <u>\$ 104,756,938</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF REVENUE
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES	\$ 41,631,735	\$ 40,303,746
OPERATING EXPENSES:		
Cost of energy	24,306,322	23,596,605
Distribution – operation	1,513,065	1,204,016
Distribution – maintenance	4,441,219	3,461,054
Consumers accounts	1,771,749	1,599,022
Customer service and information expense	467,991	472,386
Administrative and general	1,677,928	1,641,310
Depreciation and amortization	3,354,875	3,267,176
Taxes – property	1,029,815	1,016,906
Taxes – other	2,433	74,474
TOTAL OPERATING EXPENSES	<u>38,565,397</u>	<u>36,332,949</u>
OPERATING MARGIN BEFORE FIXED CHARGES	<u>3,066,338</u>	<u>3,970,797</u>
FIXED CHARGES:		
Interest	3,055,897	3,151,240
Other deductions		
TOTAL FIXED CHARGES	<u>3,055,897</u>	<u>3,151,240</u>
OPERATING MARGINS AFTER FIXED CHARGES	<u>10,441</u>	<u>819,557</u>
CAPITAL CREDITS:		
Generation and transmission capital credits	1,568,655	1,106,541
Other capital credits	343,370	387,422
TOTAL CAPITAL CREDITS	<u>1,912,025</u>	<u>1,493,963</u>
NET OPERATING MARGINS	<u>1,922,466</u>	<u>2,313,520</u>

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF REVENUE
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Continued)

	<u>2012</u>	<u>2011</u>
NET OPERATING MARGINS (from previous page)	\$ 1,922,466	\$ 2,313,520
NON-OPERATING MARGINS:		
Interest and dividend income	55,177	60,411
Other	<u>(122,626)</u>	<u>(295,732)</u>
TOTAL NON-OPERATING MARGINS	<u>(67,449)</u>	<u>(235,321)</u>
NET MARGINS	<u>\$ 1,855,017</u>	<u>\$ 2,078,199</u>

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENT OF CHANGES IN PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Memberships</u>	<u>Patronage Capital</u>	<u>Other Equities</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
Balance, January 1, 2011	\$ 227,440	\$ 37,823,325	\$ 788,079	\$ (2,359,330)	\$ 36,479,514
Capital credits retired		(963,309)	269,459		(693,850)
Memberships retired	6,155				6,155
Other equity transactions		(307)	309		
Net margin		<u>2,078,199</u>			<u>2,078,199</u>
Balance, December 31, 2011	233,595	38,937,908	1,057,845	(2,359,330)	37,870,018
Capital credits retired		(836,173)			(836,173)
Memberships retired	6,670				6,670
Other equity transactions		30,624	243,854		274,478
Amortize other comprehensive Loss				(531,309)	(531,309)
Net margin		<u>1,855,017</u>			<u>1,855,017</u>
Balance, December 31, 2012	<u>\$ 240,265</u>	<u>\$ 39,987,376</u>	<u>\$ 1,301,699</u>	<u>\$ (2,890,639)</u>	<u>\$ 38,638,701</u>

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from consumers	\$ 41,305,215	\$ 40,434,565
Cash paid to suppliers and employees	(32,439,419)	(31,220,331)
Interest received	55,178	60,411
Interest paid	(3,199,335)	(3,281,902)
Taxes paid	(1,268,823)	(1,311,519)
	4,452,816	4,681,224
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction and acquisition of plant	(4,148,486)	(3,774,458)
Plant removal costs		(37,657)
(Increase) decrease in:		
Material inventory	(796)	(52,796)
Investments – associated organizations	575,075	938,885
	(3,574,207)	(2,926,026)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances	22,600,819	21,443,831
Payment of debt	(23,409,170)	(22,062,135)
Memberships issued	6,670	6,155
Patronage capital retired	(836,175)	(963,309)
Increased (decrease) in:		
Consumer deposits	20,851	36,195
Deferred credits	306,956	306,825
Other equities	243,854	(269,837)
	(1,066,195)	(1,502,275)
NET INCREASE IN CASH AND CASH EQUIVALENTS	878,609	252,923
CASH AND CASH EQUIVALENTS, beginning of year	1,830,054	1,577,131
CASH AND CASH EQUIVALENTS, end of year	\$ 2,708,663	\$ 1,830,054

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Continued)

	2012	2011
RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Margins	\$ 1,855,017	\$ 2,078,199
Adjustments to reconcile net margins to net cash provided by		
Operating activities:		
Depreciation and amortization	3,696,425	3,608,124
(Gain) loss on disposition of assets	134,815	163,103
G&T and other capital credits	(1,912,025)	(1,493,963)
(Increase) decrease in:		
Customer and other accounts receivable	(394,276)	185,595
Other current assets	(35,281)	(170,672)
Deferred debits	(41,904)	21,985
Amortization of debt discount	(134,995)	(134,995)
Increase (decrease) in:		
Accounts payable	458,945	167,426
Accrued property taxes	10,302	8,461
Accrued interest payable	(8,443)	4,333
Current and accrued liabilities – other	824,236	243,628
 Total Adjustments	 2,597,799	 2,603,025
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 4,452,816	 \$ 4,681,224
 NON-CASH ITEMS – INVESTING & FINANCING		
Capital credits from associated organizations	\$ 1,912,025	\$ 1,493,963

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the accounting policies adopted by Presque Isle Electric & Gas Co-op which have a significant effect on the financial statements.

Organization

Presque Isle Electric & Gas Co-op (Presque Isle) is a non-profit organization generally exempt from income tax under Section 501(c)(12) of the United States Internal Revenue Code. Presque Isle is subject to the Michigan Business Tax Act of the State of Michigan.

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

Utility Plant

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

Investments

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

Cash

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

Consumer Energy Prepayments and Unbilled Revenues

Seasonal account billings are accounted for as deferred credits and recognized as income on a straight-line basis over a period of one year. There were no estimated net unbilled revenues for the year.

Accounts receivable

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

Regulation

In 2012, Presque Isle elected to become self-regulated under PA 167 of 2011. Accounting and rate matters are subject to the Board of Directors and membership approval.

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Materials and Supplies

Electrical and natural gas materials and supplies are valued at average cost. Merchandise held for resale is valued on the first-in, first-out basis.

Retirement Plan

Presque Isle has a retirement savings plan for substantially all employees. Under the terms of the plan, Presque Isle is required to contribute 10 to 16 percent of the employee's total base earnings to the retirement plan.

Flex Benefit Plan

Presque Isle has a Flexible Benefits Plan. The purpose of the plan is to provide eligible employees a choice between cash and the specified welfare benefits described in the plan. Pre-Tax Premium elections under the plan are intended to qualify for the exclusion from income provided in Section 125 of the Internal Revenue Code of 1986.

Contributions in Aid of Construction

Contributions in aid of construction are received from customers on electrical and gas installations and re-applied against the construction costs.

NOTE 2: ASSETS PLEDGED

Substantially all assets are pledged as collateral on long-term debt payable to the National Rural Utilities Cooperative Finance Corporation (CFC).

NOTE 3: ELECTRIC AND GAS PLANT AND DEPRECIATION RATES AND PROCEDURES

Major classes of electric and gas plant as of December 31, 2012 and 2011 consisted of:

	<u>2012</u>	<u>2011</u>
Intangible plant	\$ 1,025,480	\$ 1,025,480
Distribution plant	115,911,969	112,770,473
General plant	<u>7,033,310</u>	<u>6,886,914</u>
	123,970,759	120,682,867
Construction work in progress	<u>946,713</u>	<u>852,911</u>
TOTAL	<u>\$ 124,917,472</u>	<u>\$ 121,535,778</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 4: ELECTRIC AND GAS PLANT AND DEPRECIATION RATES AND PROCEDURES - continued

Provision has been made for depreciation of the distribution plant at a straight-line rate of 10 to 50 years for all distribution plant additions.

General plant depreciation rates have been applied on a straight-line basis as follows for the year ended December 31, 2012:

	<u>Years</u>
Structures and improvements	10-50
Office furniture equipment	3-7
Transportation equipment	4-7
Power operated equipment	3-16
Other	4-5

Depreciation and amortization of electric and gas plant in service was charged as follows for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Charged to:		
Classified as depreciation and amortization	\$ 3,354,875	\$ 3,267,176
Classified in other operating expenses	130,102	132,805
	<u>3,484,977</u>	<u>3,399,981</u>
Charged to construction	211,448	212,518
	<u>211,448</u>	<u>212,518</u>
TOTAL DEPRECIATION AND AMORTIZATION	<u><u>\$ 3,696,425</u></u>	<u><u>\$ 3,612,499</u></u>

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 5: INVESTMENTS IN ASSOCIATED ORGANIZATIONS

Investments in associated organizations consisted of the following at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Wolverine Power Supply Coop. Inc. - capital credits	\$ 10,489,176	\$ 9,302,060
Wolverine Power Supply Coop. Inc. - PSDF	7,980,339	7,980,339
National Rural Utilities Cooperative Finance Corp.:		
Capital term certificates maturing October 1, 2020 through October 1, 2080 at interest rates between 3% and 7.50%	1,745,975	1,767,552
Patronage capital certificates	1,451,607	1,340,347
Other	<u>555,560</u>	<u>495,410</u>
 TOTAL	 <u>\$ 22,222,658</u>	 <u>\$ 20,885,708</u>

NOTE 6: CASH AND INVESTMENTS

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

	<u>Per Institution</u>	<u>Per Book</u>
Insured	\$ 1,103,845	\$ 899,674
Uninsured	<u>1,817,754</u>	<u>1,807,489</u>
 Cash in banks, credit union & CFC	 <u>\$ 2,921,599</u>	 2,707,163
 Working funds		 <u>1,500</u>
 Total per books		 <u>\$ 2,708,663</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 7: DEFERRED DEBITS

The Cooperative has recorded deferred debits in the following amounts:

	<u>2012</u>	<u>2011</u>
Prepaid tap fees	\$ 65,367	\$ 67,363
Prepaid years of service	66,245	79,950
Regulatory prepaid asset	6,150	8,199
Other deferred debits	<u>59,655</u>	
TOTAL	<u>\$ 197,416</u>	<u>\$ 155,512</u>

NOTE 8: MEMBERSHIPS

The following is a summary of changes in memberships for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Balance, beginning	\$ 233,595	\$ 227,440
Membership and subscriptions issued	<u>6,670</u>	<u>6,155</u>
Balance, ending	<u>\$ 240,265</u>	<u>\$ 233,595</u>

Memberships have been adjusted to reflect the number of members currently receiving service. In accordance with the Co-op by-laws, memberships are not refunded when a member leaves the service area. The membership fee is transferred to donated capital when the member terminates service.

NOTE 9: PATRONAGE CAPITAL

Patronage capital balances as of December 31, 2012 and 2011 consisted of:

	<u>2012</u>	<u>2011</u>
Assignable	\$ 1,855,017	\$ 2,078,199
Assigned to date	<u>44,048,100</u>	<u>41,969,901</u>
	45,903,117	44,048,100
Less retirements to date	<u>5,915,741</u>	<u>5,110,192</u>
Balance	<u>\$ 39,987,376</u>	<u>\$ 38,937,908</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 9: PATRONAGE CAPITAL - continued

Under the provisions of the Mortgage Agreement, until the equities and margins equal or exceed twenty percent of the total assets of the Cooperative, the return to patrons of capital contributed by them is limited generally to twenty-five percent of the patronage capital or margins received by the Cooperative in the next preceding year. The equities and margins of Presque Isle represent 35.7% and 35.9% of the total assets for the years 2012 and 2011, respectively. There were capital credits retired of \$836,173 and \$963,309 during 2012 or 2011, respectively.

NOTE 10: MORTGAGE NOTES

Long-term debt is composed of 2.85 percent to 6.65 percent mortgage notes payable to the National Rural Utilities Cooperative Finance Corporation (CFC). All mortgage notes to CFC will be repriced and the interest rate adjusted accordingly during the next 10 years in accordance with the policy and procedure governing such repricing. The notes are for 35 year periods each, with principal and interest installments due either quarterly or semiannually. The notes are scheduled to be fully repaid at various times from June 2013 through February 2047.

There were unadvanced loan funds available at December 31, 2012 in the amount of \$17,500,000.

Detail of the long-term debt is as follows:

	<u>2012</u>	<u>2011</u>
National Rural Utilities Cooperative Finance Corporation mortgage notes bearing interest at 2.85% to 6.65% per annum for 2012 and 2011	\$ 52,561,379	\$ 52,448,119
	52,561,379	52,448,119
Less current maturities	<u>2,006,000</u>	<u>1,888,300</u>
TOTAL LONG-TERM DEBT	<u>\$ 50,555,379</u>	<u>\$ 50,559,819</u>

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

2013	\$	2,006,000
2014	\$	2,105,000
2015	\$	2,225,000
2016	\$	1,424,373
2017	\$	1,702,000

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 11: LINE OF CREDIT

Presque Isle had available a short-term line of credit from CFC for 2012 and 2011 of \$8,000,000, with a revolving credit and term of sixty months. The agreement requires that within 360 days of the first advance, the cooperative will reduce to zero for a period of at least five consecutive business days amounts outstanding. The Cooperative was in compliance with this provision during 2012 and 2011. Balance available at December 31, 2012 and 2011 was \$8,000,000. The outstanding balance at December 31, 2012 and 2011 was \$-0-.

Additionally, Presque Isle has an \$8,000,000 unsecured revolving line-of-credit agreement with CoBank. Interest on outstanding borrowings is payable monthly and is computed at 2.96% at December 31, 2012. Presque Isle had an outstanding balance of \$7,278,699 for 2012 and \$6,200,310 in 2011.

NOTE 12: DEFERRED CREDITS

Following is a summary of the amounts recorded as deferred credits as of December 31, 2012 and 2011:

	2012	2011
Deferred gain from extinguishments of debt	\$ 404,987	\$ 539,982
Customer energy prepayments	183,528	(123,428)
TOTAL	\$ 588,515	\$ 416,554

NOTE 13: RETIREMENT PLAN

Retirement plan benefits for substantially all employees are provided through participation in a defined contribution SelectRE pension plan with 401k option with cash and deferred arrangement of the National Rural Electric Cooperative Association (NRECA) and its member systems. The income earned by funds while held under the plan is tax-exempt under Code Sections 401 and 501 of the Internal Revenue Code. Contributions to the savings program, which are based on a percentage of the employees' compensation were \$311,343 in 2012 and \$273,173 in 2011.

NOTE 14: POWER SUPPLY COST RECOVERY CLAUSE

On October 12, 1982, the Governor of the State of Michigan signed PA 304 of 1982 into law creating the Power Supply Cost Recovery Clause (PSCR), a power cost recovery mechanism.

Wolverine Power Supply Cooperative, Inc. (Wolverine) and the member-distribution Cooperatives including Presque Isle, obtained authority to implement and apply PSCR clauses and monthly factors. Presque Isle's monthly factor may not exceed 24.18 mills per KWH for the current period.

Due to fluctuations in market conditions, over-collections or under-collections could result between the generation cooperative and distribution cooperative as well as between the distribution cooperatives and their member-consumers.

The PSCR clause includes provisions whereby power cost recovery over-collections must be remedied by refunds and power cost recovery under-collections must be remedied by additional collections.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 14: POWER SUPPLY COST RECOVERY CLAUSE - continued

Presque Isle's balance sheets reflect an amount (due to)/from member-consumers for under/(over) collections in the amounts of \$95,904 and \$(193,144) at December 31, 2012 and 2011, respectively. These amounts are included in the accounts receivable balance.

On September 1, 2009, Presque Isle Electric & Gas Co-op implemented a new rate setting mechanism for its natural gas operations in 34 of its 36 franchised jurisdictions. This included a Gas Cost Recovery (GCR) mechanism. Due to fluctuations in market conditions, over-collections and under-collections of natural gas supply costs could result between the distribution cooperative and its member-consumers.

The GCR mechanism includes provisions whereby gas cost recovery over-collections must be remedied by refunds and gas cost recovery under-collections must be remedied by additional collections. Presque Isle's balance sheet reflects an amount due (to)/from member-consumers for under collections in the amounts of \$(189,560) and \$5,928 for the years ended December 31, 2012 and 2011, respectively. This amount is recorded in accounts receivable.

NOTE 15: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS

The cooperative has chosen to recognize the accounting method required by the Statement of Financial Accounting Standards No. 106 for Employer's Accounting for Post-retirement Benefits Other Than Pensions. The statement requires a transition from accounting, for these benefits, on a pay-as-you go (cash basis) to recognizing the benefit cost as they are earned (accrual basis). The change in accounting method requires the accounting for costs incurred to date but unpaid, which is called the Transition amount. This amount may be either expensed in the year of transition or it may be amortized over either the benefit period or twenty-years.

The plan sponsored by the company is a defined benefit post-retirement plan that covers all employees who retire from the cooperative before April 1, 1997 after (i) attainment of age 55 and completion of 30 years of service, or (ii) attainment of age 62. Spouses of pensioners are also insured until the pensioner's death.

At the end of 2012 there were no active participants and the accounting rules of the Financial Accounting Standards Board Statement No. 88 regarding curtailment must be recognized. The reconciliation of the funded status at December 31, 2012 is as follows:

	2012	2011
(Accrued) post-retirement benefit costs, beginning	\$ (2,923,738)	\$ (2,815,152)
Net periodic post-retirement benefit (costs)	(351,109)	(315,967)
Contributions made	189,586	207,381
Valuation adjustment	(531,309)	
(Accrued) post-retirement benefit cost, end of year	\$ (3,616,570)	\$ (2,923,738)

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 15: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - continued

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

	2012	2011
Interest cost	\$ 127,263	\$ 148,665
Early buyout cost		2,274
Net amortization and deferral	223,846	165,028
Net periodic post-retirement benefit cost	\$ 351,109	\$ 315,967

For measurement purposes a 9.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2012; the rate was assumed to decrease gradually to an ultimate rate of 5.0% per annum. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care cost trend rates by 1 percentage point in each year would increase the accumulated post-retirement benefit obligation \$162,634 and the aggregate of the service and interest cost components of the net periodic benefit cost by \$13,969. Decreasing the assumed health care cost trend rates by 1 percentage point in each year would decrease the accumulated post-retirement benefit obligation \$136,391 and the aggregate of the service and interest cost components of the net periodic benefit cost by \$12,274.

The weighted-average discount rate used in determining the accumulated post-retirement benefit obligation was 5.71 percent.

NOTE 16: EARLY RETIREMENT INCENTIVE

The cooperative has made available at different times certain voluntary separation incentives to encourage early retirement. The incentive consists of two distinct benefits: a monthly cash payment and a continuation of health care benefits, both for a period of no longer than 48 months. The cash portion consists of a monthly payment equal to \$10 for each full-year of service that the employee has with the Cooperative. The health care benefit consists of a continuation of the existing health insurance being provided to the employee by the Cooperative, with the employee being liable for the costs of continuing coverage for their spouse and dependents. There are five employees who have opted to receive this early retirement incentive. The Cooperative has accrued a liability to account for this contractual obligation. The obligation is detailed below:

	2012	2011
Cash portion	\$ 62,589	\$ 82,050
Health insurance portion	106,932	128,447
Total early retirement incentive liability	\$ 169,521	\$ 210,497

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 17: FLEX BENEFIT PLAN - under Section 125 of the Internal Revenue Code

The Flexible Benefit Plan is for the benefit of substantially all employees who have been employed for at least 30 days. The Cooperative has elected to offer to eligible employees the following Benefit Plans and Policies subject to the terms and conditions of the plan: (1) Disability Income - Short-Term (A&S); (2) Cancer Insurance; (3) Intensive Care Insurance; (4) Accident Insurance; and (5) Medical Care Expense Reimbursement, not to exceed \$1,200 per plan year. The maximum Pre-Tax Premiums a participant can contribute via the Salary Redirection Agreement is the aggregate cost of the applicable Benefit Plans or Policies selected minus any Nonelective Contributions made by the employer. It is intended that such Pre-Tax Premium accounts shall, for tax purposes, constitute an employer contribution.

