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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

MI0049

PERIOD ENDED

December, 2010 (Prepared with Audited Data)

BORROWER NAME

Midwest Energy Cooperative

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

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.

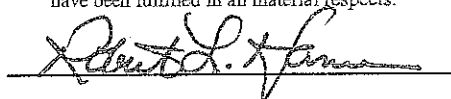
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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.



3-22-11  
DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	61,741,607	65,628,036	63,949,807	6,086,689
2. Power Production Expense	0			
3. Cost of Purchased Power	41,419,720	44,118,481	43,227,282	3,879,312
4. Transmission Expense	15,072		15,500	
5. Regional Market Expense				
6. Distribution Expense - Operation	1,518,326	1,462,816	1,695,507	157,779
7. Distribution Expense - Maintenance	3,588,696	4,205,845	3,890,839	415,817
8. Customer Accounts Expense	2,140,692	2,243,135	2,259,186	253,720
9. Customer Service and Informational Expense	492,360	972,849	639,309	131,382
10. Sales Expense	161,143	161,160	189,582	14,833
11. Administrative and General Expense	2,650,321	2,738,095	2,700,255	332,090
12. Total Operation & Maintenance Expense (2 thru 11)	51,986,330	55,902,381	54,617,460	5,184,933
13. Depreciation and Amortization Expense	3,902,045	4,010,787	4,050,000	338,478
14. Tax Expense - Property & Gross Receipts	1,643,342	1,673,462	1,820,000	5,101
15. Tax Expense - Other	139,841	105,263	175,000	31,750
16. Interest on Long-Term Debt	3,563,459	3,646,428	3,780,000	322,622
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	61,923	48,920	70,000	3,788
19. Other Deductions	7,070	11,509	7,800	5,197
20. Total Cost of Electric Service (12 thru 19)	61,304,010	65,398,750	64,520,260	5,891,869
21. Patronage Capital & Operating Margins (1 minus 20)	437,597	229,286	(570,453)	194,820
22. Non Operating Margins - Interest	456,646	558,136	454,190	47,253
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	262,498	441,698	746,416	37,156
25. Non Operating Margins - Other	(78,232)	(15,354)	(67,363)	22,311
26. Generation and Transmission Capital Credits	1,243,919	1,237,173	1,024,000	1,000,000
27. Other Capital Credits and Patronage Dividends	312,247	312,247	312,247	12,401
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,634,675	2,729,971	1,897,646	1,313,941

RUS Financial and Operating Report Electric Distribution

MAY 02 2011

Revision Date 2010

REGULATED ENERGY  
DIVISION

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION  MI0049		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED  December, 2010		
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	229	183	5. Miles Transmission	14.46	14.46
2. Services Retired	57	33	6. Miles Distribution -- Overhead	3,149.05	3,149.33
3. Total Services in Place	38,133	38,343	7. Miles Distribution - Underground	740.45	749.99
4. Idle Services (Exclude Seasonals)	3,140	3,294	8. Total Miles Energized (5 + 6 + 7)	3,903.96	3,913.78
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	135,997,910		30. Memberships	0	
2. Construction Work in Progress	266,552		31. Patronage Capital	40,086,587	
3. Total Utility Plant (1 + 2)	136,264,462		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	41,015,172		33. Operating Margins - Current Year	229,286	
5. Net Utility Plant (3 - 4)	95,249,290		34. Non-Operating Margins	2,500,685	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	(7,881,291)	
7. Investments in Subsidiary Companies	3,776,677		36. Total Margins & Equities (30 thru 35)	34,935,267	
8. Invest. in Assoc. Org. - Patronage Capital	10,152,829		37. Long-Term Debt - RUS (Net)	60,096,314	
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed	9,000,000	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,142,349		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	12,234,901	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments - Unapplied	8,791,971	
14. Total Other Property & Investments (6 thru 13)	16,071,855		43. Total Long-Term Debt (37 thru 41 - 42)	72,539,244	
15. Cash - General Funds	1,536,558		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	90		45. Accumulated Operating Provisions and Asset Retirement Obligations	2,999,142	
17. Special Deposits	272		46. Total Other Noncurrent Liabilities (44 + 45)	2,999,142	
18. Temporary Investments	4,000,000		47. Notes Payable	0	
19. Notes Receivable (Net)	140,961		48. Accounts Payable	4,252,953	
20. Accounts Receivable - Sales of Energy (Net)	4,016,904		49. Consumers Deposits	806,625	
21. Accounts Receivable - Other (Net)	280,841		50. Current Maturities Long-Term Debt	2,713,463	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	876,434		52. Current Maturities Capital Leases	0	
24. Prepayments	48,973		53. Other Current and Accrued Liabilities	1,760,619	
25. Other Current and Accrued Assets	20,456		54. Total Current & Accrued Liabilities (47 thru 53)	9,533,660	
26. Total Current and Accrued Assets (15 thru 25)	10,921,489		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	6,918,639	
28. Other Deferred Debits	4,683,318		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	126,925,952	
29. Total Assets and Other Debits (5+14+26 thru 28)	126,925,952				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  M10049
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2010
PART D. NOTES TO FINANCIAL STATEMENTS	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December, 2010			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	115,749,401	4,964,567	373,025		120,340,943		
2. General Plant	8,264,104	1,173,472	564,779		8,872,797		
3. Headquarters Plant	4,758,107	62,309			4,820,416		
4. Intangibles	0				0		
5. Transmission Plant	758,737	1,205,017			1,963,754		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	0				0		
8. Total Utility Plant in Service (1 thru 7)	129,530,349	7,405,365	937,804		135,997,910		
9. Construction Work in Progress	1,453,499	(1,186,947)			266,552		
10. Total Utility Plant (8 + 9)	130,983,848	6,218,418	937,804		136,264,462		
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	711,591	739,598	381	592,436	0	(29,095)	830,039
2. Other	30,301	96,258			79,354	(810)	46,395
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	87.700	617.200	4.400	128.800	838.100		
2. Five-Year Average	101.000	310.100	4.900	183.600	599.600		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	84	4. Payroll - Expensed	3,927,697				
2. Employee - Hours Worked - Regular Time	174,944	5. Payroll - Capitalized	987,653				
3. Employee - Hours Worked - Overtime	12,036	6. Payroll - Other	470,665				
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION		THIS YEAR (a)	CUMULATIVE (b)			
1. Capital Credits - Distributions	a.	General Retirements	0	7,869,538			
	b.	Special Retirements	122,078	2,606,924			
	c.	Total Retirements (a + b)	122,078	10,476,462			
2. Capital Credits - Received	a.	Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	119,145				
	b.	Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	31,210				
	c.	Total Cash Received (a + b)	150,355				
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	94,677	2. Amount Written Off During Year	\$	159,856		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					M10049				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2010				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	RUS USE ONLY SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (h)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (i)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		
1	Wabash Valley Power Assn, Inc (IN0107)	40211			622,908,038	43,042,125	6.91		
2	Buckeye Power, Inc (OH0099)	7004			17,340,253	1,076,355	6.21		
	Total				640,248,291	44,118,480	6.89		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  MI0049
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2010
PART K. kWh PURCHASED AND TOTAL COST		
No	Comments	
1		
2		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0049	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2010	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2010	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/22/2010	2. Total Number of Members 28,237	3. Number of Members Present at Meeting 9	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members .9	7. Total Amount of Fees and Expenses for Board Members \$ 161,314	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2010



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  M10049			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2010			
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)	60,096,314	2,968,099	1,524,875	4,492,974
2	National Rural Utilities Cooperative Finance Corporation	7,422,341	455,065	750,977	1,206,042
3	CoBank, ACB	4,812,559	94,480	157,814	252,294
4	Federal Financing Bank	9,000,000	128,784		128,784
5	RUS - Economic Development Loans				
6	Payments Unapplied	8,791,971			
	TOTAL	72,539,243	3,646,428	2,433,666	6,080,094

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2010		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - 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	29,736	29,785	
	b. kWh Sold			348,602,974
	c. Revenue			41,013,647
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	446	437	
	b. kWh Sold			10,188,627
	c. Revenue			1,049,768
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,860	4,779	
	b. kWh Sold			139,232,670
	c. Revenue			14,993,050
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	7	6	
	b. kWh Sold			106,404,502
	c. Revenue			8,033,504
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)		35,049	35,007	
11. Total kWh Sold (lines 1b thru 9b)				604,428,773
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				65,089,969
13. Transmission Revenue				
14. Other Electric Revenue				538,068
15. kWh - Own Use				1,041,963
16. Total kWh Purchased				640,248,291
17. Total kWh Generated				
18. Cost of Purchases and Generation				44,118,481
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				138,729

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED December, 2010			
INSTRUCTIONS - See help in the online application.						
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
10. Total						

