

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF ELECTRIC UTILITIES (MAJOR AND NON-MAJOR)

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

Report submitted for year ending: December 31, 2011
Present name of respondent: Alpena Power Company
Address of principal place of business: 401 N. 9th Avenue, Alpena, MI 49707
Utility representative to whom inquires regarding this report may be directed: Name: Vicki M Goodburne Title: Accounting Manager Address: 401 N. 9th Avenue City: Alpena State: MI Zip: 49707 Telephone, Including Area Code: 989-358-4934
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: [X] were forwarded to the Commission [] will be forwarded to the Commission on or about April 30, 2012
Annual reports to stockholders: [X] are published [] are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Bill Stosik) at (517) 241-5853 or bmstosi@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



Certified Public Accountants

PHILIP T. STRALEY, C.P.A./P.F.S.
ROBERT D. ILSLEY, C.P.A.
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STRALEY, ILSLEY & LAMP P.C.

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ALPENA, MICHIGAN 49707

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TAX, AUDIT AND BUSINESS CONSULTANTS

RETIRED
GORDON A. NETHERCUT, C.P.A.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders
and Directors of
Alpena Power Company

We have audited the balance sheets of Alpena Power Company as of December 31, 2011 and 2010, and the related statements of income, retained earnings and cash flows for the years then ended, included on pages 110 through 123 of the accompanying Michigan Public Service Commission Form P521. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alpena Power Company as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles. Also, in our opinion, the information presented in the financial statements referred to above is presented fairly, in all material respects, in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Straley, Ilsley & Lamp P.C.

April 30, 2012

INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF
MAJOR AND NONMAJOR ELECTRIC UTILITIES

GENERAL INFORMATION

I. Purpose:

By authority conferred upon the Michigan Public Service Commission by 1909 PA 106, as amended, being MCL 460.556 et seq. and 1969 PA 306, as amended, being MCL 24.201 et seq., this form is a regulatory support requirement. It is designed to collect financial and operational information from public utilities, licensees and others subject to the jurisdiction of the Michigan Public Service Commission. This report is a nonconfidential public use form.

II. Who Must Submit:

Each major and nonmajor public utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees must submit this form.

NOTE: Major utilities means utilities that had, in each of the last three consecutive years, sales or transmission service that exceeded any one or more of the following:

- (a) one million megawatt-hours of total sales;
- (b) 100 megawatt-hours of sales for resale;
- (c) 500 megawatt-hours of gross interchange out; or
- (d) 500 megawatt-hours of wheeling for others (deliveries plus losses)

III. What and Where to Submit:

- (a) **Submit an original copy of this form to:**

Michigan Public Service Commission (Regulated Energy Division)
Financial Analysis and Customer Choice Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Retain one copy of this report for your files. Also submit the electronic version of this record to Bill Stosik at the address below or to bmstosi@michigan.gov

- (b) Submit immediately upon publication, one (1) copy of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analyst, or industry association. Do not include monthly and quarterly reports. If reports to stockholders are not prepared, enter "NA" in column (c) on Page 4, the List of Schedules.) Mail these reports to:

Michigan Public Service Commission (Regulated Energy Division)
Financial Analysis and Customer Choice Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report:

- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications).

<u>Schedules</u>	<u>Reference Page</u>
Comparative Balance Sheet	110 - 113
Statement of Income	114 - 117
Statement of Retained Earnings	118 - 119
Statement of Cash Flows	120 - 121
Notes to Financial Statements	122 - 123

When accompanying this form, insert the letter or report immediately following the cover sheet. Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under the date of _____ we have also reviewed schedules _____ of Form P-521 for the year filed with the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (d) Federal, state, and local governments and other authorized user may obtain additional blank copies to meet their requirements for a charge from:

Michigan Public Service Commission (Regulated Energy Division)
 Financial Analysis and Customer Choice Section
 6545 Mercantile Way
 P.O. Box 30221
 Lansing, MI 48909

IV. When to Submit

Submit this report form on or before April 30 of the year following the year covered by this report.

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (USOA). Interpret all accounting words and phrases in accordance with the USOA.
- II. Enter in whole number (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required). The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances

at the end of the current reporting year, and use for statement of income accounts the current year's accounts.


- III.** Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV.** For any page(s) that is not applicable to respondent, either
- (a) Enter the words "NOT APPLICABLE" on the particular page(s), OR
 - (b) Omit the page(s) and enter "NA", "NONE", or "NOT APPLICABLE" in column (c) on the List of Schedules, pages 2, 3, 4 and 5.
- V.** Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. Additional copies must be clear and readable.
- VI.** Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (See VIII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VII.** Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ().
- VIII.** When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the identification and Attestation page, page 1. Mail dated resubmissions to:
- Michigan Public Service Commission (Regulated Energy Division)
Financial Analysis and Customer Choice Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909
- IX.** Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and page number supplemented.
- X.** Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- XI.** Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XII.** Respondents may submit computer printed schedules (reduced to 8 1/2 x 11 inch size) instead of the preprinted schedules if they are in substantially the same format.
- XIII.** A copy of the FERC Annual Report Form is acceptable to substitute for the same schedules of this report.

DEFINITIONS

- I.** Commission Authorization (Comm. Auth.) - The authorization of the Michigan Public Service Commission, or any other Commission. Name the Commission whose authorization was obtained and give the date of the authorization.
- II.** Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

MPSC FORM P-521

ANNUAL REPORT OF ELECTRIC UTILITIES, LICENSEES AND OTHERS (Major and Nonmajor)

IDENTIFICATION		
01 Exact Legal Name of Respondent Alpena Power Company	02 Year of Report December 31, 2011	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, St., Zip) 401 N. 9th Avenue, Alpena, Michigan 49707		
05 Name of Contact Person Vicki M Goodburne	06 Title of Contact Person Accounting Manager	
07 Address of Contact Person (Street, City, St., Zip) 401 N. 9th Avenue, Alpena, Michigan 49707		
08 Telephone of Contact Person, Including Area Code: 989-358-4934	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) April 30, 2012
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
Ann K Burton		April 30, 2012
02 Title President		

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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LIST OF SCHEDULES (Electric Utility)

1. Enter in column (c) the terms "none", "not applicable", or "NA", as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".

2. The "M" prefix below denotes those pages where the information requested by the MPSC differs from that requested by FERC. Each of these pages also contains the "M" designation on the page itself.

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS		
General Information	101	
Control Over Respondent & Other Associated Companies	M 102	
Corporations Controlled by Respondent	103	
Officers and Employees	M 104	
Directors	M 105	
Security Holders and Voting Powers	M 106-107	
Important Changes During the Year	108-109	
Comparative Balance Sheet	M 110-113	
Statement of Income for the Year	114-117	
Statement of Retained Earnings for the Year	118-119	
Statement of Cash Flows	120-121	
Notes to Financial Statements	122-123	
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)		
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201	
Nuclear Fuel Materials	202-203	
Electric Plant in Service	M 204-211	
Electric Plant Leased to Others	213	
Electric Plant Held for Future Use	214	
Construction Work in Progress - Electric	M 216	
Construction Overheads - Electric	217	
General Description of Construction Overhead Procedure	M 218	
Accumulated Provision for Depreciation of Electric Utility Plant	M 219	
Nonutility Property	M 221	
Investment in Subsidiary Companies	224-225	
Materials and Supply	227	
Allowances	228-229	
Extraordinary Property Losses	230B	
Unrecovered Plant and Regulatory Study Costs	230B	
Other Regulatory Assets	M 232	
Miscellaneous Deferred Debits	M 233	
Accumulated Deferred Income Taxes (Account 190)	M 234A-B	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)		
Capital Stock	250-251	
Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock	252	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
LIST OF SCHEDULES (Electric Utility) (Continued)			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)			
Other Paid-In Capital	253		
Discount on Capital Stock	254		
Capital Stock Expense	254		
Long-Term Debt	256-257		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Tax	M 261A-B		
Calculation of Federal Income Tax			
Taxes Accrued, Prepaid and Charged During Year	M 262-263		
Distribution of Taxes Charged	M 262-263		
Accumulated Deferred Income Taxes - Accelerated Amortization Property	M 272-273		
Accumulated Deferred Income Taxes - Other Property	M 274-275		
Accumulated Deferred Income Taxes - Other	M 276A-B		
Other Regulatory Liabilities	M 278		
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	M 300-301		
Sales of Electricity by Rate Schedules	304		
Sales for Resale	310-311		
Electric Operation and Maintenance Expenses	320-323	REPLACE WITH 320N-324N	
Number of Electric Department Employees	323		
Purchased Power	326-327		
Transmission of Electricity for Others	328-330		
Transmission of Electricity by Others	332		
Miscellaneous General Expenses - Electric	M 335		
Depreciation and Amortization of Electric Plant	M 336-337		
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION			
Regulatory Commission Expenses	350-351		
Research, Development and Demonstration Activities	352-353		
Distribution of Salaries and Wages	354-355		
Common Utility Plant and Expenses	356		
ELECTRIC PLANT STATISTICAL DATA			
Monthly Transmission System Peak Load	M 400		
Electric Energy Account	401		
Monthly Peaks and Output	401		
Steam-Electric Generating Plant Statistics (Large Plants)	402-403		
Hydroelectric Generating Plant Statistics (Large Plants)	406-407		
Pumped Storage Generating Plant Statistics (Large Plants)	408-409		
Generating Plant Statistics (Small Plants)	410-411		

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
ELECTRIC PLANT STATISTICAL DATA (Continued)		
Transmission Line Statistics	422-423	
Transmission Lines Added During Year	424-425	
Substations	426-427	
Electric Distribution Meters and Line Transformers	429	
Environmental Protection Facilities	430	
Environmental Protection Expenses	431	
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Stockholders' Report	---	
MPSC SCHEDULES		
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Operating Loss Carry Forward	117C	
Plant Acquisition Adjustments and Accumulated Provision for Amortization of Plant Acquisition Adjustments	215	
Construction Work In Progress and Completed Construction Not Classified - Electric	216	
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221	
Investments	222-223	
Notes & Accounts Receivable Summary for Balance Sheet	226A	
Accumulated Provision for Uncollectible Accounts - Credit	226A	
Receivables From Associated Companies	226B	
Production Fuel and Oil Stocks	227A-B	
Miscellaneous Current and Accrued Assets	230A	
Preliminary Survey and Investigation Charges	231A-B	
Deferred Losses fro Disposition of Utility Plant	235A-B	
Unamortized Loss and Gain on Reacquired Debt	237A-B	
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255	
Notes Payable	260A	
Payables to Associated Companies	260B	
Investment Tax Credits Generated and Utilized	264-265	
Miscellaneous Current and Accrued Liabilities	268	
Customer Advances for Construction	268	
Deferred Gains from Disposition of Utility Plant	270A-B	
Accumulated Deferred Income Taxes - Temporary	277	
Gain or Loss on Disposition of Property	280A-B	
Income from Utility Plant Leased to Others	281	
Particulars Concerning Certain Other Income Accounts	282	
Electric Operation and Maintenance Expenses (Nonmajor)	320N-324N	
Number of Electric Department Employees	234N	
Sales to Railroads & Railways and Interdepartmental Sales	331A	
Rent From Electric Property & Interdepartmental Rents	331A	
Sales of Water and Water Power	331B	
Misc. Service Revenues & Other Electric Revenues	331B	
Lease Rentals Charged	333A-D	
Expenditures for Certain Civic, Political and Related Activities	341	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
MPSC SCHEDULES (Continued)		
Extraordinary Items	342	
Charges for Outside Professional and Other Consultative Services	357	
Summary of Costs Billed to Associated Companies	358-359	
Summary of Costs Billed from Associated Companies	360-361	
Monthly Transmission System Peak Load	400	
Changes Made or Scheduled to be Made in Generating Plant Capacities	412	
Steam-Electric Generating Plants	413A-B	
Hydroelectric Generating Plants	414-415	
Pumped Storage Generating Plants	416-418	
Internal Combustion Engine and Gas Turbine Generating Plants	420-421	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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GENERAL INFORMATION

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

Ann K Burton - President

401 N. 9th Avenue, Alpena, Michigan 49707

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.

Michigan, April 28, 1924

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

N/A

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

Distribution of Electric Energy-Michigan

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) Yes...Enter date when such independent accountant was initially engaged: _____.

(2) No

Name of Respondent	This Report Is:	Date of Report	Year of Report
Alpena Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2012	December 31, 2011

CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

2. List any entities which respondent did not control either directly or indirectly and which did not control respondent but which were associated companies at any time during the year.

1. Alpena Power Resources Ltd. owns 100% of Alpena Power Company common stock.

2. West Dock Properties, LLC, Sunrise Side Energy, LLC, Alpena Power Generation, LLC, Luna Energy, LLC

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

DEFINITIONS

1. See the Uniform of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock (c)	Footnote Ref. (d)
1	NONE			
2				
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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OFFICERS AND EMPLOYEES

1. Report below the name, title and salary for the five executive officers
2. Report in column (b) salaries and wages accrued during the year including deferred compensation.
3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc., and explain in a footnote what the amounts represent. Provide type code for other compensation in column (d).
4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.
5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.

Line	Name and Title	Base Wages	Other Compensation	Type of Other Compensation	Total Compensation
	(a)	(b)	(c)	(d)	(e)
1	Stephen H. Fletcher Chairman & CEO				
2	Ann K. Burton President & Chief Operating Officer				
3	Elaine M. Orr Executive Vice President				
4	Mary Ann Pernie Secretary				
5	Gary Graham Vice President				

Footnote Data

- 1
- 2
- 3
- 4
- 5

Compensation Type Codes:

- A = Executive Incentive Compensation
- B = Incentive Plan (Matching Employer Contribution)
- C = Stock Plans
- D = Other Reimbursements

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
DIRECTORS			
<p>1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
1 Stephen H. Fletcher Chairman & CEO	Alpena Power Company Alpena, Michigan	3	\$ 14,196
2 Ann K. Burton President & COO	Alpena Power Company Alpena, Michigan	3	\$ 14,196
3 Philip N. Potvin	Cadillac, Michigan	3	\$ 14,196
4 Craig T. Hall	LeanLogistics, Inc. Holland, Michigan	3	\$ 14,196
5 Timothy O. Schad	NuCraft Furniture Company Grand Rapids, Michigan	3	\$ 14,196
6 Steven K. York	Contract Professionals, Inc Waterford, Michigan	3	\$ 14,196
7 Charon K. Fletcher	Alpena, Michigan	3	\$ 14,196
8 David Muir	Paragon Die & Engineering Company Grand Rapids, MI	3	\$ 14,196
9 Steven K. Mitchell	Sierra Vista, Arizona	2	\$ 10,056
<p><u>Footnote Data</u></p> <p>1</p>			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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SECURITY HOLDERS AND VOTING POWERS

1. (A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

1. (B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondent of each officer and director not included in the list of 10 largest security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

December 22, 2011 Shareholders of Record

January 2, 2012 Dividend Date

2. State the total number of votes cast at the latest general proxy meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:

Total: **280,296**

By Proxy: **280,296**

3. Give the date and place of such meeting:

April 15, 2011

Alpena Power Company, Alpena, Michigan

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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SECURITY HOLDERS AND VOTING POWERS (Continued)

Line	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
		Number of votes as of (date): 12/23/2010			
4	TOTAL votes all voting securities	280,296	280,296		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below				
7	Alpena Power Resources, Ltd.				
8	401 N. 9th Avenue				
9	Alpena, Michigan 49707				
10					
11					
12					
13					
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34					

RESPONSE/NOTES TO INSTRUCTION

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
IMPORTANT CHANGES DURING THE YEAR			
<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"> 1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact. 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization. 3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission. 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents and other conditions. State name of Commission authorizing lease and give reference to such authorization. 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of 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. 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. 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. 8. State the estimated annual effect and nature of any important wage scale changes during the year. 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year. 10. Describe briefly 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. 11. (Reserved.) 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. 			
<ol style="list-style-type: none"> 1 NONE 2 NONE 3 NONE 4 NONE 5 NONE 			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Alpena Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/30/2012	December 31, 2011

IMPORTANT CHANGES DURING THE YEAR (Continued)

6 \$2,937,000 of Energy Thrift Notes were issued in 2011. These notes have a weighted average interest rate of 2.21% and are due in two to seven years after issuance.

7 None

8 Most non-union employees received a 2.5% increase effective 5-9-11. The total estimated cost for the year was \$34,891. Most union employees received a 2% increase effective 6-20-11. The total estimated cost for the year was \$9,849.