NOTE 18: LETTERS OF CREDIT

The Co-op has a letter of credit outstanding to the Sequent Energy for \$1,500,000 at December 31, 2012. This letter of credit is required in order to mitigate counter party risk in natural gas purchase transactions. This also is a risk management tool for the Co-op with respect to mark to market issues.

NOTE 19: RECLASSIFICATION OF AMOUNTS

Certain amounts previously reported have been reclassified to conform to the 2012 presentation.

NOTE 20: SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2012, the most recent statement of financial position presented herein, through March 6, 2013 the issuance date of the accompanying financial statements. No significant such events or transactions were identified.



AUDITORS' CERTIFICATION REGARDING LOAN FUND EXPENDITURES

During the period of this audit, Presque Isle Electric & Gas Co-op received \$2,000,000 in long-term loan fund advances from CFC on loans controlled by the 100% CFC Mortgage and Loan Agreement. Based on our review of construction work orders and other plant accounting records created during the audit period, it is our opinion that these CFC loan funds were expended for purposes contemplated in the Loan Agreements on such loans.

Certified Public Accountants
March 6, 2013

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NON-MAJOR)

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

Report submitted for year ending:

12/31/2012

Present name of respondent:

Presque Isle Electric & Gas Co-op

Address of principal place of business:

19831 M 68 Highway Onaway, MI 49765

Utility representative to whom inquires regarding this report may be directed:

Name: Thomas J. Sobeck Title: Chief Financial Officer

Address: 19831 M 68 Highway

City: Onaway State: MI Zip Code: 49765

Telephone, Including Area Code: (989) 733-8515

If the Utility name has been changed during the past year:

Prior Name

Date of Change

Two copies of the published annual report to stockholders:

- were forwarded to the Commission
- will be forwarded to the Commission

on or about April 30, 2013

Annual reports to stockholders:

- are published.
- are not published.

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Heather Cantin) at (517) 241-0967 or cantinh@michigan.gov OR forward correspondence to:

DLARA/MPSC
Regulated Energy Division (Heather Cantin)
4300 W Saginaw
Lansing, MI 48917



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Presque Isle Electric & Gas Co-op
	BORROWER DESIGNATION	MI028
	ENDING DATE	12/31/2012

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;"> <div style="background-color: red; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">6</div> <p style="margin: 0;">Needs Attention</p> </div> <div style="background-color: yellow; color: black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">0</div> <p style="margin: 0;">Please Review</p> </div> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;"> <div style="background-color: green; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">12</div> <p style="margin: 0;">Matches</p> </div>	

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	40,303,746	41,631,734	44,281,432	3,686,330
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	23,596,605	24,306,322	26,850,864	2,177,739
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	1,204,016	1,510,325	1,377,252	104,153
7. Distribution Expense - Maintenance	3,461,054	4,443,960	3,188,425	913,274
8. Consumer Accounts Expense	1,599,022	1,771,749	1,727,882	94,297
9. Customer Service and Informational Expense	472,386	467,991	340,374	50,847
10. Sales Expense	0	0	0	0
11. Administrative and General Expense	1,641,310	1,677,928	1,508,236	108,258
12. Total Operation & Maintenance Expense (2 thru 11)	31,974,393	34,178,275	34,993,033	3,448,568
13. Depreciation & Amortization Expense	3,267,176	3,354,875	3,508,416	282,220
14. Tax Expense - Property & Gross Receipts	1,016,906	1,029,815	1,027,680	88,158
15. Tax Expense - Other	74,474	2,433	32,410	2,062
16. Interest on Long-Term Debt	2,934,809	2,858,425	3,070,149	238,158
17. Interest Charged to Construction (Credit)	216,431	197,472	138,370	17,328
18. Interest Expense - Other	0	0	504	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	39,484,189	41,621,293	42,770,562	4,076,494
21. Patronage Capital & Operating Margins (1 minus 20)	819,557	10,441	1,510,870	(390,164)
22. Non Operating Margins - Interest	60,411	55,178	56,512	223
23. Allowance for Funds Used During Construction	(295,732)	(122,626)	1,902	(21,779)
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	0	0	0	0
26. Generation & Transmission Capital Credits	1,106,541	1,568,655	650,000	1,568,655
27. Other Capital Credits & Patronage Dividends	387,422	343,370	384,841	19,359
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	2,078,199	1,855,017	2,604,125	1,176,294

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	152	146	5. Miles Transmission	0	0
2. Services Retired	72	38	6. Miles Distribution Overhead	3,858	3,860
3. Total Services In Place	35,528	35,692	7. Miles Distribution Underground	968	977
4. Idle Services (Exclude Seasonal)	2,407	2,502	8. Total Miles Energized (5+6+7)	4,826	4,837



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PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	123,970,759	29. Memberships	240,265
2. Construction Work in Progress	946,713	30. Patronage Capital	38,132,359
3. Total Utility Plant (1+2)	124,917,472	31. Operating Margins - Prior Years	(2,890,639)
4. Accum. Provision for Depreciation and Amort	48,585,345	32. Operating Margins - Current Year	1,922,466
5. Net Utility Plant (3-4)	76,332,127	33. Non-Operating Margins	(67,448)
6. Nonutility Property - Net	0	34. Other Margins & Equities	1,301,699
7. Investment in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	38,638,701
8. Invest. in Assoc. Org. - Patronage Capital	20,429,148	36. Long-Term Debt CFC (Net)	50,555,379
9. Invest. in Assoc. Org. - Other - General Funds	47,936	37. Long-Term Debt - Other (Net)	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,745,574	38. Total Long-Term Debt (36 + 37)	50,555,379
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	0	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	41. Total Other Noncurrent Liabilities (39+40)	0
14. Total Other Property & Investments (6 thru 13)	22,222,658	42. Notes Payable	7,278,699
15. Cash-General Funds	2,695,319	43. Accounts Payable	3,246,715
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	360,229
17. Special Deposits	0	45. Current Maturities Long-Term Debt	2,344,545
18. Temporary Investments	13,345	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	4,670,549	48. Other Current & Accrued Liabilities	5,182,340
21. Accounts Receivable - Net Other	448,871	49. Total Current & Accrued Liabilities (42 thru 48)	18,412,527
22. Renewable Energy Credits	0	50. Deferred Credits	588,515
23. Materials & Supplies - Electric and Other	1,286,667	51. Total Liabilities & Other Credits (35+38+41+49+50)	108,195,122
24. Prepayments	328,170		
25. Other Current & Accrued Assets	0		
26. Total Current & Accrued Assets (15 thru 25)	9,442,921		
27. Deferred Debits	197,416		
28. Total Assets & Other Debits (5+14+26+27)	108,195,122		
		ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
		Balance Beginning of Year	19,279,250
		Amounts Received This Year (Net)	305,395
		TOTAL Contributions-In-Aid-Of-Construction	19,584,645

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.



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PART E. CHANGES IN UTILITY PLANT

ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE OF YEAR (e)	DEPRECIATION RATE % (f)
1. Land and Land Rights (360)	675,781	0	0	0	675,781	
2. Structures and Improvements (361)	0	0	0	0	0	3.00%
3. Station Equipment (362)	26,330	0	0	0	26,330	3.00%
4. Storage Battery Equipment	0	0	0	0	0	
5. Poles, Towers, and Fixtures (364)	21,488,683	540,580	174,326	0	21,854,936	3.00%
6. Overhead Conductors and Devices (365)	17,514,447	692,319	92,860	0	18,113,906	3.00%
7. Underground Conduit (366)	518,980	1,283	0	0	520,263	3.00%
8. Underground Conductors and Devices (367)	13,058,944	870,862	206,947	0	13,722,860	3.00%
9. Line Transformers (368)	14,004,853	593,631	101,419	0	14,497,065	3.00%
10. Services (369)	13,586,003	320,192	35,303	0	13,870,891	3.00%
11. Meters (370)	1,939,138	53,028	1,819	0	1,990,348	3.00%
12. Installation on Consumer's Premises (371)	376,877	0	0	0	376,877	3.00%
13. Leased Property on Consumer's Premises (372)	0	0	0	0	0	
14. Street Lighting (373)	559,649	18,694	2,433	0	575,909	3.00%
15. SUBTOTAL: Distribution (1 thru 14)	83,749,684	3,090,589	615,107	0	86,225,166	
16. Land and Land Rights (See Line 26)						
17. Structures and Improvements (See Line 26)						
18. Office Furniture & Equipment (391)	419,841	25,584	147,201	0	298,224	33.00%
19. Transportation Equipment (392)	2,840,488	298,243	155,043	0	2,983,688	20.00%
20. Stores, Tools, Shop, Garage, and Laboratory Equipment (393, 394, 395)	388,318	33,419	0	0	421,737	20.00%
21. Power-Operated Equipment (396)	1,486,868	157,941	164,565	0	1,480,245	20.00%
22. Communication Equipment (397)	781,407	0	0	0	781,407	33.00%
23. Miscellaneous Equipment (398)	18,874	3,886	0	0	22,760	20.00%
24. Other Tangible Property (399)	0	0	0	0	0	
25. SUBTOTAL: General Plant (18 thru 24)	5,935,796	519,073	466,809	0	5,988,060	
26. Headquarters Plant (389 & 390)	1,019,842	94,133	0	0	1,113,976	
27. Intangibles (301, 302, 303)	72,256	0	0	0	72,256	
28. Land and Land Rights, Roads and Trails (350, 359)	0	0	0	0	0	
29. Structures and Improvements (352)	0	0	0	0	0	
30. Station Equipment (353)	0	0	0	0	0	
31. Towers and Fixtures and Poles and Fixtures (354, 355)	0	0	0	0	0	
32. Overhead, Conductors, and Devices (356)	0	0	0	0	0	
33. Underground Conduit (357)	0	0	0	0	0	
34. Underground Conductor & Devices (358)	0	0	0	0	0	
35. SUBTOTAL: Transmission Plant (28 thru 34)	0	0	0	0	0	
36. Regional Transmission and Market Operation Plant (380-386)	0	0	0	0	0	
37. Production Plant - Steam (310-316)	0	0	0	0	0	
38. Production Plant - Nuclear (320-325)	0	0	0	0	0	
39. Production Plant - Hydro (330-336)	0	0	0	0	0	
40. Production Plant - Other (340-346)	0	0	0	0	0	
41. All Other Utility Plant (102, 104-106, 114, 118)	29,920,170	643,567	0	0	30,563,737	
42. SUBTOTAL: (15+25+26+27+35 thru 41)	120,697,748	4,347,363	1,081,916	0	123,963,195	
43. Construction Work in Progress (107)	838,029	116,248			954,278	
44. TOTAL UTILITY PLANT (42 + 43)	121,535,777	4,463,611	1,081,916	0	124,917,472	



NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION
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PART F. ANALYSIS OF ACCUMULATED PROVISION FOR DEPRECIATION - TOTAL ELECTIC PLANT

ITEM	DISTRIBUTION PLANT (a)	GENERAL PLANT (b)	TRANSMISSION PLANT (c)	OTHER PLANT (d)
1. Balance Beginning of Year	34,927,478	5,293,530	0	5,803,030
2. Additions - Depreciation Accruals Charged to:				
a. Depreciation Expense	2,524,070	579,885	0	594,988
b. Clearing Accounts and Others	0	0	0	0
c. Subtotal (a+b)	2,524,070	579,885	0	594,988
3. Less - Plant Retirements:				
a. Plant Retired	615,107	466,809	0	0
b. Removal Costs	0	0	0	0
c. Subtotal (a+b)	615,107	466,809	0	0
4. Plus Salvaged Materials	0	0	0	0
5. TOTAL (2c - 3e +4)	1,908,963	113,076	0	594,988
6. Other Adjustments - Debit or Credit	0	0	0	0
7. Balance End of Year (1+5+6)	36,836,440	5,406,606	0	6,398,018

AS OF 12/31/98 CFC NO LONGER REQUIRES SECTIONS "G", "N" AND "P" DATA

Those sections refer to data on, "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and Conservation Data" (P).

PART H. SERVICE INTERRUPTIONS

ITEM	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	TOTAL (e)
	Power Supplier (a)	Major Event (b)	Planned (c)	All Other (d)	
1. Present Year	28.20	3,823.80	0.90	261.10	4,114.00
2. Five-Year Average	8.60	1,279.50	1.80	246.10	1,536.00

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	65	4. Payroll - Expensed	3,577,373
2. Employee - Hours Worked - Regular Time	142,947	5. Payroll - Capitalized	1,269,470
3. Employee - Hours Worked - Overtime	22,251	6. Payroll - Other	0

PART J. PATRONAGE CAPITAL

ITEM	THIS YEAR (a)	CUMULATIVE (b)
1. General Retirement	963,309	4,406,902
2. Special Retirements	0	0
3. Total Retirements (1+2)	963,309	4,406,902
4. Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	381,539	
5. Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	170,801	
6. Total Cash Received (4+5)	552,340	

PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days:	506,342
2. Amount Written Off During Year:	79,364

PART L. RWH PURCHASED AND TOTAL COST

NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	KWH PURCHASED (e)	TOTAL COST (f)	INCLUDED IN TOTAL COST			
						AVERAGE COST PER KWH (cents) (g)	FUEL COST ADJUSTMENT (h)	WHEELING & OTHER CHARGES (or Credits) (i)	COMMENTS (j)
1. Wolverine Power Cooperative			0 None	254,469,600	20,815,666	8.18	0	0	Comments
2.			0 None	0	0	0.00	0	0	Comments
3.			0 None	0	0	0.00	0	0	Comments
4.			0 None	0	0	0.00	0	0	Comments
5. TOTALS				254,469,600	20,815,666	8.18	0	0	



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PART L. KWH PURCHASED AND TOTAL COST (Continued)

Comments

1.	
2.	
3.	
4.	



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Presque Isle Elect
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PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.			0
2.			0
3.		TOTAL	\$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000.

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	50,555,379	3,001,919	1,886,740	4,888,659	
2.	NCSC	0	0	0	0	
3.	Farmer Mac	0	0	0	0	
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
10.		0	0	0	0	
11.		0	0	0	0	
12.	TOTAL (Sum of 1 thru 11)	\$50,555,379	\$3,001,919	\$1,886,740	\$4,888,659	



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PART R. POWER REQUIREMENTS DATA BASE

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	17,445	17,457	17,444	17,451	17,432	17,442
	b. KWH Sold	13,033,880	12,666,632	11,211,950	10,636,595	10,318,848	9,970,297
	c. Revenue	1,747,549	1,706,026	1,543,519	1,481,172	1,445,835	1,411,032
2. Residential Sales - Seasonal	a. No. Consumers Served	13,373	13,371	13,383	13,409	13,443	13,442
	b. KWH Sold	2,918,602	2,925,388	2,909,907	2,900,528	(481,865)	1,898,941
	c. Revenue	571,486	573,521	574,551	574,641	395,501	634,867
3. Irrigation Sales	a. No. Consumers Served	26	26	26	26	26	26
	b. KWH Sold	266	6,383	5,100	5,130	8,287	35,014
	c. Revenue	730	1,394	1,255	1,258	1,601	4,502
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,892	1,892	1,891	1,896	1,897	1,897
	b. KWH Sold	3,917,246	4,067,093	3,846,237	3,751,926	3,837,454	4,804,228
	c. Revenue	452,460	469,105	447,315	442,731	450,737	543,401
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	4	4	4	4	4	4
	b. KWH Sold	1,250,100	1,182,000	1,270,200	1,201,500	1,242,600	1,406,700
	c. Revenue	117,520	114,191	124,179	116,187	117,248	142,277
6. Public Street & Highway Lighting	a. No. Consumers Served	38	38	38	38	39	39
	b. KWH Sold	34,061	34,147	34,126	32,359	32,395	32,503
	c. Revenue	6,049	6,094	6,091	5,767	5,775	5,800
7. Other Sales to Public Authority	a. No. Consumers Served	332	332	332	331	331	331
	b. KWH Sold	366,659	413,017	398,626	323,342	350,134	371,480
	c. Revenue	45,887	50,918	49,356	41,183	44,076	46,393
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	(96,434)	(100,597)	(69,399)	(72,409)	230,597	95,721
10. TOTAL No. of Consumers (lines 1a thru 9a)		33,110	33,120	33,118	33,155	33,172	33,181
11. TOTAL KWH Sold (lines 1b thru 9b)		21,520,814	21,294,660	19,676,146	18,851,380	15,307,853	18,519,163
12. TOTAL Revenue Received From Sales of Electric Energy (Line 1c thru 9c)		2,845,247	2,820,652	2,676,867	2,590,530	2,691,370	2,883,993
13. Transmission Revenue		0	0	0	0	0	0
14. Other Electric Revenue		56,291	40,379	43,957	153,324	48,193	27,370
15. KWH - Own Use		24,806	27,512	23,565	19,665	16,453	19,440
16. TOTAL KWH Purchased		23,599,200	21,058,800	19,317,000	18,627,600	19,179,000	20,665,200
17. TOTAL KWH Generated		0	0	0	0	0	0
18. Cost of Purchases and Generation		1,794,190	1,770,177	1,659,178	1,583,658	1,575,189	1,722,555
19. Interchange - KWH - Net		395	310	362	632	1,414	822
20. Peak - Sum All KW Input (Metered)		41,136	38,009	42,619	31,157	35,940	46,618

Non-coincident Coincident



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Presque Isle Elect
	BORROWER DESIGNATION	MI028
	YEAR ENDING	12/31/2012

PART R. POWER REQUIREMENTS DATA BASE (Continued)

(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)

LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Column a thru l) (m)
1	a.	17,441	17,453	17,458	17,439	17,444	17,449	17,447
	b.	11,014,339	11,407,832	10,338,766	10,185,652	11,479,680	11,758,465	134,022,936
	c.	1,532,285	1,576,266	1,455,585	1,434,054	1,576,512	1,606,135	18,515,970
2	a.	13,410	13,414	13,366	13,415	13,428	13,429	13,401
	b.	1,866,363	2,544,825	2,588,621	2,569,671	2,596,129	2,590,220	27,827,330
	c.	757,194	524,591	535,790	531,547	534,651	532,550	6,740,890
3	a.	26	26	26	26	26	26	26
	b.	48,415	71,353	34,038	8,541	749	1,465	224,741
	c.	5,957	8,447	4,396	1,628	782	860	32,810
4	a.	1,901	1,908	1,912	1,912	1,914	1,913	1,903
	b.	4,623,490	5,101,703	4,274,852	3,867,238	4,031,175	3,799,284	49,921,926
	c.	533,224	582,006	490,679	450,318	468,542	455,649	5,786,166
5	a.	4	4	4	4	4	4	4
	b.	1,500,600	1,412,100	1,304,100	1,385,700	1,142,400	1,117,200	15,415,200
	c.	146,799	130,561	124,730	131,531	112,010	109,649	1,486,883
6	a.	39	39	39	39	39	39	39
	b.	32,565	32,520	32,480	32,225	32,346	32,346	394,073
	c.	5,807	5,799	5,793	5,747	5,770	5,770	70,262
7	a.	331	331	331	330	330	330	331
	b.	411,260	520,930	458,018	391,066	363,689	370,586	4,738,807
	c.	50,711	62,617	55,770	48,526	45,532	46,280	587,249
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	325,085	(99,189)	(41,921)	147,916	33,042	34,988	387,400
10		33,152	33,175	33,136	33,165	33,185	33,190	33,150
11		19,497,032	21,091,263	19,030,875	18,440,093	19,646,168	19,669,566	232,545,013
12		3,357,062	2,791,098	2,630,822	2,751,267	2,776,841	2,791,881	33,607,630
13		0	0	0	0	0	0	0
14		55,223	54,105	47,059	54,095	46,987	56,700	683,683
15		12,049	16,522	12,885	17,702	15,383	22,827	228,809
16		25,169,400	22,363,800	19,537,200	20,700,000	21,637,200	22,615,200	254,469,600
17		0	0	0	0	0	0	0
18		2,037,883	1,753,667	1,629,913	1,767,792	1,758,670	1,762,796	20,815,668
19		328	389	405	431	1,430	590	7,508
20		46,618	46,979	35,606	35,820	38,173	41,497	46,979



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Presque Isle Elect
	BORROWER DESIGNATION	MI028
	YEAR ENDING	12/31/2012

PART S. ENERGY EFFICIENCY PROGRAMS

No.	Classification	Added This Year			Total To Date		
		Number of Consumers (a)	Amount Invested (b)	ESTIMATED MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	ESTIMATED MMBTU Savings (f)
1.	Residential Sales (excluding seasonal)	0	0	0	0	0	0
2.	Residential Sales - Seasonal	0	0	0	0	0	0
3.	Irrigation Sales	0	0	0	0	0	0
4.	Comm. and Ind. 1000 KVA or Less	0	0	0	0	0	0
5.	Comm. and Ind. Over 1000 KVA	0	0	0	0	0	0
6.	Public Street & Highway Lighting	0	0	0	0	0	0
7.	Other Sales to Public Authority	0	0	0	0	0	0
8.	Sales for Resales - RUS Borrowers	0	0	0	0	0	0
9.	Sales for Resales - Other	0	0	0	0	0	0
10.	TOTALS	0	0	0	0	0	0



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		BORROWER NAME		Presque Isle Elect
		BORROWER DESIGNATION		MI028
		YEAR ENDING		12/31/2012
(All investments refer to your most recent CFC Loan Agreement)				
7a - PART 1 - INVESTMENTS				
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)	
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS				
5	See Attached Sheet	514,126	21,708,532	0
6		0	0	0
7		0	0	0
8		0	0	0
Subtotal (Line 5 thru 8)		\$514,126	\$21,708,532	\$0
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS				
9		0	0	0
10		0	0	0
11		0	0	0
12		0	0	0
Subtotal (Line 9 thru 12)		\$0	\$0	\$0
4. OTHER INVESTMENTS				
13		0	0	0
14		0	0	0
15		0	0	0
16		0	0	0
Subtotal (Line 13 thru 16)		\$0	\$0	\$0
5. SPECIAL FUNDS				
17		0	0	0
18		0	0	0
19		0	0	0
20		0	0	0
Subtotal (Line 17 thru 20)		\$0	\$0	\$0
6. CASH - GENERAL				
21	See Attached Sheet	1,659,784	1,035,534	0
22		0	0	0
23		0	0	0
24		0	0	0
Subtotal (Line 21 thru 24)		\$1,659,784	\$1,035,534	\$0
7. SPECIAL DEPOSITS				
25		0	0	0
26		0	0	0
27		0	0	0
28		0	0	0
Subtotal (Line 25 thru 28)		\$0	\$0	\$0
8. TEMPORARY INVESTMENTS				
29	Citizens Nat'l Bank - IMMA	13,345	0	0
30		0	0	0
31		0	0	0
32		0	0	0
Subtotal (Line 29 thru 32)		\$13,345	\$0	\$0
9. ACCOUNT & NOTES RECEIVABLE - NET				
33	See Attached Sheet	448,871	0	0
34		0	0	0
35		0	0	0
36		0	0	0
Subtotal (Line 33 thru 36)		\$448,871	\$0	\$0
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
37		0	0	0
38		0	0	0
39		0	0	0
40		0	0	0
Subtotal (Line 37 thru 40)		\$0	\$0	\$0
Total		\$2,636,127	\$22,744,066	\$0



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Presque Isle Elect
	BORROWER DESIGNATION	MI028
	YEAR ENDING	12/31/2012

(All investments refer to your most recent CFC Loan Agreement)

7a - PART II. LOAN GUARANTEES

Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0

7a - PART III. LOANS

Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0

7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES

1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)			2,636,127
2	LARGER OF (a) OR (b)			19,319,351
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)			18,737,621
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)			19,319,351

MPSC FORM P-522

ANNUAL REPORT OF NATURAL GAS COMPANIES (MAJOR AND NONMAJOR)

IDENTIFICATION

01 Exact Legal Name of Respondent Presque Isle Electric & Gas Co-op	02 Year of Report December 31, 2012
------------------------------------------------------------------------	----------------------------------------

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)

19831 M 68 Highway Onaway, MI 49765

05 Name of Contact Person Thomas J. Sobeck	06 Title of Contact Person Chief Financial Officer
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07 Address of Contact Person (Street, City, State, Zip)

19831 M 68 Highway Onaway, MI 49765

08 Telephone of Contact Person, Including Area Code: 989-733-8515	09 This Report is: (1) X An Original (2) A Resubmission	10 Date of Report (Mo, Da, Yr) 4/30/2013
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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 Brian J. Burns	03 Signature 	04 Date Signed (Mo, Da, Yr) 4/30/2013
02 Title President & CEO		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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GENERAL INFORMATION

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

Brian J. Burns, Chief Executive Officer
19831 M 68 Highway
Onaway, MI 49765

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
March 26, 1937

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

Not Applicable

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

Electric Distribution
Natural Gas Distribution

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: _____
- (2) No

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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 by 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.

NOT APPLICABLE

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
---------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------	---------------------------------------------------

LIST OF SCHEDULES (Natural Gas Utility)

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.
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.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
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 and this report are compatible.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition or an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent

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 in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
NOT APPLICABLE			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
---------------------------------------------------------	----------------------------------------------------------------	--------------------------------------------------	-----------------------------------------

OFFICERS

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report below the name, title and salary for the top 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	Brian Burns, President & CEO	\$147,176.03	\$3,941.69	\$151,117.72
2	John Brown, Chairman		\$10,875.00	\$10,875.00
3	Allen Barr, Vice Chairman		\$9,875.00	\$9,875.00
4	David W. Smith, Secretary		\$11,225.00	\$11,225.00
5	Daryl Peterson, Treasurer		\$11,125.00	\$11,125.00
6				
7				
8				
9				
	<u>(c) Other Compensation</u> Brian Burns 50K life insurance premium. Vehicle Compensation		\$676.20 <u>\$3,265.49</u> \$3,941.69	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
---------------------------------------------------------	----------------------------------------------------------------	--------------------------------------------------	-----------------------------------------

DIRECTORS

1. Report below the information called for concerning the respondent.
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

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

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
John Brown, Chairperson	19831 M 68 Highway Onaway, MI 49765	13	\$10,875.00
Allen Barr, Vice Chairperson		13	\$9,875.00
David W. Smith, Secretary		13	\$11,225.00
Daryl Peterson, Treasurer		13	\$11,125.00
Robert Wegmeyer, Director		12	\$5,450.00
Sally Knopf, Director		13	\$10,300.00
Bernice Krajniak, Director		13	\$11,200.00
Allan Berg, Director		13	\$10,200.00
Raymond Wozniak, Director		13	\$12,600.00

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31,2012
---------------------------------------------------------	----------------------------------------------------------------	--------------------------------------------------	----------------------------------------

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 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:

NOT APPLICABLE

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: 2,272

BY PROXY: 6

3. Give the date and place of such meeting:

**October 26, 2012
Onaway High School, Onaway, Michigan**

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name (and 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	0			
5	TOTAL number of security holders	0			
6	TOTAL votes of security holders listed below	0			
7	Not Applicable				
8					
9					
10					
11					
12					
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
---------------------------------------------------------	----------------------------------------------------------------	----------------------------------------------	-------------------------------------

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

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

NONE

PRESQUE ISLE ELECTRIC & GAS CO-OP

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CERTIFICATION

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

Signature of Chief Financial Officer

Date

Signature of Chief Executive Officer

Date

PART 1 - STATEMENT OF COMBINED OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2012

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2011	2012	BUDGET	
1.	Operating Revenue - Electric	32,104,834	34,291,312	35,927,055	2,848,581
1.	Operating Revenue - Gas	8,198,912	7,340,423	8,354,377	837,749
	Total Revenue	40,303,746	41,631,734	44,281,432	3,686,330
3.	Cost of Purchased Energy - Electric	19,150,713	20,815,666	22,903,569	1,762,796
3.	Cost of Purchased Energy - Gas	4,445,892	3,490,656	3,947,295	414,943
	Total Cost of Energy Sold	23,596,605	24,306,322	26,850,864	2,177,739
	Gross Revenues	16,707,141	17,325,413	17,430,568	1,508,591
5.	Distribution Expense - Operation	1,204,016	1,510,325	1,377,252	104,153
6.	Distribution Expense - Maintenance	3,461,054	4,443,960	3,188,425	913,274
7.	Consumer Accounts Expense	1,599,022	1,771,749	1,727,882	94,297
8.	Customer Service and Informational Expense	472,386	467,991	340,374	50,847
10.	Administrative and General Expense	1,641,310	1,677,928	1,508,236	108,258
	Total Operation & Maintenance Expense	8,377,788	9,871,952	8,142,169	1,270,830
12.	Depreciation & Amortization Expense	3,267,176	3,354,875	3,508,416	282,220
13.	Tax Expense - Property & Gross Receipts	1,016,906	1,029,815	1,027,680	88,158
14.	Tax Expense - Other	74,474	2,433	32,410	2,062
15.	Interest on Long-Term Debt	2,934,809	2,858,425	3,070,149	238,158
17.	Interest Expense - Other	216,431	197,472	138,370	17,328
18.	Other Deductions	0	0	504	0
	Total Cost of Operations	15,887,584	17,314,972	15,919,697	1,898,755
20.	Patronage Capital & Operating Margins	819,557	10,441	1,510,870	(390,164)
21.	Non-Operating Margins - Interest	60,411	55,178	56,512	223
23.	Income (Loss) from Equity Investments	(295,732)	(122,626)	1,902	(21,779)
24.	Non-Operating Margins - Other	0	0	0	0
25. a	Generation and Transmission Capital Credits	478,950	1,568,655	650,000	1,568,655
25. b	G & T Capital Credits - PSDFC	627,591	0	0	0
26.	Other Capital Credits and Patronage Dividends	387,422	343,370	384,841	19,359
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital	2,078,199	1,855,017	2,604,126	1,176,294

Net T.I.E.R.	1.66	1.61
Operating T.I.E.R.	1.26	1.00

ITEM	ELECTRIC YEAR TO DATE		GAS YEAR TO DATE	
	2011	2012	2011	2012
1. New Services Connected	152	146	121	125
2. Services Retired	72	38	0	0
3. Total Services in Place	35528	35692	9093	9199
4. Idle Services (Excl Seasonal)	2407	2502	504	529
5. Miles Distribution - Overhead	3858	3,860		
6. Miles Distribution - Underground	968	977		
7. Total Miles Energized (5 + 6)	4826	4,837		

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CERTIFICATION

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

Signature of Chief Financial Officer

Date

Signature of Chief Executive Officer

Date

PART 1A - STATEMENT OF ELECTRICAL OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2012

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2011	2012	BUDGET	
1.	Operating Revenue - Electric	32,104,834	34,291,312	35,927,055	2,848,581
1.					
	Total Revenue	32,104,834	34,291,312	35,927,055	2,848,581
3.	Cost of Purchased Energy - Electric	19,150,713	20,815,666	22,903,569	1,762,796
3.					
	Total Cost of Energy Sold	19,150,713	20,815,666	22,903,569	1,762,796
	Gross Revenues	12,954,121	13,475,646	13,023,486	1,085,785
5.	Distribution Expense - Operation	757,074	947,273	933,050	72,344
6.	Distribution Expense - Maintenance	3,315,468	4,258,258	3,062,629	905,322
7.	Consumer Accounts Expense	1,287,996	1,396,375	1,394,361	73,260
8.	Customer Service and Informational Expense	444,154	437,364	310,144	49,603
10.	Administrative and General Expense	1,320,739	1,374,747	1,282,692	82,195
	Total Operation & Maintenance Expen	7,125,431	8,414,017	6,982,875	1,182,724
12.	Depreciation & Amortization Expense	2,630,692	2,695,590	2,862,000	226,960
13.	Tax Expense - Property & Gross Receipts	745,138	758,282	752,390	64,343
14.	Tax Expense - Other	60,674	1,732	26,010	2,062
15.	Interest on Long-Term Debt	1,833,206	1,792,956	1,852,194	196,353
17.	Interest Expense - Other	167,235	158,282	110,313	13,507
18.	Other Deductions	0	0	503	0
	Total Cost of Operations	12,562,377	13,820,859	12,586,284	1,685,949
20.	Patronage Capital & Operating Margins	391,744	(345,213)	437,202	(600,164)
21.	Non-Operating Margins - Interest	56,810	52,093	53,693	176
23.	Income (Loss) from Equity Investments	(147,644)	(124,815)	(831)	(21,951)
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credits	478,950	1,568,655	650,000	1,568,655
25.b	G & T Capital Credits - PSDFC	627,591	0	0	0
26.	Other Capital Credits and Patronage Dividend	280,647	252,695	294,421	15,294
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	Patronage Capital	1,688,099	1,403,415	1,434,485	962,010
	Net T.I.E.R.	1.84	1.72		
	Operating T.I.E.R.	1.20	0.82		

PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2011	2012
1. New Services Connected	152	146
2. Services Retired	72	38
3. Total Services in Place	35,528	35,692
4. Idle Services (Excl Seasonal)	2,407	2,502
5. Miles Distribution - Overhead	3,858	3,860
6. Miles Distribution - Underground	968	977
7. Total Miles Energized (5 + 6)	4,826	4,837

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Signature of Chief Financial Officer

Date

Signature of Chief Executive Officer

Date

PART 1B - STATEMENT OF GAS OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2012

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2011	2012	BUDGET	
1.					
1.	Operating Revenue - Gas	8,198,912	7,340,423	8,354,377	837,749
	Total Revenue	8,198,912	7,340,423	8,354,377	837,749
3.					
3.	Cost of Purchased Energy - Gas	4,445,892	3,490,656	3,947,295	414,943
	Total Cost of Energy Sold	4,445,892	3,490,656	3,947,295	414,943
	Gross Revenues	3,753,020	3,849,767	4,407,082	422,806
5.	Distribution Expense - Operation	446,942	563,052	444,203	31,809
6.	Distribution Expense - Maintenance	145,586	185,702	125,796	7,953
7.	Consumer Accounts Expense	311,026	375,374	333,521	21,037
8.	Customer Service and Informational Expense	28,232	30,626	30,231	1,244
10.	Administrative and General Expense	320,571	303,181	225,544	26,063
	Total Operation & Maintenance Expense	1,252,357	1,457,935	1,159,294	88,106
12.	Depreciation & Amortization Expense	636,483	659,285	646,416	55,260
13.	Tax Expense - Property & Gross Receipts	271,768	271,532	275,290	23,815
14.	Tax Expense - Other	13,800	702	6,400	0
15.	Interest on Long-Term Debt	1,101,603	1,065,468	1,217,955	41,805
17.	Interest Expense - Other	49,196	39,190	28,057	3,821
18.	Other Deductions	0	0	1	0
	Total Cost of Operations	3,325,207	3,494,113	3,333,414	212,806
20.	Patronage Capital & Operating Margins	427,812	355,654	1,073,668	210,000
21.	Non-Operating Margins - Interest	3,600	3,085	2,819	47
23.	Income (Loss) from Equity Investments	(148,088)	2,189	2,733	172
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credits	0	0	0	0
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Dividend	106,775	90,675	90,421	4,065
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital	390,100	451,603	1,169,641	214,284
	Net T.I.E.R.	1.34	1.41		
	Operating T.I.E.R.	1.37	1.32		

PART 2B - DATA ON GAS DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2011	2012
1. New Services Connected	121	125
2. Services Retired	0	0
3. Total Services in Place	9,093	9,199
4. Idle Services (Excl Seasonal)	504	529
5. Miles Distribution - Overhead	0	0
6. Miles Distribution - Underground	0	0
7. Total Miles Energized (5 + 6)	0	0