RUS Financial and Operating Report Electric Distribution

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION M10049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2010			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	123.18 Midwest Energy, Inc.	3,776,677			
	123.10 Patronage Capital - NRUCFC	0	308,074	51,476	
	123.11 Patronage Capital - WVPA	0	8,477,880	1,214,276	
	123.12 Patronage Capital - NISC	126,536		12,401	
	123.13 Patronage Capital - Resco MI			(17,877)	
	123.15 Patronage Capital - Resco OH	20,106			
	123.16 Patronage Capital - Resco WI	432,451		125,875	
	123.17 Patronage Capital - Buckeye	0	787,783	22,897	
	123.22 Capital Term Certificates - CFC		1,281,778		
	123.23 MI Electric Coop Association	54,034			
	123.24 Federated - Member Equity	297,814		34,551	
	123.24 NRUCFC Membership Fee		1,000		
	123.24 WVPA Membership Fee	5			
	123.24 NRTC	169,257		69,045	
	124.10 Cooperative Response Center	29,293		600	
	123.24 Co-Bank		9,168	2,960	
	124.03 Riverfront Student Housing, LLC				
	123.21 CFC Capital Funding Investment		300,000		
	Totals	4,906,173	11,165,683	1,516,204	
5	Special Funds				
	128.50 Deferred Compensation				
	Totals				
6	Cash - General				
	131.10,131.12- Bank of America	797,136			
	131.25,131.27, FNB General & Payroll	735,074			
	131.26 Valley Ridge Bank	2,596			
	135.00 Working Funds - Petty Cash	1,751			
	131.20 Fifth Third Construction Acct.	90			
	131.40 Transfer of Cash-Construct fund				
	131.24 IRP Loan funds, FNB				
	Totals	1,536,647			
7	Special Deposits				
	134.00 U.S. Post Office	272			
	Totals	272			
8	Temporary Investments				
	136.00 Temporary Investments	4,000,000			
	Totals	4,000,000			
9	Accounts and Notes Receivable - NET				
	Accounts Receivable - Other (Net)	280,841			
	Notes Receivable (Net)	140,961			
	Totals	421,802			
11	TOTAL INVESTMENTS (1 thru 10)	10,864,894	11,165,683	1,516,204	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION M10049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2010			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Midwest Energy Inc.	8/23/2023	7,450,000	1,565,220	
	<b>TOTAL</b>		7,450,000	1,565,220	
	<b>TOTAL (Included Loan Guarantees Only)</b>		7,450,000	1,565,220	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2010			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					9.12 %
SECTION 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				

**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:	
2010	
Present name of respondent:	
Midwest Energy Cooperative	
Address of principal place of business:	
901 E. State St. Cassopolis, MI 49031	
Utility representative to whom inquires regarding this report may be directed:	
Name:	John H. Miner V.P. of Finance
Address:	901 E. State St.
City:	Cassopolis
State:	MI
Zip:	49031
Direct Telephone, Include Area Code:	269-445-1064
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
[   XX  ]	will be forwarded to the Commission
on or about	4/28/2011.
Annual reports to stockholders:	
[       ]	are published
[    X  ]	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](mailto: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

**RECEIVED**  
Michigan Public Service Commission  
MAY 02 2011  
**REGULATED ENERGY  
DIVISION**

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) <b>4/15/2011</b>	Year of Report <b>2010</b>
<b>IMPORTANT CHANGES DURING THE YEAR</b>			
<p>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.</p>			
<ol style="list-style-type: none"> <li>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.</li> <li>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</li> <li>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</li> <li>8. State the estimated annual effect and nature of any important wage scale changes during the year.</li> <li>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.</li> <li>10. Describe briefly and 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.</li> <li>11. (Reserved.)</li> <li>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be attached to this page.</li> </ol>			
<p><b>Please reference the attached Midwest Energy Cooperative's notes to the financial statements, 2010 Annual Audit Report.</b></p>			





# HARRIS GROUP

*Certified Public Accountants*

March 18, 2011

To the Board of Directors  
Midwest Energy Cooperative

We have audited the financial statements of Midwest Energy Cooperative for the year ended December 31, 2010, and have issued our report thereon dated March 18, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 28, 2010. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Midwest Energy Cooperative, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 18, 2011.

*Management Consultations with Other Independent Accountants*

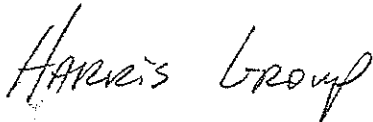
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

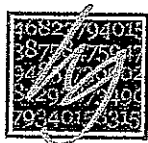
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Midwest Energy Cooperative and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Harris Group".

Certified Public Accountants



# HARRIS GROUP

*Certified Public Accountants*

March 18, 2011

Members of the Board of Directors  
Midwest Energy Cooperative  
Cassopolis, Michigan

We have audited the financial statements of Midwest Energy Cooperative for the year ended December 31, 2010 and have issued our report thereon dated March 18, 2011. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Midwest Energy Cooperative for the year ended December 31, 2010, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

Section 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.33(e)(1), related party transactions, depreciation rates, schedule of deferred charges and credits, and a schedule of investments, upon which we express an opinion. In addition, our audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports (other than our independent auditors' report, and our independent report on compliance and on internal control over financial reporting, all dated March 18, 2011) or summary of recommendations related to our audit have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR Part 1773.33 are presented below.

#### COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matters regarding Midwest Energy Cooperative's internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts; and
- The materials control.

#### COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND SECURITY INSTRUMENT PROVISIONS

At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts and grants. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others for the year ended December 31, 2010:
  1. Obtained and read a borrower prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, or for the use of its property by others as defined in 7 CFR 1773.33(e)(1)(i).
  2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
  3. Noted the existence of written RUS and CFC approval of each contract listed by the borrower.
- Procedure performed with respect to the requirement to submit RUS Form 7 to the RUS:
  1. Agreed amounts reported in Form 7 to Midwest Energy Cooperative's records.

The results of our tests indicate that, with respect to the items tested, Midwest Energy Cooperative complied, except as noted below, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower has obtained written approval of the RUS and CFC to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others as defined in Section 1773.33(d)(1)(i); and
- The borrower has submitted its Form 7 to the RUS and the Form 7, Financial and Statistical Report, as of December 31, 2010, represented by the borrower as having been submitted to RUS is in agreement with the Midwest Energy Cooperative's audited records in all material respects, appears reasonable based upon the audit procedures performed.

#### COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audit of the financial statements of Midwest Energy Cooperative, nothing came to our attention that caused us to believe that Midwest Energy Cooperative failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR Part 1773.33(c)(3) and (4);
- Approval of the sale, lease or transfer of capital assets and the disposition of proceeds for the sale, or lease of plant, material, or scrap addressed at 7 CFR Part 1773.33(c)(5);
- The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, Related Party Transactions, for the year ended December 31, 2010, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);
- The depreciation rates addressed at 7 CFR Part 1773.33(g); and
- The detailed schedule of deferred debits and deferred credits.
- The detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and credits required by 7 CFR Part 1773.33(h) and the detailed schedule of investments in affiliated companies required by 7 CFR Part 1773.33(i) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic

financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Deferred debits for Midwest Energy Cooperative as of December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
WVPA buyout	\$ 4,552,207	\$ 3,834,714
Other work-in-progress	<u>131,112</u>	<u>183,171</u>
TOTAL	<u>\$ 4,683,319</u>	<u>\$ 4,017,885</u>

Deferred credits for Midwest Energy Cooperative as of December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Line extension contributions	\$	\$ 2,054
WVPA buyout	4,552,207	3,834,714
Prepaid deposits from subsidiary	<u>105,000</u>	<u>87,000</u>
	<u>\$ 4,657,207</u>	<u>\$ 3,923,768</u>

The detailed schedule of investments in affiliated companies for Midwest Energy Cooperative is for December 31, 2010 and 2009 is as follows:

	Midwest Energy Inc.
Original Investment	\$ 100
Capital contributions, to date, December 31, 2009	6,500,000
Undistributed loss, to date, December 31, 2009	<u>(3,165,122)</u>
Book value as of December 31, 2009	3,334,978
Undistributed income during 2010	<u>441,698</u>
Book value as of December 31, 2010	<u>\$ 3,776,676</u>

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties.

*Harris Group*

Certified Public Accountants

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MIDWEST ENERGY COOPERATIVE  
REPORT ON FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009



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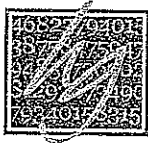
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MIDWEST ENERGY COOPERATIVE  
BOARD OF DIRECTORS  
DECEMBER 31, 2010

Clarence A. Barth	Chairman
Kenneth Swope	Vice Chairman
Colyne Sorsby	Secretary
Ben Russell	Treasurer
Jerry Campbell	Director
James W. Dickerson	Director
Ronald Armstrong	Director
Harry Gentz	Director
John Green	Director

President & CEO

Robert Hance



# HARRIS GROUP

Certified Public Accountants

## Independent Auditor's Report

The Board of Directors  
Midwest Energy Cooperative  
Cassopolis, Michigan

We have audited the accompanying consolidated balance sheets of Midwest Energy Cooperative and subsidiary as of December 31, 2010 and 2009, and the related consolidated statements of revenue, patronage capital, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Midwest Energy Cooperative's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Midwest Energy Cooperative and subsidiary as of December 31, 2010 and 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 2011, on our consideration of Midwest Electric Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Midwest Energy Cooperative. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Harris Group*

