

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.

MAR 22 2010

Ontonagon has no affiliates

<b>Report submitted for year ending:</b>	
2009	
<b>Present name of respondent:</b>	
Ontonagon County Rural Electrification Association	
<b>Address of principal place of business:</b>	
P O Box 97, Ontonagon MI 49953	
<b>Utility representative to whom inquires regarding this report may be directed:</b>	
<b>Name:</b> Tom Haarala	<b>Title:</b> General Manager
<b>Address:</b> P O Box 97	
<b>City:</b> Ontonagon	<b>State:</b> MI <b>Zip:</b> 49953
<b>Direct Telephone, Include Area Code:</b> XXX-XXX-XXX 906-884-4151	
<b>if the utility name has been changed during the past year:</b>	
<b>Prior Name:</b>	
<b>Date of Change:</b>	
<b>Two copies of the published annual report to stockholders:</b>	
<input checked="" type="checkbox"/>	were forwarded to the Commission
<input type="checkbox"/>	will be forwarded to the Commission
<b>on or about</b>	
<b>Annual reports to stockholders:</b>	
<input type="checkbox"/>	are published
<input checked="" type="checkbox"/>	are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Bill Stosik) at (517) 241-5853 or stosikb@michigan.gov OR forward correspondence to:

Regulated Energy Division (Bill Stosik)
Financial Analysis and Customer Choice Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION MI0029

**FINANCIAL AND STATISTICAL REPORT**

PERIOD ENDED  
December, 2009

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

*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.*

ONTONAGON COUNTY R E ASSN

**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.

Thomas Haarala

3/19/2010

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	4,999,354	4,987,112	5,444,780	409,581
2. Power Production Expense				
3. Cost of Purchased Power	2,628,838	2,417,376	2,891,800	191,194
4. Transmission Expense				
5. Distribution Expense - Operation	108,763	134,565	120,000	4,061
6. Distribution Expense - Maintenance	286,082	347,621	321,000	18,148
7. Customer Accounts Expense	150,668	179,597	141,000	21,667
8. Customer Service and Informational Expense	13,385	11,511	14,400	1,159
9. Sales Expense			300	
10. Administrative and General Expense	517,012	469,342	532,500	39,184
11. Total Operation & Maintenance Expense (2 thru 10)	3,704,748	3,560,012	4,021,000	275,413
12. Depreciation and Amortization Expense	511,852	551,309	534,300	48,312
13. Tax Expense - Property & Gross Receipts	158,873	176,379	174,000	15,124
14. Tax Expense - Other	41,742	15,444	38,400	303
15. Interest on Long-Term Debt	526,308	513,013	547,000	43,033
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	36,470	59,425	16,000	5,210
18. Other Deductions	600	897	600	80
19. Total Cost of Electric Service (11 thru 18)	4,980,593	4,876,479	5,331,300	387,475
20. Patronage Capital & Operating Margins (1 minus 19)	18,761	110,633	113,480	22,106
21. Non Operating Margins - Interest	4,172	3,958	26,000	988
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments	80,565	40,977		16,941
24. Non Operating Margins - Other	71,455	63,113	72,000	11,667
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	11,021	16,357	7,000	12,826
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	185,974	235,038	218,480	64,528

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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	63	53	5. Miles Transmission		
2. Services Retired	15	19	6. Miles Distribution - Overhead	820.91	820.01
3. Total Services in Place	5,233	5,269	7. Miles Distribution - Underground	108.90	112.90
4. Idle Services (Exclude Seasonals)	271	271	8. Total Miles Energized (5 + 6 + 7)	929.81	932.91

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	18,558,698	29. Memberships.....	20,450
2. Construction Work in Progress .....	378,281	30. Patronage Capital.....	2,045,464
3. Total Utility Plant (1 + 2) .....	18,936,979	31. Operating Margins - Prior Years.....	0
4. Accum. Provision for Depreciation and Amort .....	4,995,617	32. Operating Margins - Current Year.....	108,508
5. Net Utility Plant (3 - 4) .....	13,941,362	33. Non-Operating Margins.....	126,530
6. Non-Utility Property (Net) .....	0	34. Other Margins and Equities.....	32,302
7. Investments in Subsidiary Companies .....	0	35. Total Margins & Equities (29 thru 34).....	2,333,254
8. Invest. in Assoc. Org. - Patronage Capital .....	52,157	36. Long-Term Debt - RUS (Net).....	9,940,709
9. Invest. in Assoc. Org. - Other - General Funds .....	377,110	37. Long-Term Debt - FFB - RUS Guaranteed.....	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	65,046	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects .....	0	39. Long-Term Debt Other (Net).....	666,939
12. Other Investments .....	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds .....	0	41. Payments - Unapplied .....	0
14. Total Other Property & Investments (6 thru 13) ...	494,313	42. Total Long-Term Debt (36 thru 40 - 41).....	10,607,648
15. Cash - General Funds .....	399,126	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee .....	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	0
17. Special Deposits .....	0	45. Total Other Noncurrent Liabilities (43 + 44).....	0
18. Temporary Investments .....	0	46. Notes Payable.....	1,900,000
19. Notes Receivable (Net) .....	0	47. Accounts Payable.....	233,925
20. Accounts Receivable - Sales of Energy (Net) .....	460,671	48. Consumers Deposits.....	9,950
21. Accounts Receivable - Other (Net) .....	33,353	49. Current Maturities Long-Term Debt.....	360,000
22. Materials and Supplies - Electric & Other .....	243,843	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments .....	31,919	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets .....	0	52. Other Current and Accrued Liabilities.....	321,579
25. Total Current and Accrued Assets (15 thru 24) .....	1,168,912	53. Total Current & Accrued Liabilities (46 thru 52).....	2,825,454
26. Regulatory Assets .....	(5,988)	54. Regulatory Liabilities.....	0
27. Other Deferred Debits .....	195,597	55. Other Deferred Credits.....	27,840
28. Total Assets and Other Debits (5+14+25 thru 27).....	15,794,196	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	15,794,196