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PART 3 - COMBINED BALANCE SHEET AS OF DECEMBER 31, 2012

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 93,122,346	30a.	Memberships - Electric 221,240
1b.	Utility Plant in Service - Gas 30,848,413	30b.	Memberships - Gas 19,025
1.	Utility Plant in Service - Combined 123,970,759	30.	Memberships - Combined 240,265
2a.	Construction Work in Progress - Electric 954,278	31a.	Patronage Capital - Electric 36,843,000
2b.	Construction Work in Progress - Gas (7,564)	31b.	Patronage Capital - Gas 1,289,359
2.	Construction Work in Progress - Combined 946,713	31.	Patronage Capital - Combined 38,132,359
3a.	Total Utility Plant (1+ 2) - Electric 94,076,623	32a.	Operating Margins - Prior Years - Electric (2,890,639)
3b.	Total Utility Plant (1 + 2) - Gas 30,840,849	32b.	Operating Margins - Prior Years - Gas 0
3.	Total Utility Plant - Combined 124,917,472	32.	Operating Margins - Prior Years - Combined (2,890,639)
4a.	Accumulated Provision for Depreciation - Electric 42,162,186	33a.	Operating Margins - Current Year - Electric (345,213)
4b.	Accumulated Provision for Depreciation - Gas 6,423,159	33b.	Operating Margins - Current Year - Gas 355,654
4.	Accum. Provision for Depreciation - Combined 48,585,345	33.	Operating Margins - Current Year - Combined 10,441
5a.	Net Utility Plant (3 - 4) - Electric 51,914,437	34a.	Non Operating Margins - Electric 1,748,627
5b.	Net Utility Plant (3 - 4) - Gas 24,417,691	34b.	Non Operating Margins - Gas 95,949
5.	Net Utility Plant - Combined 76,332,128	34.	Non Operating Margins - Combined 1,844,577
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 1,296,425
8.a	Invest. in Assoc. Org- Patronage Capital - WPC 10,489,176	35b.	Other Margins and Equities - Gas 5,274
8.b	Invest. in Assoc. Org. - Patronage Capital - WPC - PSDFC 7,980,339	35.	Other Margins and Equities - Combined 1,301,699
8.c	Invest. in Assoc. Org. - Patronage Capital - Other 1,959,634	36a.	Total Margins and Equities (30 thru 35) - Electric 36,873,439
9.	Invest. in Assoc. Org. - Other - General Funds 47,936	36b.	Total Margins and Equities (30 thru 35) - Gas 1,765,262
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,745,574	36.	Total Margins and Equities (30 thru 35) - Combined 38,638,701
11.	Invest. in Economic Development Projects 0	37.	Long Term Debt - RUS (Net)
12.	Other Investments 0		(Payments-Unapplied \$ -0-) 0
13.	Restricted Funds 0	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
14.	Total Other Property and Investments (6 thru 13) 22,222,658	39.	Long Term Debt - Other - RUS Guaranteed 0
15.	Cash - General Funds 2,695,319	40.	Long Term Debt - Other (Net) 50,555,379
16.	Cash - Construction Funds 0	41.	Total Long Term Debt (37 thru 40) 50,555,379
17.	Special Deposits 0	42.	Obligations Under Capital Leases 0
18.	Temporary Investments 13,345	43.	Deferred Compensation 0
19.	Notes Receivable - Net 0	44.	Total Other Non Current Liabilities (42+43) 0
20.	Accounts Receivable - Net Sales of Energy 4,670,549	45.	Line of Credit Balance Due 7,278,699
21.	Accounts Receivable - Net Other 448,871	46.	Accounts Payable 3,246,715
22.	Materials and Supplies - Electric and Other 1,286,667	47.	Consumers Deposits 360,229
23.	Prepayments 328,170	48.	Other Current and Accrued Liabilities 7,526,885
24.	Other Current and Accrued Assets 0	49.	Total Current and Accrued Liabilities (45 thru 48) 18,412,527
25.	Total Current and Accrued Assets (15 thru 24) 9,442,921	50.	Deferred Credits 588,515
26.	Regulatory Assets 0	51.	Accumulated Deferred Income Taxes 0
27.	Other Deferred Debits 197,416	52.	Total Liabilities and Other Credits
28.	Accumulated Deferred Income Taxes 0		(36+41+44+49 thru 51) 108,195,122
29.	Total Assets and Other Debits (5 + 14 + 25 thru 28) 108,195,122		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		53.	Balance Beginning of the Year - Electric 19,279,250
		54.	Balance Beginning of the Year - Gas 3,557,435
		55.	Balance Beginning of the Year - Gas AER 1,054,511
			Amount Received This Year (Net) - Electric 305,395
			Amount Received This Year (Net) - Gas 110,410
			Amount Received This Year (Net) - Gas AER 0
			Total Contributions in Aid of Construction - Electric 19,584,645
			Total Contributions in Aid of Construction - Gas 3,667,845
			Total Contributions in Aid of Construction - Gas AER 1,054,511

PART 4 - NOTES TO COMBINED FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

PRESQUE ISLE ELECTRIC & GAS CO-OP

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ELECTRIC OPERATIONS PLANT RATIOS, SALES & REVENUE REPORT FOR THE MONTH ENDING DECEMBER 31 2012

BALANCE SHEET RATIOS

Current Assets to Current Liabilities	- Combined	51.29 %
Margins & Equities as % of Assets	- Combined	35.71 %
Long Term Debt as % of Net Utility Plant	- Combined	66.23 %
Long Term Debt as % of Plant	- Combined	40.47 %
Modified Debt Service Coverage Ratio	- Combined	1.40

CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service	kWh Sold	Amount	Number of Minimum Bills
	A.	B.	C.	D.
Sales - Residential	17,449	11,758,465	1,606,135	1,181
Sales - Seasonal	13,429	2,590,220	532,550	12,643
Sales - General Service - Oil	479	454,848	59,923	30
Sales - Irrigation	26	1,465	860	16
Sales - General Service	1,390	2,313,078	285,740	182
Sales - Large Power - Oil	9	129,676	14,128	
Sales - Large Power	39	2,018,882	205,507	1
Sales - Public Street & Highway Lighting	39	32,346	5,770	
Sales - Public Buildings	330	370,586	46,280	39
Consumer Sales - PSCR			34,988	
Total Sales of Electric Energy (1 thru 11)	33,190	19,669,566	2,791,881	14,092
Other Electric Revenue			56,700	
Total (12 + 13)			2,848,581	
Last Year kWh Sales	33,121	20,457,751		

CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service	kWh Sold Cumulative	Amount Cumulative
	B.	C.	D.
Sales - Residential	17,446	134,022,936	18,515,970
Sales - Seasonal	13,407	27,827,330	6,740,890
Sales - General Service - Oil	482	5,215,414	672,372
Sales - Irrigation	26	224,741	32,810
Sales - General Service	1,376	30,107,226	3,591,843
Sales - Large Power - Oil	9	1,509,725	162,840
Sales - Large Power	39	28,504,761	2,845,990
Sales - Public Street & Highway Lighting	39	394,073	70,262
Sales - Public Buildings	331	4,738,807	587,250
Consumer Sales - PSCR			387,401
Total Sales of Electric Energy (1 thru 11)	33,155	232,545,013	33,607,629
Other Electric Revenue			683,683
Total (12 + 13)			34,291,312
Last Year kWh Sales		239,299,727	

KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	22,615,200	254,469,600
2. Interchange kWh-Net	590	7,508
3. Total kWh (1 + 2)	22,615,790	254,477,108
4. Total kWh-Sold	19,669,566	232,545,013
5. Office Use - **For Information Purposes Only**	22,827	228,809
6. Total Unaccounted for (3 - 4)	2,946,224	21,932,095
7. Percent System Loss (6/3)x100	13.03	8.62
8. Maximum Demand (kw)	41,497	49,294
9. Month When Maximum Demand Occured		7

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GAS OPERATIONS SALES & REVENUE REPORT FOR THE MONTH DECEMBER 31, 2012

CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service A.	CCF Sold B.	Amount C.	Number of Minimum Bills D.
Gas Sales - Residential	4,977	485,288	561,175	266
Gas Sales - Residential - Line Retention	88			
Gas Sales - Seasonal	3,143	202,571	247,730	422
Gas Sales - Seasonal - Line Retention	103			
Gas Sales - General Service	253	66,584	64,055	22
Gas Sales - General Service - Line Retention	3			
Gas Sales - Large Power	2	15,111	12,616	
Gas Sales - Public Buildings	101	39,568	36,056	9
Gas Sales - Public Buildings - Line Retention				
Gas Cost Recovery (Over)/Undercollection			(89,464)	
Less: Area Expansion Rate				
Total Sales of Natural Gas Energy (1 thru 11)	8,670	809,122	832,168	719
Other Gas Revenue			5,582	
Total (12 + 13)			837,749	
Last Year CCF Sales	8,589	705,363		

CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service B.	CCF Sold Cumulative C.	Amount Cumulative D.
Gas Sales - Residential	4,943	3,579,769	4,517,081
Gas Sales - Residential - Line Retention	96		
Gas Sales - Seasonal	3,100	1,282,993	1,820,575
Gas Sales - Seasonal - Line Retention	106		
Gas Sales - General Service	247	508,417	533,505
Gas Sales - General Service - Line Retention	3		
Gas Sales - Large Power	2	119,103	104,507
Gas Sales - Public Buildings	101	306,981	305,099
Gas Sales - Public Buildings - Line Retention			
Gas Cost Recovery (Over)/Undercollection			(18,221)
Less: Area Expansion Rate			
Total Sales of Natural Gas Energy (1 thru 11)	8,598	5,797,263	7,262,547
Other Gas Revenue			77,876
Total (12 + 13)			7,340,423
Last Year CCF Sales		6,474,912	

PRESQUE ISLE ELECTRIC & GAS CO-OP

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STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31, 2012

	THIS YEAR	LAST YEAR
1. KWHRs Sold Per Consumer:		
a. For the Month	593	618
b. Year to Date	<u>584</u>	<u>601</u>
2. Average Monthly Bill	84.12	87.53
Average Residential Bill	<u>92.05</u>	<u>89.37</u>
3. Average Bill:		
a. Year To Date	84.47	79.80
b. YTD Residential	<u>88.44</u>	<u>82.68</u>
4. Cost Per KWHR Purchased		
a. This Month Mills	77.95	78.62
b. Year to Date Mills	<u>81.80</u>	<u>74.42</u>
5. Revenue Per KWHR Sold:		
a. This Month Mills	141.94	141.72
b. Year to Date Mills	<u>144.52</u>	<u>131.27</u>
6. Power Cost Adjustment		
a. This Month	<u>0.029510</u>	<u>0.021980</u>
7. Number of New Members - Electric	116	162
Number of Transferred Members Added - Electric	1047	942
7. Number of New Members - Gas	45	39
Number of Transferred Members Added - Gas	<u>96</u>	<u>89</u>
8. Security Lights Billed	<u>2062</u>	<u>2052</u>
9. Regular Payroll - Hours	11,563.50	11,839.25
Overtime Payroll - Hours	4,806.75	943.00
Total Payroll	<u>16,370.25</u>	<u>12,782.25</u>
10. Number of Employees		
Full Time	65	65
Temporary	<u>4</u>	<u>6</u>
11. Principal Paid To CFC-YTD	1,886,739.82	1,762,135.05
Interest Paid To CFC-YTD	<u>3,001,919.43</u>	<u>3,080,753.83</u>
12. Interest Paid on Line of Credit - YTD	<u>174,655.18</u>	<u>195,556.48</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP

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STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31 2012

	THIS YEAR	LAST YEAR
1. CCF'S Sold Per Consumer:		
a. For the Month	93	82
b. Year to Date	<u>56</u>	<u>63</u>
2. Average Monthly Bill	95.98	104.73
Average Residential Bill	<u>112.75</u>	<u>118.71</u>
3. Average Bill:		
a. Year To Date	70.39	79.54
b. YTD Residential	<u>76.15</u>	<u>87.19</u>
4. Cost Per CCF Purchased		
a. This Month	0.59	0.63
b. Year to Date	<u>0.60</u>	<u>0.67</u>
5. Revenue Per CCF Sold:		
a. This Month	1.03	1.28
b. Year to Date	<u>1.25</u>	<u>1.25</u>
6A. Total Active Accounts	8,670	8589
6B. Total Service Lines Installed	<u>9,199</u>	<u>9093</u>
7. Number of New Members - Gas	45	39
Number of Transferred Members Added - Gas	<u>96</u>	<u>89</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

CASH REPORT AS OF DECEMBER 31, 2012

Cash Balance As Of	11/30/2012		\$1,338,893.99
Receipts			
Utility Billings		\$2,865,394.67	
Interest		222.65	
Other Accounts Receivable		61,072.79	
Other		3,914.29	
LOC Transfers			
Total Receipts			<u>2,930,604.40</u>
Total Receipts & Previous Balance			4,269,498.39
Less: Cash Disbursements			<u>(1,560,834.90)</u>
Cash Balance As Of	12/31/2012		<u>\$2,708,663.49</u>

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	123,970,759	93,122,346
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified - ARO		
7	Experimental Plant Unclassified		
8	TOTAL (Enter Total of lines 3 thru 7)	123,970,759	93,122,346
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	946,713	954,278
12	Acquisition Adjustments		
13	TOTAL Utility Plant (Enter Total of line 8 thru 12)	124,917,472	94,076,624
14	Accum. Prov. for Depr., Amort., & Depl.	48,585,345	42,162,186
15	Net Utility Plant (Enter Total of line 13 less 14)	76,332,127	51,914,438
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	48,585,345	42,162,186
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights		
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)	48,585,345	42,162,186
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 - ARO		
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)	48,585,345	42,162,186

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
30,848,413					3
					4
					5
					6
					7
30,848,413					8
					9
					10
-7,564					11
					12
30,840,849					13
6,423,159					14
24,417,690					15
					16
					17
6,423,159					18
					19
					20
					21
6,423,159					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
6,423,159					33

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106)

- Report below the original cost of gas plant in service according to the prescribed accounts.
- 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.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and

include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) 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

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		1. Intangible Plant		
2	301	Organization		
3	302	Franchises and Consents	46,608	
4	303	Miscellaneous Intangible Plant		
5		TOTAL Intangible Plant	46,608	0
6		2. Production Plant		
7		Manufactured Gas Production Plant		
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		TOTAL Manufactured Gas Production Plant	0	0

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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
			46,608	302	3
			0	303	4
0	0	0	46,608		5
					6
					7
				304.1	8
			0	304.2	9
				305	10
			0	306	11
			0	307	12
			0	308	13
			0	309	14
			0	310	15
			0	311	16
			0	312	17
			0	313	18
			0	314	19
			0	315	20
			0	316	21
			0	317	22
			0	318	23
			0	319	24
			0	320	25
0	0	0	0		26

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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		
35	327	Field Compressor Station Structures		
36	328	Field Measuring and Regulating Station Structures		
37	329	Other Structures		
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		
46	338	Unsuccessful Exploration & Development Costs		
47		TOTAL Production and Gathering Plant		0
48		Products Extraction Plant		
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		TOTAL Products Extraction Plant	0	0
59		TOTAL Natural Gas Production Plant	0	0
60		SNG Production Plant (Submit Supplemental Statement)		
61		TOTAL Production Plant		0
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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
				325.2	29
				325.3	30
				325.4	31
				325.5	32
				325.6	33
				326	34
				327	35
				328	36
				329	37
				330	38
				331	39
				332	40
				333	41
				334	42
				335	43
				336	44
				337	45
				338	46
0	0	0			47
					48
				340.1	49
				340.2	50
				341	51
				342	52
				343	53
				344	54
				345	55
				346	56
				347	57
					58
0	0	0			59
					60
0	0	0			61
					62
					63
				350.1	64

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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		TOTAL Underground Storage Plant		
78		Other Storage Plant		
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		TOTAL Other Storage Plant		
90		Base Load Liquefied NG Terminating and Processing Plant		
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		TOTAL Base Load LNG Terminating and Processing Plant		
101				
102		TOTAL Natural Gas Storage and Processing Plant		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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 Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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		4. Transmission Plant		
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		TOTAL Transmission Plant		
114		5. Distribution Plant		
115	374.1	Land	60,459	0
116	374.2	Land Rights	148,259	0
117	375	Structures and Improvements	732,806	0
118	376	Mains	14,885,868	293,749
119	377	Compressor Station Equipment		
120	378	Measuring and Regulating Station Equip.-Genral	95,892	0
121	379	Measuring and Regulating Station Equip.-City Gate		
122	380	Services	12,876,776	278,914
123	381	Meters	1,054,487	204,299
124	382	Meter Installations	50,741	0
125	383	House Regulators		
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		TOTAL Distribution Plant	29,905,288	776,962
131		6. General Plant		
132	389.1	Land	17,041	0
133	389.2	Land Rights		
134	390	Structures and Improvements	119,739	0
135	391	Office Furniture and Equipment		
136	391.1	Computers and Computer Related Equipment		
137	392	Transportation Equipment		
138	393	Stores Equipment		
139	394	Tools, Shop and Garage Equipment	50,018	
140	395	Laboratory Equipment	28,466	15,240

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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.
					103
				365.1	104
				365.2	105
				365.3	106
				366	107
				367	108
				368	109
				369	110
				370	111
				371	112
					113
					114
0			60,459	374.1	115
0			148,259	374.2	116
0			732,806	375	117
29,885			15,149,732	376	118
				377	119
0			95,892	378	120
				379	121
81,064			13,074,626	380	122
0			1,258,786	381	123
0			50,741	382	124
				383	125
				384	126
				385	127
				386	128
				387	129
110,949			30,571,301		130
					131
0			17,041	389.1	132
				389.2	133
0			119,739	390	134
				391	135
				391.1	136
				392	137
				393	138
0			50,018	394	139
0			43,706	395	140

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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		
142	397	Communication Equipment		
143	398	Miscellaneous Equipment		
144		SUBTOTAL (Lines 132 thru 143)	215,264	15,240
145	399	Other Tangible Property		
146		TOTAL General Plant	215,264	15,240
147		TOTAL (Accounts 101 and 106)		
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	30,167,160	792,202

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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.
				396	141
				397	142
				398	143
0			230,504		144
				399	145
0			230,504		146
					147
				101.1	148
				102	149
				(102)	150
				103	151
110,949			30,848,413		152

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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 Author- ization (c)	Expiration Date of Lease (d)	Balance at End of Year
1	NOT APPLICABLE				
2					
3					
4					
5					
6					
7					
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10					
11					
12					
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39					
40					
41					
42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent Presque Isle Electric & Gas Co-op		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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					
2	NOT APPLICABLE				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
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35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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PRODUCTION PROPERTIES 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 \$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 105.1.

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	NONE			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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40				
41				
42				
43				
44				
45				
46	TOTAL			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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 (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	DISTRIBUTION WORK IN PROGRESS AT YEAR END 2012		
2			
3	Minor Projects	-7,564	7,564
4			
5			
6			
7			
8			
9			
10			
11			
12			
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16			
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43	TOTAL	-7,564	7,564

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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 on 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 pro-rated 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)	Indirect
1				
2	Direct Labor	172,842	106,536	66,306
3				
4	Indirect Labor	20,054	9,268	10,786
5				
6	Material Inventory	83,812	83,812	0
7				
8	Transportation	153,680	66,689	86,991
9				
10	Stores	43,560	43,509	51
11				
12	Payroll Taxes	18,436	11,101	7,335
13				
14	Miscellaneous	35,575	17,472	18,103
15				
16	Heavy Equipment	0	0	0
17				
18	Right of Way and Permits	2,464	2,264	200
19				
20	Employee Costs	73,412	38,582	34,830
21				
22	Contractors/Professional Services	141,381	141,381	0
23				
24	Aid To Construction	(101,648)	(101,648)	0
25				
26				
27				
28				
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46	TOTAL	643,568	418,966	224,602

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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead: (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.

- 1
 - a. Administrative, employee benefits, general construction support.
 - b. All items directly or indirectly linked to construction.
 - c. All overhead items are spread based on work orders with direct labor for the month incurred.
 - d. Not Applicable
 - e. Not Applicable
 - f. All indirect items are pooled in a general work order for the month, then spread at month end to all work orders having direct labor. Each work order receives it's percentage based on total for the month.

- 2 Not Applicable

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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 nondepreciable 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 removed 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	5,826,583	5,826,583		
2	Depreciation Prov. for Year, Charged to				
3	(403) Depreciation Expense	596,576	596,576		
4	(403.1) Deprec. and Deplet. Expense				
5	(413) Exp. of Gas Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify): (404) (421)				
9					
10	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 9)	596,576	596,576		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired				
13	Cost of Removal				
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)				
16	Other Debit or Credit Items (Describe):				
17					
18					
19	Balance End of Year (Enter Total of lines 1, 10, 15, & 16)	6,423,159	6,423,159		

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

20	Production - Manufactured Gas				
21	Production and Gathering - Natural Gas				
22	Products Extraction - Natural Gas				
23	Underground Gas Storage				
24	Franchise / Leaseholds				
25	Base Load LNG Terminating & Proc. Plt.				
26	Transmission				
27	Distribution	6,423,159	6,423,159		
28	General				
29	TOTAL (Enter total of lines 20 thru 28)	6,423,159	6,423,159		

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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 (j)	Line No.
Mcf (14.73 psia at 60 F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at 60 F) (e)	Percent of Year's required take (f)		
	NONE					1
						2
						3
						4
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	0					42

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NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

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

Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)	4,840,498	5,237,573
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	2,646	-153
4	TOTAL	4,843,144	5,237,420
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	118,000	118,000
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	4,725,144	5,119,420
7			
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14			

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

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

Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	118,000				118,000
2	Prov. for uncollectibles for current year	37,888				37,888
3	Accounts written off	(81,721)				(81,721)
4	Coll. of accounts written off	43,833				43,833
5	Adjustments (explain): _____					
6	Balance end of year	118,000				118,000
7						
8						
9						
10						
11						

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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits. of amortization in column (a).
 2. For any deferred debit being amortized, show period. 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	SEE AUDIT REPORT					
3						
4						
5						
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45						
46	Misc. Work in Progress					
47	DEFERRED REGULATORY COMM. EXPENSES (SEE PAGES 350-351)					
48	TOTAL	0				0

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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	TOTAL Electric (Enter Total of lines 2 thru 7)			
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)			
17	Other (Specify)			
18	TOTAL (Account 190) (Enter Total of lines 8, 16 & 17)			
19	Classification of Total:			
20	Federal Income Tax		0	0
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.

