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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION MI0049

PERIOD ENDED December, 2014 (Prepared with Audited Data)

BORROWER NAME Midwest Energy Cooperative

INSTRUCTIONS - See help in the online application.

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

CERTIFICATION

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

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

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

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

Robert Hance

3/31/2015

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	73,212,659	76,464,384	73,797,804	6,391,540
2. Power Production Expense			0	
3. Cost of Purchased Power	48,601,547	50,852,087	48,428,985	4,093,970
4. Transmission Expense	35,800	5,519		
5. Regional Market Expense				
6. Distribution Expense - Operation	1,503,816	1,622,754	1,730,493	183,618
7. Distribution Expense - Maintenance	4,706,637	5,482,950	4,885,829	598,586
8. Customer Accounts Expense	2,798,881	2,726,357	2,708,989	270,857
9. Customer Service and Informational Expense	1,552,880	1,649,737	1,995,468	187,801
10. Sales Expense	138,097	139,218	175,381	14,318
11. Administrative and General Expense	3,011,264	2,980,017	3,361,914	314,241
12. Total Operation & Maintenance Expense (2 thru 11)	62,348,922	65,458,639	63,287,059	5,663,391
13. Depreciation and Amortization Expense	4,614,750	4,843,148	4,845,235	421,056
14. Tax Expense - Property & Gross Receipts	1,895,898	1,909,367	2,065,468	16,026
15. Tax Expense - Other		459		
16. Interest on Long-Term Debt	3,770,857	3,679,638	3,615,511	310,025
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	51,243	87,194	137,560	9,185
19. Other Deductions	3,713	6,356	5,700	373
20. Total Cost of Electric Service (12 thru 19)	72,685,383	75,984,801	73,956,533	6,420,056
21. Patronage Capital & Operating Margins (1 minus 20)	527,276	479,583	(158,729)	(28,516)
22. Non Operating Margins - Interest	414,045	442,347	248,854	33,434
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	780,453	812,336	514,633	101,841
25. Non Operating Margins - Other	(198,035)	(721,625)	(409,715)	(95,679)
26. Generation and Transmission Capital Credits	2,078,683	1,302,936	959,285	1,213,864
27. Other Capital Credits and Patronage Dividends	300,074	294,527	274,520	31,093
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	3,902,496	2,610,104	1,428,848	1,256,037