9 None

10 None

11 N/A

12 None

Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) [X] An Original (2) [] A Resubmission	(Mo, Da, Yr) 4/30/2012	December 31, 2011
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	52,750,142	54,546,957
3	Construction Work in Progress (107)	200-201	1,205,283	761,823
4	TOTAL Utility Plant (Enter total of lines 2 and 3)		53,955,425	55,308,779
5	(Less) Accum.Prov for Depr.Amort.Depl (108,111,115)	200-201	(20,953,086)	(21,242,705)
6	Net Utility Plant (Enter total of line 4 less 5)		33,002,339	34,066,075
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab (120.1)			
8	Nuclear Fuel Materials & Assemblies - Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel under Capital Leases (120.6)			
12	Assemblies (120.5)	202-203		
13	Net Nuclear Fuel (Enter total of line 7 less 8)		0	0
14	Net Utility Plant (Enter total of line 6 less 13)		33,002,339	34,066,075
15	Utility Plant Adjustments (116)	122		
16	Gas Stored Underground-Noncurrent (117)	---		
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)	221	530,968	530,968
19	(Less) Accum.Prov. for Depr. and Amort. (122)	---	(295,146)	(309,037)
20	Investments in Associated Companies (123)	222-223		
21	Investments in Subsidiary Companies (123.1)	224-225		
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229		
24	Other Investments (124)		28,107	32,131
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)			
29	Special Funds (Non-Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Total of lines 18 thru 21, 23 thru 31)		263,929	254,061
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-Major Only) (130)		1,678,273	1,762,215
35	Cash (131)	---		
36	Special Deposits (132-134)	---		
37	Working Fund (135)	---		
38	Temporary Cash Investments (136)	222-223		
39	Notes Receivable (141)	226A		
40	Customer Accounts Receivable (142)	226A	2,335,404	2,511,512
41	Other Accounts Receivable (143)	226A	20,543	60,235
42	(Less) Accum.Prov. for Uncoll. Acct.- Credit (144)	226A	(25,000)	(25,000)
43	Notes Receivable from Assoc. Companies (145)	226B	0	0
44	Accounts Receivable from Assoc. Companies (146)	226B	19,772	7,525
45	Fuel Stock (151)	227		
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	357,174	353,516
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202-203, 207		
52	Allowances (158.1 and 158.2)	228-229		

Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2012	December 31, 2011
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
53	(Less) Noncurrent Portion of Allowances	---		
54	Stores Expense Undistributed (163)	227		
55	Gas Stored Underground-Current (164.1)	---		
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	---		
57	Prepayments (165)	---	704,385	796,323
58	Advances for Gas (166-167)	---		
59	Interest and Dividends Receivable (171)	---		
60	Current Def.Tax (176)	---	839,542	863,652
61	Accrued Utility Revenues (173)	---		
62	Misc Current and Accrued Assets (174)		2,941,619	1,753,514
63	Derivative Instrument Assets (175)			
64	(Less) LT Portion of Derivative Inst. Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) LT Portion of Derivative Inst. Hedges (176)			
67	TOTAL Current and Accrued Assets (Enter total of lines 34 thru 66)		8,871,712	8,083,492
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)	---		
70	Extraordinary Property Losses (182.1)	230		
71	Unrecovered Plant & Regulatory Study Costs (182.2)	230		
72	Other Regulatory Assets	232	4,981,646	7,402,220
73	Prelim. Survey & Invest. Charges (Elec) (183)	231		
74	Prelim. Survey & Invest. Charges (Gas) (183.1)	---		
75	Other Prelim. Survey & Investigation Charges (183.2)			
76	Clearing Accounts (184)	---		
77	Temporary Facilities (185)	---		
78	Miscellaneous Deferred Debits (186)	233	36,817	27,311
79	Def. Losses from Disposition of Utility Plant (187)	235		
80	Research, Devel. and Demonstration Expend (188)	352-353		
81	Unamortized Loss on Reacquired Debt (189)	237		
82	Accumulated Deferred Income Taxes (190)	234	5,878,766	6,745,934
83	Deferred Taxes (191)	---	(817,169)	(851,703)
84	TOTAL Deferred Debits (Enter total of lines 69 thru 83)		10,080,060	13,323,763
85	TOTAL Assets and Other Debits (Enter total of lines 14 thru 16, 32, 67, and 84)		52,218,040	55,727,391

Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2012	December 31, 2011
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	2,802,960	2,802,960
3	Preferred Stock Issued (204)	250-251	608,300	561,200
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-In Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119	9,889,592	10,481,840
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	122(a)(b)	6,798	9,293
15	TOTAL Proprietary Capital (Enter total of lines 2 thru 15)		13,307,650	13,855,293
16	LONG-TERM DEBT			
17	Bonds (221)	256-257		
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257		
20	Other Long-Term Debt (224) & (230) Current Maturities	256-257	13,197,720	12,888,331
21	Unamortized Premium on Long-Term Debt (225)	---		
22	(Less) Unamortized Discount on Long-Term Debt -Debit (226)	---		
23	TOTAL Long-Term Debt (Enter total lines 18 thru 23)		13,197,720	12,888,331
24	OTHER NONCURRENT LIABILITIES			
25	Obligations Under Capital Leases-Noncurrent (227)			
26	Accumulated Prov. for Property Insurance (228.1)			
27	Accumulated Prov. for Injuries and Damage (228.2)			
28	Accumulated Prov. for Pensions and Benefits (228.3)			
29	Accumulated Misc. Operating Provisions (228.4)			
30	Accumulated Provision for Rate Refunds (229)			
31	Long-Term Portion of Derivative Instrument Liabilities			
32	LT Portion of Derivative Instrument Liabilities - Hedges			
33	Asset Retirement Obligations ()			
34	TOTAL Other Noncurrent Liabilities (Enter total of lines 26 thru 34)		0	0
35	CURRENT AND ACCRUED LIABILITIES			
36	Notes Payable (231)		50,000	46,000
37	Accounts Payable (232)		1,984,235	2,041,859
38	Notes Payable to Associated Companies (233)			
39	Accounts Payable to Associated Companies (234)			
40	Customer Deposits (235)		148,893	180,006
41	Taxes Accrued (236)	262-263	1,760	(169,894)
42	Interest Accrued (237)		82,746	81,700
43	Dividends Declared (238)			
44	Matured Long-Term Debt (239)			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	Matured Interest (240)			
47	Tax Collections Payable (241)			
48	Misc. Current and Accrued Liabilities (242)	268	2,889,442	2,336,461
49	Obligations Under Capital Leases -Current (243)			
50	Federal Income Taxes Accrued for Prior Years (244)			
51	Michigan Single Business Taxes Accrued for Prior Years (244.1)			
52	Fed. Inc. Taxes Accrued for Prior Years -Adj. (245)			
53	Def Txs (FAS109)(246)		752,059	403,709
54	37 thru 53)		5,909,135	4,919,841
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)	268	147,911	138,838
57	Accumulated Deferred Investment Tax Credits (255)	266-267	118,100	98,154
58	Deferred Gains from Disposition of Utility Plt. (256)	270		
59	Other Deferred Credits (253)	269	11,332,839	13,679,095
60	Other Regulatory Liabilities (286)	278	84,627	63,316
61	Deferred Taxes (285)	237	(608,376)	(290,953)
62	Accum. Deferred Income Taxes-Accel. Amort. (281)			
63	Accum. Deferred Income Taxes-Other Property (282)		6,071,989	7,137,050
64	Accum. Deferred Income Taxes-Other (283)	272-277	2,656,446	3,238,426
65	TOTAL Deferred Credits (Enter total of lines 56 thru 64)		19,803,536	24,063,926
66	TOTAL Liabilities and Other Credits (Enter total of lines 16, 24, 35, 54 and 65)		52,218,041	55,727,391

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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STATEMENT OF INCOME FOR THE YEAR

- Report amounts for accounts 412 and 413, Revenue and Expenses for Utility Plant Leased to Others, in another utility column (l,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utilitiy Operating Income, in the dame manner as accounts 412 and 413 above.
- Report data for lines 7,9, and 10 for Natural Gas companies using accounts 404.1,404.2, 404.3 407.1, and 407.2
- Use pages 122-123 for important notes regarding the statement of income or any account thereof.
- Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amoutn may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to....

Line	Title of Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	33,517,157	33,071,516
3	Operating Expenses			
4	Operation Expenses (401)	320-323	27,359,475	26,651,606
5	Maintenance Expenses (402)	320-323	934,231	773,246
6	Depreciation Expenses (403)	336-337	1,503,953	1,465,948
7	Depreciation Expenses for Asset Retirement Costs (403.1)			
8	Amortization and depletion of Utility Plant (404-405)		20,132	16,015
9	Amortization of Utility Plant Acq. Adj (406)	336-337		
10	Amort. Of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
11	Amort. Of Conversion Expenses (407)			
12	Regulatory Debits			
13	(Less) Regulatory Credits			
14	Taxes Other Than Income Taxes (408.1)	262-263	1,023,762	1,055,277
15	Income Taxes-Federal (409.1)	262-263	(219,816)	184,058
16	-Other (409.1)	262-263		
17	Provision for Deferred Income Taxes (410.1)	234,272-276	2,405,177	2,134,409
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-276	(1,631,090)	(1,632,469)
19	Investment Tax Credit Adj.- Net (411.4)	266-267	(19,947)	(19,947)
20	(Less) Gains from Disp. of Utility Plant (411.7)	270A-B		
21	Losses from Disposition of Utility Plant (411.6)	235A-B		
22	(Less) Gains from Disposition of Allowances			
23	Losses from Disposition of Allowances			
24	Accretion Expense (411.10)			
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		31,375,877	30,628,143
26	Net Utilitiy Operating Income (Enter Total of line 2 less 25) (Carry forward to page 117, line 27)		2,141,280	2,443,373

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 41029		Year of Report December 31, 2011	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
...retain such revenues or recover amounts paid with respect to power and gas purchases.							
6. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.							
7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.							
8. Enter on pages 122-123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.							
9. Explain in a footnote if the previous year's figures are different from that reported in prior years.							
10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.							
ELECTIC UTILITY		GAS UTILITY		OTHER UTILITY			
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	Line	
						1	
33,517,157	33,071,516					2	
						3	
27,359,475	26,651,606					4	
934,231	773,246					5	
1,503,953	1,465,948					6	
						7	
20,132	16,015					8	
0	0					9	
0						10	
0						11	
0						12	
0						13	
1,023,762	1,055,277					14	
(219,816)	184,058					15	
						16	
2,405,177	2,134,409					17	
(1,631,090)	(1,632,469)					18	
(19,947)	(19,947)					19	
						20	
						21	
						22	
						23	
						24	
31,375,877	30,628,143	0	0	0	0	25	
2,141,280	2,443,373	0	0	0	0	26	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
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STATEMENT OF INCOME FOR THE YEAR (cont'd)

Line	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1						
2						
3						
4	N / A					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	0	0	0	0	0	0
26	0	0	0	0	0	0

Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2012	December 31, 2011
STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line	Account (a)	(Ref.) Page No. (b)	Total	
			Current Year (c)	Previous Year (d)
27	Net Utility Operating Income <i>(Carried forward from page 114)</i>		2,141,280	2,443,373
28	OTHER INCOME AND DEDUCTIONS			
29	Other Income			
30	Nonutility Operating Income			
31	Revenues From Merchandising, Jobbing and Contract Work (415)	282		
32	(Less) Costs and Exp. Of Merchandising, Job. And Contract Work (416)	282		
33	Revenues From Nonutility Operations (417)	282	88,387	258,856
34	(Less) Expenses of Nonutility Operations (417.1)	282	(71,907)	(204,176)
35	Nonoperating Rental Income (418)	282	1,012	10,385
36	Equity in Earnings of Subsidiary Companies (418.1)	119,282		
37	Interest and Dividend Income (419)	282	7,494	7,423
38	Allowance for Other Funds Used During Construction (419.1)	282		
39	Miscellaneous Nonoperating Income (421)	282		
40	Gain on Disposition of Property (421.1)	280		2,442
41	TOTAL Other Income <i>(enter Total of lines 31 thru 40)</i>		24,986	74,930
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)	280		
44	Miscellaneous Amortization (425)	340		
45	Donations (426.1)	340	3,870	2,391
46	Life Insurance (426.2)			
47	Penalties (426.3)			
48	Exp. For Certain Civic, Political & Related Activities (426.4)	340	10,581	7,180
49	Other Deductions (426.5)	340	3,268	225
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		17,720	9,796
51	Taxes Applicable to Other Income and Deductions			
52	Taxes Other Than Income Taxes (408.2)	262-263	15,209	15,778
53	Income Taxes - Federal (409.2)	262-263	(6,941)	12,642
54	Income Taxes - Other (409.2)	262-263		
55	Provision for Deferred Income Taxes (410.2)	234,272-276	4,552	4,549
56	(Less) Provision for Deffered Income Taxes - Cr. (411.2)	234,272-276	(296)	(295)
57	Investment Tax Credit Adjustment - Net (411.5)	264-265		
58	(Less) Investment Tax Credits (420)	264-265		
59	TOTAL Taxes on Other Income and Deductions (total of 52 thru 58)		12,525	32,674
60	Net Other Income and Deductions (total of lines 41,50 & 59)		(5,259)	32,460
61	INTEREST CHARGES			
62	Interest on Long-Term Debt (427)	257	559,478	597,698
63	Amort. Of Debt Disc. And Expense (428)	256-257		
64	Amortizaiton of Loss on Reacquired Debt (428.1)			
65	(Less) Amort. Of Premium on Debt-Credit (429)	256-257		
66	(Less) Amort. of Gain on Reacquired Debt-Credit (429.1)			
67	Interest on Debt to Associated Companies (430)	257-340		
68	Other Interest Expense (431)	340	302,729	338,492
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)			
70	Net Interest Charges (total of lines 62 thru 69)		862,207	936,190
71	Income Before Extraordinary Items (total lines 27,60,70)		1,273,815	1,539,642
72	EXTRAORDINARY ITEMS			
73	Extraordinary Income (434)	342		
74	(Less) Extraordinary Deductions (435)	342		
75	Net Extraordinary Items (total line 73 less line 74)		0	0
76	Income Taxes-Federal and Other (409.3)	262-263		
77	Extraordinary Items After Taxes (Enter Total of lines 75 less line 76)		0	0
78	Net Income (Enter Total of lines 71 and 77)		1,273,815	1,539,642

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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284. In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on these pages, then provide the additional information requested in instruction #3, on a separate page.

2. The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on these pages.

Line No.	Electric Utility	Gas Utility
1 Debits to Account 410 from:		
2 Account 190	575,871	
3 Account 281		
4 Account 282	1,320,361	
5 Account 283		
6 Account 246	508,945	
7 Reconciling Adjustments		
8 TOTAL Account 410.1 (on pages 114-115 line 17)	2,405,177	0
9 TOTAL Account 410.2 (on page 117 line 55)		
10 Credits to Account 411 from:		
11 Account 190	(813,384)	
12 Account 281		
13 Account 282	(255,250)	
14 Account 283	(5,131)	
15 Account 246	(557,326)	
16 Reconciling Adjustments		
17 TOTAL Account 411.1 (on page 114-115 line 18)	(1,631,090)	0
18 TOTAL Account 411.2 (on page 117 line 56)		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR		
21 ITC Amortized for the Year CR	(19,947)	
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*	(19,947)	0
26 Net Reconciling Adjustments Account 411.5**		
27 Net Reconciling Adjustments Account 420***		

* on pages 114-15 line 19

** on page 117 line 57

*** on page 117 line 58

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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on these pages. (b) Identify all contra accounts (other than accounts 190 and 281-284). (c) Identify the company's regulatory authority to utilize contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Other Utility	Total Utility	Other Income	Total Company	Line No.
	575,871		575,871	1
			0	2
	1,320,361		1,320,361	3
	0		0	4
	508,945		508,945	5
			0	6
0	2,405,177			7
		0		8
	(813,384)		(813,384)	9
	(255,250)		(255,250)	10
	(5,131)		(5,131)	11
	(557,326)		(557,326)	12
				13
0	(1,631,090)			14
		0		15
	(19,947)		(19,947)	16
				17
0	(19,947)	0		18
		0		19
		0		20
		0		21
				22
				23
				24
0	(19,947)	0		25
		0		26
		0		27

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OPERATING LOSS CARRYFORWARD

Fill in below when the company sustains an operating loss, loss carryback or carryforward whenever or wherever applicable.

Line No.	Year (a)	Operating Loss (b)	Loss Carryforward (F) or Carryback (B) (c)	Loss Utilized		Balance Remaining (f)
				Amount (d)	Year (e)	
1	NONE					
2						
3						
4						
5						
6						
7						
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9						
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR			
<p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during theyear should be identified as to the the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first account 439 (Adjustments to Retained Earnings), reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit, items in that order.</p> <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the state and federal income tax effect of items shown in account 439 (Adjustments to Retained Earnings)</p> <p>7. Explain in a footnote the basis for determining the amount reseeded or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>			
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		9,889,592
2	Changes (<i>Identify by prescribed retained earnings accounts</i>)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit: Unrealized gain on securities		
5	Credit: Taxes related to unrealized gain on securities		
6	Credit: Minimum pension liability		
7	Credit: Taxes related to Minimum pension liability		
8	TOTAL Credits to Retained Earnings (439)		0
9	Debit: Redemption of Common Stock		0
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		0
14	Balance Transferred from Income (Account 433 Less Account 418.1)		1,273,815
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared-Preferred Stock (Account 437)		
23	Dividends Declared-Preferred Stock	242	59,309
24			
25			
26			
27			
28	TOTAL Dividends Declared-Preferred Stock (Account 437)		59,309

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock (Account 438)	242	622,257	
30				
31				
32				
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		622,257	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings			
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		10,481,841	
	APPROPRIATED RETAINED EARNINGS (Account 215) State			
38				
39				
40				
41				
42				
43	TOTAL Appropriated Retained Earnings (Account 215)		0	
	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1) State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.			
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
45	TOTAL Appropriated Retained Earnings (Account 215 & 215.1)		0	
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		10,481,841	
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
47	Balance-Beginning of Year (Debit or Credit)			
48	Equity in Earnings for Year (Credit) (Account 418.1)			
49	(Less) Dividends Received (Debit)			
50	Other Changes (Explain)			
51	Balance-End of Year (Enter Total of lines 47 thru 50)		0	

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STATEMENT OF CASH FLOWS

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.

2. Under "Other" specify significant amounts and group others.

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.