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ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages and classification, significant items for w hich as required. deferred taxes are being provided. Indicate
4. In the space provided below , identify by insignificant amounts listed other Other.
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
							2
							3
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NOTES (Continued)

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CAPITAL STOCK (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to 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	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1				
2				
3				
4				
5				
6				
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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)	
						1
						2
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**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)**

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>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.</p> <p>3. Describe in a footnote the agreement and transactions</p> | <p>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.</p> <p>4. For payment on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated value of stocks without par value.</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)
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46	TOTAL		

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OTHER PAID-IN CAPITAL (Account 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 Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series 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		
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40	TOTAL	

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DISCOUNT ON CAPITAL (Account 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.

2. If any changes occurred during the year in the balance with respect to any class or series of stock, attach a statement

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
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3		
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18		
19		
20		
21	TOTAL	

CAPITAL STOCK EXPENSE (Account 214)

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
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20		
21	TOTAL	

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

1. Furnish a supplemental statement giving a brief description of security financing 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 or 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 15 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.

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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 receiver's 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	SEE ATTACHED			
2				
3				
4				
5				
6				
7				
8				
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38	TOTAL			

Name of Respondent Presque Isle Electric & Gas Co-op		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)					
<p>5. In a supplemental statement, give explanatory particulars (details) for Account 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.</p> <p>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.</p> <p>7. If the respondent has any long-term securities which</p>			<p>have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>8. If interest expense was incurred during the year on any obligation 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.</p> <p>9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>		
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		
(d)	(e)	(f)	(g)	(h)	
					1
					2
					3
					4
					5
					6
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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 Expenses, Premium or Discount (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1					
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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT(Account 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
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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 or 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						
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4						
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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 agreement covering open lines 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						
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26						
27						
	TOTAL					

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PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.

2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.

3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.

4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.

5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

* See definition on page 226B

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
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4						
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36						
	TOTAL					

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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such 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 that which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each

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		
5	Net income for the year (page 117 line 68)	
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	
8		
9	Total pre-tax income	
10		
11	Add: Taxable income not reported on books:	
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return:	
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	
24		
25		
26	Federal taxable income for the year	

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

group member, and basis of allocation, assignment, or sharing of the consolidation 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.
		1
		2
		3
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CALCULATION OF FEDERAL INCOME TAX

Line No.		TOTAL AMOUNT
1	Estimated Federal taxable income for the current year (page 261A)	
2		
3	Show computation of estimated gross Federal income tax applicable to line 1:	
4		
5		
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	Prior year adjustment	
25	Miscellaneous/rounding	
26		
27	Total Current Federal Income Tax	
28	Expense:	
29	409.1 (page 114, line 14)	
30	409.2 (page 117, line 47)	

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CALCULATION OF FEDERAL INCOME TAX (continued)

UTILITY	OTHER	Line No.
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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 taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

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

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

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

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

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	PROPERTY TAXES	446,615	
2	PAYROLL TAXES (FICA, FUTA, SUTA)	2,582	
3	MICHIGAN SINGLE BUSINESS TAX	23,214	
4			
5			
6			
7			
8			
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11			
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14			
15			
16			
17			
18	TOTAL	472,411	

Line No.	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)			
	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Departments (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	758,282	271,532		
2	315,426	83,847		
3	16,464	4,377		
4				
5				
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17				
18	1,090,172	359,756		

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

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)	
1,029,815	1,019,513		456,917		1
399,273	401,722		133		2
20,841	44,055		0		3
					4
					5
					6
					7
					8
					9
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					11
					12
					13
					14
					15
					16
					17
1,449,929	1,465,290		457,050		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
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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 balances 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	Gas Utility				
2	3%				
3	4%				
4	7%				
5	8%				
6	10%				
7					
8					
9					
10					
11					
12					
13					
14					
15	JDITC				
16					
17					
18					
19					
20	TOTAL		0		
21	Other				
22	3%				
23	4%				
24	7%				
25	8%				
26	10%				
27					
28					
29					
30					
31					
32	JDITC				
33					
34					
35	TOTAL				

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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 (j)	Line No.
Account Number (f)	Amount (g)				
					1
					2
					3
					4
					5
					6
					7
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	0		0		20
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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 at End of Year (b)
1		
2	Accrued Payroll	267,921
3	Accrued Vacation & Sick Leave	549,341
4	Accrued Retirement Benefits	3,616,570
5	Accrued Retiree Years of Service Buyout	169,521
6	Accrued Workman's Comp Insurance	(28,418)
7	Current Portion of Long Term Debt	2,006,000
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	6,580,935

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List advances by department (a)	Balance at End of Year (b)
21		
22	NOT APPLICABLE	
23		
24		
25		
26		
27		
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33		
34		
35		
36		
37		
38		
39	TOTAL	

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OTHER DEFERRED CREDITS (Accounts 253)							
1. Report below the particulars (details) called for concerning other deferred credits. 2. For any deferred credit being amortized, show the period of amortization. 3. Minor items (less than \$10,000) may be grouped by classes.				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.			
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	Consumer Prepayments	2,954,694				3,118,414	
2	June Seasonal	(948,958)				(968,639)	
3	July Seasonal	(943,841)				(959,652)	
4	May Seasonal	(1,185,325)				(1,006,595)	
5	Energifts	0				0	
6	Gain on RUS Buyout	539,982				404,987	
7							
8							
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46							
47	TOTAL	416,552				588,515	

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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				
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12				
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of lines 8, 15, and 17)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Acct. 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			
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
							3
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NOTES (Continued)

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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 (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

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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			
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13

NOTES (Continued)

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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.

2. For Other (Specify), include deferrals relating to other income and deductions.

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

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

3. Provide in the space below, the order authorizing the use of the account for each 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 (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
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NOTES (Continued)

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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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	TOTAL Electric (Enter Total of lines 2 thru 6)			
8	Gas			
9				
10				
11				
12				
13				
14	TOTAL Gas (Enter Total of lines 9 thru 13)			
15	Other (Specify)			
16	TOTAL (Account 284) (Enter Total of lines 7, 14, 15)			
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

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OTHER REGULATORY LIABILITIES

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).
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 Liabilities (a)	DEBITS		Credits (d)	Balance at End of Year (e)
		Account Credited (b)	Amount (c)		
1					
2	NOT APPLICABLE				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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26					
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32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

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GAS OPERATING REVENUES (ACCOUNT 400)

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>2. Natural Gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>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 were separate meter readings are added for billing purposes, one customer should be counted for each group of</p> | <p>meters added. The average number of customers means the average of twelve figures at the close of each month.</p> <p>4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on them basis, give the Btu contents of the gas sold and the sales converted to Mcf.</p> <p>5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously reported</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	480 Residential Sales	6,337,657	7,122,302
3	481 Commercial & Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	533,505	706,966
5	Large (or Ind.) (See Instr. 6)	104,507	51,077
6	482 Other Sales to Public Authorities	305,099	361,090
7	484 Interdepartmental Sales		
8	TOTAL Sales to Ultimate Customers	7,280,768	8,241,435
9	483 Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	7,280,768	8,241,435
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	7,280,768	8,241,435
13	OTHER OPERATING REVENUES		
14	485 Intracompany Transfers		
15	487 Forfeited Discounts	18,978	22,793
16	488 Misc. Service Revenues	48,084	50,649
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	4,954	2,088
22	494 Interdepartmental Rents		
23	495 Other Gas Revenues	5,860	1,071
24	TOTAL Other Operating Revenues	77,876	76,601
25	TOTAL Gas Operating Revenues	7,358,644	8,318,036
26	(Less) 485 Provision for Refunds	18,221	119,124
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	7,340,423	
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	7,280,768	
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))	7,280,768	

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GAS OPERATING REVENUES (ACCOUNT 400) (Continued)

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
486,276	545,070	8,245	8,157	2
				3
50,842	62,997	250	251	4
11,910	5,374	2	1	5
30,698	34,050	101	101	6
				7
579,726	647,491	8,598	8,510	8
				9
579,726	647,491	8,598	8,510	10
				11
				12
				13
				14
				15
				16
				17
				18
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				21
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				30
				31
				32
579,726				33

NOTES

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
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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 subclasses.

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 Customers. 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 Revenue. 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, commission 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 respondents 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.

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**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	8,245	486,276	6,337,656	58.98	768.67	13.03
2	A. Residential Service						
3	B. Residential Space Heating Service						
4	CD. Commercial Service	250	50,842	533,505	203.37	2,134.02	10.49
5	C. Commercial Service, except space heating						
6	D. Commercial Space Heating						
7	E. Industrial Service	2	11,910	104,507	5,955.00	52,253.50	8.77
8	F. Public Street & Highway Lighting						
9	G. Other Sales to Pubic Authorities	101	30,698	305,099	303.94	3,020.78	9.94
10	H. Interdepartmental Sales						
11	I. Other Sales						
12	A - I. Total Sales to Ultimate Consumers	8,598	579,726	7,280,767	67.43	846.80	12.56
13	J. Sales to Other Gas Utilities for Resale						
14	A - J. TOTAL SALES OF GAS	8,598	579,726	7,280,767	67.43	846.80	12.56
15	K. Other Gas Revenues			77,876		0.00	0.00
16	A - K. TOTAL GAS OPERATING REVENUE	8,598	579,726	7,358,643	67.43	855.86	12.69

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

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

1. Report below the distribution of customers, sales and revenues for the year by individual rate schedules. (See definition 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	Residential	Residential	AB	8,245	486,276	6,337,656
2	Commercial	Commercial	CD	250	50,842	533,505
3	Industrial	Industrial	E	2	11,910	104,507
4	Public	Public Buildings	G	101	30,698	305,099
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	TOTALS			8,598	579,726	7,280,767

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OFF-SYSTEM SALES - NATURAL GAS

Report particulars (details) concerning off-system sales. Off-system sales include all sales other than MPSC approved rate schedule Sales.

Line No.	Name (a)	Point of Delivery (City or town AND State) (b)	Account (c)	Mcf of Gas Sold (Approx. B.T.U. per Cubic Ft.) (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

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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
					11
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					20

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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES -- NATURAL GAS (Account 489.1)

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>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.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas. Designate with an asterick, however, if gas is transported or compressed is other than natural gas.</p> <p>3. Enter the average number of customers per company and/or by rate schedule.</p> | <p>4. 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. Specify the Commission order or regulation authorizing such transaction. Separate out the various customers, volumes and revenues by individual rate schedule.</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Average Number of Customers per Month (b)	Distance Transported (in miles) (c)
1	Not Applicable		
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 Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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**REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION
OR DISTRIBUTION FACILITIES -- NATURAL GAS (Accounts 489.2, 489.3)**

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 asterick, however, if gas is transported or compressed is other than natural gas.

3. Enter the average number of customers per company and/or by rate schedule.

4. 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. Specify the Commission order or regulation authorizing such transaction. Separate out the various customers, volumes and revenues by individual rate schedule.

Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Average Number of Customers per Month (b)	Distance Transported (in miles) (c)
1			
2	TR-1/ST Not Applicable		
3			
4	TR-2/LT		
5			
6	TR-3/XLT		
7			
8	XXLT		
9			
10	Special Contract Customer Name		
11	Special Contract Customer Name		
12	Special Contract Customer Name		
13	Special Contract Customer Name		
14	Special Contract Customer Name		
15	Special Contract Customer Name		
16	Special Contract Customer Name		
17			
18	Off System		
19			
20	Title Transfers		
21			
22	Miscellaneous Customers		
23			
24	Interstate Customers		
25			
26			
27			
28			
29			
30			
TOTAL			

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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES -- NATURAL GAS (Account 489.1) (Cont'd)

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 degrees 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), 284.233(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 (d)	Mcf of Gas Delivered (e)	Revenue (f)	Average Revenue per Mcf of Gas Delivered (in cents) (g)	FERC Tariff Rate Schedule Designation (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
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					25
					26
					27
					28
					29
					30

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**REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION
OR DISTRIBUTION FACILITIES -- NATURAL GAS (Accounts 489.2, 489.3) (Cont'd)**

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 degrees 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), 284.233(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 (d)	Mcf of Gas Delivered (e)	Revenue (f)	Average Revenue per Mcf of Gas Delivered (in cents) (g)	FERC Tariff Rate Schedule Designation (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
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					21
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					25
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					28
					29
					30

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REVENUES FROM STORING GAS OF OTHERS--NATURAL GAS (Account 489.4)

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report below particulars (details) concerning revenue from storage (by respondent) of natural gas for others. Subdivide revenue by intrastate or interstate entities.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter the average number of customers per company and/or by rate schedule.</p> | <p>4. 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. Specify the Commission order or regulation authorizing such transaction. Separate out the various customers, volumes and revenues by individual rate schedule.</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Average Number of Customers per Month (b)	Mcf Of Gas Injected (c)
1	Not Applicable		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
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21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
TOTAL			

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REVENUES FROM STORING OF GAS OF OTHERS--NATURAL GAS (Acct. 489.4) (Cont'd)

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 degrees F.
6. Minor items (less than 1,000,000 Mcf) may be grouped.

Mcf of Gas Withdrawn (d)	Revenue (f)	Average Revenue per Mcf of Gas Injected/Withdrawn (in cents) (g)	FERC Tariff Rate Schedule Designation (h)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
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SALES OF PRODUCT EXTRACTED FROM NATURAL GAS (Account 490)

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					
12					
13					
14					
15					
16					
17					

REVENUES FROM NATURAL GAS PROCESSED BY OTHERS (Account 491)

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 other's 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 Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Wells Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Enter Total of lines 7 thru 17)		
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Enter Total of lines 18 thru 28)		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)		
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Other		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility -- Credit		
46	783 Rents		
47	TOTAL Operation (Enter Total of lines 33 thru 46)		

Name of Respondent		This Report Is:	Date of Report	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account		Amount for Current Year (b)	Amount for Previous Year (c)
	(a)			
	B2. Products Extraction (Continued)			
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)		0	0
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)		0	0
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Enter Total of lines 61 and 64)		0	0
	D. Other Gas Supply Expenses			
66	Operation			
67	800 Natural Gas Well Head Purchases			
68	801 Natural Gas Field Line Purchases			
69	802 Natural Gas Gasoline Plant Outlet Purchases			
70	803 Natural Gas Transmission Line Purchases			
71	803.1 Off-System Gas Purchases			
72	804 Natural Gas City Gate Purchases		3,364,584	4,315,972
73	804.1 Liquefied Natural Gas Purchases			
74	805 Other Gas Purchases			
75	(Less) 805.1 Purchases Gas Cost Adjustments			
76	(Less) 805.2 Incremental Gas Cost Adjustments			
77	TOTAL Purchased Gas (Enter Total of lines 67 and 76)		3,364,584	4,315,972
78	806 Exchange Gas			
79	Purchased Gas Expenses			
80	807.1 Well Expenses - Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expense			
84	807.5 Other Purchased Gas Expenses TRANSPORTATION		126,072	129,920
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 and 84)		126,072	129,920
86	808.1 Gas Withdrawn from Storage - Debit			
87	(Less) 808.2 Gas Delivered to Storage - Credit			
88	809.1 Withdrawals of Liquefied Natural Gas for Processing - Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing - Credit			
90	(Less) Gas Used in Utility Operations - Credit			
91	810 Gas Used for Compressor Station Fuel - Credit			
92	811 Gas Used for Products Extraction - Credit			
93	812 Gas Used for Other Utility Operation - Credit			
94	TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93)		0	0
95	813 Other Gas Supply Expenses		28,214	33,095
95a	813.1 Synthetic Gas Supply Expenses			
95b	813.2 Gas Cost Recovery Expenses - Royalties			
96	TOTAL Other Gas Supply Exp (Total of lines 77, 78, 85, 86 thru 89, 94)		3,518,870	4,478,987
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)		3,518,870	4,478,987

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering		
102	815 Maps and Records		
103	816 Wells Expenses		
104	817 Lines Expenses		
105	818 Compressor Station Expenses		
106	819 Compressor Station Fuel and Power		
107	820 Measuring and Regulating Station Equipment		
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	TOTAL Operation (Enter Total of lines 101 thru 113)		
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	TOTAL Maintenance (Enter Total of lines 116 thru 123)		
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)		
126	B. Other Storage Expenses		
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	TOTAL Operation (Enter Total of lines 128 thru 133)		
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	TOTAL Maintenance (Enter Total of lines 136 thru 144)		
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)		

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
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 Equipment		
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	TOTAL Operation (Enter Total of lines 149 thru 164)		
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	TOTAL Maintenance (Enter Total of lines 167 thru 174)		
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)		
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)		
178	3. TRANSMISSION EXPENSES		
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	TOTAL Operation (Enter Total of lines 180 thru 190)		

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	3. TRANSMISSION EXPENSES (Continued)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering		
194	862 Maintenance of Structures and Improvements		
195	863 Maintenance of Mains		
196	864 Maintenance of Compressor Station Equipment		
197	865 Maintenance of Measuring and Reg. Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)		
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	14,741	31,170
205	871 Distribution Load Dispatching		
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		
208	874 Mains and Services Expenses	397,670	246,374
209	875 Measuring and Regulating Station Expenses - General	12,067	11,497
210	876 Measuring and Regulating Station Expenses - Industrial	0	0
211	877 Measuring and Regulating Station Expenses - City Gate Check Station	22,634	32,338
212	878 Meter and House Regulator Expenses	11,729	3,276
213	879 Customer Installations Expenses	7,665	5,605
214	880 Other Expenses	33,861	56,418
215	881 Rents		
216	TOTAL Operation (Enter Total of lines 204 thru 215)	500,367	386,678
217	Maintenance		
218	885 Maintenance Supervision and Engineering	244	3,358
219	886 Maintenance of Structures and Improvements		
220	887 Maintenance of Mains	44,317	16,583
221	888 Rents for Gas	0	0
222	889 Maintenance of Meas. and Reg. Sta. Equip. - General	15,265	7,671
223	890 Maintenance of Meas. and Reg. Sta. Equip. - Industrial		
224	891 Maintenance of Meas. and Reg. Sta. Equip. - City Gate Check Station	16,710	9,846
225	892 Maintenance of Services	102,569	97,227
226	893 Maintenance of Meters and House Regulators	3,997	8,980
227	896 Maintenance of Other Equipment	2,600	1,920
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	185,702	145,585
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	686,069	532,263
230	5. CUSTOMER ACCOUNTS EXPENSE		
231	Operation		
232	901 Supervision	14,566	14,782
233	902 Meter Reading Expenses	86,785	61,449
234	903 Customer Records and Collection Expenses	253,095	217,331
235	904 Uncollectible Accounts	20,808	17,275
236	905 Miscellaneous Customer Accounts Expenses		
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	375,254	310,837

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision		
241	908 Customer Assistance Expenses	120	189
242	909 Informational and Instructional Expenses	30,626	28,232
243	910 Miscellaneous Customer Service and Informational Expenses		
244	TOTAL Customer Service and Informational Expenses (Lines 240 thru 243)	30,746	28,421
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision		
248	912 Demonstrating and Selling Expenses		
249	913 Advertising Expenses		
250	916 Miscellaneous Sales Expenses		
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	0	0
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Supervision	128,640	139,203
255	921 Office Supplies and Expenses	0	0
256	(Less) (922) Administrative Expenses Transferred - Cr.		
257	923 Outside Services Employed	73,728	80,263
258	924 Property Insurance	17,968	17,198
259	925 Injuries and Damages	0	0
260	926 Employee Pensions and Benefits	37,202	29,778
261	927 Franchise Requirements		
262	928 Regulatory Commission Expenses		
263	(Less) (929) Duplicate Charges - Cr.		
264	930.1 General Advertising Expenses		
265	930.2 Miscellaneous General Expenses	39,596	38,155
266	931 Rents		
267	TOTAL Operations (Enter Total of lines 254 thru 266)	297,134	304,597
268	Maintenance		
269	935 Maintenance of General Plant	40,518	43,142
270	TOTAL Administrative and General Exp. (Total of lines 267 and 269)	337,652	347,739
271	TOTAL Gas O. and M. Exp (Lines 97, 177, 201, 229, 237, 244, 251, and 270)	4,948,591	5,698,247

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)	12/21/2012
2	Total Regular Full-Time Employees	8
3	Total Part-Time and Temporary Employees	4
3a	Employees with Joint Functions	34
4	Total Employees	46

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**EXPLORATION AND DEVELOPMENT EXPENSES (Accounts 795, 796, 798)
(Except Abandoned Leases, Account 797)**

1. Report below exploration and development costs for the year, exclusive of Account 797, Abandoned Leases, according to the prescribed accounts shown by the column headings.
 2. Provide subheadings and subtotals for exploration and development costs for each State.
 3. Explain in a footnote any differences between the amounts reported in column (f) and the amount shown on page 231, Preliminary Survey and Investigation Charges, for clearance to Account 798 during the year from Account 183.1, Preliminary Natural Gas Survey and Investigation Charges.

