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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION WI0063
FINANCIAL AND STATISTICAL REPORT	PERIOD ENDED December, 2008 (Prepared with reduced data)
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	BORROWER NAME
<i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	BAYFIELD ELEC COOP INC

RECEIVED
Michigan Public Service Commission

APR 29 2009

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.

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.

Carl Melchioris

2/26/2009

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	9,903,316	10,336,178	10,101,543	1,608,830
2. Power Production Expense	0	0		0
3. Cost of Purchased Power	4,927,251	5,211,360	5,110,194	563,599
4. Transmission Expense	5,224	6,152	15,000	0
5. Distribution Expense - Operation	171,032	286,585	226,216	(35,248)
6. Distribution Expense - Maintenance	1,321,401	1,187,378	1,426,210	68,793
7. Customer Accounts Expense	423,795	440,444	404,324	39,530
8. Customer Service and Informational Expense	133,102	192,772	132,603	21,909
9. Sales Expense	10,805	18,186	9,985	3,390
10. Administrative and General Expense	856,866	856,420	850,806	53,856
11. Total Operation & Maintenance Expense (2 thru 10)	7,849,476	8,199,297	8,185,338	715,829
12. Depreciation and Amortization Expense	980,733	1,000,357	982,851	80,592
13. Tax Expense - Property & Gross Receipts	143,735	150,083	146,043	12,174
14. Tax Expense - Other	0	0	0	0
15. Interest on Long-Term Debt	696,818	758,583	727,606	70,208
16. Interest Charged to Construction - Credit	(13,001)	(20,713)	(14,103)	(12,670)
17. Interest Expense - Other	19,926	2,219	1,550	1,356
18. Other Deductions	10,000	1,842	0	1,684
19. Total Cost of Electric Service (11 thru 18)	9,687,687	10,091,668	10,029,285	869,173
20. Patronage Capital & Operating Margins (1 minus 19)	215,629	244,510	72,258	739,657
21. Non Operating Margins - Interest	61,128	70,283	49,890	5,575
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	(43,654)	11,207	6,491	2,821
25. Generation and Transmission Capital Credits	195,318	128,364	187,118	(11,069)
26. Other Capital Credits and Patronage Dividends	115,478	52,832	110,438	2,150
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	543,899	507,196	426,195	739,134

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PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	136	101	5. Miles Transmission	0.00	0.00
2. Services Retired	36	17	6. Miles Distribution - Overhead	1,331.52	1,329.79
3. Total Services in Place	9,144	9,228	7. Miles Distribution - Underground	572.40	580.15
4. Idle Services (Exclude Seasonals)	499	495	8. Total Miles Energized (5 + 6 + 7)	1,903.92	1,909.94

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	33,854,624	29. Memberships.....	39,545
2. Construction Work in Progress	1,206,459	30. Patronage Capital.....	7,350,663
3. Total Utility Plant (1 + 2)	35,061,083	31. Operating Margins - Prior Years.....	0
4. Accum. Provision for Depreciation and Amort	15,925,624	32. Operating Margins - Current Year.....	425,706
5. Net Utility Plant (3 - 4)	19,135,459	33. Non-Operating Margins.....	81,490
6. Non-Utility Property (Net)	1,500	34. Other Margins and Equities.....	(163,570)
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34).....	7,733,834
8. Invest. in Assoc. Org. - Patronage Capital	2,516,026	36. Long-Term Debt - RUS (Net).....	13,175,869
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	592,149	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects	345,714	39. Long-Term Debt Other (Net).....	2,589,034
12. Other Investments	311,133	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds	35,512	41. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13) ...	3,802,034	42. Total Long-Term Debt (36 thru 40 - 41).....	15,764,903
15. Cash - General Funds	368,932	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	875,612
17. Special Deposits	0	45. Total Other Noncurrent Liabilities (43 + 44).....	875,612
18. Temporary Investments	239,777	46. Notes Payable.....	150,000
19. Notes Receivable (Net)	34,047	47. Accounts Payable.....	710,703
20. Accounts Receivable - Sales of Energy (Net)	1,716,400	48. Consumers Deposits.....	142,056
21. Accounts Receivable - Other (Net)	8,046	49. Current Maturities Long-Term Debt.....	644,500
22. Materials and Supplies - Electric & Other	335,795	50. Current Maturities Long-Term Debt -Economic Development.....	10,500
23. Prepayments	90,818	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets	1,705	52. Other Current and Accrued Liabilities.....	367,427
25. Total Current and Accrued Assets (15 thru 24)	2,795,520	53. Total Current & Accrued Liabilities (46 thru 52).....	2,025,186
26. Regulatory Assets	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits	700,361	55. Other Deferred Credits.....	33,839
28. Total Assets and Other Debits (5+14+25 thru 27)..	26,433,374	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	26,433,374

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PART D. NOTES TO FINANCIAL STATEMENTS

The 2008 effect of the plan was to defer costs of \$668,000.00 in December 2008 to 2009, which amount was amortized to January 2009 revenues/margins.