March 18, 2011

MIDWEST ENERGY COOPERATIVE  
BALANCE SHEETS  
DECEMBER 31, 2010 AND 2009

	2010	2009
<b>ASSETS</b>		
<b>ELECTRIC PLANT:</b>		
In service – at cost	\$ 135,997,910	\$ 129,530,350
Construction work in progress	266,552	1,453,499
	136,264,462	130,983,849
Less accumulated depreciation	41,015,172	37,569,779
<b>NET ELECTRIC PLANT</b>	<b>95,249,290</b>	<b>93,414,070</b>
<b>OTHER ASSETS AND INVESTMENTS:</b>		
Investments in associated organizations	16,071,855	14,269,306
Notes receivable	100,961	101,962
Receivables from subsidiary	70,969	119,746
<b>TOTAL OTHER ASSETS AND INVESTMENTS</b>	<b>16,243,785</b>	<b>14,491,014</b>
<b>CURRENT ASSETS:</b>		
Cash and temporary cash investments	5,536,920	969,583
Accounts receivable, less allowance for doubtful accounts of approximately \$525,000 and \$465,000 in 2010 and 2009, respectively	4,226,776	3,557,179
Current portion of notes receivable	40,000	40,000
Materials and supplies	876,434	741,892
Other current assets	69,429	130,784
<b>TOTAL CURRENT ASSETS</b>	<b>10,749,559</b>	<b>5,439,438</b>
<b>DEFERRED CHARGES</b>	<b>4,683,319</b>	<b>4,017,885</b>
<b>TOTAL ASSETS</b>	<b>\$ 126,925,953</b>	<b>\$ 117,362,407</b>

The accompanying notes are an integral part of these statements.

	2010	2009
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES:</b>		
Patronage capital and other equities	\$ 34,935,268	\$ 32,125,794
LONG-TERM DEBT, less current maturities	72,539,244	66,740,150
POST RETIREMENT BENEFITS OTHER THAN PENSIONS	2,735,523	2,732,154
<b>CURRENT LIABILITIES:</b>		
Note payable – line of credit, unsecured		500,000
Current maturities of long-term debt	2,713,463	2,346,000
Accounts payable:		
Purchased power	3,825,584	3,712,262
PSCR	1,750,106	1,474,106
Energy Optimization	349,433	190,064
Other	427,369	347,188
Patronage refunds payable	161,893	162,075
Customer deposits	806,625	737,565
Other	2,024,238	2,371,281
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,058,711</b>	<b>11,840,541</b>
DEFERRED CREDITS	4,657,207	3,923,768
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>\$ 126,925,953</b>	<b>\$ 117,362,407</b>

MIDWEST ENERGY COOPERATIVE  
STATEMENTS OF REVENUE  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
OPERATING REVENUES	\$ 65,628,036	\$ 61,741,607
OPERATING EXPENSES:		
Cost of power	44,118,481	41,419,720
Distribution -- operations	1,462,816	1,533,397
Distribution -- maintenance	4,205,845	3,588,696
Customer accounts	2,243,135	2,140,691
Customer service and information expense	1,134,009	653,503
Administrative and general	2,738,095	2,650,321
Depreciation and amortization	4,010,787	3,902,045
Taxes -- property	1,673,462	1,643,343
Taxes -- other	105,263	139,841
TOTAL OPERATING EXPENSES	61,691,893	57,671,557
OPERATING MARGINS BEFORE FIXED CHARGES	3,936,143	4,070,050
FIXED CHARGES:		
Interest on long-term debt	3,646,428	3,563,459
Other interest	48,920	61,923
TOTAL FIXED CHARGES	3,695,348	3,625,382
OPERATING MARGINS AFTER FIXED CHARGES	240,795	444,668
G&T AND OTHER CAPITAL CREDITS	1,516,206	1,556,166
NET OPERATING MARGINS	1,757,001	2,000,834
NON-OPERATING MARGINS:		
Interest and dividend income	558,135	456,646
Income (Loss) from subsidiary	441,698	262,498
Other	(26,863)	(85,302)
TOTAL NON-OPERATING MARGINS	972,970	633,842
NET MARGINS	\$ 2,729,971	\$ 2,634,676

The accompanying notes are an integral part of these statements.

**MIDWEST ENERGY COOPERATIVE**  
**STATEMENT OF CHANGES IN PATRONAGE CAPITAL**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Total	Patronage Capital Assigned	Patronage Capital Assignible	Non-Assignable Non-Operating Margins	Unappropriated Undistributed Subsid Earnings	Other Equities	Accumulated Other Comprehensive Loss
Balance, December 31, 2008	\$ 27,952,640	\$ 33,554,107	\$ 3,093,121	\$ 373,140	\$ (3,427,616)	\$ 1,611,638	\$ (7,251,750)
Adjustments	(4)	1,650,282	(1,650,282)		(4)		
Net margins (loss)	2,634,676		1,993,764	378,414	262,498		
Capital credits retired	(131,072)	(150,910)				19,838	
Reserved-prepaid pension cost	1,669,554						1,669,554
Balance, December 31, 2009	32,125,794	35,053,479	3,436,603	751,554	(3,165,122)	1,631,476	(5,582,196)
Adjustments	(9)	1,993,755	(1,993,764)				
Net margins (loss)	2,729,971		1,746,491	542,782	441,698		
Capital credits retired	(106,861)	(122,078)				15,217	
Reserved-prepaid pension cost	186,373						186,373
Balance, December 31, 2010	\$ 34,935,268	\$ 36,925,156	\$ 3,188,330	\$ 1,294,336	\$ (2,723,424)	\$ 1,646,693	\$ (5,395,823)

The accompanying notes are an integral part of these statements.

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the accounting policies adopted by Midwest Energy Cooperative which have a significant effect on the financial statements.

Organization

Midwest Energy Cooperative (Midwest) is a non-profit organization generally exempt from income tax under Section 501(c)(12) of the United States Internal Revenue Code. Midwest is subject to the Michigan Business Tax Act of the State of Michigan. The Cooperative is engaged principally in the distribution and sale of electricity in Southwest and Southeast Michigan, Northern Indiana and Northern Ohio.

It is the Cooperatives policy not to charge membership fees and all previously collected membership fees have been refunded.

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.

Accounting Records

The Cooperative maintains its records in accordance with policies prescribed or permitted by the Michigan Public Service Commission (MPSC) and United States Department of Agriculture Rural Utilities Service (RUS). The applicable uniform system of accounts prescribed by these regulatory commissions conform in all material respects with generally accepted accounting principles as applied to rate regulated utilities.

Electric 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 also charged to the accumulated depreciation account.



**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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, Midwest considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Unbilled Revenues

Unbilled revenues for the year were determined to be immaterial and therefore not recorded.

Accounts receivable

Accounts receivable consist primarily of amounts due from members for electric 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 Director's approve all accounts charged off.

Purchased Power Billing

Refundable or recoverable PSCR credit-over collections as well as under collections of the cost of electricity purchased not recovered or refunded through rates are deferred and are being refunded or recovered in accordance with procedures approved by the MPSC.

Materials and Supplies

Electrical materials and supplies are valued at lower of market value or average cost.

Regulation

The MPSC has jurisdiction over regulated Rural Electric Cooperatives in Michigan. This agency regulates the Cooperative's utility business operations and rates. The financial statements of the Cooperative are based on generally accepted accounting principles, which give recognition to the rate-making and accounting practices of this agency.

Revenue Recognition

Revenue, and its related receivable, are recorded as of the monthly meter reading date and accordingly, does not include the consumption for the balance of the month. Although this accounting policy is not a generally accepted accounting principle, the effect on the financial statements is immaterial. Electric rates used in the determination of revenues are approved by the MPSC.

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Recognition of Patronage Revenue

Patronage revenue of associated organizations is recognized in the year in which the associated organization allocates its earnings to their respective members.

Unclaimed Property

Unclaimed property represents refunds to members of deposits, membership fees received and patronage refunds received which have not been claimed. After five years and appropriate notification, such amounts may be credited back to the cooperative as donated capital.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in bank. The Cooperative places its cash in investments with high credit quality financial institutions. At times, such investments may be in excess of the FDIC insurance limit.

Advertising

The cost of advertising is expensed as incurred.

Compensated Absences

The Cooperative's policy on accumulated extended sick leave is to grant 96 hours annually with any unused hours available to be carried forward to future years up to a maximum of 800 hours. It is the Cooperative's policy to pay one-half of the employee's accumulated unused sick leave upon normal retirement by the employee or if the employee qualifies to draw benefits from the Cooperative pension plan. However, upon termination of employment, other than by normal retirement, or not meeting the qualifications required to receive pension benefits, the employee forfeits all rights to the accumulated unused hours. For the years ended December 31, 2010 and 2009 an accrual has been made for individuals who have attained the age of 60 and have qualified to receive pension benefits.

**NOTE 2: ASSETS PLEDGED**

Substantially all assets are pledged as collateral on long-term debt payable to the Rural Utilities Service (RUS) of the United States of America and the National Rural Utilities Cooperative Finance Corporation (CFC).

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

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

Major classes of electric plant as of December 31, 2010 and 2009 consisted of:

	2010	2009
Cost:		
General plant	\$ 13,693,213	\$ 13,022,212
Transmission plant	1,963,754	758,737
Distribution plant	120,340,943	115,749,401
Construction in progress	266,552	1,453,499
	<u>136,264,462</u>	<u>130,983,849</u>
Accumulated depreciation and amortization	41,015,172	37,569,779
	<u>\$ 95,249,290</u>	<u>\$ 93,414,070</u>
Net Electric Plant		

Provision has been made for depreciation of the distribution plant at a straight-line composite rate of 3.0 percent per annum, except for yard lights and street lighting systems which are being depreciated at the rate of 4.2 percent per annum.