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)	1,273,815
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	1,649,922
5	Amortization of (Specify)	
6	Intangible Plant	20,132
7	(Gain) on Sale of Investments	
8	Deferred Income Taxes (Net)	778,343
9	Investment Tax Credit Adjustment (Net)	(19,947)
10	Net (Increase) Decrease in Receivables	(211,230)
11	Net (Increase) Decrease in Inventory	3,658
12	Net (Increase) Decrease in Allowance for Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	57,624
14	Net (Increase) Decrease in Other Regulatory Assets	1,134,662
15	Net (Increase) Decrease in Other Regulatory Liabilities	(21,311)
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other: Other Current Assets	
19	Deferred Debits	
20	Other Current Liabilities	(173,217)
21	Deferred Credits	(125,204)
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	4,367,247
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(2,567,986)
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)	(2,567,986)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	(151,170)
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 Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2012	Year of Report December 31, 2011
STATEMENT OF CASH FLOWS (Continued)			
4. Investing Activities (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) Do 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.		5. Codes used: (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. 6. 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)	(2,719,156)	
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long Term Debt (b)	3,127,425	
62	Preferred Stock		
63	Common Stock		
64	Other:	(4,000)	
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)	3,123,425	
71			
72	Payments for Retirement of:		
73	Long Term Debt (b)	(3,437,556)	
74	Preferred Stock		
75	Common Stock		
76	Other: Decrease in Notes Receivable	(47,100)	
77	Increase in Notes Receivable		
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock	(59,309)	
81	Dividends on Common Stock	(1,143,608)	
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	(1,564,148)	
84	Cash and Cash Equivalents at Beginning of Year		
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22, 57 and 83)	83,943	
87			
88	Cash and Cash Equivalents at Beginning of Year	1,678,273	
89			
90	Cash and Cash Equivalents at End of Year	1,762,216	

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STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b), (c), (d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on Available for Sale Securities (b)	Minimum Pension Liability and adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Unrealized gain on Securities	2,495			
2					
3					
4					
5					
6					
7					
8					
9					

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STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES (cont'd)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (specify) (g)	Totals for each category of items recorded in Account 216 (h)	Net Income (carried forward from Page 117, Line 72) (i)	Total Comprehensive Income (j)
1			2,495		
2					
3					
4					
5					
6					
7					
8					
9					

Name of Respondent	This Report Is:	Date of Report	Year of Report
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NOTES TO FINANCIAL STATEMENTS

- | | |
|--|--|
| <p>1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.</p> <p>2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.</p> <p>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving</p> | <p>references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.</p> <p>4. Where Accounts 189, <i>Unamortized Loss on Reacquired Debt</i>, and 257, <i>Unamortized Gain on Reacquired Debt</i>, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 16 of Uniform System of Accounts.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be herein.</p> |
|--|--|

Note 1 — Significant Accounting Policies

Nature of Operations. Alpena Power Company ("Company") is primarily engaged in the distribution and retail sale of electric energy to approximately 16,000 residential, commercial and industrial customers in the Alpena area, situated in the northeastern lower peninsula of Michigan. The Company has been in operation since 1881. The Company purchased 99% of its power from Consumers Energy Company and received 23% of its revenue from its two largest customers.

Affiliated Entities. Alpena Power Resources, Ltd ("APResources") owns 100% of the Company's common stock and 5.8% of the Company's preferred stock. APResources also owns 100% of West Dock Properties, LLC ("West Dock") and Sunrise Side Energy, LLC ("Sunrise Side"). Sunrise Side owns 100% of Alpena Power Generation, LLC ("APGen") and 100% of Luna Energy LLC ("Luna").

Basis of Accounting. The accounting records of the Company are maintained in accordance with generally accepted accounting principles and the Uniform Systems of Accounts prescribed by the Michigan Public Service Commission ("MPSC").

Electric Utility Plant. Property is recorded at original cost (cost to the entity first devoting the plant to service). The cost of property additions, including replacements of units of property and betterments, is capitalized. Expenditures for maintenance and repairs are charged to expense.

Depreciation. Property is depreciated on a straight-line basis over its estimated service life by applying rates approved by the MPSC. Depreciation rates averaged 3.08% in 2011 and 3.07% in 2010.

Income Taxes. For federal income tax purposes, the Company generally computes depreciation using accelerated methods and shorter depreciable lives. Deferred taxes are provided for timing differences between book and taxable income for depreciation and other differences to the extent authorized by the MPSC. Accumulated deferred investment tax credits are being amortized ratably over the estimated service lives of the related properties.

Investments. Investments in business entities in which the Company does not have control, but has the ability to exercise significant influence over the operating and financial policies, are accounted for under the equity method.

Investments in securities available-for-sale are stated at market value.

Revenues and Fuel Costs. Revenues for electric service are recognized on a monthly cycle billing basis. The Company accrues revenue for electricity used by its customers but not billed at month end.

Revenues include amounts collected from customers by application of purchased power supply cost factors. The purpose of these factors is to allow the Company to recover its purchased power supply costs. The factors are approved by the MPSC and are subject to reconciliation hearings. Any over or under recovery of purchased power supply costs is recorded as an adjustment to revenues, pending the results of the reconciliation hearings.

Regulation and Regulatory Assets and Liabilities. The Company is subject to regulation by the MPSC with respect to accounting and rate matters. As a regulated utility, the Company meets the criteria of Accounting Standard Codification (ASC) Topic 980, Regulated Operations. This accounting standard recognizes the ratemaking process which results in differences in the application of generally accepted accounting principles between regulated and non-regulated business. These regulatory assets and liabilities are deferred (normally treated as expenses or revenues in non-regulated business), and are being amortized as the costs are included in rates and recovered from customers.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. The estimates are based on an analysis of the best information available. Actual results could differ from those estimates.

Cash and Cash Equivalents. All highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Advertising. Advertising costs are generally expensed as incurred.

Restatements and Reclassifications. Where appropriate, the 2010 and 2009 financial statements have been restated to reflect the 2011 financial statements' presentation. These reclassifications had no effect on net income.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 — Long-Term Debt

The Company sells unsecured Energy Thrift Note Certificates, available only to residents of the State of Michigan, at various interest rates (competitive with other instruments with similar terms). A summary of interest rates on certificates outstanding is as follows:

	December 31	
	2011	2010
Certificates outstanding	\$ 12,888,331	\$ 13,197,720
Weighted average cost	4.10%	4.49%
Interest rate range at December 31	1.25% to 6.10%	1.50% to 6.10%

The table below shows maturities (principal and compounded interest) for long-term debt outstanding at December 31, 2011.

2012	\$ 2,440,530
2013	2,581,417
2014	1,252,027
2015	566,677
2016	2,431,710
Due thereafter	3,615,970
Total	<u>\$ 12,888,331</u>

Note 3 — Purchased Power

Alpena Power purchases power from Consumers Energy (Consumers) under an agreement that expires December 31, 2024. Under the agreement Alpena Power must purchase 35 megawatts of firm power at all times, except in certain circumstances involving significant load loss, when the required purchases can be reduced to 26 megawatts. Additional purchases of non-firm power are permitted at all times. Rates under the agreement provide for fixed capacity charges and variable energy charges. The minimum annual payments under the agreement, assuming that significant load loss does not occur, range from \$9,500,400 in 2011 to \$10,860,000 in 2024. The cost of power purchased under this agreement was \$21,582,364 in 2011, \$21,077,158 in 2010 and \$19,675,394 in 2009.

During 2008, Consumers claimed that since 2001 it had made certain billing errors under the contract. In settlement of all claims related to the billing errors, Alpena Power agreed to pay Consumers the total sum of \$2,567,100 in four separate payments as follows:

July 15, 2008	\$ 170,100
January 5, 2009	\$ 799,000
January 5, 2010	\$ 799,000
January 5, 2011	\$ 799,000

The liability to Consumers under the settlement is reflected as a contractual obligation with the current portion reflected in other liabilities. A current and long term regulatory asset was also recorded since these costs are recoverable under the power supply cost recovery (PSCR) mechanism. The recovery via the PSCR mechanism is approved by the MPSC in Alpena Power's various PSCR plans and reconciliation cases.

Alpena Power purchases power from two of its customers, when those customers generate power in excess of their needs. The cost of power purchased from those customers is Alpena Power's avoided energy cost, which amounted to \$231,890 in 2011, \$247,305 in 2010, and \$199,693 in 2009.

Note 4 — Capital Stock

The Company's capital stock consists of a single class of common stock (100% owned by Alpena Power Resources, Ltd), and \$100 cumulative non-convertible preferred stock. Holders of common stock have one vote per share, while preferred stock holders do not have voting rights. The preferred stock is redeemable, at the option of the Company, at \$100 per share or some higher price the Company may offer from time-to-time.

During 2011 the Company purchased shares of its outstanding preferred stock. The cost of the shares purchased was \$47,100.

Note 5 — Legal Proceedings

From time to time, the Company may be involved in lawsuits, claims, and proceedings. Often, these cases and claims raise difficult and complex factual and legal issues and are subject to many uncertainties and complexities, including, but not limited to, the facts and circumstances of each particular case and claim. Reserves are established for claims that are considered probable of loss.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Note 6 — Pension and Other Postretirement Benefits

Accounting Standards Codification (ASC) Topic 715, Compensation – Retirement Benefits requires companies to (1) recognize the overfunded or underfunded status of defined benefit pension and defined benefit other postretirement plans in its financial statements, (2) recognize as a component of other comprehensive income, net of tax, the actuarial gains or losses and the prior service costs or credits that arise during the period but are not immediately recognized as components of net periodic benefit cost, (3) recognize adjustments to other comprehensive income when the actuarial gains or losses, prior service costs or credits, and transition assets or obligations are recognized as components of net periodic benefit cost, (4) measure postretirement benefit plan assets and plan obligations as of the date of the employer's statement of financial position, and (5) disclose additional information in the notes to financial statements about certain effects on net periodic benefit cost in the upcoming fiscal year that arise from delayed recognition of the actuarial gains and losses and the prior service cost and credits.

The Company recorded the charges related to the additional liability as a regulatory asset on the Balance Sheet since the traditional rate setting process allows for the recovery of pension and other postretirement plan costs.

During 2008, due to the adoption of ASC Topic 751, the Company was required to record a prior period adjustment of \$33,847 for Pension and \$131,917 for Other Postretirement Benefits.

Pension Plan Benefits. The Company has a non-contributory defined benefit pension plan for all eligible employees. The plan provides defined benefits based upon years of service and career average salary. The Company used a measurement date of December 31 for 2011 and 2010.

The following table sets forth certain information concerning the status of the plan:

	December 31 2011	December 31 2010
Change in benefit obligation:		
Benefit obligation at beginning of period	\$ 11,584,103	\$ 10,047,898
Service cost	261,722	251,219
Interest cost	621,122	587,550
Actuarial (gain) loss	55,533	(82,570)
Assumptions change	1,448,346	1,185,249
Benefits paid	<u>(453,270)</u>	<u>(405,203)</u>
Benefit obligation at end of period	\$ 13,517,556	\$ 11,584,103
Change in plan assets:		
Fair value at beginning of period	\$ 7,847,777	\$ 6,939,571
Actual earnings (losses) on plan assets	(220,100)	899,449
Company contribution	539,126	414,000
Benefits paid	<u>(453,270)</u>	<u>(405,243)</u>
Fair value at end of period	\$ 7,713,533	\$ 7,847,777
Funded status as of December 31	<u>\$ (5,804,023)</u>	<u>\$ (3,736,326)</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)

Note 6 — Pension and Other Postretirement Benefits

The components of net periodic pension cost are:

	2011	2010
Service cost	\$ 261,722	\$ 251,219
Interest cost	621,122	587,550
Expected return on plan assets	(646,063)	(577,606)
Amortization of prior service cost	1,896	1,896
Amortization of actuarial loss	285,062	203,170
Net periodic pension cost	<u>\$ 523,739</u>	<u>\$ 466,229</u>

The assumptions used to determine benefit obligations were as follows:

	2011	2010
Discount rate	4.60%	5.50%
Rate of compensation increase	5.00%	5.00%

The assumptions used to determine the net periodic benefit cost were as follows:

	2011	2010
Discount rate	5.50%	6.00%
Expected long-term return on plan assets	8.25%	8.25%
Rate of compensation increase	5.00%	5.00%

The expected long-term return on plan assets was determined by reviewing actual pension plan historical returns as well as calculating expected total trust returns using the weighted average of long-term market returns for each of the asset categories utilized in the pension plan.

The pension plan's asset allocations at December 31 for 2011 and 2010, and the target allocation for 2011, by asset category were as follows:

	Target	2011	2010
Equity securities	72%	61%	73%
Debt securities	15%	22%	14%
Other(guaranteed interest)	13%	17%	13%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

The primary goal of the Company's pension plan investment strategy is to ensure that pension liabilities are met in manner that minimizes the Company's net periodic benefit cost over the long-term. The strategy incorporates an assessment of the proper long-term level of risk for the plan, considering factors such as the long-term nature of the plan's liabilities, the current funded status of the plan, and the impact of asset allocation on the volatility and magnitude of the plan's contributions and expense.

The Company expects to contribute approximately \$765,000 to the plan in 2012.

The following benefit payments, which reflect expected future service, are expected to be paid:

2012	\$	618,497
2013	\$	641,339
2014	\$	668,922
2015	\$	704,482
2016	\$	732,199
2017-2021	\$	4,102,131

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Other Postretirement Plan Benefits. The Company provides certain postretirement health care benefits to qualified retired employees. The health care plan is contributory with participants' contributions adjusted annually. The Company used a measurement date of December 31 for 2011 and 2010.

The following table sets forth certain information concerning the status of the plan.

	December 31 2011	December 31 2010
Change in benefit obligation:		
Benefit obligation at beginning of period	\$ 4,797,353	\$ 4,143,402
Service cost	70,205	61,163
Interest cost	258,989	243,682
Plan amendments	~	~
Actuarial (gain) loss	(162,882)	(60,297)
Assumption change	369,459	525,137
Benefits paid	(136,385)	(115,734)
Benefit obligation at end of period	\$ 5,196,739	\$ 4,797,353
Change in plan assets:		
Fair value at beginning of period	\$ 1,142,940	\$ 742,538
Actual earnings on plan assets	(41,056)	63,136
Participant contribution	~	~
Company contribution	453,000	453,000
Benefits paid	(136,385)	(115,734)
Fair value at end of period	\$ 1,418,499	\$ 1,142,940
Funded status as of December 31	\$ (3,778,240)	\$ (3,654,413)

The components of net periodic other post retirement cost are:

	2011	2010
Service cost	\$ 70,205	\$ 61,163
Interest cost	258,989	243,682
Expected return on plan assets	(77,975)	(54,330)
Amortization of prior service cost	(133,853)	(133,853)
Amortization of actuarial loss	228,944	167,354
Net periodic pension cost	\$ 346,310	\$ 284,016

The assumptions used to determine benefit obligations were as follows:

	2011	2010
Discount rate	4.60%	5.50%

The assumptions used to determine the net periodic benefit cost were as follows:

	2011	2010
Discount rate	5.50%	6.00%
Expected long-term return on plan assets	6.00%	6.00%

The expected long-term return on plan assets was determined by calculating expected total trust returns using the weighted average of long-term market returns for each of the asset categories utilized in the pension plan.

Benefit costs were calculated assuming health care cost trend rates of 9.5% for participants under age 65 and 11.5% for participants age 65 and older for 2011 decreasing by 0.5% per year to an ultimate rate of 5.0%.

The other postretirement plan's asset allocations at December 31 for 2011 and 2010, and the target allocation for 2011, by asset category were as follows:

	Target	2011	2010
Equity securities	52%	50%	52%
Debt securities	~	14%	19%
Other	48%	36%	29%
Total	100%	100%	100%

The primary goal of the Company's other postretirement plan investment strategy is to ensure that pension liabilities are met in manner that minimizes the Company's net periodic benefit cost over the long-term. The strategy incorporates an assessment of the proper long-term level of risk for the plan, considering factors such as the long-term nature of the plan's liabilities, the current funded status of the plan, and the impact of asset allocation on the volatility and magnitude of the plan's contributions and expense.

The Company expects to contribute \$453,000 to the plan in 2012.

The following benefit payments are expected to be paid:

2012	\$ 184,873
2013	\$ 215,180
2014	\$ 234,760
2015	\$ 244,917
2016	\$ 246,458
2017-2021	\$ 1,500,915

Deferred Compensation Plan

Alpena Power has deferred compensation plans for its directors and officers. As of December 31, the total accrued benefits for these plans were \$3,948,044 for 2011 and \$3,942,098 for 2010.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Note 7 — Related Party Transactions

The Company has entered into operating agreements with APResources, APGen, Sunrise Side, Luna Energy, and West Dock, whereby the Company performs certain operational and managerial services for each company. The Company is compensated for these services at market-based rates that are higher than the Company's costs. The revenues received from these agreements were \$88,387 in 2011, \$252,901 in 2010, and \$287,930 in 2009. The related expenses were \$71,057 in 2011, \$198,221 in 2010, and \$201,949 in 2009.

From time-to-time the Company has made short-term loans at a variable rate of interest to West Dock and West Dock has made payments on the loans. West Dock is required to pay all interest due monthly. As of December 31, the outstanding note balance was \$0 in 2011, \$0 in 2010, and \$274,163 for 2009. The Company received interest income from these notes of \$6,152 in 2011, \$6,022 in 2010, and \$9,062 in 2009.

From time-to-time the Company has issued short-term notes payable at a variable rate of interest to APResources and the Company has made payments on the notes. The Company is required to pay all interest due monthly. As of December 31, the outstanding note balance was \$0 for 2011, \$0 for 2010 and \$0 for 2009. The Company incurred interest expense on these notes of \$68 for 2011, \$0 for 2010, and \$1,401 in 2009.

The Company provides regulated electric utility services to West Dock. The revenue from these services related to West Dock was \$1,901 in 2011, \$1,705 in 2010, and \$1,281 in 2009.