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PART E. CHANGES IN UTILITY PLANT					
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	28,636,413	1,171,555	368,750		29,439,218
2. General Plant	2,166,584	154,644	160,807		2,160,421
3. Headquarters Plant	763,631	18,523	0		782,154
4. Intangibles	155	0	0		155
5. Transmission Plant	1,418,934	32,681	0		1,451,615
6. All Other Utility Plant	0	21,061	0		21,061
7. Total Utility Plant in Service (1 thru 6)	32,985,717	1,398,464	529,557		33,854,624
8. Construction Work in Progress	329,154	877,305			1,206,459
9. TOTAL UTILITY PLANT (7 + 8)	33,314,871	2,275,769	529,557		35,061,083

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	220,085	992,698		819,765	39,674	(17,549)	335,795
2. Other	0						0

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	138.84	968.58	109.44	531.72	1,748.58
2. Five-Year Average	73.20	437.40	41.40	233.40	785.40

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	23	4. Payroll - Expensed	977,739
2. Employee - Hours Worked - Regular Time	47,993	5. Payroll - Capitalized	297,176
3. Employee - Hours Worked - Overtime	3,517	6. Payroll - Other	239,690

PART I. PATRONAGE CAPITAL			
ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	42,995	1,924,936
	b. Special Retirements		207,498
	c. Total Retirements (a + b)	42,995	2,132,434
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	41,547	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	17,160	
	c. Total Cash Received (a + b)	58,707	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. AMOUNT DUE OVER 60 DAYS	\$ 73,959	2. AMOUNT WRITTEN OFF DURING YEAR	\$ 20,315

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Part K. kWh PURCHASED AND TOTAL COST

No	ITEM (a)	RUS USE ONLY SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST (Cents/kWh) (e)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (f)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (g)
1	Dairyland Power Cooperative (WI0064)	4716	90,023,080	5,211,360	5.79		
	Total		90,023,080	5,211,360	5.79		

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PART L. LONG-TERM LEASES

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

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PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/7/2008	2. Total Number of Members 7,909	3. Number of Members Present at Meeting 145	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 141	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 114,677	8. Does Manager Have Written Contract? Y

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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	13,175,869	614,110	319,543	933,653
2	National Rural Utilities Cooperative Finance Corporation	2,312,034	146,618	298,588	445,206
3	Bank for Cooperatives				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	USDA-REDLG	200,000			
8	ED-Pistol Pete	77,000	0	0	0
	Total	15,764,903	760,728	618,131	1,378,859

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PART O. POWER REQUIREMENTS DATA BASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	4,835	4,819	
	b. kWh Sold			55,724,487
	c. Revenue			6,453,768
2. Residential Sales - Seasonal	a. No. Consumers Served	3,837	3,807	
	b. kWh Sold			14,492,093
	c. Revenue			2,488,446
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	53	52	
	b. kWh Sold			10,775,859
	c. Revenue			836,800
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. TOTAL No. of Consumers (lines 1a thru 9a)		8,725	8,678	
11. TOTAL kWh Sold (lines 1b thru 9b)				80,992,439
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				9,779,014
13. Other Electric Revenue				557,165
14. kWh - Own Use				291,639
15. TOTAL kWh Purchased				90,023,080
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation				5,217,512
18. Interchange - kWh - Net				
19. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				18,810

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PART I. INVESTMENTS

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1	Non-Utility Property (NET)				
	Iron River Development	1,500			
	Totals	1,500			
2	Investments in Associated Organizations				
	NISC-Membership	25			
	NISC-Patronage Capital	24,714			
	Chequamegon Telephone Coop	32,398			
	NRUCFC-Patronage Capital		66,360		
	Wisconsin Electric Cooperative-Patronage Capital	387			
	Dairyland Power Cooperative-Patronage Capital		2,287,772		
	Midland Services Inc-Patronage Capital	3,572			
	Iron River Cooperative-Patronage Capital	1,848			
	Federated Insurance	91,284			
	Rural Electric Supply Coop-Common Stock	5,000			
	Cooperative Services	5,800			
	NRECA Membership	10			
	Rural Electric Supply Coop-Preferred Stock	13,904			
	Ener-Services Inc. - Common Stock	100			
	Ener Services, Inc.-Membership	10			
	Iron River Development Group-Common Stock	100			
	Wisconsin Rural Enterprise Fund	80,000			X
	RESCO Patronage Capital	29,815			
	NRTC-Patronage Capital	69,158			
	NRUCFC-Membership		1,000		
	NRUCFC-Subordinate Certificate		394,917		
	Totals	358,125	2,750,049		
3	Investments in Economic Development Projects				
	Baysat Internet	16,341			X
	Midwest Contractors	7,371			X
	Pistol Pete's- Pete Witt	118,932			X
	Revolving Loan Fund	72,082			X
	Wisconsin Business Corporation	90,000			X
	Jim Klinge's Meat Market	40,987			
	Totals	345,713			
4	Other Investments				
	Industrial Park	311,133			
	Totals	311,133			
5	Special Funds				
	Deferred Comp	35,512			
	Totals	35,512			
6	Cash - General				
	Working Funds	1,720			
	Checking		367,212		
	Totals	1,720	367,212		
8	Temporary Investments				
	DPC	239,777			
	Totals	239,777			
9	Accounts and Notes Receivable - NET				
	Notes Receivable	34,047			
	Customer Accounts Receivable-Other	8,046			

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PART I. INVESTMENTS

	Totals	42,093			
11	TOTAL INVESTMENTS (1 thru 10)	1,335,573	3,117,261		

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PART II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	Total				
	TOTAL (Include Loan Guarantees Only)				

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Part III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT

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

3.8 %

PART IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
3	Jim Klinge's Meat Market	12/15/2016	50,000	40,987	X
4	Pistol Pete's-Pete Witt	7/1/2018	125,000	118,932	X
	Total		175,000	159,919	