General plant depreciation rates have been applied on a straight-line basis as follows:

Structures and improvements	2.0%
Office furniture, fixtures, data processing and laboratory equipment	4.8-20.0%
Transportation equipment	10.0-33.3%
Stores, tools and power operated equipment	6.0%
Communications	8.4%
Miscellaneous	9.6%

Depreciation and amortization of electric plant in service was charged as follows for the years ended December 31, 2010 and 2009:

	2010	2009
Charged to operations-		
Classified as depreciation	\$ 4,010,787	\$ 3,902,045
Classified in other operating expenses	374,555	326,761
	<u>4,385,342</u>	<u>4,228,806</u>
Capitalized	127,273	114,541
	<u>\$ 4,512,615</u>	<u>\$ 4,343,347</u>
TOTAL DEPRECIATION		

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4: INVESTMENTS IN ASSOCIATED ORGANIZATIONS**

Investments in associated organizations consisted of the following at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Capital term certificates, at cost, issued by National Rural Utilities Cooperative Finance Corp. (CFC)	\$ 1,281,778	\$ 1,285,326
Patronage capital:		
CFC	308,074	282,336
National Information Solutions Cooperative	126,536	116,107
Wabash Valley Power Association	8,477,880	7,263,604
Buckeye Power, Inc.	688,894	702,774
Midwest Energy, Inc.	3,776,676	3,334,978
Michigan Electric Cooperative Assn.	54,034	54,034
Federated Rural Electric Insurance Cooperative, at cost	297,814	284,230
Buckeye Power, Inc. – membership	98,889	98,889
CFC Member Capital Securities	300,000	300,000
Other	661,280	547,028
 TOTAL	 <u>\$ 16,071,855</u>	 <u>\$ 14,269,306</u>

The accounting policies for recognition of patronage revenue are described in Note 1. Investments are pledged to secure long-term debt as described in Note 8.

The following is a detailed schedule of investments in affiliated and subsidiary companies:

	<u>Midwest Energy, Inc.</u>
Original Investment	\$ 100
Capital contributions, to date, December 31, 2009	6,500,000
Undistributed loss, to date, December 31, 2009	<u>(3,165,122)</u>
 Book value as of December 31, 2009	 3,334,978
 Undistributed loss during 2010	 <u>441,698</u>
 Book value as of December 31, 2010	 <u>\$ 3,776,676</u>

Midwest Energy, Inc. provides telecommunication/internet services, remarkets natural gas, and owns a 100% interest in Midwest Propane, LLC. Midwest Energy Cooperative owns 100% of the outstanding stock and accounts for the investment on the equity basis.

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5: DEFERRED CHARGES AND CREDITS**

Following is a summary of the amounts recorded as deferred charges as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
WVPA buyout	\$ 4,552,207	\$ 3,834,714
Other work-in-progress	<u>131,112</u>	<u>183,171</u>
<b>TOTAL</b>	<u><u>\$ 4,683,319</u></u>	<u><u>\$ 4,017,885</u></u>

Following is a summary of the amounts recorded as deferred credits as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Line extension contributions	\$	\$ 2,054
WVPA buyout	4,552,207	3,834,714
Prepaid deposits from subsidiary	<u>105,000</u>	<u>87,000</u>
	<u><u>\$ 4,657,207</u></u>	<u><u>\$ 3,923,768</u></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. The detail of these deposits follows:

	<u>Per Institution</u>
Insured	\$ 773,334
Uninsured	<u>4,722,907</u>
	5,496,241
In-transit transactions	<u>38,656</u>
	<u><u>\$ 5,534,897</u></u>
Total cash in bank	\$ 5,534,897
Working funds	<u>2,023</u>
<b>Total Cash</b>	<u><u>\$ 5,536,920</u></u>

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7: NOTES RECEIVABLE**

Notes receivable includes loans to customers for purchase of electrical equipment.

**NOTE 8: MORTGAGE NOTES**

Long-term debt is composed of 3.000% to 5.375% mortgage notes payable to the Rural Utilities Service (RUS) of the United States of America and 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 monthly. The notes are scheduled to be fully repaid at various times from 2011 through 2040. Unadvanced loan funds were available from RUS at December 31, 2010 and 2009 in the amounts of \$11,000,000 and \$20,000,000, respectively.

Detail of the long-term debt is as follows:

	2010	2009
Notes payable to CFC in quarterly installments of \$294,226, including interest at 4.50%-7.35%, with final maturity ranging from 2011 to 2032. Secured by substantially all assets	\$ 7,422,342	\$ 8,173,319
Notes payable to CoBank in monthly installments of \$44,998, including interest at 3.52%, with final maturity in 2022. Secured by substantially all assets	4,812,559	
Notes payable to FFB in quarterly installments of \$294,226, including interest at 3.25%-3.94%, with final maturity in 2042. Secured by substantially all assets	9,000,000	
Notes, payable to RUS in monthly and quarterly installments ranging from \$116,000 to \$139,000, including interest at 3.000-5.375% with final maturity ranging from 2017 to 2037. Secured by substantially all assets.	62,809,777	69,278,479
	84,044,678	77,451,798
Less:		
RUS Cushion of credit	8,791,971	8,365,648
Current maturities	2,713,463	2,346,000
<b>TOTAL LONG-TERM DEBT, less current portion</b>	<b>\$ 72,539,244</b>	<b>\$ 66,740,150</b>

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

2011	\$ 2,713,463
2012	2,801,999
2013	2,896,628
2014	3,056,452
2015	3,216,456
Thereafter	69,359,680
	<u>\$ 84,044,678</u>

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9: LINE OF CREDIT**

The Cooperative has available a perpetual line of credit with CFC in the amount of \$10,000,000 for 2010 and 2009, respectively. The Cooperative had an outstanding balance of \$-0- for 2010 and \$-0- in 2009. Interest at December 31, 2010 was charged at 4.25%

The Cooperative has available a line of credit with CoBank in the amount of \$10,000,000 for both 2010 and 2009. The Cooperative had an outstanding balance of \$0 for 2010 and \$500,000 in 2009. Interest at December 31, 2010 was charged at 3.52%.

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

Under its wholesale power agreement, the Cooperative is committed to purchase most of its electric power and energy requirements from WVPA, until March 1, 2027. The rates paid for such purchases are subject to approval of the Federal Energy Regulatory Commission (FERC). During 2004, the Cooperative exercised its right of termination, whereby the Cooperative may elect to terminate its contract with WVPA in 10 years. Pursuant to the termination agreement, the Cooperative is depositing annually into a trust account a sum equal to 1.5 mills of KWH purchased by the old Fruit Belt division.

**NOTE 11: RETIREMENT PLAN**

The Cooperative has a defined benefit pension plan covering substantially all of its employees, but none of its subsidiary employees. As of January 1, 2007, the plan was closed to all new non-union staff and inside union staff. As of January 1, 2009, the plan was closed to all new outside union staff. Prior to July 1, 1995, employees became eligible to participate in the plan after completion of one year of service and attainment of age 20. Beginning July 1, 1995, the plan was amended such that employees are now eligible to participate in the plan after completion of six months of service and attainment of age 20, and the normal retirement age was reduced to age 62. Retirement benefits are based on a percentage of compensation as defined in the plan and benefits vested after completion of five years of service or age 55. The assets of the plan consist primarily of mutual funds. The Cooperative's funding policy is to contribute so as to amortize the unfunded actuarial accrued liabilities over a 30-year period from January 1, 1987.

The following table sets forth the plan's funded status and amounts recognized in the Cooperative's financial statements at December 31, 2010 and 2009:

	2010	2009
Actuarial present value of benefit obligations: Accumulated		
Benefit obligation, including vested benefits of \$12,755,523		
for 2010 and \$11,092,372 for 2009 respectively	<u>\$ 12,866,584</u>	<u>\$ 11,243,196</u>
<b>Change in Benefit Obligation</b>		
Benefit obligation at beginning of year	\$ 12,701,926	\$ 11,479,441
Service cost	464,793	467,091
Interest cost	751,616	680,966
Actuarial (gain) loss	959,057	374,885
Benefits paid	(374,576)	(300,457)
Benefit obligation at end of year	<u>\$ 14,502,816</u>	<u>\$ 12,701,926</u>

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11: RETIREMENT PLAN - continued**

	2010	2009
<b>Change in Plan Assets</b>		
Fair value of plan assets at beginning of year	\$ 11,959,476	\$ 8,150,778
Actual return on plan assets	1,654,300	2,209,155
Employer contributions	1,000,000	1,900,000
Benefits paid	(374,576)	(300,457)
Fair value of plan assets at end of year	<u>\$ 14,239,200</u>	<u>\$ 11,959,476</u>
<b>Reconciliation of Funded Status</b>		
Funded status (underfunded)/overfunded	<u>\$ (263,616)</u>	<u>\$ (742,450)</u>
Net pension cost included the following components:		
Service cost- benefits earned during the period	\$ 464,793	\$ 467,091
Interest cost on projected benefit obligation	751,616	680,966
Actual return on plan assets	(943,399)	(677,192)
Net amortization and deferral	<u>270,131</u>	<u>414,588</u>
Net periodic pension cost	<u>\$ 543,141</u>	<u>\$ 885,453</u>
<b>Amounts Recognized in Accumulated Other Comprehensive Loss</b>		
Net actuarial gains	\$ (4,522,409)	\$ (4,533,895)
Net prior service cost	<u>(62,932)</u>	<u>(73,421)</u>
<b>Amounts Recognized in Accumulated Other Comprehensive Loss - ending</b>	<u>\$ (4,585,341)</u>	<u>\$ (4,607,316)</u>

The weighted-average discount rate was 5.65% for 2010 and 6.00% for 2009. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation was 3.5% for 2010 and 2009, respectfully. The expected long-term rate of return on assets was 7.5% for 2010 and 2009, respectively.