Note 8 — Financial Instruments

Accounting Standard Codification (ASC) Topic 320, Investments – Debt and Equity Securities requires accounting for investments in debt securities to be held to maturity at amortized cost; otherwise debt and marketable equity securities would be recorded at fair value, with any unrealized gains or losses included in earnings if the security is held for trading purposes or as a separate component of shareholder's equity if the security is available-for-sale. Realized gains or losses are calculated by the specific identification method. The following is a summary of marketable securities:

Period	Available-for-sale: Equity Securities		
	Amortized Cost	Unrealized Gains (Losses)	Fair Value
December 31, 2011	\$ 17,145	\$ 14,986	\$ 32,131
December 31, 2010	\$ 17,145	\$ 10,962	\$ 28,107

As disclosed in Note 3 — Long-Term Debt, the Company borrows operating funds by selling Energy Thrift Notes at rates varying from 1.25% to 6.10% over periods from six months to seven years in length. The Company is subject to risk that may arise by holding debt at rates higher than the market, should interest rates drop. The Company minimizes this risk by retaining the right to "call" or redeem these notes prior to maturity.

Cash is deposited and held in federally insured banks. At various times, the amount on deposit in these banks may exceed the limit of federally insured amounts.

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item	Total	Electric	
	(a)	(b)	(c)	
1	UTILITY PLANT			
2	In Service	54,546,957	54,546,957	
3	Plant in Service (Classified)			
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified			
7	Experimental Plant Unclassified			
8	TOTAL (Enter Total of lines 3 thru 7)	54,546,957	54,546,957	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	761,823	761,823	
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	55,308,779	55,308,779	
	Accum. Prov. For Depr., Amort., & Depl.	(21,242,705)	(21,242,705)	
1	Net Utility Plant (Enter Total of line 13 less 14)	34,066,075	34,066,075	
2	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
3	In Service:			
4	Depreciation	20,721,980	20,721,980	
5	Amort. & Depl. Of Producing Natural Gas Land & Land Rights			
6	Amort. Of Underground Storage Land & Land Rights			
7	Amort. Of Other Utility Plant	520,725	520,725	
8	TOTAL In Service (Enter Total of lines 18 thru 21)	21,242,705	21,242,705	
9	Leased to Others			
10	Depreciation			
11	Amortization & Depletion			
12	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0	0	
13	Held for Future Use			
14	Depreciation			
15	Amortization			
16	TOTAL held for Future Use (Enter Total of Lines 28 and 29)	0	0	
17	Abandonment of leases (Natural Gas)			
18	Amortization of Plant Acquisition Adjustment			
19	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31 & 32)	21,242,705	21,242,705	

Name of Respondent		This Report Is:		Date of Report	Year of Report
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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)					
Gas	Other (Specify)	Other (Specify)	Other (Specify)	Common	Line
(d)	(e)	(e)	(e)	(h)	No.
					1
N/A					2
					3
					4
					5
					6
					7
0	0	0	0	0	8
					9
					10
					11
					12
0	0	0	0	0	13
					14
0	0	0	0	0	15
					16
					17
					18
					19
					20
					21
0	0	0	0	0	22
					23
					24
					25
0	0	0	0	0	26
					27
					28
					29
0	0	0	0	0	30
					31
					32
0	0	0	0	0	33

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NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 & 157)				
1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.		arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.		
2. If the nuclear fuel stock is obtained under leasing				
Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes During Year Additions (c)	
1	Nuclear Fuel in process of Refinement, Conversion, Enrichment & Fabrication (120.1)			
2	Fabrication	None		
3	Nuclear Materials			
4	Allowance for Funds Used during Construction			
5	(Other Overhead Construction Costs)			
6	SUBTOTAL (Enter Total of lines 2 thru 5)	0		
7	Nuclear Fuel Materials & Assemblies			
8	In Stock (120.2)			
9	In Reactor (120.3)			
10	SUBTOTAL (Enter Total of lines 8 & 9)	0		
11	Spent Nuclear Fuel (120.4)			
12	Nuclear Fuel Under Capital Leases (120.6)			
13	(Less) Accum. Prov. For Amortization of Nuclear Fuel Assemblies (120.5)			
14	TOTAL Nuclear Fuel Stock (Enter Total line 6, 10, 11 & 12 less line 13)	0		
15	Estimated net Salvage Value of Nuclear Materials in line 9			
16	Estimated net salvage Value of Nuclear Materials in line 11			
17	Estimated Net Salvage Value of Nuclear Materials in Chemical Processing			
18	Nuclear Materials held for Sale (157)			
19	Uranium			
20	Plutonium			
21	Other			
22	TOTAL Nuclear Materials held for Sale (Enter Total of lines 19, 20 & 21)	0		

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NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 & 157)(Continued)			
Changes During the Year		Balance End of Year	Line No.
Amortization (d)	Other Reductions (Explain in a Footnote) (e)		
	None		1
			2
			3
			4
			5
			0
			7
			8
			9
		0	10
			11
			12
			13
		0	14
			15
			16
			17
			18
			19
			20
			21
		0	22

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)			
<p>1. Report below the original cost of plant in service in the same detail as in the current depreciation order.</p> <p>2. In addition to Account 101, Electric Plant in service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and</p>		<p>include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the</p>	
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents	30,667	
4	303 Miscellaneous Intangible Plant	560,201	2,800
5	TOTAL Intangible Plant	590,868	2,800
6	2. PRODUCTION PLANT		
7	Steam Production Plant		
8	310.1 Land		
9	310.2 Land Rights		
10	311 Structures and Improvements		
11	312 Boiler Plant Equipment		
12	313 Engines and Engine-Driven Generators		
13	314 Turbogenerator Units		
14	315 Accessory Electric Equipment		
15	316 Miscellaneous Power Plant Equipment		
16	TOTAL Steam Production Plant	0	0
17	Nuclear Production Plant		
18	320.1 Land		
19	320.2 Land Rights		
20	321 Structures and Improvements		
21	322 Reactor Plant Equipment		
22	323 Turbogenerator Units		
23	324 Accessory Electric Equipment		

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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
<p>reversals of the prior year's tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.</p> <p>6. Show in column (f) reclassification or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f)</p>		<p>to primary account classifications.</p> <p>7. For Account 399, state the nature and use of plant included in this account and, if substantial in amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.</p> <p>8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.</p>		
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			301	2
			30,667	3
(7,211)			555,790	4
(7,211)	0	0	586,457	5
				6
				7
			310.1	8
			310.2	9
			311	10
			312	11
			313	12
			314	13
			315	14
			316	15
0	0	0	0	16
				17
			320.1	18
			320.2	19
			321	20
			322	21
			323	22
			324	23

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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)	
24	325 Miscellaneous Power Plant Equipment			
25	TOTAL Nuclear Production Plant	0	0	
26	Hydraulic Production Plant			
27	330.1 Land			
28	330.2 Land Rights			
29	331 Structures and Improvements			
30	332 Reservoirs, Dams and Waterways			
31	333 Water Wheels, Turbines and Generators			
32	334 Accessory Electric Equipment			
33	335 Miscellaneous Power Plant Equipment			
34	336 Roads, Railroads and Bridges			
35	TOTAL Hydraulic Production Plant	0	0	
36	Other Production Plant			
37	340.1 Land			
38	340.2 Land Rights			
39	341 Structures and Improvements			
40	342 Fuel Holders, Products and Accessories			
41	343 Prime Movers			
42	344 Generators			
43	345 Accessory Electric Equipment			
44	346 Miscellaneous Power Plant Equipment			
45	TOTAL Other Production Plant	0	0	
46	TOTAL Production Plant	0	0	
47	3. TRANSMISSION PLANT			
48	350.1 Land	149,568		
49	350.2 Land Rights	77,525		
50	352 Structures and Improvements	125,752		
51	353 Station Equipment	4,384,918	223,653	
52	354 Towers and Fixtures	0		
53	355 Poles and Fixtures	1,660,103	574,042	
54	356 Overhead Conductors and Devices	1,193,662	488,197	
55	357 Underground Conduit	0		
56	358 Underground Conductors and Devices	87,089	25,926	

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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.		
				325	24		
0	0	0	0		25		
					26		
				330.1	27		
				330.2	28		
				331	29		
				332	30		
				333	31		
				334	32		
				335	33		
				336	34		
0	0	0	0		35		
					36		
				340.1	37		
				340.2	38		
				341	39		
				342	40		
				343	41		
				344	42		
				345	43		
				346	44		
0	0	0	0		45		
0	0	0	0		46		
					47		
			149,568	350.1	48		
			77,525	350.2	49		
			125,752	352	50		
(134,818)			4,473,753	353	51		
			0	354	52		
(82,586)			2,151,559	355	53		
(100,863)			1,580,996	356	54		
			0	357	55		
			113,015	358	56		

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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
57	359 Roads and Trails	0		
58	TOTAL Transmission Plant	7,678,617	1,311,818	
59	4. DISTRIBUTION PLANT			
60	360.1 Land	48,322		
61	360.2 Land Rights	82,457	46	
62	361 Structures and Improvements	5,140		
63	362 Station Equipment	4,849,714	192,291	
64	363 Storage Battery Equipment	0		
65	364 Poles, Towers and Fixtures	10,477,894	345,125	
66	365 Overhead Conductors and Devices	6,807,660	190,757	
67	366 Underground Conduit	0		
68	367 Underground Conductors and Devices	3,104,547	304,830	
69	368 Line Transformers	8,399,186	178,802	
70	368.1 Capacitors	0		
71	369 Services	3,303,364	99,855	
72	370 Meters	1,387,860	29,185	
73	371 Installations on Customers' Premises	501,110	9,802	
74	372 Leased Property on Customers' Premises	0		
75	373 Street Lighting and Signal Systems	56,628	479	
76	TOTAL Distribution Plant	39,023,881	1,351,173	
77	5. GENERAL PLANT			
78	389.1 Land	120,017		
79	389.2 Lands Rights	0		
80	390 Structures and Improvements	2,295,126	6,138	
81	391 Office Furniture and Equipment	395,373		
82	391.1 Computers / Computer Related Equipment	220,145	11,682	
83	392 Transportation Equipment	625,166	30,131	
84	393 Stores Equipment	0		
85	394 Tools, Shop and Garage Equipment	152,371	8,130	
86	395 Laboratory Equipment	175,596	6,397	
87	396 Power Operated Equipment	1,092,566	246,092	
88	397 Communication Equipment	380,416	45,359	
89	398 Miscellaneous Equipment	0		
90	SUBTOTAL	5,456,777	353,929	

Name of Respondent		This Report Is:		Date of Report	Year of Report
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)	December 31, 2011
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				359	57
(318,267)	0	0	8,672,168		58
					59
	148		48,470	360.1	60
			82,503	360.2	61
			5,140	361	62
(468,991)			4,573,014	362	63
			0	363	64
(81,859)			10,741,161	364	65
(64,815)			6,933,602	365	66
			0	366	67
(14,430)			3,394,947	367	68
(94,900)			8,483,089	368	69
			0	368.1	70
(34,369)			3,368,850	369	71
(13,035)			1,404,010	370	72
(13,806)			497,106	371	73
			0	372	74
(1,571)			55,536	373	75
(787,775)	148	0	39,587,427		76
					77
(7,532)			112,485	389.1	78
			0	389.2	79
			2,301,264	390	80
(71,074)			324,299	391	81
(6,979)			224,848	391.1	82
(22,102)			633,196	392	83
			0	393	84
			160,502	394	85
			181,993	395	86
			1,338,658	396	87
(1,965)			423,809	397	88
			0	398	89
(109,653)	0	0	5,701,054		90

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
91	399 Other Tangible Property		
92	TOTAL General Plant	5,456,777	353,929
93	TOTAL (Accounts 101 and 106)	52,750,143	3,019,721
94			
95	102 Electric Plant Purchased		
96	(Less) 102 Electric Plant Sold		
97	103 Experimental Plant Unclassified		
98	TOTAL Electric Plant in Service <i>(Total of lines 93 thru 97)</i>	52,750,143	3,019,721

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				399	91
(109,653)	0	0	5,701,054		92
(1,222,906)	148	0	54,547,106		93
					94
				102	95
					96
				103	97
(1,222,906)	148	0	54,547,106		98

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011	
ELECTRIC PLANT LEASED TO OTHERS (Account 104)					
1. Report below the information called for concerning electric plant leased to others.			2. In column (c) give the date of Commission authorization of the lease of electric plant to others.		
Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1	NONE				
2					
3					
4					
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42					
43					
44	TOTAL				0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.
 2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally included in this Acct. (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3	NONE			
4				
5				
6				
7				
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14				
15				
16				
17				
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19				
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21	Other Property:			
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41				
42				
43				
44	TOTAL			0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011			
PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 & 115)						
<p>1. Report the particulars called for concerning acquisition adjustments. state the name of the company from which the property was acquired, date of transaction, and date journal entries clearing Account 102, Plant Purchased or Sold, were filed with the Commission.</p> <p>2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.</p> <p>3. Explain each debit and credit during the year, give reference to any Commission orders or other authorizations concerning such amounts, and show contra account debited or credited.</p> <p>4. For acquisition adjustments arising during the year</p> <p>5. In the blank space at the bottom of the schedule, explain the plan of disposition of any acquisition adjustments not currently being amortized.</p> <p>6. Give date Commission authorized use of Account 115.</p>						
Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	CREDITS		Balance End of Year (f)
				Contra Acct. (d)	Amount (e)	
1	Account 114					
2						
3	NONE					
4						
5						
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12						
13						
14						
15	Account 115					
16						
17	NONE					
18						
19						
20						

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)				
1. Report below descriptions and balances at end of year of projects in process of construction and completed construction not classified for projects actually in service. For any substantial amounts of completed construction not classified for plant actually in service explain the circumstances which have prevented final classification of such amounts to prescribed primary accounts for plant in service.		Not Classified-Electric, shall be furnished even though this account is included in the schedule, Electric Plant in Service, pages 204-211, according to a tentative classification by primary accounts.		
2. The information specified by this schedule for Account 106, Completed Construction		3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts). 4. Minor projects may be grouped.		
Line No.	Description of Project (a)	Construction Work in Progress-Electric (Account 107) (b)	Completed Construction Not Classified-Electric (Account 106) (c)	Estimated Additional Cost of Project (d)
1	ATI to Ontario Sub-34.5 kv Rebuild	107,716		100,000
2	Daffron CIS IXP Software Upgrade	15,600		35,000
3	Line Extensions	420,472		0
4	Gennrich to Palm St 34.5 KV Rebuild	6,415		500,000
5	Ontario to P.Field Sub 34.5 KV Rebuild	145,920		2,500,000
6	Purchase of LaFarge Transformer	2,000		818,519
7	Replace LaFarge Substation	63,700		686,300
8				
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35	TOTAL	761,823	0	4,639,819

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
CONSTRUCTION OVERHEADS - ELECTRIC				
<p>1. List in columns (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.</p> <p>2. On page 218 furnish information concerning construction overheads.</p> <p>3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather</p> <p>should explain on page 218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.</p> <p>4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.</p>				
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)		
1	Administrative and General	395,959		
2	Payroll Tax	24,684		
3	General Liability Insurance	30,386		
4	Workers Compensation	4,229		
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39	TOTAL	455,258		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.

Administrative and General Salaries (Account 920) and Employee Benefits (Account 926) are charged to construction based on percent of construction labor to total labor. The procedure is the same for all work orders and it is accomplished through the use of a sub account.

Payroll taxes (FICA, Medicare, MESC, and FUTA), general liability insurance, and workers compensation insurance are loaded as a percent of all labor charges to construction. The procedure is the same for all work orders and is accomplished by the use of a sub account.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108 & 110)

- | | |
|---|--|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 202-204A, column (d), excluding retirements of non-depreciable property.</p> <p>3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.</p> | <p>If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all cost included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|---|--|

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	20,445,282	20,445,282		
2	Depreciation Prov. for Year, Charged to	0			
3	(403) Depreciation Expense	1,502,953	1,502,953		
4	(403.1) Decommissioning Expense	0			
5	(413) Exp. Of Elec. Plt. Leas. to Others	0			
6	Transportation Expenses-Clearing	132,079	132,079		
7	Other Clearing Accounts	0			
8	Other Accounts (Specify):	0			
9					
10	TOTAL Deprec. Prov. For Year (Enter Total of Lines 3 thru 9)	1,635,032	1,635,032	0	0
11	Net Charges for Plant Retired:	0			
12	Book Cost of Plant Retired	1,222,938	1,222,938		
13	Cost of Removal	182,922	182,922		
14	Salvage (Credit)	(8,182)	(8,182)		
15	TOTAL Net Chrgs. For Plant Ret. (Enter Total of lines 12 thru 14)	1,397,678	1,397,678	0	0
16	Other Debit or Credit Items (Described)	0			
17	Trf office building to Non-Utility	0			
18	Retirement WIP	56,938	56,938		
19	Balance End of Year (Enter total of lines 1, 10, 15, 16, 17 & 18)	20,739,574	20,739,574	0	0

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

20	WIP-Retirement	8,797	8,797		
21	Nuclear Production-Depreciation	0			
22	Nuclear Production-Decommissioning	0			
23	Hydraulic Production-Conventional	0			
24	Hydraulic Production-Pumped Storage	0			
25	Other Production	0			
26	Transmission	3,188,676	3,188,676		
27	Distribution	15,958,297	15,958,297		
28	General	1,583,804	1,583,804		
29	TOTAL (Enter total of lines 20 thru 28)	20,739,574	20,739,574	0	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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NONUTILITY PROPERTY (Account 121)

- | | |
|---|---|
| <p>1. Give a brief description and state the location of nonutility property included in Account 121.</p> <p>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.</p> <p>3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.</p> | <p>4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.</p> <p>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.</p> |
|---|---|

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Previously devoted to public service			
2	Office building, Alpena, MI:			
3	5/31/1988	121,842		121,842
4	01/01/97	68,892		68,892
5	12/31/06	339,246		339,246
6	2/28/09	988		988
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL	530,968	0	530,968

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)

Report below the information called for concerning depreciation and amortization of nonutility property.