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION MI0049		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2014		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	337	252	5. Miles Transmission	44.96	44.96
2. Services Retired	57	55	6. Miles Distribution -- Overhead	3,123.21	3,116.15
3. Total Services in Place	39,076	39,267	7. Miles Distribution - Underground	832.00	847.95
4. Idle Services (Exclude Seasonals)	3,554	3,666	8. Total Miles Energized (5 + 6 + 7)	4,000.17	4,009.06
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	163,761,520		30. Memberships	0	
2. Construction Work in Progress	1,958,621		31. Patronage Capital	51,414,948	
3. Total Utility Plant (1 + 2)	165,720,141		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	54,657,566		33. Operating Margins - Current Year	479,582	
5. Net Utility Plant (3 - 4)	111,062,575		34. Non-Operating Margins	2,130,521	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	(12,022,275)	
7. Investments in Subsidiary Companies	5,805,541		36. Total Margins & Equities (30 thru 35)	42,002,776	
8. Invest. in Assoc. Org. - Patronage Capital	12,025,280		37. Long-Term Debt - RUS (Net)	53,418,801	
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed	22,601,572	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	6,850,300		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	7,876,571	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments - Unapplied	7,081,459	
14. Total Other Property & Investments (6 thru 13)	24,681,121		43. Total Long-Term Debt (37 thru 41 - 42)	76,815,485	
15. Cash - General Funds	1,836,229		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	90		45. Accumulated Operating Provisions and Asset Retirement Obligations	5,037,542	
17. Special Deposits	168		46. Total Other Noncurrent Liabilities (44 + 45)	5,037,542	
18. Temporary Investments	0		47. Notes Payable	5,000,000	
19. Notes Receivable (Net)	90,994		48. Accounts Payable	7,123,562	
20. Accounts Receivable - Sales of Energy (Net)	3,468,946		49. Consumers Deposits	691,118	
21. Accounts Receivable - Other (Net)	155,921		50. Current Maturities Long-Term Debt	3,266,862	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	1,045,791		52. Current Maturities Capital Leases	0	
24. Prepayments	333,443		53. Other Current and Accrued Liabilities	2,281,553	
25. Other Current and Accrued Assets	45,468		54. Total Current & Accrued Liabilities (47 thru 53)	18,363,095	
26. Total Current and Accrued Assets (15 thru 25)	6,977,050		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	662,476	
28. Other Deferred Debits	160,628		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	142,881,374	
29. Total Assets and Other Debits (5+14+26 thru 28)	142,881,374				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0049
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2014
PART D. NOTES TO FINANCIAL STATEMENTS	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION M10049
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2014
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December, 2014			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	135,111,910	4,200,585	711,849		138,600,646		
2. General Plant	10,098,725	6,744,379	3,268,352		13,574,752		
3. Headquarters Plant	5,012,362	47,935	21,000		5,039,297		
4. Intangibles	0				0		
5. Transmission Plant	6,546,825				6,546,825		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	0				0		
8. Total Utility Plant in Service (1 thru 7)	156,769,822	10,992,899	4,001,201		163,761,520		
9. Construction Work in Progress	1,483,796	474,825			1,958,621		
10. Total Utility Plant (8 + 9)	158,253,618	11,467,724	4,001,201		165,720,141		
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	1,160,528	687,674	22,696	1,128,937		161,363	903,324
2. Other	27,930	490,377		375,025		(815)	142,467
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	59.800	295.800	4.000	227.600	587.200		
2. Five-Year Average	94.560	596.880	10.260	217.460	919.160		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	90	4. Payroll - Expensed	5,092,899				
2. Employee - Hours Worked - Regular Time	183,760	5. Payroll - Capitalized	1,068,322				
3. Employee - Hours Worked - Overtime	13,750	6. Payroll - Other	550,948				
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			0	7,869,538		
	b. Special Retirements			181,710	3,223,101		
	c. Total Retirements (a + b)			181,710	11,092,639		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power			35,644			
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			541,052			
	c. Total Cash Received (a + b)			576,696			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	47,102	2. Amount Written Off During Year	\$	115,870		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %				4. Anticipated Loan Default %			
2. Actual Loan Delinquency %				5. Actual Loan Default %			
3. Total Loan Delinquency Dollars YTD	\$				6. Total Loan Default Dollars YTD	\$	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					MI0049				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2014				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Buckeye Power, Inc (OH0099)	7004			18,289,364	1,412,716	7.72		
2	Wolverine Pwr Supply Coop, Inc	20910	Various	Wind	637,703,800	49,439,371	7.75		
	Total				655,993,164	50,852,087	7.75		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0049	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2014	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			
2			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0049	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2014	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2014	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/11/2014	2. Total Number of Members 29,027	3. Number of Members Present at Meeting 13	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 142,935	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION MI0049		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2014		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	53,418,800	2,533,367	1,637,823	4,171,190
2	National Rural Utilities Cooperative Finance Corporation	4,455,490	298,148	711,325	1,009,473
3	CoBank, ACB	3,421,081	162,510	371,312	533,822
4	Federal Financing Bank	22,601,573	685,613	466,146	1,151,759
5	RUS - Economic Development Loans				
6	Payments Unapplied	7,081,459			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	76,815,485	3,679,638	3,186,606	6,866,244

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2014		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	29,656	29,625	
	b. kWh Sold			355,698,662
	c. Revenue			47,559,932
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	671	652	
	b. kWh Sold			12,246,967
	c. Revenue			1,837,427
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	5,266	5,244	
	b. kWh Sold			140,367,626
	c. Revenue			17,517,445
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	
	b. kWh Sold			109,156,480
	c. Revenue			8,975,511
6. Public Street & Highway Lighting	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		35,601	35,529	
11. Total kWh Sold (lines 1b thru 9b)				617,469,735
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				75,890,315
13. Transmission Revenue				
14. Other Electric Revenue				574,070
15. kWh - Own Use				1,026,806
16. Total kWh Purchased				655,993,164
17. Total kWh Generated				
18. Cost of Purchases and Generation				50,857,606
19. Interchange - kWh - Net				0
20. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				124,234