The Cooperative expects to contribute \$1,000,000 to its pension plan in 2011. Expected benefit payments for 2011 are estimated at \$380,000, \$460,000 for 2012, \$510,000 for 2013, \$520,000 for 2014, \$630,000 for 2015 and \$3,880,000 for 2016 - 2020.



**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11: RETIREMENT PLAN - continued**

**Investment Policy**

Target Asset Allocation for Midwest Energy Cooperative

US large cap equity	36.8%
U.S. small/mid cap equity	7.2%
International Equity	13.9%
Debt securities	34.0%
Real estate	8.1%
Total	100.0%

The investment strategy is to build an efficient, well-diversified portfolio based on long-term, strategic outlook of the investment markets. The investment market outlook utilizes both historical-based and forward-looking return forecasts to establish future return expectations for various asset classes. These return expectations are used to develop a core asset allocation based on the needs of the plan. The core asset allocation utilizes investment portfolios of various asset classes and multiple investment managers in order to help maximize the plans return while providing multiple layers of diversification to help minimize risk.

**NOTE 12: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS**

The Cooperative sponsors a defined benefit post-retirement plan that covers both salaried and nonsalaried employees, but none of its subsidiary employees. The plan provides for medical benefits for retirees between the ages of 60 and 65. The Cooperative's funding policy is pay-as-you-go.

The following table sets forth the plan's combined funded status reconciled with the amount shown in the Cooperative's statement of financial position at December 31, 2010 and 2009:

	2010	2009
(Accrued) post-retirement benefit costs, beginning	\$ (2,732,154)	\$ (2,574,253)
Net periodic post-retirement benefit (costs)	149,622	(317,570)
Contributions made	146,253	159,669
(Accrued) post-retirement benefit cost, end of year	<u>\$ (2,735,523)</u>	<u>\$ (2,732,154)</u>

**MIDWEST ENERGY COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 12: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - continued**

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

	2010	2009
Service cost-benefits attributed to service during the period	\$ 92,763	\$ 106,180
Interest cost	159,837	149,520
Net amortization and deferral	<u>(102,978)</u>	<u>61,870</u>
Net periodic post-retirement benefit cost	<u>\$ 149,622</u>	<u>\$ 317,570</u>

In 2011, premiums are expected to increase 9.0% and then drop to 5.0 % per year in 2017 and after.

The weighted average discount rate used in determining the accumulated post-retirement benefit obligation as 5.65% for 2010 and 6.75% for 2009.

Benefit payments of \$186,000 are expected for 2011.

**NOTE 13: RECLASSIFICATION OF AMOUNTS**

Certain amounts previously reported have been reclassified to conform to the 2010 presentation.

**NOTE 14: RELATED PARTY TRANSACTIONS**

Midwest Energy, Inc. is a wholly-owned subsidiary of Midwest Energy Cooperative. In addition, Midwest Energy Cooperative has furnished some personnel, office space, and other necessary operating facilities such as computer time for Midwest Energy's operations. During the year Midwest Energy Cooperative charged Midwest Energy, Inc.'s operations for such services. The total inter-company receivable was \$70,969 and \$119,746 at December 31, 2010 and 2009, respectively.

The Cooperative has leased space within its building to Southern Michigan Bank and Trust Company of Coldwater. The bank has opened a branch location within the lobby of the cooperative. The Cooperative's Chief Executive Officer is a member of the Board of Directors for the Bank and its parent company. As of December 31, 2010, the bank has moved out of the Cooperative's offices.

**NOTE 15: SUBSEQUENT EVENTS**

Cooperative management has evaluated the impact of subsequent events as they relate to the financial statements through March 18, 2011.

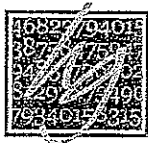
## SUPPLEMENTARY MATERIAL

**MIDWEST ENERGY COOPERATIVE  
BALANCE SHEET - STATISTICS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Utility plant, net	\$ 95,249,290	\$ 93,414,070	\$ 92,759,672	\$ 92,475,523
Investments	16,071,855	14,269,306	12,292,575	10,948,041
Notes receivable	100,961	101,962	96,018	85,046
Current assets	10,749,559	5,439,438	5,788,161	6,054,712
Long-term debt	75,539,244	66,740,150	65,465,825	67,875,665
Equities	34,935,268	32,125,794	27,952,640	30,696,561
Current liabilities	12,058,711	11,840,541	15,058,138	9,555,115
Net cash flows	4,567,337	(261,247)	(1,011,485)	1,216,844
Current ratio	89%	46%	38%	63%
Quick ratio	81%	38%	33%	54%
Equity/assets ratio	28%	27%	24%	27%
Number of members	28,237	28,387	27,992	28,579

**MIDWEST ENERGY COOPERATIVE  
STATEMENTS OF REVENUE - STATISTICS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Electric revenues	\$ 65,628,036	\$ 61,741,607	\$ 57,859,097	\$ 53,043,881
Purchased power	44,118,481	41,419,720	37,847,530	33,916,504
Gross margin	21,509,555	20,321,887	20,011,567	19,127,377
Gross margin %	32.77%	32.91%	34.59%	36.06%
Operating expenses	11,783,900	10,566,608	9,551,135	9,677,918
Depreciation	4,010,787	3,902,045	3,867,391	3,789,715
Taxes	1,778,725	1,783,184	1,763,464	1,583,939
Operating margins before other items	3,936,143	4,070,050	4,829,577	4,075,805
Patronage revenue	1,516,206	1,556,166	1,617,269	724,806
Interest expense	3,695,348	3,625,382	3,342,815	3,388,980
Operating margins (loss)	1,757,001	2,000,834	3,104,031	1,411,631
Non-operating items	972,970	633,842	(61,066)	383,015
Net margins (loss)	2,729,971	2,634,676	3,042,965	1,794,646
KWH sold	604,428,773	592,196,063	585,900,923	572,548,247
KWH purchased	640,248,291	628,830,452	625,011,728	602,733,717
Line loss %	5.43%	5.66%	6.08%	4.82%
Percentage increase in KWH sold	1.82%	1.07%	2.33%	12.00%
Revenue per KWH sold	0.1086	0.1043	0.0988	0.0926
Power cost per KWH sold	0.0730	0.0699	0.0646	0.0592
Margin per KWH sold	0.0356	0.0343	0.0342	0.0334
Times interest earned ratio (TIER)	1.75	1.74	1.93	1.55
Debt service coverage (DSC)	1.73	1.74	1.93	1.74



# HARRIS GROUP

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

March 18, 2011

To the Board of Directors  
Midwest Energy Cooperative  
Cassopolis, Michigan

We have audited the financial statements of Midwest Energy Cooperative for the year ended December 31, 2010, and have issued our report thereon dated March 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Midwest Energy Cooperative's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Midwest Energy Cooperative's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Midwest Energy Cooperative's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Midwest Energy Cooperative's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, the Rural Utilities Service, and supplemental lenders, entities and is not intended to be and should not be used by anyone other than these specific parties.