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**PART D. NOTES TO FINANCIAL STATEMENTS**

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<b>PART E. CHANGES IN UTILITY PLANT</b>							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	16,263,478	813,576	125,864		16,951,190		
2. General Plant	1,251,165	227,547	172,114		1,306,598		
3. Headquarters Plant	296,514	3,047			299,561		
4. Intangibles	1,349				1,349		
5. Transmission Plant	0				0		
6. All Other Utility Plant	0				0		
7. Total Utility Plant in Service (1 thru 6)	17,812,506	1,044,170	297,978		18,558,698		
8. Construction Work in Progress	252,087	126,194			378,281		
9. TOTAL UTILITY PLANT (7 + 8)	18,064,593	1,170,364	297,978		18,936,979		
<b>PART F. MATERIALS AND SUPPLIES</b>							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	237,634	200,019	4,301	182,720	8,906	(15,113)	235,215
2. Other	8,883	3,204			2,696	(763)	8,628
<b>PART G. SERVICE INTERRUPTIONS</b>							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL		
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	(e)		
1. Present Year	79.000	42.000		5.000	107.000	233.000	
2. Five-Year Average	218.000	122.000		11.000	89.000	440.000	
<b>PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS</b>							
1. Number of Full Time Employees	14		4. Payroll - Expensed		445,574		
2. Employee - Hours Worked - Regular Time	28,005		5. Payroll - Capitalized		262,924		
3. Employee - Hours Worked - Overtime	1,255		6. Payroll - Other		187,967		
<b>PART I. PATRONAGE CAPITAL</b>							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements						
	b. Special Retirements						
	c. Total Retirements (a + b)						
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power						
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			2,821			
	c. Total Cash Received (a + b)			2,821			
<b>PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE</b>							
1. AMOUNT DUE OVER 60 DAYS	\$	65,000	2. AMOUNT WRITTEN OFF DURING YEAR		\$	22,000	

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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	Wisconsin Electric Power Co	20847	3,233,565	238,128	7.36		
2	Upper Peninsula Power Company	19578	24,301,048	2,179,248	8.97		
	Total		27,534,613	2,417,376	8.78		

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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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<b>PART M. ANNUAL MEETING AND BOARD DATA</b>			
1. Date of Last Annual Meeting 6/20/2009	2. Total Number of Members 4,200	3. Number of Members Present at Meeting 42	4. Was Quorum Present? N
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 37,510	8. Does Manager Have Written Contract? N



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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)	9,940,709	494,039	328,477	822,516
2	National Rural Utilities Cooperative Finance Corporation	293,073	18,974	10,013	28,987
3	Bank for Cooperatives				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	FASB-106	373,866		14,015	14,015
	Total	10,607,648	513,013	352,505	865,518

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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	3,199	3,192	
	b. kWh Sold			18,225,180
	c. Revenue			3,594,259
2. Residential Sales - Seasonal	a. No. Consumers Served	1,256	1,261	
	b. kWh Sold			1,694,093
	c. Revenue			536,842
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	202	203	
	b. kWh Sold			4,564,033
	c. Revenue			775,442
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	140	141	
	b. kWh Sold			114,397
	c. Revenue			16,711
7. Other Sales to Public Authorities	a. No. Consumers Served	24	23	
	b. kWh Sold			73,315
	c. Revenue			16,039
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)		4,821	4,820	
11. TOTAL kWh Sold (lines 1b thru 9b)				24,671,018
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				4,939,293
13. Other Electric Revenue				47,819
14. kWh - Own Use				
15. TOTAL kWh Purchased				27,534,613
16. TOTAL kWh Generated				
17. Cost of Purchases and Generation				2,417,376
18. Interchange - kWh - Net				
19. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				5,334

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**PART I. INVESTMENTS**

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Federated Rural Electric Insurance Exchange	21,172			
	National Information Solutions Cooperative	22,580			
	Michigan Electric Cooperative Association	5,080			
	NRUCFC(Pat Cap, Memb Cert & CTC's)	18,778	65,045		
	RESCO	64			
	Settlers Cooperative Inc	510			
	American Transmission Company	337,294			
	CoBank	11,290			
	Cooperative Response Center	12,500			
	Totals	429,268	65,045		
<b>6</b>	<b>Cash - General</b>				
	Checking, Savings & Working Funds		399,126		
	Totals		399,126		
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	Various		33,353		
	Totals		33,353		
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	429,268	497,524		

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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 (Included 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)]

2.26 %

**PART IV. LOANS**

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	Total				