

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION MI0029
	PERIOD ENDED 12/2005
FINANCIAL AND STATISTICAL REPORT	BORROWER NAME AND ADDRESS ONTONAGON COUNTY R E ASSN
	500 J K Paul Avenue P O Box 97 Ontonagon, MI 49953-0097
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.	

CERTIFICATION

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

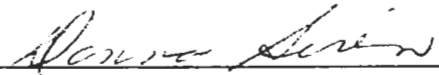
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

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

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.


 Donna Siren, Billing Clerk 03/01/2006
 DATE


 Thomas A Haarala, General Manager 03/01/2006
 DATE

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 Michigan Public Service Commission

MAR 21 2006

**REGULATED ENERGY
 DIVISION**

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 Michigan Public Service Commission

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**REGULATED ENERGY
 DIVISION**

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
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Part A. Statement of Operations

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	3,756,675	4,010,596	3,781,967	542,523
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,742,819	1,918,527	1,731,458	367,001
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	112,464	91,989	102,000	(1,281)
6. Distribution Expense - Maintenance	278,009	311,920	284,000	17,144
7. Customer Accounts Expense	127,456	126,064	125,000	13,160
8. Customer Service and Informational Expense	12,847	12,641	13,800	1,030
9. Sales Expense	430	0	300	0
10. Administrative and General Expense	429,297	440,132	426,000	36,503
11. Total Operation & Maintenance Expense (2 thru 10)	2,703,322	2,901,273	2,682,558	433,557
12. Depreciation and Amortization Expense	402,836	423,805	425,100	35,958
13. Tax Expense - Property & Gross Receipts	130,243	142,929	139,200	11,409
14. Tax Expense - Other	33,137	34,821	34,100	2,712
15. Interest on Long-Term Debt	335,764	403,961	391,500	35,416
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	44,475	36,915	34,600	3,576
18. Other Deductions	600	1,800	1,200	50
19. Total Cost of Electric Service (11 thru 18)	3,650,377	3,945,504	3,708,258	522,678
20. Patronage Capital & Operating Margins (1 minus 19)	106,298	65,092	73,709	19,845
21. Non Operating Margins - Interest	36,702	36,542	26,400	9,089
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	2,080	4,404	3,600	0
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	6,507	9,365	5,000	2,747
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	151,587	115,403	108,709	31,681

Part B. Data on Transmission and Distribution Plant

TEM	Year-to-date Last Year (a)	Year-to-date This Year (b)
1. New Services Connected	80	91
2. Services Retired	20	9
3. Total Services in Place	4,999	5,077
4. Idle Services (Exclude Seasonal)	238	239
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	830.69	825.81
7. Miles Distribution - Underground	79.59	85.85
8. Total Miles Energized (5 + 6 + 7)	910.28	911.66

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Part C. Balance Sheet

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	15,270,560	29. Memberships	19,140
2. Construction Work in Progress	198,789	30. Patronage Capital	1,895,434
3. Total Utility Plant (1 + 2)	15,469,349	31. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	4,119,153	32. Operating Margins - Current Year	74,456
5. Net Utility Plant (3 - 4)	11,350,196	33. Non-Operating Margins	40,946
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	29,898
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	2,059,874
8. Invest. in Assoc. Org. - Patronage Capital	33,918	36. Long-Term Debt - RUS (Net)	8,461,922
9. Invest. in Assoc. Org. - Other - General Funds	218,059	(Payments - Unapplied)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	61,290	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	0	38. Long-Term Debt - FFB - RUS Guaranteed	0
12. Other Investments	0	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	593,055
14. Total Other Property & Investments (6 thru 13)	313,267	41. Total Long-Term Debt (36 thru 40)	9,054,977
15. Cash - General Funds	219,530	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	0	44. Total Other Noncurrent Liabilities (42 + 43)	0
18. Temporary Investments	0	45. Notes Payable	750,000
19. Notes Receivable (Net)	0	46. Accounts Payable	470,796
20. Accounts Receivable - Sales of Energy (Net)	820,390	47. Consumers Deposits	7,925
21. Accounts Receivable - Other (Net)	8,494	48. Current Maturities Long-Term Debt	300,000
22. Materials and Supplies - Electric & Other	210,452	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	28,376	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	0	51. Other Current and Accrued Liabilities	282,595
25. Total Current and Accrued Assets (15 thru 24)	1,287,242	52. Total Current & Accrued Liabilities (45 thru 51)	1,811,316
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	18,865	54. Other Deferred Credits	43,403
28. Total Assets and Other Debits (5+14+25 thru 27)	12,969,570	55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru 54)	12,969,570