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	296,346
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	13,891
5	Other Accounts (Specify): Retirement	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	13,891
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)	0
13	Other Debit or Credit Items (Describe):	
14		0
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	310,237

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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INVESTMENTS (Accounts 123, 124, 136)

1. Report below the investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investment*, and 136, *Temporary Cash Investments*.
 2. Provide a subheading for each account and list thereunder the information called for:
 (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 in Account 124, *Other Investments*), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.
 (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

Line No.	Description of Investment (a)	Book Cost at Beginning of Year <i>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)</i> (b)		Purchases or Additions During Year (c)
		Original Cost	Book Value	
1	CMS Energy Common Stock	2,452	1,860	
2	DTE Energy Common Stock	3,559	4,532	
3	WI Energy Common Stock	3,513	12,900	
4	WPS Resource Common Stock	3,127	6,056	
5	Alleghany Technologies Inc Common Stock	4,494	2,759	
6				
7				
8				
9				
10				
11	Note:			
12	For book purposes, stock investments are adjusted to			
13	market value. The market adjustment, net of deferred taxes,			
14	is recorded in Account 439, Adjustment to Retained			
15	earnings.			
16				
17				
18				
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28				
29		17,145	28,107	0

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011	
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			
	100	2,452	2,208	348		1
	100	3,559	5,445	913		2
	438.3198	3,513	15,324	2,424		3
	124.848	3,127	6,764	708		4
	50	4,494	2,390	(369)		5
						6
						7
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0	813.1678	17,145	32,131	4,024	0	28
						29

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET				
Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).				
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)	
1	Notes Receivable (Account 141)			
2	Customer Accounts Receivable (Account 142)	2,335,404	2,511,512	
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	20,543	60,235	
4	TOTAL	2,355,948	2,571,747	
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	(25,000)	(25,000)	
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	2,330,948	2,546,747	
7				
8				
9				
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12				
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14				

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)						
1. Report below the information called for concerning this accumulated provision. 2. Explain any important adjustments of subaccounts. 3. Entries with respect to officers and employees shall not include items for utility services.						
Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	25,000				25,000
2	Prov. For uncollectibles for current year	52,528				52,528
3	Account written off (less)	(94,615)				(94,615)
4	Coll. Of accounts written off	42,087				42,087
5	Adjustments (explain):					0 0
6	Balance end of year	25,000	0	0	0	25,000
7						
8						
9						
10						
11						

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

- | | |
|---|--|
| <p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>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.</p> <p>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.</p> | <p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> |
|---|--|

* 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	NOTES RECEIVABLE					
2						
3	West Dock Properties, LLC	0	520,000	520,000	0	6,152
4	AP Resources	0	51,061	51,061	0	68
5	Working capital; 1/4% above APC's borrowing rate					
6						
7	TOTALS	0	571,061	571,061	0	6,220
8	ACCOUNTS RECEIVABLE					
9						
10	Alpena Power Resources, LTD	4,701	4,684	4,771	4,614	
11						
12	West Dock Properties, LLC	816	7,273	5,973	2,116	
13						
14	Sunrise Side Energy LLC	235	242	235	242	
15						
16	Alpena Power Generation, LLC	240	242	240	242	
17						
18	Luna Energy, LLC	13,779	1,798	15,267	310	
19						
20	TOTALS	19,771	14,239	26,485	7,525	
21						
22						
23						
24						
25						
26						
27	TOTAL	19,771	585,299	597,546	7,525	6,220

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
MATERIALS AND SUPPLIES				
1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.		2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected-debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.		
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Dept. or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials & Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	69,497	68,785	0
6	Assigned to - Operations & Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)	119,394	118,171	0
9	Distribution Plant (Estimated)	168,283	166,560	0
10	Assigned to - Other			
11	TOTAL Account 154 <i>(Enter total of line 5 thru 10)</i>	357,174	353,516	
12	Merchandise (Account 155)			
13	Other Material & Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) <i>(not applicable to Gas utilities)</i>			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials & Supplies (Per Balance Sheet)	357,174	353,516	

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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)			
1. Give description and amount of other current and accrued assets as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Unbilled Revenue	1,006,682	
2	Power Supply Cost Recovery	732,848	
3	Energy Optimization	13,985	
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24			
25	TOTAL	1,753,515	

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report December 31, 2011	
EXTRAORDINARY PROPERTY LOSS (Account 182.1)							
Line No.	Description of Extraordinary Loss (Include in description the date of loss, the date of Commission authorization to use Account 182.1 and period of amort. (mo, yr, to mo, yr). (a))	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1	NONE						
2							
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20	TOTAL	0	0		0	0	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs (Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr). (a))	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
21	NONE						
22							
23							
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49	TOTAL	0	0		0	0	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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OTHER REGULATORY ASSETS

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts.)
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (amounts less than \$50,000) may be grouped by classes.
4. Give the number and name of the account(s) where each amount is recorded.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1	FAS 109 Federal -Straight-Line Tax/Book Depreciation	35,166	285		106,624
2	FAS 109 Michigan -Straight-line Tax/Book Depreciation	6,648	285		20,157
3	FAS 158 Additional Liability - Pension	2,083,084	253		5,580,564
4	FAS 158 Additional Liability - OPEB	379,304	253		1,694,875
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38	TOTAL	2,504,202		0	7,402,220

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
 2. For any deferred debit being amortized, show period of amortization in column (a).
 3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Rate Case (U-15935)	40,817			13,506	27,311
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38	Misc. Work in Progress					
39	TOTAL	40,817	0		13,506	27,311

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INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF
MAJOR AND NONMAJOR ELECTRIC UTILITIES

TAX SCHEDULES

I Purpose:

The Commission will permit the option to adopt FERC reporting requirements if the company agrees to file the MPSC information on a historical test-year basis in a rate case or upon request of the Commission Staff. For the following pages:

A.	Accumulated Deferred Income Taxes	234A-B
B.	Reconciliation of Report Net Income With Taxable Income for Federal Income Taxes	261A-B
C.	Calculation of Federal Income Tax	261C-D
D.	Taxes Accrued, Prepaid and Charged During Year	262-263
E.	Accumulated Deferred Income Taxes	272-277

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivision (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2	Federal - Uncollectibles	7,988	0	0
3	Federal - Pension	76,311	172,251	167,335
4	Federal - Post Retirement Benefits	747,260	144,734	110,646
5	Federal - Customer Contributions/Capital Int.	299,845	34,087	0
6	Federal - Vacation	43,506	31,849	32,094
7	Federal - Customer Advances	47,258	9,807	6,909
8	Federal - Deferred Compensation	1,259,500	88,885	90,784
9	Federal - Additional Liability Pension	1,117,445	0	0
10	Federal - Additional Liability OPEB	420,325	0	0
11	Federal- Consumers Energy Settlement	255,281	0	0
12	Federal - PSCR	0	0	0
13	Federal - Renewable Energy	358,635	3,311	278,622
14	Deferred MBT	48,340	0	0
15	Michigan - MBT Deduction	287,480	0	0
16	Michigan - Uncollectibles	1,510	0	0
17	Michigan - Vacation	8,225	5,296	5,342
18	Michigan - Pension	14,426	32,563	31,634
19	Michigan OPEB	141,266	27,361	20,917
20	Michigan - Capitized Interest	56,684	6,444	0
21	Michigan - Deferred Compensation	238,103	16,803	17,162
22	Michigan - Customer Advances	8,934	1,854	1,306
23	Michigan - Additional Liability Pension	211,248	0	0
24	Michigan - Additional Liability OPEB	48,260	0	0
25	Michigan - Consumers Energy Settlement	48,260	0	0
26	Michigan - PSCR	0	0	0
27	Michigan-Renewable Energy	67,798	626	52,672
28	Subtotals	5,813,887	575,871	815,424
29	Other:			
30	Federal - Pledged Donations	0	0	0
31	Federal - Non-Utility Office Building	28,323	0	0
32	Michigan - Pledged Donations	0	0	0
33	Michigan - Non-Utility Office Building	5,354	0	0
34	Other			
35	TOTAL Other (Enter total of lines 25 thru 29)	33,677	0	0
36	Other (Specify)			
37	TOTAL (Account 190) (Enter total of lines 23,			
38	30)	5,847,564	575,871	815,424
39	Classification of Total:			
40	Federal Income Tax	4,661,677	484,923	686,390
41	State Income Tax	1,185,888	90,948	129,034
42	Local Income Tax			

NOTES

In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages as _____ and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts required.

4. In the space provided below, identify by amount _____ listed other Other.

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
						7,988	2
						71,395	3
						713,172	4
						265,758	5
						43,751	6
						44,360	7
						1,261,400	8
				283	665,545	1,782,990	9
				283	121,188	541,513	10
		283	255,281			0	11
						0	12
						633,946	13
						48,340	14
						287,480	15
						1,510	16
						8,271	17
						13,497	18
						134,822	19
						50,240	20
						238,462	21
						8,386	22
				283	125,818	337,067	23
				283	22,910	102,371	24
		283	48,260			0	25
						0	26
						119,844	27
	0		303,541		935,461	6,716,563	28
							29
						0	30
3,622						24,701	31
0						0	32
685						4,670	33
							34
4,307	0		0		0	29,371	35
							36
							37
4,307	0		303,541		935,461	6,745,934	38
							39
3,622	0		255,281		786,733	5,439,314	40
685	0		48,260		22,910	1,306,620	41
							42

NOTES (Continued)

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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CAPITAL STOCK (Accounts 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outline in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (I.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Common Stock	602,050	10	NONE
2	Preferred Stock	20,000	100	NONE
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011			
CAPITAL STOCK (Accounts 201 and 204) (Continued)						
3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.		5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.				
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.		6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.				
OUTSTANDING PER BALANCE SHEET		HELD BY RESPONDENT				
<i>(Total amount outstanding without reduction for amounts held by respondents.)</i>		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	Line No.
	2,802,960					1
	561,200					2
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 & 205, 203 & 206, 207, 212)			
<p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed</p> <p>under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of the year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p>			
Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	NONE		
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40	TOTAL	0	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR			
<p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p> <p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p>			
<p>\$ 2,937,000 of Long-Term Energy Thrift Notes were issued in 2011. These notes have a weighted average interest rate of 2.21% and are due in two to seven years after issuance.</p> <p>\$3,437,557 of Long-Term Energy Thrift Notes were redeemed in 2011. The weighted average interest rate was 3.77%.</p>			

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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
LONG-TERM DEBT (Accounts 221, 222, 223 and 224)			
<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 <i>(For new issue, give Commission Authorization numbers and dates)</i> (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)
1	Account 224-Long Term Debt Energy Thrift Certificates	12,499,000	0
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25	TOTAL	12,499,000	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt-Discout and Expense, or credited to Account 429, *Amortization of Premium on Debt-Credit*.
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.
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.
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.
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, *Interest on Long-Term Debt*, and Account 430, *Interest on Debt to Associated Companies*.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

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)			
Various	Various	N/A	N/A	\$ 12,888,331 includes \$ 389,331 of compound interest	559,478	1
						2
						3
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						5
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				12,888,331	559,478	25

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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NOTES PAYABLE (Accounts 231)

1. Report the particulars indicated concerning notes payable at end of year.
2. Give particulars of collateral pledged, if any.
3. Furnish particulars for any formal or informal compensating balance agreements covering open lines or credit.
4. Any deman notes should be designated as such in column (d).
5. Minor amounts may be grouped by classes, showing the number of such amounts.

Line No.	Payee (a)	Purpose for which issued (b)	Date of Note (c)	Date of Maturity (d)	Int. Rate (e)	Balance End of Year (f)
1	Energy Thrift Notes	General Corporate Purpose	various	various	0.50%	\$46,000
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21						
22						
23						
24						
25						
26						
27						
TOTAL						\$46,000

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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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	Acct 233, Notes Payable to Associate Companies					
2	Alpena Power Resources, Ltd.	NONE				
3	type: revolving					
4	purpose: working capital					
5	issued: 10/2/06					
6	maturity: Renews annually each October					
7	interest rate: prime less 0.75%					
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
	TOTAL	0	0	0	0	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such 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.

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.

Line No.		TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	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	INSERT Page 261B
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	

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

	TOTAL AMOUNT	UTILITY	OTHER
Utility Net Operating Income: (Pg114 Ln26)	2,141,280	2,141,280	-
Allocations:			
Interest Expense	862,207	862,207	-
Other (Net Other Income & Deductions)	(5,258)	-	(5,258)
Net Income for the Year: (Pg117 Ln78)	1,273,815	1,279,073	(5,258)
Add: Federal Income Tax Expenses	543,527	546,888	(3,361)
Total Pre-Tax Income	1,817,342	1,825,961	(8,619)
Add: Deductions Recorded on Books Not Deducted on Return:			
Customer Advances	(9,073)	(9,073)	-
Customer Contributions in Aid of Construction	63,958	63,958	-
Gain on Sale of Fixed Assets	(75,821)	(75,821)	-
PSCR Over Recovery	133,859	133,859	-
Deferred Compensation w/Interest	280,555	280,555	-
Book Depreciation	1,649,923	1,636,032	13,891
50% of Meals and Entertainment	404	404	-
Other Post-Employment Benefits	346,310	346,310	-
Property Tax	698,012	698,012	-
Pension	523,739	523,739	-
Renewable Portfolio Energy	861,694	861,694	-
Rate Case Expense	13,506	13,506	-
Michigan Business Tax Deferrals	(11,887)	(11,887)	-
Vacation Pay Accrual	768	768	-
Dividend Exclusion	(1,084)	-	(1,084)
<u>Add/(Subtract): Adjustment on Return Not Charged Against Book Income:</u>			
Tax Depreciation	(4,910,189)	(4,885,586)	(24,603)
Property Tax	(703,502)	(703,502)	-
OPEB Plan Contribution	(453,000)	(453,000)	-
Pension Plan Contribution	(539,126)	(539,126)	-
Deferred Compensation Paid	(274,609)	(274,609)	-
Energy Optmization Paid	(6,392)	(6,392)	-
Charitable Contributions	-	-	-
Depletion	(5)	(5)	-
Net Salvage	(53,259)	(53,259)	-
Federal Taxable Income for the Year:	(647,877)	(627,462)	(20,415)

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Account 236)

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxes material was charged. If the actual or estimated amounts of such taxes charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax Subaccount (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. In Account 165) (c)
1	Federal Income Tax	(347,549)	
2	MI Single Business Tax	34,400	
3	Property Tax	298,347	495,417
4	Payroll Tax	15,265	
5	Michigan Use Tax	1,297	
6	MPSC Assessment	0	
7			
8			
9			
10			
11			
12			
13			
14		1,760	495,417

DISTRIBUTION OF TAXES CHARGED (omit cents)

Line No.	Electric a/c 408.1, 409.1 (i)	Gas a/c 408.1, 409.1 (j)	Other Utility Departments a/c 408.1, 409.1 (k)	Other Income & Deductions a/c 408.2, 409.2 (l)
1	219,816			(6,941)
2	120,100			
3	682,803			15,209
4	128,377			
5	1,049			
6	47,130			
7				
8				
9				
10				
11				
12	1,199,275	0	0	8,268

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a). Itemize by subaccount.
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.
7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. The accounts to which taxes charged were distributed should be shown in columns (i) to (o). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax which it was necessary to apportion to more than one utility department or account, state in a more than one utility department or account, state in a footnote the basis of apportioning such tax.
10. Fill in all columns for all line items.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	
212,875	439,632		(574,306)		1
120,100	64,600		89,900		2
698,012	703,502		305,475	508,035	3
172,680	179,165		8,780		4
1,049	2,089		257		5
47,130	47,130		0		6
					7
					8
					9
					10
					11
					12
					13
1,251,846	1,436,119	0	(169,894)	508,035	

DISTRIBUTION OF TAXES CHARGED

Extraordinary Items a/c 409.3 (m)	Other Utility Opn. Income a/c 408.1, 409.1 (n)	Adjustment to Ret. Earnings a/c 439 (o)	Other (p)	Line No.
				1
				2
				3
			#107-33,311 #110-9,006, #417-1,932, #456-53	4
				5
				6
				7
				8
				9
				10
				11
0	0	0	42,572	12

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report December 31, 2011	
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)							
Report below information applicable to Acct 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.							
Line No.	Account Subdivisions	Balance at Beginning of Year	Deferred for Year		Allocation to Current Year's Income		Adjustments
	(a)		(b)	Account No. (c)	Amount (d)	Account No. (e)	
1	Electric Utility						
2	3%						
3	4%						
4	8%	6,295			411.4	1,615	
5	10%	111,805			411.4	18,332	
6							
7							
8	TOTAL	118,100		0		19,947	0
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
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48							

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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation	Line No.
			1
			2
			3
4,680	31.9		4
93,474	32.77		5
			6
			7
98,154	32.34		8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
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			45
			46
			47
			48

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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Give description and amount of other current and accrued liabilities as of the end of year.
2. Minor items may be grouped by classes, showing number of items in each class.