*Harris Group*

Certified Public Accountants

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/15/2011	Year of Report 2010
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STATEMENT OF CASH FLOWS		
<p>1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.</p>		<p>2. Under "Other" specify significant amounts and group others.</p> <p>3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.</p>
Line No.	Description (See instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)	
2	Net Income (Line 72 (c) on page 117	
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	
5	Amortization of (Specify)	
6	Intangible Plant	
7		
8	Deferred Income Taxes (Net)	
9	Investment Tax Credit Adjustment (Net)	
10	Net (Increase) Decrease in Receivables	
11	Net (Increase) Decrease in Inventory	
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net (Increase) Decrease in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other:	
19		
20		
21		
22	Net Cash Provided by ( Used in) Operating Activities (Total of lines 2 thru 21)	
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in ( and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent <b>Midwest Energy Cooperative</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/15/2011	Year of Report 2010
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STATEMENT OF CASH FLOWS (Continued)		
<b>4. Investing Activities</b> (a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123. (b) Don not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.		<b>5. Codes used:</b> (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc. Enter on pages 122-123 clarifications and explanations.
Line No.	Description (See instructions for Explanation of Codes) (a)	Amount (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in Allowances Held for Speculation	
52	Net Increase (Decrease) in Payables and Accrued Expenses	
53	Other:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	
87		
88	Cash and Cash Equivalents at Beginning of Year	
89		
90	Cash and Cash Equivalents at End of Year	



**MIDWEST ENERGY COOPERATIVE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from consumers	\$ 65,543,510	\$ 62,384,831
Cash paid to suppliers and employees	(55,972,010)	(52,288,215)
Interest received	555,577	456,646
Interest paid	(3,596,439)	(3,627,555)
Taxes paid	(1,854,728)	(1,885,251)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>4,675,910</u>	<u>5,040,456</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Construction and acquisition of plant, net of retirements	(5,188,961)	(3,274,033)
Net proceeds from sale of plant	48,378	20,033
(Increase) decrease in:		
Materials inventory	(134,542)	(25,295)
Deferred charges	(665,434)	(849,245)
Notes receivable	1,001	(5,944)
Investments -- associated organizations	155,355	(158,067)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(5,784,203)</u>	<u>(4,292,551)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Advances from RUS and CFC	9,000,000	26,000,000
Cushion of credit payment to RUS	(426,323)	(8,365,648)
Retirement of patronage capital credits, net	(293,426)	(131,203)
Payments on debt	(2,407,120)	(17,425,027)
Payments to pension	(1,000,000)	(1,900,000)
Increase (decrease) in:		
Consumer deposits and advances	802,499	812,726
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>5,675,630</u>	<u>(1,009,152)</u>
<b>Net Increase (Decrease) in Cash and Temporary Cash Investments</b>	4,567,337	(261,247)
<b>CASH AND TEMPORARY CASH INVESTMENTS -- beginning</b>	<u>969,583</u>	<u>1,230,830</u>
<b>CASH AND TEMPORARY CASH INVESTMENTS - ending</b>	<u>\$ 5,536,920</u>	<u>\$ 969,583</u>

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Continued)

	<u>2010</u>	<u>2009</u>
RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net margins	\$ 2,729,971	\$ 2,634,676
Adjustments to reconcile net margins to net cash provided by Operating activities:		
Depreciation and amortization	4,385,342	4,228,416
G & T capital credits	(1,516,206)	(1,556,166)
(Gain) Loss on disposal of assets	(20,858)	7,074
(Income) Loss from subsidiary	(441,698)	(262,498)
(Increase) decrease in assets:		
Customer and other accounts receivable	(620,820)	550,100
Current and accrued assets – other	61,355	(27,882)
Post-retirement benefits other than pensions	(183,005)	157,901
Increase (decrease) in:		
Accounts payable	628,872	78,909
Current and accrued liabilities – other	(347,043)	(770,074)
Total Adjustments	<u>1,945,939</u>	<u>2,405,780</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,675,910</u>	<u>\$ 5,040,456</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital credits	\$ 1,516,206	\$ 1,556,166
Income (Loss) from subsidiary	441,698	262,498
(Gain) Loss on disposition of plant	(20,858)	7,074
Capitalized depreciation	127,273	114,541

The accompanying notes are an integral part of these statements.

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010	
<b>NONUTILITY PROPERTY (Account 121)</b>				
1. Give a brief description and state the location of nonutility property included in Account 121. 2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company. 3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.		4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property. 5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.		
Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	n/a			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
TOTAL				

<b>ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)</b>		
Report below the information called for concerning depreciation and amortization of nonutility property.		
Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	

**Midwest Energy Cooperative  
Investment in Associated Organizations - Patronage Capital and Other NonGeneral Funds  
YTD through 12/31/2010**

Account Number	Description	12/31/2009 Beginning Balance	Allocated	YTD through 12/31/2010 Invested	YTD through 12/31/2010 Profit/(loss)	Adjusted Adjustments	Retired (Cash Received)	YTD through 12/31/2010 Form I	YTD through 12/31/2010 General Ledger
<b>Investment in Subsidiary Companies</b>									
123.25	Midwest Energy-100 shares	6,500,100	-	-	-	-	-	6,500,100	6,500,100.00
123.18	Midwest Energy, Inc.	(3,165,121.18)	-	-	441,698	-	-	(2,723,423)	(2,723,422.95)
		3,334,979	-	-	441,698	-	-	3,776,677	3,776,677.05
<b>Investment in Associated Organizations - Patronage Capital and Other NonGeneral Funds</b>									
123.10	NRUCFC	282,335.85	51,476.20	-	-	-	(25,738.10)	308,073.95	308,073.95
123.11	Wabash Valley	7,263,603.62	1,214,276.00	-	-	-	-	8,477,879.62	8,477,879.62
123.12	NISC (formerly CADP)	116,106.31	12,401.48	-	-	-	(1,972.04)	126,535.75	126,535.75
123.13	Resco - Michigan	17,877.00	-	-	-	(17,877.00)	-	-	-
123.15	Resco - Ohio	20,106.05	-	-	-	-	-	20,106.05	20,106.05
123.16	Resco - Wisconsin	348,142.87	120,875.00	-	-	5,000.00	(41,567.00)	432,450.87	432,450.87
123.17	Buckeye	801,662.50	22,897.34	-	-	-	(36,777.00)	787,782.84	787,782.84
		8,849,834	1,421,926	-	-	(12,877)	(106,054)	10,152,829	10,152,829.08
123.21	CFC Capital Funding Investment	300,000	-	-	-	-	-	300,000	300,000.00
123.22	CFC Cap. Term Cert.	1,285,326	-	-	-	-	(3,548)	1,281,778	1,281,777.80
123.23	MECA	54,034	-	-	-	-	-	54,034	54,034.00
123.24	NRUCFC Membership	1,000	-	-	-	-	-	1,000	1,000.00
123.24	Wabash Membership	5	-	-	-	-	-	5	5.00
123.24	NRTC (New 6/03)	117,473	69,045	-	-	-	(17,261)	169,257	169,256.95
123.24	Federated Insurance	284,230	34,551	-	-	-	(20,967)	297,814	297,813.54
123.24	ECO INC. New 2005	-	-	-	-	-	-	-	-
123.24	CoBank-New 10/2006	8,132	2,960	-	-	-	(1,924)	9,168	9,167.74
124.00	American Sealing Park-SBT	-	-	-	-	-	-	-	-
124.03	River Front Student Housing-MBT	5,000	-	(5,000)	-	-	-	(0)	(0.00)
124.10	Cooperative Response Center	29,293	600	-	-	-	(600)	29,293	29,293.34
		2,084,492	107,157	(5,000)	-	-	(44,301)	2,142,348	2,142,348.37
128.50	Other Special Funds - Def. Comp	-	-	-	-	-	-	-	-
	<b>Total - Form 7, Part C, Line 14</b>	<b>14,269,305</b>	<b>1,529,083</b>	<b>(5,000)</b>	<b>441,698</b>	<b>(12,877)</b>	<b>(150,355)</b>	<b>16,071,855</b>	<b>16,071,855</b>

Midwest Energy Cooperative  
 Temporary Cash Investment  
 Certificate of Deposit  
 Dec. 31, 2010

Account Number	Description of Investment	12/31/2009 Beginning Balance	Investment	12/31/2010 Ending Balance
136.00	Temporary cash investments Certificate of Deposit # 10066945	-	4,000,000	4,000,000
		-		4,000,000
	Total - Form 7, Part C, Line 18	-	4,000,000	4,000,000

Name of Respondent <b>Midwest Energy Cooperative</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>INVESTMENTS (Accounts 123, 124, 136)</b>					
<p>1. Report below the investments in Accounts 123, <i>Investments in Associated Companies</i>, 124, <i>Other Investment</i>, and 136, <i>Temporary Cash Investments</i>. in Account 124, <i>Other Investments</i>), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, <i>Temporary Cash Investments</i>, also may be grouped by classes.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(a) Investment in securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included</p> <p>(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account. Each note should be</p>					
Line No.	Description of Investment  (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (b) Original Cost      Book Value		Purchases or Additions During Year  (c)	
1	<b>See Attachment</b>				
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Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)						
<p>listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.</p> <p>3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of</p>		<p>authorization, and case or docket number.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</p>				
Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (f)		Revenues for Year (g)	Gain or Loss from Improvement Disposed of (h)	Line No.
		Original Cost	Book Value			
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
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						30

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)</b>			
1. Report particulars of notes and accounts receivable from associated companies* at end of year. 2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts. 3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.		4. If any note was received in satisfaction of an open account, state the period covered by such open account. 5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year. 6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.	