Name of Borrower		Report Year	Report Period
ONTONAGON COUNTY R E ASSN (MI0029)		2005	12
Part D. Notes to Financial Statements			

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Part E. Changes in Utility Plant

PLANT ITEM	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
Distribution Plant	13,133,184	807,668	136,246	0	13,804,606
General Plant	1,078,934	177,627	28,507	0	1,228,054
Headquarters Plant	236,551	0	0	0	236,551
Intangibles	1,349	0	0	0	1,349
Transmission Plant	0	0	0	0	0
All Other Utility Plant	0	0	0	0	0
Total Utility Plant in Service (1 thru 6)	14,450,018	985,295	164,753	0	15,270,560
Construction Work in Progress	86,526	112,263			198,789
TOTAL UTILITY PLANT (7 + 8)	14,536,544	1,097,558	164,753	0	15,469,349

Part F. Materials and Supplies

ITEM	Balance Beginning of Year (a)	Purchased (b)	Salvaged (c)	Used (Net) (d)	Sold (e)	Adjustment (f)	Balance End of Year (g)
1. Electric	134,704	265,348	2,678	180,752	1,725	(15,204)	205,049
2. Other	4,947	1,743	0	392	1,618	723	5,403

Part G. Service Interruptions

ITEM	Avg. Hours per Consumer by Cause Power Supplier (a)	Avg. Hours per Consumer by Cause Extreme Storm (b)	Avg. Hours per Consumer by Cause Prearranged (c)	Avg. Hours per Consumer by Cause All Other (d)	TOTAL (e)
1. Present Year	1.21	6.00	0.24	1.94	9.39
2. Five-Year Average	3.11	3.53	0.09	1.83	8.56

Part H. Employee-Hour and Payroll Statistics

	Amount
1. Number of Full Time Employees	13
2. Employee - Hours Worked - Regular Time	27,076
3. Employee - Hours Worked - Overtime	1,514
4. Payroll - Expensed	348,661
5. Payroll - Capitalized	308,820
6. Payroll - Other	138,372

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Part I. Patronage Capital

ITEM	DESCRIPTION	This Year (a)	Cumulative (b)
1. Capital Credits Distributions	a. General Retirements	0	0
	b. Special Retirements	0	0
	c. Total Retirements (a + b)	0	0
2. Capital Credits Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	0	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	460	
	c. Total Cash Received (a + b)	460	

Part J. Due from Consumers for Electric Service

	Amount
1. AMOUNT DUE OVER 60 DAYS	40,000
2. AMOUNT WRITTEN OFF DURING YEAR	17,800

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Part K. kWh Purchased and Total Cost