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED December, 2014			
INSTRUCTIONS - See help in the online application.						
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	2,166	664,477	8,815	14,569	2,551,282	32,951
2. Residential Sales - Seasonal						
3. Irrigation Sales				1	10,738	34
4. Comm. and Ind. 1000 KVA or Less	80	384,882	11,479	382	1,831,288	28,456
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	2,246	1,049,359	20,294	14,952	4,393,308	61,441

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2014			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (S) (b)	EXCLUDED (S) (c)	INCOME OR LOSS (S) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	123.18 Midwest Energy, Inc.	5,805,542		812,336	
	123.10 Patronage Capital - NRUCFC		378,665	14,270	
	123.11 Patronage Capital - WVPA		9,854,658		
	123.12 Patronage Capital - NISC	216,663		24,047	
	123.13 Patronage Capital - Resco MI				
	123.15 Patronage Capital - Resco OH	20,106			
	123.16 Patronage Capital - Resco WI	590,148		72,418	
	123.17 Patronage Capital - Buckeye		965,039	53,427	
	123.22 Capital Term Certificates - CFC		1,264,242	(9,837)	
	123.23 MI Electric Coop Association				
	123.24 Federated - Member Equity	251,235		(63,236)	
	123.24 NRUCFC Membership Fee		1,000		
	123.24 NRTC	198,060		1,737	
	124.10 Cooperative Response Center	34,019		4,074	
	123.24 Co-Bank		55,922	10,002	
	124.03 Riverfront Student Housing, LLC				
	123.21 CFC Capital Funding Investment			(300,000)	
	123.27 Wolverine Power Membership		5,045,822	1,213,864	
	Totals	7,115,773	17,565,348	1,833,102	
6	Cash - General				
	131.50 5/3 General Fund	167,088	250,000		
	131.05 MWE Fiber	12,391			
	135.00 Working Funds - Petty Cash	1,651			
	131.51 5/3 Electroinc Pmts.	1,361,599			
	131.53 5/3 Empl Gives Back	24,470			
	131.52 5/3 URMED	19,030			
	131.20 5/3 construction fund	0			
	Totals	1,586,229	250,000		
7	Special Deposits				
	134.00 U.S. Post Office	169			
	Totals	169			
9	Accounts and Notes Receivable - NET				
	Accounts Receivable - Other (Net)	155,921			
	Notes Receivable (Net)	90,994			
	Totals	246,915			
11	TOTAL INVESTMENTS (1 thru 10)	8,949,086	17,815,348	1,833,102	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2014			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
1	Midwest Energy Inc.	8/23/2023	7,450,000	857,532	
	TOTAL		7,450,000	857,532	
	TOTAL (Included Loan Guarantees Only)		7,450,000	857,532	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0049			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2014			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					5.92 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				

1 of 1 100%

Operating Report Checks

Borrower Name: Midwest Energy Cooperative	Year: 2014
Borrower ID: MI0049	Period: December

Part A: Statement of Operations

Type	Check Key	Description
Warning	530	"Line 21: Patronage Capital & Operating Margins" (Col. c) [(158,729)] is generally greater than or equal to zero. <i>Borrower Explanation: Tree trimming costs are higher to control customer outage time related to advanced growing season in Michigan. Slower system rotation was inadequate.</i>
Warning	710	"Line 21: Patronage Capital & Operating Margins" (Col. d) [(28,516)] is generally greater than or equal to zero. <i>Borrower Explanation: December 2014 O&M expenses represent 11% of annual cost. Plant growth and related costs are growing at 5% against kWh sales growth at much lower level. 2014 tier rate increase is anticipated to normalize 2014 margins.</i>

Part C: Balance Sheet

Type	Check Key	Description
Warning	3990	Line 30: Memberships [0.00] should generally be greater than zero <i>Borrower Explanation: It is the Cooperative's Policy not to charge membership fees. All previously collected fees have been refunded.</i>

Part G: Service Interruptions

Type	Check Key	Description
Warning	1812	"Five-Year Average Total", minus the figure for "Major Event" outages[322,280], is generally less than or equal to 300 minutes. <i>Borrower Explanation: Excessive Outage Hours caused by our power supplier contribute to the excess over 300 minutes. 2014 demonstrates an improvement in this area.</i>

Part Q Section I: Investments

Type	Check Key	Description
Warning	2725	In general, at least one investment should have "Rural Development" checked other than those in Category 3 Economic Development. Please check your non-type three investments to see if any are rural development. <i>Borrower Explanation: The IRP Loan Development project was discontinued for lack of interest.</i>

MICHIGAN PUBLIC SERVICE COMMISSION

ADDITIONAL SCHEDULES FOR AN ELECTRIC UTILITY COOPERATIVE

This form is authorized by Case No. U-12134, the Code of Conduct.
Filing of this form is mandatory.