Line No.	Field (a)	County (b)	Delay Rentals (Account 795) (c)	Nonproductive Well Drilling (Account 796)		Other Exploration Costs (Account 798) (f)	Total (g)
				Number of Wells (d)	Amount (e)		
1	NOT APPLICABLE						
2							
3							
4							
5							
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21							
22							
23							
24							
25							
26							
27	TOTAL						

ABANDONED LEASES (Account 797)

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Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	TOTAL	

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GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 and 805)

<p>1. Report particulars of gas purchases during the year in the manner prescribed below.</p> <p>2. Provide subheadings and totals for prescribed accounts as follow:</p> <ul style="list-style-type: none"> 800 Natural Gas Well Head Purchases. 801 Natural Gas Field Line Purchases. 802 Natural Gas Gasoline Plant Outlet Purchases. 803 Natural Gas Transmission Line Purchases. 803.1 Off - System Gas Purchases. 804 Natural Gas City Gate Purchases. 804.1 Liquefied Natural Gas Purchases. 805 Other Gas Purchases. <p>Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (h) and (i) and should agree with the books of accounts, or any differences reconciled.</p> <p>In some cases, two or more lines will be required to report a purchase, as when it is charged to more than one account.</p> <p>3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect the sellers at each price are to be listed separately.</p> <p>4. Purchases of less than 100,000 Mcf per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (b). Only Columns (a), (b), (h), (i), and (j) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.</p>	<p>5. Column instructions are as follows:</p> <p><u>Column (b)</u> - Report the names of all sellers. Abbreviations may be used where necessary.</p> <p><u>Column (c)</u> - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchase from gasoline outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.</p> <p><u>Columns (d) and (e)</u> - Designate the state and country where the gas is received. Where gas is received in more than one county, use the name of the county having the largest volume and by footnote list the other counties involved.</p> <p><u>Column (f)</u> - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract, show the date of the original contract and the date of the renegotiated contract on the following line in brackets. If new acreage is dedicated by ratification of an existing contract show the date of the ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56(f)(2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.</p> <p>If the purchase was permanently discontinued during the reporting year, so indicate by an asterick (*) in Column (f).</p> <p><u>Column (g)</u> - Show for each purchase the approximate Btu per cubic foot.</p> <p><u>Column (h)</u> - State the volume of purchased gas as measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid in prior years.</p> <p><u>Column (i)</u> - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (h).</p> <p><u>Column (j)</u> - State the average cost per Mcf to the nearest hundredth of a cent. [Column (i) divided by Column (h) multiplied by 100].</p>
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GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 & 805) (Continued)

Line No.	Account No. (a)	Name of Seller (Designate Associated Companies) (b)	Name of Producing Field or Gasoline Plant (c)	State (d)
1		SEE ATTACHED		
2				
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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GAS PURCHASES (Account 800, 801, 802, 803, 803.1, 804, 804.1, & 805) (Continued)

County (e)	Date of Contract (f)	Approx. Btu Per Cu. ft. (g)	Gas Purchased-Mcf (14.73 psia 60 F) (h)	Cost of Gas (i)	Cost Per Mcf (cents) (j)	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

NATURAL GAS PURCHASES

JANUARY, 2012 TO DECEMBER, 2012

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCHASED	PURCHASE PRICE	TOTAL COST
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January, 2012

SEQUENT ENERGY	8/12/2008	2,976	\$10.1300	\$30,146.88
SEQUENT ENERGY	10/22/2008	2,976	\$8.7400	\$26,010.24
SEQUENT ENERGY	11/25/2008	2,976	\$8.7400	\$26,010.24
SEQUENT ENERGY	12/17/2008	2,976	\$8.4700	\$25,206.72
SEQUENT ENERGY	1/20/2009	2,976	\$7.9700	\$23,718.72
SEQUENT ENERGY	2/17/2009	2,976	\$8.0500	\$23,956.80
PROLIANCE ENERGY	7/23/2009	3,004	\$7.6108	\$22,862.72
PROLIANCE ENERGY	10/21/2009	3,000	\$8.0065	\$24,019.40
PROLIANCE ENERGY	11/16/2009	3,000	\$7.2265	\$21,679.38
PROLIANCE ENERGY	12/21/2009	3,000	\$7.3497	\$22,049.03
PROLIANCE ENERGY	1/22/2010	3,000	\$7.3767	\$22,130.18
PROLIANCE ENERGY	2/24/2010	3,000	\$6.8654	\$20,596.28
PROLIANCE ENERGY	3/30/2010	3,000	\$6.2970	\$18,891.09
PROLIANCE ENERGY	5/28/2010	4,000	\$6.4565	\$25,825.86
PROLIANCE ENERGY	6/30/2010	4,000	\$6.3151	\$25,260.48
PROLIANCE ENERGY	8/24/2010	4,000	\$5.7688	\$23,075.07
PROLIANCE ENERGY	10/8/2010	4,000	\$5.6184	\$22,473.51
PROLIANCE ENERGY	11/29/2010	4,000	\$5.6173	\$22,469.10
SEQUENT ENERGY	1/19/2011	4,991	\$5.4900	\$27,400.59
SEQUENT ENERGY	2/22/2011	4,991	\$5.0000	\$24,955.00
PROLIANCE ENERGY	4/12/2011	5,000	\$5.2804	\$26,401.98
SEQUENT ENERGY	5/16/2011	4,991	\$5.3000	\$26,452.30
SEQUENT ENERGY	6/21/2011	5,022	\$5.2100	\$26,164.62
SEQUENT ENERGY	7/19/2011	5,022	\$5.0400	\$25,310.88
LAKESHORE ENERGY	8/17/2011	5,022	\$4.6800	\$23,502.96
LAKESHORE ENERGY	9/20/2011	5,022	\$4.5150	\$22,674.33
SEQUENT ENERGY	10/18/2011	5,022	\$4.2000	\$21,092.40

103,943

\$6.2567

\$650,336.76

February, 2012

SEQUENT ENERGY	8/12/2008	2,987	\$10.1100	\$30,198.57
SEQUENT ENERGY	10/22/2008	2,987	\$8.7100	\$26,016.77
SEQUENT ENERGY	11/25/2008	2,987	\$8.7400	\$26,106.38
SEQUENT ENERGY	12/17/2008	2,987	\$8.4500	\$25,240.15
SEQUENT ENERGY	1/20/2009	2,987	\$7.9800	\$23,836.26
SEQUENT ENERGY	2/17/2009	2,987	\$7.9600	\$23,776.52
PROLIANCE ENERGY	7/23/2009	2,991	\$7.6116	\$22,766.31
PROLIANCE ENERGY	10/21/2009	3,000	\$7.9914	\$23,974.29
PROLIANCE ENERGY	11/16/2009	3,000	\$7.2164	\$21,649.31
PROLIANCE ENERGY	12/21/2009	3,000	\$7.3597	\$22,079.10
PROLIANCE ENERGY	1/22/2010	3,000	\$7.2604	\$21,781.31
PROLIANCE ENERGY	2/24/2010	3,000	\$6.8454	\$20,536.13
PROLIANCE ENERGY	3/30/2010	3,000	\$6.2950	\$18,885.08
PROLIANCE ENERGY	5/28/2010	3,000	\$6.4013	\$19,203.98
PROLIANCE ENERGY	6/30/2010	3,000	\$6.2870	\$18,861.15
PROLIANCE ENERGY	8/24/2010	3,000	\$5.7287	\$17,186.00
PROLIANCE ENERGY	10/8/2010	3,000	\$5.5823	\$16,746.86
PROLIANCE ENERGY	11/29/2010	3,000	\$5.5772	\$16,731.53
SEQUENT ENERGY	1/19/2011	2,494	\$5.4900	\$13,692.06
SEQUENT ENERGY	2/22/2011	2,494	\$4.9900	\$12,445.06
PROLIANCE ENERGY	4/12/2011	4,000	\$5.2493	\$20,997.27
SEQUENT ENERGY	5/16/2011	2,494	\$5.3000	\$13,218.20
SEQUENT ENERGY	6/21/2011	5,017	\$5.2000	\$26,088.40
SEQUENT ENERGY	7/19/2011	5,017	\$5.0400	\$25,285.68
LAKESHORE ENERGY	8/17/2011	5,017	\$4.6800	\$23,479.56
LAKESHORE ENERGY	9/20/2011	5,017	\$4.5150	\$22,651.76
SEQUENT ENERGY	10/18/2011	5,017	\$4.2400	\$21,272.08

90,480

\$6.3517

\$574,705.77

March, 2012

SEQUENT ENERGY	8/12/2008	1,984	\$9.8500	\$19,542.40
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NATURAL GAS PURCHASES

JANUARY, 2012 TO DECEMBER, 2012

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCHASED	PURCHASE PRICE	TOTAL COST
SEQUENT ENERGY	10/22/2008	1,984	\$8.4600	\$16,784.64
SEQUENT ENERGY	11/25/2008	1,984	\$8.4900	\$16,844.16
SEQUENT ENERGY	12/17/2008	1,984	\$8.2500	\$16,368.00
SEQUENT ENERGY	1/20/2009	1,984	\$7.7800	\$15,435.52
SEQUENT ENERGY	2/17/2009	1,984	\$7.8600	\$15,594.24
PROLIANCE ENERGY	7/23/2009	2,022	\$7.3391	\$14,839.62
PROLIANCE ENERGY	10/21/2009	2,000	\$7.7809	\$15,561.81
PROLIANCE ENERGY	11/16/2009	3,000	\$7.0420	\$21,126.00
PROLIANCE ENERGY	12/21/2009	3,000	\$7.2023	\$21,606.92
PROLIANCE ENERGY	1/22/2010	3,000	\$7.1051	\$21,315.15
PROLIANCE ENERGY	2/24/2010	3,000	\$6.6148	\$19,844.40
PROLIANCE ENERGY	3/30/2010	2,000	\$6.0795	\$12,158.98
PROLIANCE ENERGY	5/28/2010	3,000	\$6.2329	\$18,698.72
PROLIANCE ENERGY	6/30/2010	3,000	\$6.0966	\$18,289.73
PROLIANCE ENERGY	8/24/2010	3,000	\$5.5863	\$16,758.94
PROLIANCE ENERGY	10/8/2010	3,000	\$5.4530	\$16,358.90
PROLIANCE ENERGY	11/29/2010	3,000	\$5.4619	\$16,385.66
SEQUENT ENERGY	1/19/2011	2,511	\$5.4700	\$13,735.17
SEQUENT ENERGY	2/22/2011	2,511	\$5.0500	\$12,680.55
PROLIANCE ENERGY	4/12/2011	3,000	\$5.1591	\$15,477.28
SEQUENT ENERGY	5/16/2011	2,511	\$5.2500	\$13,182.75
SEQUENT ENERGY	6/21/2011	5,022	\$5.1700	\$25,963.74
SEQUENT ENERGY	7/19/2011	5,022	\$5.0700	\$25,461.54
LAKESHORE ENERGY	8/17/2011	5,022	\$4.6800	\$23,502.96
LAKESHORE ENERGY	9/20/2011	5,022	\$4.5150	\$22,674.33
SEQUENT ENERGY	10/18/2011	5,022	\$4.2100	\$21,142.62
		80,569	\$6.0487	\$487,334.73

April, 2012

PROLIANCE ENERGY	7/23/2009	2,010	\$6.7696	\$13,606.99
PROLIANCE ENERGY	10/21/2009	2,000	\$7.3094	\$14,618.86
PROLIANCE ENERGY	11/16/2009	2,000	\$6.7008	\$13,401.65
PROLIANCE ENERGY	12/21/2009	2,000	\$6.6235	\$13,247.10
PROLIANCE ENERGY	1/22/2010	2,000	\$6.4100	\$12,819.93
PROLIANCE ENERGY	2/24/2010	2,000	\$6.2094	\$12,418.78
PROLIANCE ENERGY	3/30/2010	2,000	\$5.7783	\$11,556.68
PROLIANCE ENERGY	5/28/2010	2,000	\$5.9668	\$11,933.54
PROLIANCE ENERGY	6/30/2010	2,000	\$5.8455	\$11,690.94
PROLIANCE ENERGY	8/24/2010	2,000	\$5.4537	\$10,907.46
PROLIANCE ENERGY	10/8/2010	2,000	\$5.3174	\$10,634.81
PROLIANCE ENERGY	11/29/2010	2,000	\$5.2672	\$10,534.47
SEQUENT ENERGY	1/19/2011	2,490	\$5.2500	\$13,072.50
SEQUENT ENERGY	2/22/2011	2,490	\$5.0300	\$12,524.70
PROLIANCE ENERGY	4/12/2011	2,000	\$5.0648	\$10,129.58
SEQUENT ENERGY	5/16/2011	2,490	\$5.1500	\$12,823.50
SEQUENT ENERGY	6/21/2011	2,490	\$5.0500	\$12,574.50
SEQUENT ENERGY	7/19/2011	2,490	\$5.0700	\$12,624.30
SEQUENT ENERGY	8/16/2011	2,490	\$4.7200	\$11,752.80
SEQUENT ENERGY	9/20/2011	2,490	\$4.6500	\$11,578.50
SEQUENT ENERGY	10/18/2011	2,490	\$4.3400	\$10,806.60
SEQUENT ENERGY	11/15/2011	2,490	\$3.9600	\$9,860.40
SEQUENT ENERGY	12/13/2011	2,490	\$3.6300	\$9,038.70
SEQUENT ENERGY	2/21/2012	2,490	\$3.0700	\$7,644.30
		53,400	\$5.2772	\$281,801.59

May, 2012

PROLIANCE ENERGY	7/23/2009	1,012	\$6.7209	\$6,801.52
PROLIANCE ENERGY	10/21/2009	1,000	\$7.2974	\$7,297.40
PROLIANCE ENERGY	11/16/2009	1,000	\$6.4893	\$6,489.30
PROLIANCE ENERGY	12/21/2009	1,000	\$6.5083	\$6,508.26
PROLIANCE ENERGY	1/22/2010	1,000	\$6.3598	\$6,359.84
PROLIANCE ENERGY	2/24/2010	1,000	\$6.1693	\$6,169.29
PROLIANCE ENERGY	3/30/2010	1,000	\$5.8285	\$5,828.46

NATURAL GAS PURCHASES

JANUARY, 2012 TO DECEMBER, 2012

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCHASED	PURCHASE PRICE	TOTAL COST
PROLIANCE ENERGY	5/28/2010	1,000	\$5.9718	\$5,971.78
PROLIANCE ENERGY	6/30/2010	1,000	\$5.8425	\$5,842.46
PROLIANCE ENERGY	8/24/2010	1,000	\$5.4487	\$5,448.72
PROLIANCE ENERGY	10/8/2010	1,000	\$5.3224	\$5,322.42
PROLIANCE ENERGY	11/29/2010	1,000	\$5.3003	\$5,300.32
SEQUENT ENERGY	1/19/2011	992	\$5.2500	\$5,208.00
PROLIANCE ENERGY	4/12/2011	2,000	\$5.1009	\$10,201.76
SEQUENT ENERGY	5/16/2011	2,511	\$5.1200	\$12,856.32
SEQUENT ENERGY	6/21/2011	2,511	\$5.0600	\$12,705.66
SEQUENT ENERGY	7/19/2011	2,511	\$5.1200	\$12,856.32
SEQUENT ENERGY	8/16/2011	992	\$4.7400	\$4,702.08
SEQUENT ENERGY	9/20/2011	992	\$4.6800	\$4,642.56
SEQUENT ENERGY	10/18/2011	2,511	\$4.3800	\$10,998.18
SEQUENT ENERGY	11/15/2011	992	\$3.9800	\$3,948.16
SEQUENT ENERGY	12/13/2011	992	\$3.6400	\$3,610.88
SEQUENT ENERGY	2/21/2012	2,511	\$3.1900	\$8,010.09
		31,527	\$5.1727	\$163,079.78

June, 2012

PROLIANCE ENERGY	7/23/2009	1,000	\$6.8365	\$6,836.45
PROLIANCE ENERGY	12/21/2009	1,000	\$6.5634	\$6,563.40
PROLIANCE ENERGY	2/24/2010	1,000	\$6.2144	\$6,214.40
PROLIANCE ENERGY	5/28/2010	1,000	\$6.0089	\$6,008.88
PROLIANCE ENERGY	6/30/2010	1,000	\$5.8785	\$5,878.55
PROLIANCE ENERGY	8/24/2010	1,000	\$5.4838	\$5,483.80
PROLIANCE ENERGY	10/8/2010	1,000	\$5.3565	\$5,356.50
PROLIANCE ENERGY	11/29/2010	1,000	\$5.2943	\$5,294.30
SEQUENT ENERGY	1/19/2011	990	\$5.2600	\$5,207.40
PROLIANCE ENERGY	4/12/2011	1,000	\$5.1380	\$5,137.97
SEQUENT ENERGY	8/16/2011	990	\$4.8100	\$4,761.90
SEQUENT ENERGY	9/20/2011	990	\$4.7200	\$4,672.80
SEQUENT ENERGY	10/18/2011	990	\$4.4200	\$4,375.80
SEQUENT ENERGY	11/15/2011	990	\$4.0700	\$4,029.30
SEQUENT ENERGY	12/13/2011	990	\$3.7300	\$3,692.70
SEQUENT ENERGY	2/21/2012	990	\$3.2900	\$3,257.10
		15,930	\$5.1959	\$82,771.25