Line No.	ITEM (a)	RUS Use Only Supplier Code (b)	kWh Purchased (c)	Total Cost (d)	Average Cost (Cents/kWh) (e)	Included in Total Cost Fuel Cost Adjustment (f)	Included in Total Cost Wheeling and Other Charges (or credits) (g)
1	Upper Peninsula Power Company	19578	27,015,284	1,744,851	6.46	0	0
2	Wisconsin Electric Power Co	20847	3,809,174	173,676	4.56	0	0
3		0	0	0	0.00	0	0
4		0	0	0	0.00	0	0
5		0	0	0	0.00	0	0
6		0	0	0	0.00	0	0
7		0	0	0	0.00	0	0
8		0	0	0	0.00	0	0
9		0	0	0	0.00	0	0
10		0	0	0	0.00	0	0
11		0	0	0	0.00	0	0
12		0	0	0	0.00	0	0
13		0	0	0	0.00	0	0
14		0	0	0	0.00	0	0
15		0	0	0	0.00	0	0
16		0	0	0	0.00	0	0
17		0	0	0	0.00	0	0
18		0	0	0	0.00	0	0
19		0	0	0	0.00	0	0
20		0	0	0	0.00	0	0
	Total		30,824,458	1,918,527	6.22	0	0

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Part M. Annual Meeting and Board Data

1. Date of Last Annual Meeting 05/18/2005	2. Total Number of Members 4,100	3. Number of Members Present at Meeting 73	4. Was Quorum Present (Y/N) ? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members 26,716	8. Does Manager Have Written Contract (Y/N) ? N

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Part O. Power Requirements Data Base - Annual Summary

CLASSIFICATION	Consumer Sales & Revenue Data	December	Average No. Consumers Served	Total Year to Date
		(a)	(b)	(c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,108	3,087	
	b. kWh Sold			19,210,752
	c. Revenue			2,766,501
2. Residential Sales - Seasonal	a. No. Consumers Served	1,293	1,279	
	b. kWh Sold			1,713,338
	c. Revenue			343,013
3. Irrigation Sales	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
4. Comm. and Ind. 1000KVA or Less	a. No. Consumers Served	191	190	
	b. kWh Sold			6,517,467
	c. Revenue			838,901
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
6. Public Street & Highway Lighting	a. No. Consumers Served	134	129	
	b. kWh Sold			7,805
	c. Revenue			11,889
7. Other Sales to Public Authorities	a. No. Consumers Served	25	25	
	b. kWh Sold			81,507
	c. Revenue			12,819
8. Sales for Resales - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. TOTAL No. of Consumers (lines 1a thru 9a)		4,751	4,710	
11. TOTAL kWh Sold (lines 1b thru 9b)				27,530,869
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				3,973,123
13. Other Electric Revenue				37,473
14. kWh - Own Use				0
15. TOTAL kWh Purchased				30,824,458
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation and Transmission Expense				1,918,527
18. Interchange - kWh - Net				0
19. System Peak - Sum Annual Peak kW Input from all Sources (Metered)				6,675

Non-coincident Coincident

7a - Part I. Investments

Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
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2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS

1	Federated Rural Electric Insurance Exchange	12,529	0	0	
2	National Information Solutions Cooperative	20,939	0	0	
3	Michigan Electric Cooperative Association	5,080	0	0	
4	Various (Common Stock)	423	0	0	
5	NRUCFC (Pat Cap, Memb Cert & CTC's)	13,272	61,289	0	
6	RESCO	64	0	0	
7	Settlers Cooperative Inc	285	0	0	
8	American Transmission Company	199,386	0	0	
Total: 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS		251,978	61,289	0	

6. CASH - GENERAL

9	Checking, Savings & Working Funds	0	219,530	0	
Total: 6. CASH - GENERAL		0	219,530	0	

9. ACCOUNTS & NOTES RECEIVABLE - NET

10	Various	0	8,494	0	
Total: 9. ACCOUNTS & NOTES RECEIVABLE - NET		0	8,494	0	

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Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
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54					
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11. TOTAL INVESTMENTS	251,978	289,313	0	
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7a - Part II. Loan Guarantees/Part III. Ratio

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1			0	0	
2			0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
TOTALS			0	0	
TOTAL (included Loan Guarantees only)			0	0	

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

1.6 %

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7a - Part IV. Loans

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1	Employees, Officers, Directors		0	0	
2	Energy Resource Conservation Loans		0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
11			0	0	
12			0	0	
13			0	0	
14			0	0	
15			0	0	
TOTALS			0	0	