Line No.	Item (a)	Balance End of Year (b)
1	Accrued Payroll	108,633
2	Accrued Vacation	155,898
3	Tax Collection Payable	11,587
4	Common Stock Dividend Declared	0
5	Preferred Stock Dividend Declared	59,309
6	Prepaid Rent	3,408
7	Flex Plan	7,639
8	Medical Contributions	5,803
9	Pledged Donations-Foundation	0
10	Consumers Energy Settlement-Current	0
11	Renewable Energy	1,984,183
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	2,336,461

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List Advances by department (a)	Balance End of Year (b)
21	Electric Construction	138,838
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	138,838

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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$10,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year of Report (f)
			Contra Account (c)	Amount (d)		
1	Deferred Pension	238,846	130	672,126	656,739	223,459
2	Liability					
3						
4	FAS109-OPEB	2,338,842	130	453,000	346,310	2,232,152
5						
6	Deferred					
7	Compensation	3,942,099	130	279,404	285,350	3,948,044
8						
9	Additional Liability					
10	FAS 158 Pension	3,497,480	192		2,083,084	5,580,564
11						
12	Additional Liability					
13	FAS 158 OPEB	1,315,571			379,304	1,694,876
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
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32						
33						
34						
35						
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38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	11,332,838		1,404,530	3,750,787	13,679,095

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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY
(Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Account 282			
2	Federal - Depreciation-Utility	5,256,863	1,110,438	78,506
3	Michigan - Depreciation-Utility	792,616	209,923	176,049
4	Federal - AFUDC	13,000	0	585
5	Michigan - AFUDC	2,458	0	111
6				
7	TOTAL (Enter total of lines 2 thru 6)	6,064,937	1,320,361	255,250
8	Other (Specify)			
9	Federal - Non-Utility Depreciation	5,931		
10	Michigan - Non-Utility Depreciation	1,121		
11	TOTAL Account 282 (Enter total of lines 7 thru 11)	6,071,989	1,320,361	255,250
12	Classification of TOTAL			
13	Federal Income Tax	5,275,794	1,110,438	79,091
14	State Income Tax	796,195	209,923	176,159
15	Local Income Tax			

NOTES

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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY
(Account 282) (Continued)**

3. Use footnotes as required.
4. Fill in all columns for all line items as appropriate.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
						6,288,795	2
						826,490	3
						12,416	4
						2,347	5
							6
0	0		0		0	7,130,048	7
							8
206	249					5,888	9
39	47					1,114	10
245	296		0		0	7,137,050	11
							12
206	249		0		0	6,307,099	13
39	47		0		0	829,951	14
							15

NOTES (Continued)

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.				
2. For Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Electric			
2	Federal - Property Tax-Summer	62,964	129,447	127,693
3	Federal - Rate Case	13,041	0	4,315
4	Federal - Energy Optimization	2,426	5,090	3,048
5	Federal - Property Tax-Winter	0	95,322	95,322
6	Federal - Michigan Business Tax	97,743	0	0
7	Federal - Regulatory Asset - Pension	1,117,445	0	0
8	Federal - Regulatory Asset - OPEB	420,325	0	0
9	Federal - Consumers Energy Stlmnt	255,281	0	0
10	Federal - PSCR	276,913	198,169	240,937
11	Michigan - Summer Property Tax	11,903	24,471	24,140
12	Michigan - Rate Case	2,465	0	816
13	Michigan - Winter Property Tax	0	18,020	18,020
14	Michigan - Regulatory Asset - Pension	211,248	0	0
15	Michigan - Regulatory Asset - OPEB	79,460	0	0
16	Michigan - Energy Optimization	459	962	576
17	Michigan - Consumers Energy Stlmnt	48,260	0	0
18	Michigan - PSCR	52,349	37,463	45,548
19	TOTAL Electric (total of lines 2 thru 16)	2,652,282	508,945	560,415
20	Other			
21				
22	Other - Federal Investment Losses	3,503	0	0
23	Other - Michigan Investment Losses	662	0	0
24	TOTAL Other (Total of lines 18 thru 24)	4,165		0
25	Other (Specify)			
26	TOTAL (Account 283) (Enter total of lines 17 and 25)	2,656,447	508,945	560,415
27	Classification of TOTAL			
28	Federal Income Tax	2,249,641	428,028	471,315
29	State Income Tax	406,806	80,917	89,100
30	Local Income Tax			
NOTES				

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

3. Provide in the space below explanations for pages 276A and 276B. Include amounts relating to insignificant items listed under Other.
4. Fill in all columns for all items as appropriate.
5. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
		DEBITS		CREDITS			
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						64,718	2
						8,726	3
						4,468	4
						0	5
						97,743	6
		190	665,545			1,782,990	7
		190	121,188			551,513	8
				190	255,281	0	9
						234,145	10
						12,234	11
						1,649	12
						0	13
		190	125,818			337,066	14
		190	22,910			102,370	15
						845	16
				190	48,258	0	17
						44,264	18
0	0		935,461		303,539	3,242,731	19
							20
							21
		439	1,286			4,788	22
		439	243			907	23
			1,529			5,695	24
							25
0	0		936,990		303,539	3,248,426	26
							27
0	0		788,019		255,281	2,749,091	28
0	0		148,971		48,258	499,335	29
							30

NOTES (Continued)

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES - TEMPORARY (Account 284)

1. Report the information called for below concerning each item included in this account at year end.

Line No.	Description of Item (a)	Balance at End of Year (b)	Date of Filing for Commission Approval (c)	Case Number (d)
1	Electric			
2				
3		NONE		
4				
5				
6				
7	TOTAL Electric (<i>Total of lines 2 thru 6</i>)	0		
8	Gas			
9				
10				
11				
12				
13				
14	TOTAL Gas (<i>Total of lines 9 thru 13</i>)	0		
15	Other (Specify)			
16	TOTAL (Account 284) (<i>Enter Total of lines 7, 14 and 15</i>)	0		
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

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OTHER REGULATORY LIABILITIES

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (amounts less than \$50,000) may be grouped by classes.
4. Give the number and name of the account(s) where each amount is recorded.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	DEBITS		Credits (d)	Balance at End of Year (e)
		Account Credited (b)	Amount (c)		
1	FAS109 Federal Adjustment:				
2	ITC Basis Adjustment			1,598	(40,955)
3	FAS109 Federal Adjustment:				
4	Amortization of Deferred ITC	191	10,365		51,004
5	FAS109 - Federal Adjustment:				
6	Accelerated Tax Depreciation on				
7	Pre-1981 Utility Property	285	5		611
8	FAS109 - Federal Adjustment:				
9	Tax Depreciation on Post 1980				
10	Utility Property	285	9,151		42,588
11					
12	FAS109 - Michigan Adjustment:				
13	ITC Basis Adjustment			302	(7,742)
14	FAS109 - Michigan Adjustment:				
15	Amortization of Deferred ITC	191	1,959		9,642
16	FAS109 - Michigan Adjustment:				
17	Accelerated Tax Depreciation on				
18	Pre-1981 Utility Property	285	1		115
19	FAS109 - Michigan Adjustment:				
20	Tax Depreciation on Post 1980				
21	Utility Property	285		1,730	8,053
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL		21,481	3,630	63,316

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421. 2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.
2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain	0		0	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)

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	NONE				
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss	\$ -			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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INCOME FROM UTILITY PLANT LEASED TO OTHERS (Accounts 412 and 413)

1. Report below the following information with respect to utility property leased to others constituting an operating unit or system.

2. For each lease show: (1) name of lessee and description and location of the leased property; (2) revenues; (3) operating expenses classified as to operation, maintenance, depreciation, rents, amortization; and (4) net income from lease for year. Arrange amounts so that deductions appear as a subtraction from revenues, and income as the remainder.

3. Provide a subheading and total for each utility department in addition to a total for all utility departments.

4. Furnish particulars of the method of determining the annual rental for the property.

5. Designate associated companies.

Line No.	
1	NONE
2	
3	
4	
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

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

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

3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income, before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.

5. Equity in earnings of subsidiary companies (Account 418.1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.

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

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

Line No.	Item (a)	Amount (b)
1	Account 417 - Revenues From Non-Utility Operations	
2	Alpena Power Recources Ltd.	56,965
3	Alpena Power Generation LLC	2,936
4	West Dock Properties LLC	12,990
5	Sunrise Side Energy LLC	2,913
6	Luna Energy LLC	12,583
7	CRTC Air Base	0
8	Total	88,387
9	Account 417.1-Expenses of Non-Utility Operations	
10	Alpena Power Recources Ltd.	(54,977)
11	Alpena Power Generation LLC	(3,799)
12	West Dock Properties LLC	(7,959)
13	Sunrise Side Energy LLC	(451)
14	Luna Energy LLC	(3,871)
15	Foundation	(850)
16	Total	(71,907)
17	Account 418-Non Operating Rental	
18	Rents	36,506
19	Depreciation	(13,891)
20	Utilities	(11,598)
21	Maintenance	(10,005)
22	Total	1,012
23	Account 419-Interest & Dividend Income	
24	Banks & Credit Unions	(165)
25	Stock Dividends	(1,109)
26	West Dock Properties LLC	(6,152)
27	AP Resources	(68)
28	Total	(7,494)
29		
30	Grand Total	9,998
31		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ELECTRIC OPERATING REVENUES (Account 400)

- Report below operating revenues for each prescribed account.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	12,324,625	12,024,412
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	12,558,731	12,019,244
5	Large (or Industrial)	8,455,313	8,383,483
6	(444) Public Street and Highway Lighting	22,081	22,462
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	(449) Other Sales		
11			
12	TOTAL Sales to Ultimate Consumers	33,360,750	32,449,602
13			
14	(447) Sales for Resale		
15	TOTAL Sales of Electricity	33,360,750 *	32,449,602
16			
17	(Less) (449.1) Provision for Rate Refunds	(137,253)	388,202
18	TOTAL Revenue Net of Provision for Refunds	33,223,498	32,837,804
19	Other Operating Revenues		
20	(450) Forfeited discounts	57,553	51,598
21	(451) Miscellaneous Service Revenues	40,209	25,449
22	(453) Sales of Water and Water Power	0	0
23	(454) Rent from Electric Property	103,837	103,129
24	(455) Interdepartmental Rents	0	0
25	(456) Other Electric Revenues	92,060	53,537
26			
27			
28			
29			
30	TOTAL Other Operating Revenues	293,659	233,713
31			
32	TOTAL Electric Operating Revenues	33,517,157	33,071,516

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in footnote.)
5. See Page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.
6. For line 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by account.
7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
87,533	88,971	13,689	13,717	1
103,369	103,665	3,753	3,742	2
131,296	136,081	3	4	3
88	92	180	187	4
				5
				6
				7
				8
				9
				10
				11
322,286	328,809	17,625	17,650	12
				13
				14
322,286 **	328,809	17,625	17,650	15
				16
				17
322,286	328,809	17,625	17,650	18

* Include **\$1,006,682** unbilled revenues.

** Includes **7,168 MWH** relating to unbilled revenues.

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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, avg number of customers, average KWh per customer, and average revenue per KWh, excluding data for Sales for Resale, which is reported on pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1	<u>440 - Residential</u>					
2	Residential	87,532	12,324,625	13,689	6,394	14.080
3	Unbilled @ 12/31/11	5,179	727,563			
4						
5						
6	<u>442-Commercial/Industrial</u>					
7	General Service	27,972	4,007,049	2,389	11,709	14.325
8	Standard Power	45,480	5,336,480	214	212,523	11.734
9	Large Power	28,922	2,998,849	15	1,928,133	10.369
10	Protective Lights	996	216,353	1,135	878	21.722
11	Industrial	131,296	8,455,313	3	43,765,333	6.440
12	Total 442	234,666	21,014,044	3,756	62,478	8.955
13	Unbilled @ 12/31/11	1,985	277,993			
14						
15	<u>444-Street and Highway</u>					
16	Street and Highway Lights	88	22,081	180	489	24.001
17	Unbilled @ 12/31/10	5	1,125			
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33	Total Billed	322,286	33,360,750	17,625	18,286	10.61
34	Total Unbilled Rev. (See Instr. 6)	7,169	1,006,681			
35	TOTAL	322,286	33,360,750	17,625	18,286	10.61

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
ELECTRIC OPERATION AND MAINTENANCE EXPENSES - NONMAJOR				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
1	(1) POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	500 Operation Supervision and Engineering	0	0	
5	501 Fuel	0	0	
6	503 Steam from Other Sources	0	0	
7	(Less) 504 Steam Transferred- CR.	0	0	
8	507 Rents	0	0	
9	508 Operation Supplies and Expenses	0	0	
10	509 Allowances	0	0	
11	TOTAL Operation (Enter Total of Lines 4 thru 10)	0	0	
12	Maintenance			
13	515 Maintenance of Steam Production Plant			
14	TOTAL Maintenance	0	0	
15	TOTAL Power Prod. Exp. - Steam Plant	0	0	
16	B. Nuclear Power Generation			
17	Operation			
18	517 Operation Supervision and Engineering	0	0	
19	518 Nuclear Fuel Expense	0	0	
20	519 Coolants and Water	0	0	
21	520 Steam Expenses	0	0	
22	521 Steam from Other Sources	0	0	
23	(Less) 522 Steam Transferred- CR.	0	0	
24	523 Electric Expenses	0	0	
25	524 Miscellaneous Nuclear Power Expenses	0	0	
26	525 Rents	0	0	
27	TOTAL Operation (Enter Total of Lines 18 thru 26)	0	0	
28	Maintenance			
29	528 Maintenance Supervision and Engineering	0	0	
30	529 Maintenance of Structures	0	0	
31	530 Maintenance of Reactor Plant Equipment	0	0	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
32	531 Maintenance of Electric Plant	0	0	
33	532 Maintenance of Miscellaneous Nuclear Plant	0	0	
34	TOTAL Maintenance (Total of Line 29 thru 33)	0	0	
35	TOTAL Power Production Expenses-Nuclear Power	0	0	
36	C. Hydraulic Power Generation			
37	Operation			
38	535 Operation Supervision and Engineering	0	0	
39	536 Water for Power	0	0	
40	540 Rents	0	0	
41	540.1 Operation Supplies and Expenses	0	0	
42	TOTAL Operation (Total of Line 38 thru 41)	0	0	
43	Maintenance			
44	545.1 Maintenance of Hydraulic Production Plant	0	0	
45	TOTAL Maintenance	0	0	
46	TOTAL Power Production Expenses-Hydraulic Power	0	0	
47	D. Other Power Generation			
48	Operation			
49	546 Operation Supervision and Engineering	0	0	
50	547 Fuel	0	0	
51	550 Rents	0	0	
52	550.1 Operation Supplies and Expenses	0	0	
53	TOTAL Operation (Total of Lines 49 thru 52)	0	0	
54	Maintenance			
55	554.1 Maintenance of Other Power Production Plant	0	0	
56	TOTAL Maintenance	0	0	
57	TOTAL Power Production Expenses-Other Power	0	0	
58				
59	E. Other Power Supply Expenses			
60	Operation			
61	555 Purchased Power	22,653,143	22,163,415	
62	557 Other Expenses			

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
63	TOTAL Other Pwr. Supply Exp. (Total of Lines 61 and 62)	22,653,143	22,163,415	
64	TOTAL Power Prod. Exp. (Total Lines 15, 35, 46, 57 & 63)	22,653,143	22,163,415	
65				
66	2. TRANSMISSION EXPENSES			
67	Operation			
68	560 Operation Supervision and Engineering	46,070	77,750	
69	567 Rents	0	0	
70	567.1 Operation Supplies and Expenses	49,293	34,846	
71	TOTAL Operation (Total of Lines 68 thru 70)	95,362	112,596	
72	Maintenance			
73	574 Maintenance of Transmission Plant	106,829	57,636	
74	TOTAL Maintenance	106,829	57,636	
75	TOTAL Transmission Expenses	202,191	170,232	
76	3. DISTRIBUTION EXPENSES			
77	Operation			
78	580 Operation Supervision and Engineering	196,037	192,152	
79	581.1 Line and Station Expenses	152,836	119,859	
80	585 Street Lighting and Signal System Expenses	0	144	
81	586 Meter Expenses	78,520	74,784	
82	587 Customer Installations Expenses	23,098	21,713	
83	588 Miscellaneous Distribution Expenses	165,879	173,068	
84	589 Rents	17,195	4,825	
85	TOTAL Operation (Total of Lines 78 thru 84)	633,566	586,545	
86	Maintenance			
87	592.1 Maintenance of Structures and Equipment	31,068	23,906	
88	594.1 Maintenance of Lines	562,476	502,325	
89	595 Maintenance of Line Transformers	42,761	25,082	
90	596 Maintenance of Street Lighting and Signal Systems	0	0	
91	597 Maintenance of Meters	1,256	0	
92	598 Maintenance of Miscellaneous Distribution Plant	6,329	4,828	
93	TOTAL Maintenance (Total of Lines 87 thru 92)	643,889	556,141	

Name of Respondent		This Report Is:	Date of Report	Year of Report
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
94	TOTAL Distribution Expenses <i>(Total of Lines 85 and 93)</i>	1,277,455	1,142,686	
95				
96	4. CUSTOMER ACCOUNTS EXPENSES			
97	Operation			
98	902 Meter Reading Expenses	181,310	172,309	
99	903 Customer Records and Collection Expenses	376,100	332,427	
100	904 Uncollectible Accounts	52,528	33,694	
101	TOTAL Customer Accounts Expenses <i>(Total of Lines 98 thru 100)</i>	609,939	538,430	
102				
103	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
104	Operation			
105	906 Customer Service & Informational Expense	367,209	276,795	
106	TOTAL Cust. Service & Informational Expense	367,209	276,795	
107				
108	6. SALES EXPENSE			
109	Operation			
110	917 Sales Expenses	1,769	715	
111	TOTAL Sales Expense	1,769	715	
112	7. ADMINISTRATIVE AND GENERAL EXPENSES			
113	Operation			
114	920 Administrative and General Salaries	1,065,839	1,119,417	
115	921 Office Supplies and Expenses	88,872	104,076	
116	(Less) 922 Administrative Expenses Transferred-CR.	(458,835)	(410,504)	
117	923 Outside Services Employed	89,097	85,180	
118	924 Property Insurance	55,846	41,086	
119	925 Injuries and Damages	118,196	136,906	
120	926 Employee Pensions and Benefits	1,772,149	1,664,557	
121	927 Franchise Requirements	0	0	
122	928 Regulatory Commission Expenses	109,630	90,249	
123	(Less) 929 Duplicate Charges-CR.	0	0	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
124	930.1 General Advertising Expenses	7,463	8,181	
125	930.2 Miscellaneous General Expenses	134,340	118,294	
126	931 Rents	15,889	15,667	
127	933 Transportation Expenses	0	0	
128	TOTAL Operation (Total of Lines 114 thru 127)	2,998,487	2,973,109	
129	Maintenance			
130	935 Maintenance of General Plant	183,513	159,469	
131	TOTAL Admin. And Gen. Exp. (Total of Lines 128 and 130)	3,182,000	3,132,578	
132	TOTAL Electric Operation and Maintenance Expenses (Total of lines 64, 75, 94, 101, 106, 111 and 131)	28,293,705	27,424,851	

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES	
<p>1. The data on number of employees should be reported for the payroll period ending nearest to December 31, any payroll period ending 60 days before or after December 31.</p>	
<p>2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.</p>	
<p>3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.</p>	
<p>1. Payroll Period Ended (Date) = 12/18/2011</p>	
<p>2. Total Regular Full-Time Employees = 37</p>	
<p>3. Total Part-Time and Temporary Employees = 0</p>	
<p>4. Total Employees = 37</p>	

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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the length of the contract and service from designated units of less than one year. Describe the nature of the service in a footnote.