July, 2012

PROLIANCE ENERGY	7/23/2009	999	\$6.9317	\$6,924.78
PROLIANCE ENERGY	5/28/2010	1,000	\$6.0700	\$6,070.03
PROLIANCE ENERGY	11/29/2010	1,000	\$5.3595	\$5,359.46
SEQUENT ENERGY	1/19/2011	992	\$5.3100	\$5,267.52
PROLIANCE ENERGY	4/12/2011	1,000	\$5.1841	\$5,184.09
SEQUENT ENERGY	8/16/2011	992	\$4.8600	\$4,821.12
SEQUENT ENERGY	9/20/2011	992	\$4.7600	\$4,721.92
SEQUENT ENERGY	10/18/2011	992	\$4.4700	\$4,434.24
SEQUENT ENERGY	11/15/2011	992	\$4.1100	\$4,077.12
SEQUENT ENERGY	12/13/2011	992	\$3.8300	\$3,799.36
SEQUENT ENERGY	2/21/2012	992	\$3.3600	\$3,333.12
		10,943	\$4.9340	\$53,992.76

August, 2012

PROLIANCE ENERGY	7/23/2009	999	\$6.9969	\$6,989.87
PROLIANCE ENERGY	5/28/2010	1,000	\$6.1201	\$6,120.15
PROLIANCE ENERGY	11/29/2010	1,000	\$5.3926	\$5,392.55
SEQUENT ENERGY	1/19/2011	992	\$5.3500	\$5,307.20
PROLIANCE ENERGY	4/12/2011	1,000	\$5.2111	\$5,211.15
SEQUENT ENERGY	8/16/2011	992	\$4.8800	\$4,840.96
SEQUENT ENERGY	9/20/2011	992	\$4.8400	\$4,801.28
SEQUENT ENERGY	10/18/2011	992	\$4.5200	\$4,483.84
SEQUENT ENERGY	11/15/2011	992	\$4.2000	\$4,166.40
SEQUENT ENERGY	12/13/2011	992	\$3.8800	\$3,848.96

NATURAL GAS PURCHASES

JANUARY, 2012 TO DECEMBER, 2012

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCHASED	PURCHASE PRICE	TOTAL COST
SEQUENT ENERGY	2/21/2012	992	\$3.4300	\$3,402.56
		10,943	\$4.9863	\$54,564.92

September, 2012

PROLIANCE ENERGY	7/23/2009	990	\$7.0271	\$6,956.83
PROLIANCE ENERGY	10/21/2009	1,000	\$7.4899	\$7,489.88
PROLIANCE ENERGY	11/16/2009	1,000	\$6.7099	\$6,709.85
PROLIANCE ENERGY	12/21/2009	1,000	\$6.7238	\$6,723.80
PROLIANCE ENERGY	1/22/2010	1,000	\$6.5704	\$6,570.36
PROLIANCE ENERGY	2/24/2010	1,000	\$6.4049	\$6,404.88
PROLIANCE ENERGY	3/30/2010	1,000	\$5.9568	\$5,956.78
PROLIANCE ENERGY	5/28/2010	1,000	\$6.1502	\$6,150.23
PROLIANCE ENERGY	6/30/2010	1,000	\$6.0129	\$6,012.89
PROLIANCE ENERGY	8/24/2010	1,000	\$5.6031	\$5,603.10
PROLIANCE ENERGY	10/8/2010	1,000	\$5.4658	\$5,465.77
PROLIANCE ENERGY	11/29/2010	1,000	\$5.4517	\$5,451.69
SEQUENT ENERGY	1/19/2011	990	\$5.3500	\$5,296.50
PROLIANCE ENERGY	4/12/2011	1,000	\$5.2352	\$5,235.21
SEQUENT ENERGY	8/16/2011	990	\$4.8800	\$4,831.20
SEQUENT ENERGY	9/20/2011	990	\$4.8600	\$4,811.40
SEQUENT ENERGY	10/18/2011	990	\$4.5200	\$4,474.80
SEQUENT ENERGY	11/15/2011	990	\$4.2100	\$4,167.90
SEQUENT ENERGY	12/13/2011	990	\$3.8900	\$3,851.10
SEQUENT ENERGY	2/21/2012	990	\$3.4300	\$3,395.70
		19,920	\$5.6004	\$111,559.87

October, 2012

PROLIANCE ENERGY	7/23/2009	996	\$7.1072	\$7,078.77
PROLIANCE ENERGY	10/21/2009	1,000	\$7.5801	\$7,580.11
PROLIANCE ENERGY	11/16/2009	1,000	\$6.8211	\$6,821.13
PROLIANCE ENERGY	12/21/2009	1,000	\$6.8341	\$6,834.08
PROLIANCE ENERGY	1/22/2010	1,000	\$6.6806	\$6,680.64
PROLIANCE ENERGY	2/24/2010	1,000	\$6.4750	\$6,475.05
PROLIANCE ENERGY	3/30/2010	1,000	\$6.0570	\$6,057.03
PROLIANCE ENERGY	5/28/2010	1,000	\$6.2455	\$6,245.47
PROLIANCE ENERGY	6/30/2010	1,000	\$6.1031	\$6,103.11
PROLIANCE ENERGY	8/24/2010	2,000	\$5.6632	\$11,326.50
PROLIANCE ENERGY	10/8/2010	1,000	\$5.5410	\$5,540.96
PROLIANCE ENERGY	11/29/2010	2,000	\$5.4597	\$10,919.43
SEQUENT ENERGY	1/19/2011	2,511	\$5.4200	\$13,609.62
SEQUENT ENERGY	2/22/2011	2,511	\$5.1000	\$12,806.10
PROLIANCE ENERGY	4/12/2011	2,000	\$5.2673	\$10,534.59
SEQUENT ENERGY	5/16/2011	2,511	\$5.2500	\$13,182.75
SEQUENT ENERGY	6/21/2011	2,511	\$5.2400	\$13,157.64
SEQUENT ENERGY	8/16/2011	992	\$4.9300	\$4,890.56
SEQUENT ENERGY	9/20/2011	2,511	\$4.8800	\$12,253.68
SEQUENT ENERGY	10/18/2011	2,511	\$4.5700	\$11,475.27
SEQUENT ENERGY	11/15/2011	992	\$4.2400	\$4,206.08
SEQUENT ENERGY	12/13/2011	992	\$3.9300	\$3,898.56
SEQUENT ENERGY	2/21/2012	2,511	\$3.4800	\$8,738.28
		36,549	\$5.3740	\$196,415.41

November, 2012

PROLIANCE ENERGY	7/23/2009	2,010	\$7.3147	\$14,702.49
PROLIANCE ENERGY	10/21/2009	2,000	\$7.8889	\$15,777.75
PROLIANCE ENERGY	11/16/2009	2,000	\$7.0758	\$14,151.52
PROLIANCE ENERGY	12/21/2009	2,000	\$7.0797	\$14,159.38
PROLIANCE ENERGY	1/22/2010	2,000	\$6.9212	\$13,842.48
PROLIANCE ENERGY	2/24/2010	2,000	\$6.7207	\$13,441.33
PROLIANCE ENERGY	3/30/2010	2,000	\$6.3648	\$12,729.60
PROLIANCE ENERGY	5/28/2010	2,000	\$6.4841	\$12,968.12
PROLIANCE ENERGY	6/30/2010	2,000	\$6.2595	\$12,519.00

NATURAL GAS PURCHASES JANUARY, 2012 TO DECEMBER, 2012

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCHASED	PURCHASE PRICE	TOTAL COST
PROLIANCE ENERGY	8/24/2010	2,000	\$5.8838	\$11,767.60
PROLIANCE ENERGY	10/8/2010	2,000	\$5.7334	\$11,466.88
PROLIANCE ENERGY	11/29/2010	2,000	\$5.7274	\$11,454.76
SEQUENT ENERGY	1/19/2011	2,490	\$5.5600	\$13,844.40
SEQUENT ENERGY	2/22/2011	2,490	\$5.2600	\$13,097.40
PROLIANCE ENERGY	4/12/2011	2,000	\$5.4538	\$10,907.52
SEQUENT ENERGY	5/16/2011	2,490	\$5.4800	\$13,645.20
SEQUENT ENERGY	6/21/2011	2,490	\$5.3000	\$13,197.00
SEQUENT ENERGY	7/19/2011	2,490	\$5.5800	\$13,894.20
SEQUENT ENERGY	8/16/2011	2,490	\$5.1700	\$12,873.30
SEQUENT ENERGY	9/20/2011	2,490	\$5.0500	\$12,574.50
SEQUENT ENERGY	10/18/2011	2,490	\$4.7100	\$11,727.90
SEQUENT ENERGY	11/15/2011	2,490	\$4.3300	\$10,781.70
SEQUENT ENERGY	12/13/2011	2,490	\$4.0500	\$10,084.50
SEQUENT ENERGY	2/21/2012	2,490	\$3.6800	\$9,163.20
		53,400	\$5.7073	\$304,771.73

December, 2012

PROLIANCE ENERGY	7/23/2009	1,999	\$7.6184	\$15,229.20
PROLIANCE ENERGY	10/21/2009	2,000	\$8.1445	\$16,289.03
PROLIANCE ENERGY	11/16/2009	3,000	\$7.3224	\$21,967.13
PROLIANCE ENERGY	12/21/2009	2,000	\$7.4055	\$14,811.00
PROLIANCE ENERGY	1/22/2010	3,000	\$7.1969	\$21,590.78
PROLIANCE ENERGY	2/24/2010	2,000	\$7.0114	\$14,022.78
PROLIANCE ENERGY	3/30/2010	3,000	\$6.6355	\$19,906.43
PROLIANCE ENERGY	5/28/2010	3,000	\$6.7467	\$20,240.15
PROLIANCE ENERGY	6/30/2010	3,000	\$6.5362	\$19,608.57
PROLIANCE ENERGY	8/24/2010	3,000	\$6.0923	\$18,276.96
PROLIANCE ENERGY	10/8/2010	3,000	\$6.0021	\$18,006.33
PROLIANCE ENERGY	11/29/2010	3,000	\$5.9108	\$17,732.51
SEQUENT ENERGY	1/19/2011	2,511	\$5.7800	\$14,513.58
SEQUENT ENERGY	2/22/2011	2,511	\$5.4800	\$13,760.28
PROLIANCE ENERGY	4/12/2011	3,000	\$5.6683	\$17,004.88
SEQUENT ENERGY	5/16/2011	2,511	\$5.7000	\$14,312.70
SEQUENT ENERGY	6/21/2011	2,511	\$5.5600	\$13,961.16
SEQUENT ENERGY	7/19/2011	2,511	\$5.6200	\$14,111.82
SEQUENT ENERGY	8/16/2011	2,511	\$5.4200	\$13,609.62
SEQUENT ENERGY	9/20/2011	2,511	\$5.3100	\$13,333.41
SEQUENT ENERGY	10/18/2011	2,511	\$4.9700	\$12,479.67
SEQUENT ENERGY	11/15/2011	2,511	\$4.6400	\$11,651.04
SEQUENT ENERGY	12/13/2011	2,511	\$4.3600	\$10,947.96
SEQUENT ENERGY	2/21/2012	2,511	\$3.9500	\$9,918.45
SEQUENT ENERGY	3/20/2012	2,511	\$3.5700	\$8,964.27
SEQUENT ENERGY	4/17/2012	2,511	\$3.3600	\$8,436.96
SEQUENT ENERGY	5/30/2012	2,511	\$3.4100	\$8,562.51
		70,153	\$5.7481	\$403,249.18

COST OF GAS PURCHASED

577,757

\$3,364,583.75

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas)

1. Report below the particulars (details) called for concerning the gas volumes and related dollar amounts of natural gas exchange transactions

transactions (less than 100,000 Mcf) may be grouped.
2. Also give the particulars (details) called for concerning each natur gas exchange where consideration was received or

Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Exchange Gas Received		
		Point of Receipt (City, state, etc.) (b)	Mcf (c)	Debit (Credit) Account 242 (d)
1	Not Applicable			
2				
3				
4				
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45	TOTAL			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)

paid in performance of gas exchange services.

3. List individually net transactions occurring during the year for each rate schedule.

4. Indicate points of receipt and delivery of gas so that they may be readily identified on a map of the respondent's pipeline system.

Exchange Gas Delivered			Excess Mcf Received or Delivered (h)	Debit (Credit) Account 806) (i)	Line No.	
Point of Delivery (City, State, etc.) (e)	Mcf (f)	Debit (Credit) Account 174 (g)				
Not Applicable	Applicable				1	
						2
						3
						4
						5
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)

5. Furnish any additional explanations needed to further explain the accounting for exchange gas transaction.

6. Report the pressure base of measurement of gas volumes at 14.73 psia at 60 F.

Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Charges Paid or Payable by Respondent		Revenues Received or Receivable by Respondent		FERC Tariff Rate Schedule Identification (n)
		Amount (j)	Account (k)	Amount (l)	Account (m)	
1	Not Applicable					
2						
3						
4						
5						
6						
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45	TOTAL					

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report below particulars (details) of credits during the year to Accounts 810, 811, and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.</p> <p>2. Natural Gas means either natural gas unmixed, or any mixture of natural and manufactured gas.</p> <p>3. If the reported Mcf for any use is an estimated quantity, state such fact in a footnote.</p> | <p>4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Mcf of gas used, omitting entries in columns (d) and (e).</p> <p>5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 F.</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			Mcf of Gas Used (c)	Amount of Credit (d)	Amount per Mcf (in cents) (e)	Mcf of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel - Cr.						
2	811 Gas used for Products Extraction - Cr.						
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.						
4	Gas Shrinkage, Etc. for Respd't's Gas Processed by Others						
5	812 Gas used for Other Util. Oprs. - Cr. (Rpt sep. for each prin. use. Group minor uses)						
6	812.1 Gas used in Util. Oprs. - Cr. (Nonmajor only)						
7							
8							
9							
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25	TOTAL						

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (Account 858)

1. Report below particulars (details) concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Mcf (Bcf) and amounts of payments for such services during the year. Minor items (less than 1,000,000 Mcf) must be grouped.
 2. In column (a) give name of companies to which payment were made, points of delivery and receipt of gas, names of companies to which gas was delivered and

Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk) (a)	Distance Transported (in miles) (b)
1	Not Applicable	
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46	TOTAL	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (Account 858) (Continued)

from which received. Points of delivery and receipt should be so designated that they can be identified readily on map of respondent's pipeline system.

3. If the Mcf of gas received differs from the Mcf delivered, explain in a footnote the reason for difference, i.e., uncompleted deliveries, allowance for transmission loss, etc

Mcf of Gas Delivered (14.73 psia at 60 F) (c)	Mcf of Gas Received (14.73 psia at 60 F) (d)	Amount of Payments (in dollars) (e)	Amount per Mcf of Gas Received (in cents) (f)	Line No.
NONE				1
				2
				3
				4
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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LEASE RENTALS CHARGED

1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.

2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000, the data called for in columns a, b (description only), f, g and j.

3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.

4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.

5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that short-lived and replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (description only), f, g and j, unless the lessee has the option purchase the property.

6. In column (a) report the name of the lessor. List lessors which are associated companies* (describing association) first followed by non-associated lessors.

7. In column (b) for each leasing arrangement, report in order classified by distribution plant, storage plant, transmission line distribution system, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:

A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES

Name of Lessor (a)	Basic Details of Lease (b)	Termination Date of Lease, Primary (P) or Renewal (R) (c)

** See Gas Plant Instruction 6 & Operating Expense Instruction 3 of the Uniform System of Accounts.

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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LEASE RENTALS CHARGED (Continued)

Description of the property, whether lease is a sale and leaseback, whether lessee has option to purchase and conditions of purchase, whether lease is cancelable by either party and the cancellation conditions, the tax treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, whichever occurs first.

9. Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancelable leases will not be cancelled when estimating the remaining charges.

* See definition on page 226 (B)

8. Report in column (d), as of the date of the current lease term, the original cost of the property leased, estimated if not known, or the fair market value of the property if greater than original cost and indicate as shown. If leased property is part of a large unit, such as part of a building, indicate without associating any cost or value with it.

A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES (Continued)

Name of Lessor (a)	Basic Details of Lease (b)	Termination Date of Lease, Primary (P) or Renewal (R) (c)
Not Applicable		

B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)

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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
Not Applicable							

B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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OTHER GAS SUPPLY EXPENSES (Account 813)

Report other gas supply expenses by descriptive titles which clearly indicate the nature of such expenses. Show maintenance expenses separately. Indicate the functional classification and purpose of property to which any expenses relate.

Line No.	Description (a)	Amount (in dollars) (b)
1		
2	Letter of Credit -- Supplier	15,000
3		
4	Amortization of Tap Fees	1,996
5		
6	Other	11,218
7		
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50	TOTAL	28,214

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)			
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 (List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,000 by classes if the number of items so grouped is shown.)		
5			
6	Directors Fees & Mileage		20,854
7			
8	Annual Meeting Expenses		7,774
9			
10	Patronage Expenses		7,424
11			
12	Community Service		854
13			
14	Miscellaneous		2,690
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49	TOTAL		39,596

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 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 manner in which

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	1,588		
2	Production plant, manufactured gas			
3	Production and gathering plant, natural gas			
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	594,988		
10	General plant	62,709		
11	Common plant - gas			
12				
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25	TOTAL	659,285		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments) (Continued)

column (b) balances are obtained. If average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method

is used to determine depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section B the amounts and nature of the provisions and the plant items to which related.

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

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
		1,588	Intangible plant	1
			Production plant, manufactures gas	2
			Production and gathering plant, natural gas	3
			Production extraction plant	4
			Underground gas storage plant	5
			Other storage plant	6
			Base load LNG terminating and processing plant	7
			Transmission plant	8
		594,988	Distribution plant	9
		62,709	General plant	10
			Common plant - gas	11
				12
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		659,285	TOTAL	25

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Depreciation Plant Base (Thousands) (b)	Applied Depr. Rate(s) (Percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Onshore		
4	Underground Gas Storage Plant		
5	Transmission Plant		
6	Offshore		
7	Onshore		
8	General Plant		
9	Distribution Plant		
10	Amortized Plant		

Notes to Depreciation, Depletion, and Amortization of Gas Plant

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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INCOME FROM UTILITY PLANT LEASED TO OTHERS (Account 412 and 413)

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report below the following information with respect to utility property leased to others constituting an operating unit or system.</p> <p>2. For each lease show: (1) name of lessee and description and location of the leased property; (2) revenues; (3) operating expenses classified as to operation, maintenance, depreciation, rents, amortization; and (4) net income from lease for year. Arrange amounts so that deductions appear as a subtraction</p> | <p>from revenues, and income as the remainder.</p> <p>3. Provide a subheading and total for each utility department in addition to a total for all utility departments.</p> <p>4. Furnish particulars (details) of the method of determining the annual rental for the property.</p> <p>5. Designate with an asterisk associated companies.</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	
1	NONE
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$10,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	(a) Miscellaneous Amortization	
2		
3	Amortization of Franchise Costs	1,588
4		
5		
6	(d) Other Interest Expense	
7		
8	CFC Line of Credit Interest	34,158
9	Interest on Security Deposits	5,032
10		
11	Total	39,190
12		
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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PARTICULARS CONCERNING CERTAIN INCOME ACCOUNTS

1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.