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

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2						
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4						
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19						
20						
21						
22						
23						
24						
25	TOTAL					



Midwest Energy Cooperative  
 Receivables from Associated Companies (Account 145,146)  
 For Year Ending 12/31/10

Line #	Particulars (a)	Balance Beginning of Year (b)	Debits (c)	Credits (d)	Balance End of Year (e)	Interest for Year (f)
1	146.00 Midwest Energy, Inc.- Unbilled	\$0	0.00	\$0	\$0	0
2	146.10 Midwest Propane-Unbilled	\$0	15,503	\$15,503	\$0	0
3	146.18 Midwest Energy, Inc. Internet	\$0	0	\$0	\$0	0
4	146.20 Midwest Energy, Inc. Long Distance	\$0	0	\$0	\$0	0
5	146.35 Midwest Energy, Inc. Billed	\$3,655	37,888	\$37,623	\$3,920	\$ 3,920.43
6	146.36 Midwest Propane Billed	\$83,612	583,172	\$607,665	\$59,119	\$ 59,118.92
7	146.37 Due from wild Blue	\$6,479	39,085	\$41,398	\$4,165	\$ 4,165.48
8	146.38 Due from BPL	\$26,000	43,070	\$65,306	\$3,764	\$ 3,763.73
9	146.95 Midwest Propane Unreimbursed Medical	\$0	300	\$300	\$0	\$0
		<u>\$119,746</u>	<u>\$719,018</u>	<u>\$767,795</u>	<u>\$70,969</u>	<u>\$0</u>

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
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ALLOWANCES					
1. Report below the details called for concerning allowances.		eligible for use; the current year;s allowances in columns (b)-( c),			
2. Report all acquisitions of allowances at cost.		allowances for the three succeeding years in column(d)-(i), starting			
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.		with the following year, and allowances for the remaining succeeding			
4. Report the allowances transactions by the period they are first		years in columns (j)-(k).			
		5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.			

Line No.	Allowance Inventory (a)	Current Year		20__	
		No. (b)	Amt. ( c)	No. (d)	Amt. (e)
1	Balance - Beginning of Year				
2-4	Acquired During Year: Issued (Less Withheld Allow.)				
5	Returned by EPA				
6-8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16-18	Relinquished During Year: Charges to Acct. 509				
19	Other:				
20					
21-22	Cost of Sales/Transfers:				
23					
24					
25					
26					
27					
28	Total				
29	Balance - End of Year				
30-32	Sales:				
	Net Sales Proceeds (Assoc Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld				
36	Balance - Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance - End of Year				
41-43	Sales:				
	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
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ALLOWANCES (Continued)								
6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales or auction of the withheld allowances.				8. Report on lines 22-27 the names of purchasers/transfers of allowances disposed of and identify associated companies.				
7. Report on lines 8-14 the names of vendors/transfers of allowances acquired and identify associated companies (See "associated co." under "Definitions" in Uniform System of Accounts).				9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.				
				10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.				
20		20		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								1
								2-4
								5
				N/A				6-8
								9
								10
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								41-43
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								45
								46

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>LONG-TERM DEBT (Accounts 221, 222, 223 and 224)</b>			
<p>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.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. 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.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. 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.</p>			
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give Commission Authorization numbers and dates)  (a)	Principal Amount of Debt Issued  (b)	Total Expense, Premium or Discount  (c)
1	<b>See Attachment</b>		
2			
3			
4			
5			
6			
7			
8			
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22			
23			
24			
25	TOTAL		

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010			
<b>LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)</b>						
<p>10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.</p> <p>11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt-Discount and Expense, or credited to Account 429, <i>Amortization of Premium on Debt-Credit</i>.</p> <p>12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.</p> <p>13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.</p> <p>14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, <i>Interest on Long-Term Debt</i>, and Account 430, <i>Interest on Debt to Associated Companies</i>.</p> <p>16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>						
Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
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						25



Fed Fin Bank September 2010

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
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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 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	<b>See Attachment</b>					
2						
3						
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23						
	<b>TOTAL</b>					



Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES</b>			
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p>			
Line No.	N/A, MWE is a tax exempt organization and does not file a Federal Income Tax Return.	TOTAL AMOUNT	
1	Utility net operating income (page 114 line 20)		
2	Allocations: Allowance for funds used during construction		
3	Interest expense		
4	Other (specify)		
5	Net income for the year (page 117 line 68)		
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		

Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)</b>			
<p>3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2</p> <p>4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.</p>			
Utility	Other	Line No.	
		1	
		2	
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		26	

Name of Respondent <b>Midwest Energy Cooperative</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010	
<b>GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)</b>						
<p>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.</p> <p>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).</p> <p>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.)</p>						
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						
3	<b>See Attachment</b>					
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7						
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9						
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16						
17	Total Gain					

Name of Respondent <b>Midwest Energy Cooperative</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)</b>					
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					
21					
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23					
24					
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26					
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28					
29					
30					
31					
32					
33					
34	Total Loss				

11:46 AM											
4/8/2011		Midwest Energy Cooperative Schedule of general plant assets disposed of in 2010 Reconciliation of G/L #421.10 gain or loss on disposition of property									
Date	Acct #	Item #	Description	CR	DR	Carrying Value	Sales Price	Gain (Loss)	Cash Sheet	JL#	
1/31/2010	391.00	3910000010	Iron System	21,218.14	21,218.14	0.00	0.00		did not sell. Disposed of.		
1/31/2010	391.10	3911000110	Panasonic Laptop	3,155.84	3,155.84	0.00	0.00		did not sell. Disposed of.		
2/28/2010	392.00	3920004606	Chrysler 300C 2006 veh#4606	36,510.08	24,948.50	11,561.58	10,921.00	(640.58)	silent bid auction no bids / auto auction in s.bend sold.	57586	
2/28/2010	398.00	3980000064	Energy Park Wind Turbine	35,153.75	2,734.20	32,419.55	20,000.00	(12,419.55)	Partial disposal - org. defective - replaced by smaller unit w/cost of \$20,000.00		
5/6/2010	391.00		Inv# 1166 K. Mack & 1167 D. Beardslee					42.01	Silent Bid for filling cabinets & table	60617	
5/11/2010	391.00		Inv# 1198 J. Stover					15.00	Silent Bid for Table	60858	
5/31/2010	391.10	3911000007	Office 98 Computers - last desktop	1,492.91	1,492.91	0.00	0.00		did not sell. Disposed of.	62189	
6/30/2010	391.10	3911000506	Dell PowerConnect 3424P	904.07	904.07	0.00	0.00		Struck by lightning	62802	
6/30/2010	391.10	3911000162	Dell Optiplex PC	1,753.18	1,753.18	0.00	0.00		Donated to Child Care Facility	62552	
7/31/2010	216.10		Corr Jlf 63767 psd in reverse					10.68		63768	
7/31/2010	392.00	3920000704	2004 Ford Explorer #704	31,512.02	31,512.02	0.00	5,200.00	5,200.00	no silent bid - mark mcmeeken inv#1555	64361	
7/31/2010	392.00	3920002506	V2506 Ford F550 4x4 2006	100,031.88	83,359.93	16,671.95	14,000.00	(2,671.95)	trade in for veh#2510	64975	
7/31/2010	392.00	39200050600	2000 fml 180 bkt lrk-adrian	123,385.06	123,385.06	0.00	15,000.00	15,000.00	trade in for veh#50610	64976	
7/31/2010	392.00	39200050204	2004 ford f550 diesel bucket	85,167.00	85,167.00	0.00	16,000.00	16,000.00	trade in for veh#50210	64977	
8/31/2010	392.00	39200050600A	Winch used on Adrian #50600	1,949.03	1,949.03	0.00	0.00	0.00	Went with Trk#50600 that was traded in July	66291	
8/31/2010	392.00	39200050600B	Retractable Grounding Reel on Adrian #50600	841.55	841.55	0.00	0.00	0.00	Went with Trk#50600 that was traded in July	67804 / reclass 67611	
9/30/2010	398.00	3980000060	WH @ Dixie's hse-experimental	2,412.02	1,062.42	1,349.60	0.00	(1,349.60)	Removed from Dixie's house, may be credit of parts	67804	
9/30/2010	392.00	3920000699	99 F350 Utility Truck-Service	22,377.98	22,377.98	0.00	2,035.99	2,035.99	Silent Bid, Inv# 1910 M. McNee & Inv# 1917 B. Kephant	67807	
9/30/2010	391.10	39111003536	HP Laserjet Printer/Fax Adrian	2,494.75	2,494.75	0.00	0.00	0.00	did not sell. Disposed of.		
10/31/2010	398.00	3980000060	WH @ Dixie's hse-experimental			0.00	(1,246.86)	(1,246.86)	Rele #67490 write off 50 gal to replace 80 gal at D. Teagues	67611	
11/30/2010	391.10	3911000540	LP150DN Lanier B&W Printer	2,650.00	1,545.81	1,104.19	0.00	(1,104.19)	did not sell. Disposed of.	70681	
11/30/2010	391.10	3911000592	Dell PE R170 OMS 2 Software/server	10,985.53	2,136.05	8,849.48	0.00	(8,849.48)	did not sell. Disposed of.	70681	
11/30/2010	391.10	3911000593	LP550C Lanier Color Printer	15,975.26	443.76	15,531.50	0.00	(15,531.50)	did not sell. Disposed of.	70681	
12/1/2010	391.10	3911000592	Dell PE R170 OMS 2 Software/server	(10,985.53)	(2,136.05)	(8,849.48)	0.00	8,849.48	Reverse Retire - Per IT should not have been retired	72096	
12/1/2010	391.10	3911000593	LP550C Lanier Color Printer	(15,975.26)	(443.76)	(15,531.50)	0.00	15,531.50	Reverse Retire - Per IT should not have been retired	72095	
392.00		3920002106	2006 Ford F550 - Trk# 2106	87,195.58	81,382.56	5,813.02	7,500.00	1,686.98	Sold truck to Village of Mattawan Inv #2164	72093	
			Nortel Phones PO# MF99451					300.00	Sold Nortel Phones to Dexon Computers Inv# 2238		
Dec-10				560,204.84	491,284.95	68,919.89	89,410.13	20,857.93			