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule or Number or Tariff, or for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements **RQ** sales and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hourly (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in column (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in column (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net change.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) includes credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totaled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on page 401, line 10. The total amount in column (h) must be reported as Exchange Received on page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j + k + l) or Settlement (\$) (m)	
	336,972			10,152,850	10,607,144	822,369	
0					838,889	838,889	2
2,643				231,680		231,680	3
9				211		211	4
						0	5
			Other Charges			0	6
			Kvar charge=	23,369		0	7
			Consumers Energy Correction/Billing Settlement=	799,000		0	8
						0	9
						0	10
						0	11
						0	12
						0	13
339,624			10,152,850	10,839,035	1,661,258	22,653,143	14

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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DISTRIBUTION TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as "wheeling")

1. Report all transmission of electricity, i.e. wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in columns (a), (b), and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate.
- or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b), or (c).
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:
- LF** - for long-term transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as **LF**, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

Line No.	Payment By (Company or Public Authority) [Footnote Affiliations] (a)	Energy Received From (Company or Public Authority) [Footnote Affiliations] (b)	Energy Delivered To (Company or Public Authority) [Footnote Affiliation] (c)	Statistical Classification (d)
1	Thunder Bay Power	Thunder Bay Power	METC	SF
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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DISTRIBUTION TRANSMISSION OF ELECTRICITY FOR OTHER (Account 456) (Continued)
(Including transactions referred to as "wheeling")

SF - for short-term transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year. in a footnote for each adjustment.

OS - for other transmission service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm transmission service, regardless of the length of the contract. Describe the nature of the service in a footnote. 5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation 6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for

MPSC Rate Schedule or Tariff Number (e)	Point or Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				Megawatthours Received (i)	Megawatthours Delivered (j)	
Experimental Primary Distribution	various	Four Mile				1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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DISTRIBUTION TRANSMISSION OF ELECTRICITY FOR OTHER (Account 456) (Continued)
(Including transactions referred to as "wheeling")

where energy was delivered as specified in the contract.

7. Report in column (h) the number or megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

8. Report in columns (i) and (j) the total megawatthours received and delivered.

9. In columns (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other

charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity listed in column (a). If no monetary settlement was made, enter zero ("0") in column (n). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and the type of energy or service rendered.

10. Provide total amounts in column (i) through (n) as the last line. Enter "TOTAL" in column (a) as the last line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on page 401, lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	Other Charges (\$) (m)	Total Revenues (\$) (k + l + m) (n)	Line No.
64,778	0	0	64,778	1
			0	2
			0	3
			0	4
			0	5
			0	6
			0	7
			0	8
			0	9
			0	10
			0	11
			0	12
			0	13
			0	14
			0	15
			0	16
			0	17

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)

- | | |
|---|---|
| <p>1. Report particulars concerning sales included in Accounts 446 and 448.</p> <p>2. For Sales to Railroads and Railways, Account 446, give name of railroad or railway in addition to other required information. If contract covers several points of delivery and small amounts of electricity are delivered at</p> | <p>each point, such sales may be grouped.</p> <p>3. For Interdepartmental Sales, Account 448, give name of other department and basis of charge to other department in addition to other required information.</p> <p>4. Designate associated companies.</p> <p>5. Provide subheading and total for each account.</p> |
|---|---|

Line No.	Item (a)	Point of Delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kwh (in cents) (e)
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

RENT FROM ELECTRICITY PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 454, 455)

- | | |
|---|---|
| <p>1. Report particulars concerning rents received included in Accounts 454 and 455.</p> <p>2. Minor rents may be grouped by classes.</p> <p>3. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account</p> | <p>represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 and 455.</p> <p>4. Designate is lessee is an associated company.</p> <p>5. Provide a subheading and total for each account.</p> |
|---|---|

Line No.	Name of Lessee or Department (a)	Description of Property (b)	Amount of Revenue for Year (c)
16	Verizon	Pole Attachments	55,289
17	Charter	Pole Attachments	35,059
18	Alpena School District	Pole Attachments	3,546
19	Sunrise Communication	Pole Attachments	557
20	Various (4)	Pole Attachments	1,536
21	DTE	Handhelds-Computer	6,600
22	Lamar	Land Rental	750
23	Baywoods	Parking Lot Rental	500
24			103,837
25			
26			
27			
28			
29			
30			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011	
SALES OF WATER AND WATER POWER (Account 453)				
1. Report below the information called for concerning revenues derived during the year from sales to others of water or water power. 2. In column (c) show the name of the power		development of the respondent supplying the water or water power sold. 3. Designate associated companies.		
Line No.	Name of Purchaser (a)	Purpose for Which Water Was Used (b)	Power Plant Development Supplying Water or Water Power (c)	Amount of Revenue for Year (e)
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10	TOTAL			0

MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)		
1. Report particulars concerning miscellaneous service revenues and other electric revenues derived from electric utility operations during year. Report separately in this schedule the total revenues from operation of fish and wildlife and recreation facilities, regardless of whether such facilities are operated by		company or by contract concessionaires. Provide a subheading and total for each account. For Account 456, list first revenues realized through Research and Development ventures, see Account 456. 2. Designate associated companies. 3. Minor items may be grouped by classes.
Line No.	Name of Company and Description of Service (a)	Amount of Revenue for Year (b)
11	Account 451 - Misc Service Revenue	
12	Special services - customer request	10,630
13	Meter tests	240
14	Reconnect fee	8,855
15	Bad Check handling charge	3,200
16	Collection charges	15,450
17	Meter reading charges	0
18	Tampering Charges	1,834
19	TOTAL Account 451	40,209
20		
21		
22	Account 456 - Other Electric Revenue	
23	Service wok for customers	23,174
24	Administrative charges	2,651
25	Experimental primary distribution	64,778
26	Royalty revenue	25
27	TOTAL Account 456	90,628
28		
29		
30	TOTAL	130,837

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")**

1. Report all transmission, i.e., wheeling, of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.

2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company; abbreviated if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in our affiliation with the transmission service provider.

3. Provide in column (a) subheadings and classify transmission service purchased from other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."

4. Report in columns (b) and (c) the total megawatthours received and delivered by the provider of the transmission service.

5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other charges on bills or vouchers rendered to respondent, including any out or period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (g) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") in column (g). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and type of energy or service rendered.

6. Enter "TOTAL" in column (a) as the last line. Provide a total amount in columns (b) through (g) as the last line. Energy provided by the respondent for the wheeler's transmission losses should be reported on the Electric Energy Account, page 401. If the respondent received power from the wheeler, energy provided to account for losses should be reported on line 19, Transmission By Others Losses, on page 401. Otherwise, losses should be reported on line 27, Total Energy Losses, page 401.

7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
		Megawatthours Received (b)	Megawatthours Delivered (c)	Demand Charges (\$) (c)	Energy Charges (\$) (d)	Other Charges (\$) (e)	Total Cost of Transmission (\$) (f)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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15							
16							

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)			Amount (b)
1	Industry Association Dues			14,395
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses			
4	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent			1,148
5	Other Expenses <i>(List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,00 by classes if the number of items so grouped is shown)</i>			
6				
7	Directors Fees			92,718
8	Miscellaneous Seminars and Meetings			10,820
9	Stockholders and Directors Expenses			15,260
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
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40				
41				
42				
43	TOTAL			134,340

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)
(Except amortization of acquisition adjustments)**

1. Report in section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).
 2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404, 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.
 3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
 Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant account included in any subaccounts used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of Section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.
 For columns (c), d, and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.
 If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
 4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section C the amounts and nature of the provisions and the plant items to which related.

A. SUMMARY OF DEPRECIATION AND AMORTIZATION CHARGES

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Account 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant		20,132		20,132
2	Steam Production Plant				
3	Nuclear Prod Plant-Depreciation Nuclear Prod Plant- Decommissioning				
4	Hydraulic Prod Plant-Conventional				
5	Hydraulic Prod Plant-Pumped Storage				
6	Other Production Plant				
7	Transmission Plant	172,981			172,981
8	Distribution Plant	1,236,162			1,236,162
9	General Plant	94,809			94,809
10	Common Plant-Electric				
11	TOTAL	1,503,953	20,132	0	1,524,084

B. BASIS FOR AMORTIZATION CHARGES

The franchises are amortized over the life of the franchise. Computer software is amortized over 3 years.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation and Decommissioning Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
13	Transmission						
14	352	126			1.84%		
15	353	4,429			2.22%		
16	355	1,906			2.46%		
17	356	1,387			1.65%		
18	358	100			2.56%		
19		7,948					
20	Distribution						
21	361	5			22.02%		
22	362	4,711			2.23%		
23	364	10,610			3.03%		
24	365	6,871			3.05%		
25	367	3,250			3.01%		
26	368	8,441			3.73%		
27	369	3,336			3.56%		
28	370	1,396			3.24%		
29	371	499			4.33%		
30	373	56			1.19%		
31		39,175					
32							
33	General						
34	390	2,298			1.77%		
35	391	360			4.89%		
36	391.1	222			10.13%		
37	392	629			5.86%		
38	394	156			5.05%		
39	395	179			3.41%		
40	396	1,216			5.51%		
41	397	402			7.02%		
42		5,462					
43							
44	Grand Total	52,585					
45							
46							
47		Average of					
48		Beginning and					
49		ending					
50		balances					
51							
52							
53							
54							
55							
56							
57							
58							

Name of Respondent	This Report Is:	Date of Report	Year of Report
Alpena Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2011
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS			
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) <i>Miscellaneous Amortization</i> (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) <i>Miscellaneous Income Deductions</i>-- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related</p>		<p>Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be <u>grouped by classes within the above accounts</u>.</p> <p>(c) <i>Interest on Debt to Associated Companies</i> (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>	
Line No.	Item (a)	Amount (b)	
1	Account 426.1 Donations		
2	United Way	1,370	
3	ACC Foundation	2,500	
4	<i>Total</i>	3,870	
5			
6			
7			
8	Account 426.4 Civic & Related Activities		
9	Service Meals	999	
10	Service Club Dues	3,160	
11	Sponsorships (Civic and Local Groups)	6,097	
12	Sponsorships (Educational Programs)	325	
13	<i>Total</i>	10,581	
14			
15	Account 426.5 Other Deductions		
16	ACC Foundation	2,500	
17	Misc. dues	768	
18	<i>Total</i>	3,268	
19			
20			
21	Account 431.10 Other Interest Expense		
22	Customer deposits (7%)	11,354	
23	Deferred Compensation (8.867%)	280,555	
24	Power Supply Cost Recovery	(24,715)	
25	Energy Optimization	(172)	
26	Renewable Energy	35,063	
27	Short Term Energy Thrift Notes	644	
	Customer Billings	0	
28	<i>Total</i>	302,729	
29			
30			
31			
32			
33			
34	Grand Total	320,448	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES
(Account 426.4)

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

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

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

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

5. Minor amount may be grouped by classes if the number of items so grouped is shown.

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

Line No.	Item (a)	Amount (b)
1		
2	Account 426.4 Civic & Related Activities	
3	Service Meals	999
4	Service Club Dues	3,160
5	Sponsorships (Civic and Local Groups)	6,097
6	Sponsorships (Educational Programs)	325
7	<i>Total</i>	10,581
8		
9		
10		
11	Note: None of the above expenditures were incurred for the purpose described in instructions 1 and 2.	
12		
13		
14		
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32		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
EXTRAORDINARY ITEMS (Accounts 434 and 435)			
1. Give below a brief description of each item included in Accounts 434, Extraordinary Income and 435, Extraordinary Deductions.		on income. (See General Instruction 7 of the Uniform System of Accounts).	
2. List date of Commission approval for extraordinary treatment of any item which amounts to less than 5%		3. Income tax effects relating to each extraordinary item should be listed in Column (c).	
		4. For additional space use an additional page.	
Line No.	Description of Items (a)	Gross Amount (b)	Related Income Taxes (c)
1	Extraordinary Income (Account 434):		
2	NONE		
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19	Total Extraordinary Income	0	0
20	Extraordinary Deductions (Account 435):		
21	NONE		
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39	Total Extraordinary Deductions	0	0
40	Net Extraordinary Items	0	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous.

Line No.	Description <i>(Furnish name of regulatory commission or body, the docket or case number, and a description of the case.)</i> (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for current year (b) + (c) (d)	Deferred at Beginning of Year (e)
1	CASE U-15250-General Rate Case		13,506	13,506	
2	CASE U-16030-2010 PSCR Reconciliation		14,111	14,111	
3	CASE U-16346-2009 EO Reconciliation		12,250	12,250	
4	CASE U-16420-2011 PSCR		2,925	2,925	
5	CASE U-16344-2009 RPS Reconciliation		480	480	
6	CASE U-16669-EO Plan		14,791	14,791	
7	CASE U-16580-2009 RPS Plan Review		28,900	28,900	
8	CASE U-16345-2009 RPS Cost Recon		14,512	14,512	
9	CASE U-16880-2012 PSCR		8,155	8,155	
10					
11					
12					
13					
14					
15					
16					
17					
18					
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21					
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27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	TOTAL	0	109,630	109,630	0

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011		
REGULATORY COMMISSION EXPENSES (Continued)							
years 3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.			4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts. 5. Minor items (less than \$25,000) may be grouped.				
EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR			Line No.	
CHARGED CURRENTLY TO			Deferred	Contra Account	Amount		Deferred at End of Year
Department (f)	Account No. (g)	Amount (h)	(i)	(j)	(k)		(l)
Electric	928	13,506					1
Electric	928	14,111					2
Electric	928	12,250					3
Electric	928	2,925					4
Electric	928	480					5
Electric	928	14,791					6
Electric	928	28,900					7
Electric	928	14,512					8
Electric	928	8,155					9
							10
							11
							12
							13
							14
							15
							16
							17
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							39
							40
		109,630	0		0	0	41

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	ELECTRIC			
2	Operation			
3	Production			
4	Transmission	46,193		
5	Distribution	425,102		
6	Customer Accounts	243,374		
7	Customer Service and Informational	0		
8	Sales	0		
9	Administrative and General	1,634,797		
10	TOTAL Operation <i>(Enter Total of lines 3 thru 9)</i>	2,349,466		
11	Maintenance			
12	Production	0		
13	Transmission	24,257		
14	Distribution	175,991		
15	Administrative and General	12,257		
16	TOTAL Maint. <i>(Total of lines 12 thru 15)</i>	212,505		
17	Total Operation and Maintenance			
18	Production <i>(Enter Total of lines 3 and 12)</i>	0		
19	Transmission <i>(Enter Total of lines 4 and 13)</i>	70,451		
20	Distribution <i>(Enter Total of lines 5 and 14)</i>	601,093		
21	Customer Accounts <i>(Transcribe from line 6)</i>	243,374		
22	Customer Svc. And Informational <i>(Transcribe from line 7)</i>	0		
23	Sales <i>(Transcribe from line 8)</i>	0		
24	Administrative and General <i>(Enter Total of lines 9 & 15)</i>	1,647,054		
25	TOTAL Oper. And Maint. <i>(Total of lines 18 thru 24)</i>	2,561,972	13,325	2,575,296
26	GAS			
27	Operation			
28	Production-Manufactured Gas	0		
29	Production-Nat. Gas (Including Expl. And Dev.)	0		
30	Other Gas Supply	0		
31	Storage, LNG Terminaling and Processing	0		
32	Transmission	0		
33	Distribution	0		
34	Customer Accounts	0		
35	Customer Service and Informational	0		
36	Sales	0		
37	Administrative and General	0		
38	TOTAL Operation <i>(Enter Total of lines 28 thru 37)</i>	0		