2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.

3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from operation.

Give the bases of any allocation between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration

date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any leases which are associated companies.

5. Equity in earnings of subsidiary companies (Account 418 1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.

6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.

7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense the amount for the year. Minor items may be grouped by classes.

Line No.	Item (a)	Amount (b)
1		
2	Interest Income -- Various Accounts	3,085
3		
4		
5		
6		
7		
8	Revenue from Merchandising	3,058
9		
10	Expense of Merchandising	(2,327)
11		
12	Miscellaneous Non-operating Income	1,458
13		
14	Gain(Loss) on Disposition of Capital Assets	0
15		
16	Total Income(Loss) from Equity Investments	2,189
17		
18		
19		
20		
21		
22		
23		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.

2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).

3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2	<u>Non-Utility</u>				
3					
4	NONE				
5					
6					
7					
8					
9					
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12					
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16					
17	Total Gain			0	

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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Cont'd)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
18	Loss on disposition of property:				
19					
20	<u>NONE</u>				
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES
(Account 426.4)

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.

2. Advertising expenditures in the Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in reports to stockholders; (e) newspaper and

magazine editorial services; and (f) other advertising.

3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.

4. If the respondent has not incurred any expenditures contemplated by the instructions of Account 426.4, so state.

5. For reporting years which begin during the calendar year 1963 only, minor amounts may be grouped by classes if the number of items so grouped is shown.

NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

Line No.	Item (a)	Amount (b)
1		
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3		
4	NONE	
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expense: incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body or cases in which such a body was a party.
2. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description Furnish name of regulatory commission or body the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1					
2					
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6					
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45					
46	TOTAL				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 233 for Account 186.

5. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

6. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR			Deferred in Account 186, End of Year	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186	Contra Account	Amount		
Department	Account No.	Amount					
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
							1
							2
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2013	Year of Report December 31, 2012
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) projects initiated, continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)

2. Indicate in column (a) the applicable classification, as shown below. Classifications:

A. Gas R, D & D Performed Internally

(1) Pipeline

 a. Design

 b. Efficiency

(2) Compressor Station

 a. Design

 b. Efficiency

(3) System Planning, Engineering, and Operation

(4) Transmission Control and Dispatching

(5) LNG Storage and Transportation

(6) Underground Storage

(7) Other Storage

(8) New Appliances and New Uses

(9) Gas Exploration, Drilling, Production, and Recovery

(10) Coal Gasification

(11) Synthetic Gas

(12) Environmental Research

(13) Other (Classify and Include Items in Excess of \$5,000.)

(14) Total Cost Incurred

Line No.	Classification (a)	Description (b)
1	NONE	
2		
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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.(1: 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)	MOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
NONE					1
					2
					3
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DISTRIBUTION OF SALARIES AND WAGES

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

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution	221,203		
6	Customer Accounts	482,849		
7	Customer Service and Informational	13,731		
8	Sales	0		
9	Administrative and General	441,847		
10	TOTAL Operation (Total of lines 3 thru 9)	1,159,630		
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution	1,111,801		
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)	1,111,801		
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)	0		
19	Transmission (Total of lines 4 and 13)	0		
20	Distribution (Total of lines 5 and 14)	1,333,004		
21	Customer Accounts (Line 6)	482,849		
22	Customer Service and Informational (Line 7)	13,731		
23	Sales (Line 8)	0		
24	Administrative and General (Total of lines 9 and 15)	441,847		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	2,271,431		2,271,431
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminating and Processing			
32	Transmission			
33	Distribution	208,956		
34	Customer Accounts	134,938		
35	Customer Service and Informational	3,433		
36	Sales	0		
37	Administrative and General	94,409		
38	TOTAL Operation (Total of lines 28 thru 37)	441,736		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminating and Processing			
44	Transmission			
45	Distribution	73,252		
46	Administrative and General			
47	TOTAL Maint. (Total of lines 40 thru 46)	73,252		

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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)	282,208		
55	Customer Accounts (Line 34)	134,938		
56	Customer Service and Informational (Line 35)	3,433		
57	Sales (Line 36)	0		
58	Administrative and General (Lines 37 and 46)	94,409		
59	TOTAL Oper. and Maint. (Total of lines 49 thru 58)	514,988		514,988
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	2,786,419		2,786,419
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	1,005,383		1,005,383
66	Gas Plant	172,690		172,690
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	1,178,073		1,178,073
69	Plant Removal (By Utility Departments)			
70	Electric Plant	76,103		76,103
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	76,103		76,103
74	Other Accounts (Specify):			
75				
76				
77	Miscellaneous	806,248		806,248
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	806,248	0	806,248
96	TOTAL SALARIES AND WAGES	4,846,843		4,846,843

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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 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	NOT APPLICABLE
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$50,000, including payments for legislative services, except those which should be reported in Account

426.4, Expenditures for Certain civic, Political and Related Activities.)
(a) Name and address of person or organization rendering services,
(b) description of services received during year and project or case to which services relate,
(c) basis of charges,
(d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate with an asterisk associated companies.

Line No.	Name / Address	Service	Basis of Charges	Acct #	Amount
1					
2	Dykema Gossett PLLC	Legal (Electric)		923.00	\$129,923
3	400 Renaissance CE	Legal (Gas)		923.00.50	\$47,295
4	Detroit, MI 48243				
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
 2. In column (b) describe the affiliation (percentage ownership, etc.).
 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).
 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1					
2					
3					
4					
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TOTAL					

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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
						2
						3
						4
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. In column (a) report the name of the associated company.
 2. In column (b) describe the affiliation (percentage ownership, etc.).
 3. In column (c) describe the nature of the goods and</p> | <p>services provided (administrative and general expenses, dividends declared, etc.).
 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
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TOTAL					

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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which

reported.

7. In column (j) report the total.

8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
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NATURAL GAS RESERVES AND LAND ACREAGE

1. Report below particulars (details) concerning the remaining recoverable saleable gas reserves and natural gas land acreage at end of year. Designate gas reserves on acreage acquired before October 8, 1969, and reserves on acreage acquired after October 7, 1969.

2. Classify the gas reserves and related land and land rights and costs under the sub-headings: (A) Producing Gas Lands, and (B) Non-producing Gas Lands. Provide a total for each classification.

3. For producing gas lands, report the required information alphabetically by State, County, or offshore area, and field.

If the field name is not assigned, report as "unnamed." Identify offshore fields according to their location in State or Federal domains by using the letter "S" for State domain, and "F" for Federal domain in column (a). For column (b), enter the zone number if applicable. The land, leasehold, and gas rights costs so reported should agree with the amounts carried under Account 101, Gas Plant in Service, and as reported for Accounts 325.1, 325.2, and 325.3 on pages 204-205. In column (e) show for each field the year and remaining recoverable saleable gas reserves available to respondent from owned lands, leaseholds, and gas rights.

Line No.	OFFSHORE AREA		Name of Field or Block (c)	Name of State / County / Offshore Area (d)	Recoverable Gas Reserves (Thousands Mcf) (e)	OWNED LANDS
	Domain (a)	Zone (b)				Acres (f)
1			A. PRODUCING GAS LANDS			
2			B. NON-PRODUCING GAS LANDS			
3						
4						
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NATURAL GAS RESERVES AND LAND ACREAGE (Continued)

4. For non-producing gas lands, report the required information alphabetically by State, County, or offshore area by blocks. Report offshore lands in the same manner as producing gas lands. The land leaseholds, and gas rights costs reported should agree with the amounts carried under Account 105, Gas Plant Held for Future Use, and 105.1, Production Properties Held for Future Use, and reported in total on pages 214 and 215. Do not report estimates of gas reserves (column (e)) for unproven fields; however, if the company made estimates for such lands and normally includes such estimates in stating its reserve position in connection with proposed financing and for managerial and other purposes, include such estimates on this page.

5. Report the cost of lands, leaseholds, and gas rights in accordance with provisions of the Uniform System of Accounts for Natural Gas Companies.

6. For columns (j) and (k), do not duplicate acreage reported for owned lands and leaseholds. Designate with an asterisk royalty interests separately owned.

7. Indicate by footnote whether acres reported are gross acres or net acres based on proportion of ownership in jointly owned tracts.

8. Do not include oil mineral interests in the cost of acreage reported.

9. Report volumes on a pressure base of 14.73 psia at 60 F.

OWNED LANDS (Cont.)	LEASEHOLDS		OWNED GAS RIGHTS		TOTAL		Line No.
	Cost (g)	Acres (h)	Cost (i)	Acres (j)	Cost (k)	Acres (l)	
							1
							2
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CHANGES IN ESTIMATED HYDROCARBON RESERVES AND COSTS, AND NET REALIZABLE VALUE

1. Report changes during the year in recoverable saleable reserves of the respondent located on acreage acquired after October 7, 1969. Have the reported reserves attested to every three years by an independent appraiser. File the attestation with the Commission along with this report. If the reserves, at the time the reserve determination is made, significantly differ from those reported on this page, file a reconciliation and explanation of such differences along with the attestation.

2. For any important changes in the estimated reserves due to purchases, sales, or exchanges of lands, leaseholds, or rights, furnish on page 505 a brief explanation of the transactions and reserves

involved. Also, explain the criteria used to estimate the net realizable value of reserves.

3. For column (d), report the reserves and changes associated with lands, leaseholds, and rights included in Account 105.1, Production Properties Held for Future Use. (See Gas Plant Accounts Instruction 7G of the U.S. of A.).

4. Report pressure base of gas volumes at 14.73 psia at 60 F.

5. For line 16 base the net realizable value of hydrocarbon reserves on the current selling price of the hydrocarbon reserves less estimated costs of extraction, completion, and disposal.

Line No.	Items (a)	Total Reserves Gas (Thousands Mcf) (b)	Lands, Leaseholds, and Rights		Total Reserves Oil and Liquids (Barrels) (e)	Investment (Net Book Value) (f)
			In Service Gas (Thousands Mcf) (c)	Held for Future Use Gas (Thousands Mcf) (d)		
1	Estimated Recoverable Reserves at Beginning of Year					
2	ADDITIONS					
3	Purchases and Exchanges of Lands, Leaseholds, and Rights					
4	Transfers from Reserves Held for Future Use					
5	Upward Revision of Basic Reserve Estimates (Explain in a footnote)					
6	Other Increases (Explain in a footnote)					
7	TOTAL Additions (Line 3 thru 6)					
8	DEDUCTIONS					
9	Production During Year					
10	Sales and Exchanges of Lands, Leaseholds, and Rights					
11	Transfers of Reserves Held for Future Use to Reserves in Service					
12	Downward Revision of Estimates of Recoverable Reserves (Explain in a footnote)					
13	Other Decreases (Explain in a footnote)					
14	TOTAL Deductions (Lines 9 thru 13)					
15	Estimate Recoverable Reserves at End of Year (Enter total of lines 1, 7, and 14)					
16	Net Realizable Value at End of Reporting Year (Explain on page 505): \$					

NOTES

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HYDROCARBON RESERVES AND COSTS, AND NET REALIZABLE VALUE (Continued)

Explain below items for which explanations are required on page 504, Changes in Estimated Hydrocarbon Reserves and Costs, and Net Realizable Value. For line 16 on page 504, explain the criteria used to estimate such value and provide an explanation of

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COMPRESSOR STATIONS

1. Report below particulars (details) concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Relatively small field compressor stations may be grouped by production areas. Show the number of stations grouped. Designate any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership, if

Line No.	Name of Station and Location (a)	Number of Employees (b)	Plant Cost (c)
1			
2			
3			
4			
5			
6			
7			
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COMPRESSOR STATIONS (Continued)

jointly owned. Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote the size of

each such unit, and the date each such unit was placed in operation.
3. For column (d), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Expenses (Except depreciation and taxes)		Gas for Compressor Fuel Mcf (14.73 psia at 60 F)	Operation Data			Line No.
Fuel or Power (d)	Other (e)		Total Compressor Hours of Operation During Year (g)	No. of Compressors Operated at Time of Station Peak (h)	Date of Station Peak (i)	
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GAS AND OIL WELLS

1. Report below the particulars (details) concerning gas and oil wells. Designate any wells not operated during the past year, wells of the respondent which are either producing or capable and in a footnote state whether the book cost of such wells, or any portion thereof, has been retired in the books of account, production.

2. Report the required information alphabetically by states. For what disposition of the wells and their book cost is wells located offshore separately.

3. For column (a), under separate headings, list gas wells first, oil wells second, and combination wells third. Combination wells producing or capable of production from one or more gas reservoirs and also from one or more oil reserves. Enter totals for each of the headings (gas wells, oil wells, combination wells, gas wells, or combination wells. Show additions in black and deductions enclosed in parentheses. The total additions must equal the total deductions.

Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclassified (f)	DEDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Successful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)		Wells Abandoned (g)	Wells Sold (h)	Total (g + h) (i)	
1										
2										
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GAS STORAGE PROJECTS

1. Report particulars (details) for total gas storage projects.
2. Total storage plant (column b) should agree with amounts reported by the respondent in Accounts 350.1 to 364.8 inclusive (pages 204 - 205).

3. Give particulars (details) of any gas stored for the benefit of another company under a gas exchange arrangement or on basis of purchase and resale to other company. Designate with an asterisk if other company is an associated company.

Line No.	Item (a)	Total Amount (b)
1	Natural Gas Storage Plant	
2	Land and Land Rights	
3	Structures and Improvements	
4	Storage Wells and Holders	
5	Storage Lines	
6	Other Storage Equipment	
7	TOTAL (Enter Total of Lines 2 thru 6)	
8	Storage Expenses	
9	Operation	
10	Maintenance	
11	Rents	
12	TOTAL (Enter Total of Lines 9 thru 11)	
13	Storage Operations (In Mcf)	
14	Gas Delivered to Storage	
15	January	
16	February	
17	March	
18	April	
19	May	
20	June	
21	July	
22	August	
23	September	
24	October	
25	November	
26	December	
27	TOTAL (Enter Total of Lines 15 thru 26)	
28	Gas Withdrawn from Storage	
29	January	
30	February	
31	March	
32	April	
33	May	
34	June	
35	July	
36	August	
37	September	
38	October	
39	November	
40	December	
41	TOTAL (Enter Total of Lines 29 thru 40)	

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GAS STORAGE PROJECTS (Continued)

Line No.	Item (a)	Total Amount (b)
	Storage Operations (In Mcf)	
42	Top or Working Gas End of Year	
43	Cushion Gas (Including Native Gas)	
44	Total Gas in Reservoir (Enter Total of Line 42 and 43)	
45	Certified Storage Capacity	
46	Number of Injection - Withdrawal Wells	
47	Number of Observation Wells	
48	Maximum Day's Withdrawal from Storage	
49	Date of Maximum Day's Withdrawal	
50	LNG Terminal Companies	
51	Number of Tanks	
52	Capacity of Tanks	
53	LNG Volumes	
54	a) Received at "Ship Rail"	
55	b) Transferred to Tanks	
56	c) Withdrawn from Tanks	
57	d) "Boil Off" Vaporization Loss	
58	e) Converted to Mcf at Tailgate of Terminal	

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DISTRIBUTION AND TRANSMISSION LINES

1. Report below by States the total miles of pipe lines operated by respondent at end of year.
2. Report separately any lines held under title other than full ownership. Designate such lines with an asterisk and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.

3. Report separately any line that was not operated during the past year. Enter in a footnote the particulars (details) and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book cost are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to 0.1) (b)
1	DISTRIBUTION MAINS	626.2
2		
3		
4		
5		
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19		
20	TOTAL	626.2

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LIQUEFIED PETROLEUM GAS OPERATION

1. Report the information called for below concerning plants which produce gas from liquefied petroleum gas (LPG).
 2. For column (a), give city and State or such other designation necessary to locate plant on a map of the respondent's system.
 3. For columns (b) and (c), the plant cost and operation and maintenance expenses of any liquefied petroleum gas

installation which is only an adjunct of a manufactured gas plant, may include or exclude (as appropriate) the plant cost and expenses of any plant used jointly with the manufactured gas facilities on the basis of predominant use. Indicate in a footnote how the plant cost and expenses for the liquefied petroleum plant described above are reported.

Line No.	Location of Plant and Year Installed (City, state. etc.) (a)	Cost of Plant (Land struct. equip.) (b)	Expenses	
			Oper. Maintenance, Rents, etc. (c)	Cost of LPG Used (d)
1	Not Applicable			
2				
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40	TOTAL			

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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 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)			
Not	Applicable				1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40

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DISTRIBUTION SYSTEM PEAK DELIVERIES

1. Report below the total distribution system deliveries of gas, excluding deliveries to storage 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)
Section A. Three Highest Days of System Peak Deliveries				
1	Date of Highest Day's Deliveries	1/19/2012		
2	Deliveries to Customers Subject to MPSC Rate Schedules			
3	Deliveries to Others		4,566	
4	TOTAL		4,566	
5	Date of Second Highest Day's Deliveries	2/10/2012		
6	Deliveries to Customers Subject to MPSC Rate Schedules			
7	Deliveries to Others		4,442	
8	TOTAL		4,442	
9	Date of Third Highest Day's Deliveries	1/20/2012		
10	Deliveries to Customers Subject to MPSC Rate Schedules			
11	Deliveries to Others		4,392	
12	TOTAL		4,392	
Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)				
13	Dates of Three Consecutive Days Highest System Peak Deliveries	1/19/2012		
		1/20/2012		
		1/21/2012		
14	Deliveries to Customers Subject to MPSC Rate Schedules			
15	Deliveries to Others		12,928	
16	TOTAL		12,928	
17	Supplies from Line Pack			
18	Supplies from Underground Storage			
19	Supplies from Other Peaking Facilities			
Section C. Highest Month's System Deliveries				
20	Month of Highest Month's System Deliveries	January, 2012		
21	Deliveries to Customers Subject to MPSC Rate Schedules			
22	Deliveries to Others		101,762	
23	TOTAL		101,762	

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AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.

2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted

For other facilities, report the rated maximum daily delivery capacities.

3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominate use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility, Mcf at 14.73 psia at 60 F (c)	Cost of Facility (In dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
					Yes (e)	No (f)
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SYSTEM MAPS

1. Furnish 2 copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2. Indicate the following information on the maps:

- (a) Transmission lines - colored in red, if they are not otherwise clearly indicated.
- (b) Principal pipeline arteries of gathering systems.
- (c) Sizes of pipe in principal pipelines shown on map.
- (d) Normal directions of gas flow - indicated by arrows.
- (e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas.

(f) Locations of compressor stations, products extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc.

(g) Important main line interconnections with other natural gas companies, indicating in each case whether gas is received or delivered and name of connecting company.

(h) Principal communities in which respondent renders local distribution service.

3. In addition, show on each map: graphic scale to which map is drawn; date as of which the map represents the facts it purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

**There have been no significant changes since the last maps were submitted.
System Maps were last submitted for the 2007 operating year.**

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FOOTNOTE DATA

Page No. (a)	Line No. (b)	Column No. (c)	Comments (d)