Midwest Energy Cooperative  
Charges for Outside Professional and Other Consultative Service  
Year Ending 12/31/10

Amounting to more than \$25,000.00

Name and Address	Description of Services	Basis of Charges	Total Charges for the Year	Account Charged	Amount
Enervision PO Box 450789 Atlanta, GA 31145	Power Supply Diagnostics Analysis		\$95,135.90	923.00-1 923.01-1	\$15,924.22 79,211.68 <u>95,135.90</u>
James Mardis 19027 Partridge Wood Drive Germantown, MD 20874	Consultant		\$32,000.00	416.22	32,000.00 <u>32,000.00</u>
Hydaker-Wheatlake Co 1435 Reliable Parkway Chicago, IL 60686	Contractor-Construction		\$27,468.57	107.10	27,468.57 <u>27,468.57</u>
Cooperative Response Center 2000 8th Street N.W. Austin, MN 55912	Customer Service, Overflow and after hours		\$94,025.22	581.01-22 583.60-51 903.00-22 1,100.923.00 923.00-01	78,150.43 150.00 \$150.00 13,979.70 1,595.09 <u>94,025.22</u>
Harris Group 731 S. Garfield Ave Traverse City, MI 49686	CPA		\$38,012.97	923.00-11	\$38,012.97 <u>\$38,012.97</u>
Dykema Gossett 400 Renaissance Center Detroit, MI 48243	Legal Services		\$289,685.96	923.00-1 923.01-1	162,328.69 127,357.27 <u>289,685.96</u>
American Energy Services PO Box 295 Richmond, MI 48062	Pole Testing		\$43,057.20	593.00-51	43,057.20 <u>43,057.20</u>
Green Leaf Tree Service 5280 Engle Rd Middleville, MI 49333	Contractor- Tree Work		\$1,741,775.00	107.10 593.00-51 593.30-54	588,835.00 \$67,050.00 1,085,890.00 <u>1,741,775.00</u>
Markur Consulting, LLC 9319 Mockingbird Lane Cadillac, MI 49601	Information Systems Contractor		\$95,860.01	186- purchase asset 416.22 903.02-21 909.00-70 927.00-23	2,050.01 60.00 570.00 40.00 93,140.00 <u>95,860.01</u>

Midwest Energy Cooperative  
Charges for Outside Professional and Other Consultative Service  
Year Ending 12/31/10

Amounting to more than \$25,000.00

Name and Address	Description of Services	Basis of Charges	Total Charges for the Year	Account Charged	Amount
Michigan Electric Coop Assoc 2859 W. Jolly Rd Okemos, MI 48864	Utility Restructuring Country Line Magazine Deferred Income		\$629,515.90	182.31-30	42,187.92
				184.90-30	38,867.04
				583.50-51	204.50
				908.01-30	21,753.96
				908.02-30	183.19
				908.03-30	127,563.56
				908.05-30	7,629.14
				908.06-30	44,781.40
				908.08-30	471.45
				908.51-30	5,376.80
				908.52-30	82,989.68
				909.01-70	91,184.96
				909.02-70	3,964.00
				921.00-11	175.00
				921.60-01	350.00
				921.60-45	175.00
				921.60-70	175.00
				923.00-01	15,508.50
				930.21-03	2,000.00
				930.22-01	137,954.00
				1.100.913.00	6,020.82
					<u>629,515.90</u>
W. Soule & Company 7125 Sprinkle Road PO Box 2169 Kalamazoo, MI 49002	Contractor Building Maint		\$53,723.37	186.00	32,235.00
				421.10	875.06
				588.20-60	20,613.31
				<u>53,723.37</u>	
NISC SDS 12-2053 Minneapolis, MN 55486	Computer System Support		\$434,770.62	2.00.725.00	1,290.42
				2.00.731.00	2,232.07
				4.00.914.00	180.24
				4.00.921.00	880.68
				921.60-1	399.00
				1.100.165.50	3,055.00
				1.100.913.00	1,081.20
				1.100.921.00	13,871.04
				1.100.921.40	33,485.34
				1.100.921.62	130.00
				921.00-11	1,060.01
				921.60-11	1,881.00
				903.00-21	5,553.23
				903.04-21	195,645.63
				903.09-21	5,850.60
				903.60-21	25.00
				904.02-21	300.00
				921.60-21	200.00
				581.01-22	300.00
				903.00-22	20.03
				903.08-22	13,443.00
				903.60-22	1,997.00
				904.02-22	500.00
				921.00-22	275.60
				921.60-22	100.00
				903.00-23	65.00
				903.02-23	129,664.52
				588.10-46	10,229.93
				580.60-51	575.00
				593.00-51	10,081.08
				921.60-70	399.00
					<u>434,770.62</u>

Midwest Energy Cooperative  
Charges for Outside Professional and Other Consultative Service  
Year Ending 12/31/10

Amounting to more than \$25,000.00

Name and Address	Description of Services	Basis of Charges	Total Charges for the Year	Account Charged	Amount
Houseworks, Inc. 29750 M152 dowagiac, MI 49047	Contractor Building Cleaning		\$25,556.00	588.20-60	\$25,556.00 \$25,556.00
P. Wayne Nabozny II Wayne Nabozny Construction 25729 M-60 West Cassopolis, MI 49031	Contractor		\$26,490.00	587.00-45 588.20-60 908.03-30	\$25,775.00 385.00 \$330.00 \$26,490.00
Kevin's Meter Testing PO Box 846 Atlanta, MI 49709	Contractor Field Testing Testing		\$90,430.50	586.00-45	\$90,430.50 \$90,430.50
McDonald Underground 30155 Topash Dowagiac, MI 49047	Contractor-Construction		\$30,462.50	107.10	\$30,462.50 \$30,462.50
American Electrical Testing Co., Inc. 480 Neponset Street build #3 PO Box 267 Canton, MA 02021	Substation Maintenance		\$35,048.26	592.00-51	\$35,048.26 \$35,048.26

\$3,783,017.98



Name of Respondent <b>Midwest Energy Cooperative</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
<p>1. In column (a) report the name of the associated company.</p> <p>2. In column (b) describe the affiliation (percentage ownership, etc. ).</p> <p>3. In column ( c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).</p> <p>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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<b>TOTAL</b>					

Miscellaneous Midwest Inc/Propane Expenses  
Paid by Midwest Energy Cooperative to be Reimbursed  
For year 2010

Form 7 MPSC page									
Line # Company		Affiliation	Desc: nature of	Account #	Amount Classified To Balance	Amount Classified to Operating Income	Amount Classified to Non-Operating	Pricing Method	
Goods and Services									
1	Midwest Energy, Inc GL# 0.00.146.35	Wholly Owned Subsidiary of Midwest Energy Co	Out of Pocket Expense Labor & Benefit Allocation	0.00.146.35	\$ 4,268.33 \$ 33,619.88 \$ 37,888.21	\$ - \$ - \$ -	\$ -	Cost Cost Cost	
2	Midwest Propane LLC GL# 0.00.146.36 / GL# 0.00.146.10	Wholly Owned Subsidiary of Midwest Energy Co	Out of Pocket Expense Labor & Benefit Allocation Facility Lease	0.00.146.36/146.10	\$ 296,098.02 \$ 282,596.81 \$ 19,980.00 \$ 598,674.83	\$ - \$ - \$ - \$ -	\$ -	Cost Cost Cost Contract	
3	Midwest Energy, Inc - Connection/WildBlue GL# 0.00.146.37	Midwest Energy, Inc Line of Business	Out of Pocket Expense Labor & Benefit Allocation	0.00.146.37	\$ 4,106.98 \$ 34,978.35 \$ 39,085.33	\$ - \$ - \$ -	\$ -	Cost Cost Cost	
4	Due from BPL GL# 0.00.146.38	Midwest Energy, Inc Line of Business	Out of Pocket Expense Labor & Benefit Allocation	0.00.146.38	\$ 14,083.11 \$ 28,986.95 \$ 43,070.06	\$ - \$ - \$ -	\$ -	Cost Cost Cost	
Total Costs Billed to Associated Companies					\$ 718,718.43	\$ -	\$ -		

Miscellaneous Midwest Inc/Propane Expenses										Used for Code of Conduct reporting at year end (Due April 30)									
Paid by Midwest Energy Cooperative to be reimbursed for year 2010																			
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Form 7 MPSC page																			
Goods and Services																			
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Name of Respondent <b>Midwest Energy Cooperative</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010	
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)</b>						
<p>5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7. In column (j) report the total.</p> <p>8. In column (k) indicate the pricing method (cost, per contract terms, etc.)</p>						
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
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Name of Respondent <b>Midwest Energy Cooperative</b>		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
<p>1. In column (a) report the name of the associated company.</p> <p>2. In column (b) describe the affiliation (percentage ownership, etc. ).</p> <p>3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).</p> <p>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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26					
27					
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29					
30					
<b>TOTAL</b>					



Name of Respondent <b>Midwest Energy Cooperative</b>	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/11	Year of Report 2010			
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)</b>						
<p>5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7. In column (j) report the total.</p> <p>8. In column (k) indicate the pricing method (cost, per contract terms, etc.)</p>						
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.
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