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Alpena Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	(Mo, Da, Yr)	December 31, 2011	
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and		columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.		
Line No.	Classification	Direct Payroll Distribution	Allocation of Payroll Charged for Clearing Accounts	Total
	(a)	(b)	(c)	(d)
	GAS (Continued)			
39	Maintenance			
40	Production-Manufactured Gas	0		
41	Production-Natural Gas	0		
42	Other Gas Supply	0		
43	Storage, LNG Terminaling and Processing	0		
44	Transmission	0		
45	Distribution	0		
46	Administrative and General	0		
47	TOTAL Maint. (Enter Total of lines 40 thru 46)	0		
48	Total Operation and Maintenance			
49	Production-Manufactured Gas (Total of lines 28 and 40)	0		
50	Production-Nat. Gas (Including Expl. & Dev.) (Total of lines 29 and 41)	0		
51	Other Gas Supply (Enter Total of lines 30 and 42)	0		
52	Storage, LNG Terminaling and Processing (Total of lines 31 and 43)	0		
53	Transmission (Lines 32 and 44)	0		
54	Distribution (Lines 33 and 45)	0		
55	Customer Accounts (Line 34)	0		
56	Customer Service and Informational (Line 35)	0		
57	Sales (Line 36)	0		
58	Administrative and General (Lines 37 and 46)	0		
59	TOTAL Operation & Maint. (total of lines 49 thru 58)	0		
60	OTHER UTILITY DEPARTMENTS			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59 & 61)	2,561,972	13,325	2,575,296
63	UTILITY PLANT			
64	Construction (By Utility Departments)			
65	Electric Plant	460,769	15,161	475,929
66	Gas Plant			
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	460,769	15,161	475,929
69	Plant Removal (By Utility Departments)			
70	Electric Plant	73,808	2,170	75,978
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	73,808	2,170	75,978
74	Other Accounts (Specify) Transportation	25,943	(25,943)	0
75	Stores	4,712	(4,712)	0
76	Non-Utility	242,065		242,065
77	TOTAL Other Accounts	272,720	(30,655)	242,065
78	TOTAL SALARIES AND WAGES	3,369,268	0	3,369,268

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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COMMON UTILITY PLANT AND EXPENSES

<p>1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.</p> <p>2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated</p>	<p>provisions relate, including explanation of basis of allocation and factors used.</p> <p>3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.</p> <p>4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.</p>
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NONE

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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

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

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

3. Designate with an asterisk associated companies.

Line No.	Name / Address	Service	Basis of Charges	Acct #	Amount
1	Gillard Bauer, Mazrum, Florip	legal	hourly	143	1,100
2	Smigelski & Gulden			923	43,801
3	109 E Chisholm Street			928	104,130
4	Alpena, MI 49707				149,031
5					
6	Thunder Bay Tree Service	Tree trimming/	hourly	107	28,687
7	1172 Halley Road	underground installation		567	1,428
8	Alpena, MI 49707			581	1,428
9				594	371,771
10					403,314
11					
12	Thunder Bay Electric	underground installation	hourly	107	93,505
13	1693 M 32 West			935	10,016
14	Alpena, MI 49707			594.10	995
15				456.01	814
16					105,330
17					
18					
19	DTE	Meter reading	Per Meter	902	133,738
20	PO Box 33844	services			133,738
21	Detroit, MI 48232				
22					
23	Peterson Field Services	Engineering Services	hourly	107	21,823
24	P.O. Box 888272			567.1	2,542
25	Grand Rapids, MI 49588			574.1	15,140
26					39,505
27					
28	Bedrock Contracting	Excavating Services	hourly	107	105,229
29	2040 Hamilton Rd			110	927
30	Alpena, MI 49707			574.1	3,703
31				594.1	41,211
32				935	2,741
33					153,811
34					

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Alpena Power	100% owner of Alpena	Operational Services		
2	Resources, LTD	Power Company			
3					
4	West Dock	100% owned by	Electricity	442	1,901
5	Properties, LLC	Alpena Power	Operational Services		
6		Resources, LTD	Interest on short-term		
7			loan		
8					
9	Sunrise Side	100% owned by	Operational Services		
10	Energy LLC	Alpena Power			
11		Resources, LTD			
12					
13	Alpena Power	100% owned by Sunrise	Operational Services		
14	Generation, LLC	Side Energy, LLC			
15					
16	Luna Energy LLC	100% owned by Sunrise	Operational Services		
17		Side Energy, LLC			
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
TOTAL					1,901

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

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

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
417	56,965			56,965	1	1
						2
				1,901	2	3
417	12,990			12,990	1	4
419	6,152			6,152	3	5
						6
						7
						8
417	2,913			2,913	1	9
						10
						11
						12
417	2,936			2,936	1	13
						14
						15
417	12,583			12,583	1	16
						17
						18
						19
						20
						21
						22
						23
						24
	Pricing Methods:					25
	(1) Monthly service fee plus time spent					26
	(2) Tarriffed rates					27
	(3) Interest rate of 1/4% above APC's borrowing rate					28
						29
						30
	94,539		0	96,440		

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2011	Year of Report December 31, 2011	
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company.			services provided (administrative and general expenses, dividends declared, etc.).		
2. In column (b) describe the affiliation (percentage ownership, etc.).			4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.		
3. In column (c) describe the nature of the goods and					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Alpena Power	owns 100% of Alpena	Dividends declared -		
2	Resources, LTD	Power Company	Preferred		
3			Common		
4					
5			Federal Income taxes		
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
TOTAL					0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

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

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
		437	3,432		3	2
		438	622,257		1	3
						4
		236	226,757		2	5
						6
						7
						8
						9
						10
						11
	Pricing Method					12
		(1) Dividends declared @ \$ per share				13
		(2) Federal Income Tax liability of APC				14
		(3) Dividends declared @ \$ per share				15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
	0		852,446	0		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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MONTHLY TRANSMISSION SYSTEM PEAK LOAD

1. Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report on Column (b) by month the transmission system's peak load.
3. Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
4. Report on Columns (e) through (j) by month the systems' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

N/A

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long Term Firm Point to Point Reservations (g)	Other Long Term Firm Service (h)	Short Term Firm Point to Point Reservation (i)	Other Service (j)
1	January									
2	February									
3	March									
4	Total for 1Q									
5	April									
6	May									
7	June									
8	Total for 2Q									
9	July									
10	August									
11	September									
12	Total for 3Q									
13	October									
14	November									
15	December									
16	Total for 4Q									
17	Total for YEAR									

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MWH's (b)	Line No.	Item (a)	MWH's (b)
1	SOURCES OF ENERGY		18	Net Transmission for other (line 16	0
2	Generation (Excluding Station Use):			minus line 17)	
3	Steam		19	Transmission by others losses	0
4	Nuclear		20	TOTAL (Total of lines 9, 10, 14, 18 & 19)	339,623
5	Hydro-Conventional		21	DISPOSITION OF ENERGY	
6	Hydro-Pumped Storage		22	Sales to Ultimate Consumers	
7	Other			(Including Interdepartmental Sales)	322,286
8	LESS Energy for Pumping		23	Requirements Sales for Resale	
9	Net Generation (Total of lines 3 thru 8)	0		(See instruction 4, page 311.)	
10	Purchases	339,623	24	Non-Requirements Sales For Resale	
11	Power Exchanges:			(See instruction 4, page 311.)	
12	Received		25	Energy furnished without charge	
13	Delivered		26	Energy used by the company (Electric	
14	NET Exchanges (line 12 minus 13)	0		Dept. only, excluding station use)	293
15	Transmission for other (Wheeling)		27	Total Energy Losses	17,044
16	Received		28	TOTAL (Enter total of lines 22 thru	
17	Delivered			27) (MUST equal line 20)	339,623

MONTHLY PEAKS AND OUTPUT

- | | |
|---|---|
| <p>1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system</p> <p>2. Report in column (b) the system's energy output for each month such that the total on line 41 matches the total on line 20.</p> <p>3. Report in column (c) a monthly breakdown on the Non-Requirements Sales for Resale reported on line 24. Include in the monthly amounts any energy losses associated with the sales so that the total on line 41 exceeds the</p> | <p>amount on line 24 by the amount of losses incurred (or estimated) in making the non-requirements Sales for Resale.</p> <p>4. Report in column (d) the system's monthly maximum megawatt load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and (c).</p> <p>5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).</p> |
|---|---|

NAME of SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instruction 4) (d)	Day of Month (e)	Hour
29	January	29,838		57	19	9:00
30	February	23,885		48	1	11:00
31	March	25,094		49	25	21:00
32	April	26,658		51	29	8:00
33	May	24,714		49	31	22:00
34	June	27,371		50	7	14:00
35	July	29,863		65	21	17:00
36	August	31,044		57	1	16:00
37	September	30,395		62	2	15:00
38	October	28,714		56	21	12:00
39	November	30,552		56	9	11:00
40	December	31,495		59	15	19:00
41	TOTAL	339,623	0			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, *Nonutility Property*.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood or

- steel; (2) H-frame, wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each construction type by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote explain the basis of such occupancy and state

Line No.	DESIGNATION		VOLTAGE <i>(Indicate where other than 60 cycle, 3 phase)</i>		Type of Supporting Structure (e)	LENGTH (Pole Miles) <i>(in the case of underground lines, report circuit miles)</i>		Number of Circuits (h)	
	From (a)	To (b)	Operating (c)	Designed (d)		(f)	(g)		
1	Four mile sub (1&2)	LaFarge	140kv	140kv	Single wood pole	5.7		2	
2									
3		Potterfield	140kv	140kv	Single wood pole	1.8		1	
4									
5									
6	34.5		34.5kv	34.5kv	Single pole cedar	67.6	1.8	15	
7									
8	34.5		34.5kv	34.5kv	Underground	0.5		4	
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	TOTAL						75.6	1.8	22

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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TRANSMISSION LINE STATISTICS (Continued)

whether expenses with respect to such structures are included in the expenses reported for the line designated.

7. Do not report the same transmission line structure twice. Report lower voltage lines and higher voltage lines as one line. Designate in a footnote if you do not include lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g).

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not

the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE <i>(Include in column (j) land, land rights, and clearing right-of-way)</i>			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
267	101,040	191,612	292,652					1
								2
								3
								4
267	41,606	251,552	293,158					5
								6
								7
various	84,846	3,289,391	3,374,237					8
								9
various	0	113,015	113,015					10
								11
								12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
	227,492	3,845,570	4,073,062	0	0	0	0	32

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning transmission lines added or altered during the year. It is not necessary to report minor revisions of lines. underground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (f) to (g), it is permissible to report in these

2. Provide separate subheadings for overhead and

Line No.	LINE DESIGNATION		Line Length in Miles	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From	To		Type	Average Number per Miles	Present	Ultimate
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	4 Mile Sub	Norway Sub	1.3	Single Wood Pole	25	1	1
2	4 Mile Sub 34.5 kv exit		0.01	Underground		1	1
3							
4							
5							
6							
7							
8	Removed						
9							
10	4 Mile Sub to Norway Sub		1.1	Single Wood Pole	27 Poles Removed	1	1
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43			2.41		25.00		

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011	
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of less than 10Mva, except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p>			<p>4. Indicate in col. (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p> <p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p>		
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In Moa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Alpena County				
2	Four Mile	Unattended, Transmission	140.0	34.5	
3	Gennrich	Unattended, Transmission	140.0	34.5	
4	Potterfield	Unattended, Transmission	140.0	34.5	
5					
6					
7	Central	Unattended, Distribution	34.5	13.8	
8	Bagley	Unattended, Distribution	34.5	13.8	
9	Hubbard Lake	Unattended, Distribution	34.5	13.8	
10	Northeast	Unattended, Distribution	34.5	13.8	
11	North Industrial Park	Unattended, Distribution	34.5	13.8	
12	Norway	Unattended, Distribution	34.5	13.8	
13	Ontario	Unattended, Distribution	34.5	13.2	
14	Ossineke	Unattended, Distribution	34.5	13.8	
15	Rockport	Unattended, Distribution	34.5	13.8	
16	South	Unattended, Distribution	34.5	13.2	
17	Southwest	Unattended, Distribution	34.5	13.8	
18	Long Lake	Unattended, Distribution	34.5	13.8	
19	M-32	Unattended, Distribution	34.5	13.8	
20					
21					
22					
23					
24					
25					
26					
27					
28					
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31					
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33					
34					
35					
36					
37					
38					
39					

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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SUBSTATIONS (Continued)

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In Mva) (f)	Number of Transformers in Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In Mva) (k)	
						1
18	1	0	None			2
42	2	0	None			3
24	1	0	None			4
						5
						6
20	2	0	None			7
10	1	0	None			8
7.5	2	0	None			9
5	1	0	None			10
5	1	0	None			11
3.75	1	0	None			12
10	1	0	None			13
8.75	2	0	None			14
10	1	0	None			15
10	1	0	None			16
3.75	1	0	None			17
10	1	0	None			18
10	1	0	None			19
						20
						21
						22
						23
84	Total, Unattended, Transmission					24
113.75	Total, Unattended, Distribution					25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS

1. Report below the information called for concerning distribution watt-hour metes and line transformers.
2. Include watt-hour demand distribution meters, but not external demand meters.
3. Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters

or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent. If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties, and state amounts and accounts affected in respondent's book of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Item (a)	Number of Watt-Hours Meters (b)	LINE TRANSFORMERS	
			Number (c)	Total Capacity (In Mva) (d)
1	Number at Beginning of Year	17,582	7,509	221
2	Additions During Year			
3	Purchases	258	12	1
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	258	12	1
6	Reduction During Year			
7	Retirements	393	91	1
8	Associated with Utility Plant Sold			
9	TOTAL Retirements(Enter Total of lines 7 and 8)	393	91	1
10	Number at End of Year (Lines 1+ 5 - 9)	17,447	7,430	221
11	In Stock	106	276	
12	Locked Meters on Customers' Premises			
13	Inactive Transformers on System			
14	In Customers' Use	17,325	7,115	220
15	In Companys' Use	16	39	1
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal line 10)	17,447	7,430	221

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2011
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ENVIRONMENTAL PROTECTION FACILITIES

1. For purposes of this response, environmental protection facilities shall be defined as any building, structure, equipment, facility or, improvement designed and constructed solely for control, reduction, prevention or abatement of discharges or releases into the environment of gaseous, liquid, or solid substances, heat, noise or for the control, reduction, prevention, or abatement of any other adverse impact of an activity on the environment.

2. Report the differences in cost of facilities installed for environmental considerations over the cost of alternative facilities which would otherwise be used without environmental considerations. Use the best engineering design achievable without environmental restrictions as the basis for determining costs without environmental considerations. It is not intended that special design studies be made for purposes of this response. Base the response on the best engineering judgment where direct comparisons are not available.

Include in these differences in costs the costs or estimated costs of environmental protection facilities in service, constructed or modified in connection with the production, transmission, and distribution of electrical energy and shall be reported herein for all such environmental facilities placed in service on or after January 1, 1969, so long as it is readily determinable that such facilities were constructed or modified for environmental rather than operational purposes. Also report similar expenditures for environmental plant included in construction work in progress. Estimate the cost of facilities when the original cost is not available or facilities are jointly owned with another utility, provided the respondent explains the basis of such estimations.

Examples of these costs would include a portion of the costs of tall smokestacks, underground lines, and landscaped substations. Explain such costs in a footnote.

3. In the cost of facilities reported on this page, include an estimated portion of the cost of plant that is or will be used to provide power to operate associated environmental protection facilities. These cost may be estimated on a percentage of plant basis. Explain such estimations in a footnote.

4. Report all costs under the major classifications provided below and include, as a minimum, the items listed hereunder:

A. Air pollution control facilities:

- (1) Scrubbers, precipitators, tall smokestacks, etc.
- (2) Changes necessary to accommodate use of environmentally clean fuels such as low ash or low sulfur fuels including storage and handling equipment.
- (3) Monitoring equipment
- (4) Other.

B. Water pollution control facilities:

- (1) Cooling towers, ponds, piping, pumps, etc.
- (2) Waste water treatment equipment
- (3) Sanitary waste disposal equipment
- (4) Oil interceptors
- (5) Sediment control facilities
- (6) Monitoring equipment
- (7) Other.

C. Solid waste disposal costs:

- (1) Ash handling and disposal equipment
- (2) Land
- (3) Settling ponds
- (4) Other.

D. Noise abatement equipment:

- (1) Structures
- (2) Mufflers
- (3) Sound proofing equipment
- (4) Monitoring equipment
- (5) Other.

E. Esthetic costs:

- (1) Architectural costs
- (2) Towers
- (3) Underground lines
- (4) Landscaping
- (5) Other.

F. Additional plant capacity necessary due to restricted output from existing facilities, or addition of pollution control facilities.

G. Miscellaneous:

- (1) Preparation of environmental reports
- (2) Fish and wildlife plants included in Accounts 330, 331, 332, and 335
- (3) Parks and related facilities
- (4) Other.

5. In those instances when costs are composites of both actual supportable costs and estimates of costs, specify in column (f) the actual costs that are included in column (e).

6. Report construction work in progress relating to environmental facilities at line 9.

Line No.	Classification of Cost (a)	Additions (b)	Retirements (c)	Adjustments (d)	Balance at End of Year (e)	Actual Cost (f)
1	Air Pollution Control Facilities	NONE				
2	Water Pollution Control Facilities					
3	Solid Waste Disposal Costs					
4	Noice Abatement Equipment					
5	Esthetic Costs					
6	Additional Plant Capacity					
7	Miscellaneous (<i>Identify significant</i>)					
8	TOTAL (Total of lines 1 thru 7)	0	0	0	0	0
9	Construction work in progress					

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