Report submitted for year ending:	2014
Present name of respondent:	Midwest Energy Cooperative
Address of principal place of business:	901 E. State St. Cassopolis, MI 49031
Utility representative to whom inquires regarding this report may be directed:	
Name:	John H. Miner V.P. of Finance
Address:	901 E. State St.
City:	Cassopolis State: MI Zip: 49031
Direct Telephone, Include Area Code:	269-445-1064
If the utility name has been changed during the past year:	
Prior Name:	
Date of Change:	
Two copies of the published annual report to stockholders:	
<input type="checkbox"/>	were forwarded to the Commission
<input checked="" type="checkbox"/>	will be forwarded to the Commission
	on or about April 29, 2015
Annual reports to stockholders:	
<input type="checkbox"/>	are published
<input checked="" type="checkbox"/>	are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

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

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

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/29/2015	Year of Report 2014
--	---	---	------------------------

IMPORTANT CHANGES DURING THE YEAR

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.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
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.

Please reference the attached Midwest Energy Cooperative's notes to the financial statements, 2013 Annual Audit Report.

MIDWEST ENERGY COOPERATIVE
REPORT ON FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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MIDWEST ENERGY COOPERATIVE
BOARD OF DIRECTORS
DECEMBER 31, 2014

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

President & CEO

Robert Hance

MIDWEST ENERGY COOPERATIVE
BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
ELECTRIC PLANT:		
In service – at cost	\$ 163,761,520	\$ 156,769,823
Construction work in progress	1,958,620	1,733,021
	165,720,140	158,502,844
Less accumulated depreciation	54,657,566	50,680,075
NET ELECTRIC PLANT	111,062,574	107,822,769
OTHER ASSETS AND INVESTMENTS:		
Investments in associated organizations	24,681,120	22,848,016
Notes receivable	76,994	76,160
Receivables from subsidiary	97,898	82,687
Pension asset	-	1,187,778
TOTAL OTHER ASSETS AND INVESTMENTS	24,856,012	24,194,641
CURRENT ASSETS:		
Cash and temporary cash investments	1,836,489	3,734,959
Accounts receivable, less allowance for doubtful accounts of approximately \$744,000 and \$666,000 in 2014 and 2013, respectively	3,526,968	3,988,240
Current portion of notes receivable	14,000	40,000
Power supply cost recovery receivable	426,290	-
Materials and supplies	1,045,791	1,188,458
Other current assets	378,911	291,033
TOTAL CURRENT ASSETS	7,228,449	9,242,690
DEFERRED CHARGES	160,628	1,167,064
TOTAL ASSETS	<u>\$ 143,307,663</u>	<u>\$ 142,427,164</u>

The accompanying notes are an integral part of these statements.

	2014	2013
EQUITIES AND LIABILITIES		
EQUITIES:		
Patronage capital and other equities	\$ 42,002,776	\$ 43,829,709
 LONG-TERM DEBT, less current maturities	 76,709,642	 81,354,914
OTHER LIABILITIES:		
Post-retirement benefits other than pensions	2,876,775	2,819,905
Accrued pension liability	2,160,766	-
 TOTAL OTHER LIABILITIES	 5,037,541	 2,819,905
 CURRENT LIABILITIES:		
Current maturities of long-term debt	3,372,704	3,266,862
Accounts payable:		
Purchased power	4,034,095	4,284,923
Regulatory liabilities	1,026,476	908,683
Associated organizations	1,634,423	1,368,496
Other	1,463,335	1,130,362
Power supply cost recovery payable	-	382,188
Customer deposits	691,118	717,653
Other	2,281,553	2,060,244
Line of credit borrowings	5,000,000	-
 TOTAL CURRENT LIABILITIES	 19,503,704	 14,119,411
 DEFERRED CREDITS	 54,000	 303,225
 TOTAL EQUITIES AND LIABILITIES	 \$ 143,307,663	 \$ 142,427,164

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE
STATEMENTS OF REVENUE
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES	\$ 76,562,378	\$ 73,212,659
OPERATING EXPENSES:		
Cost of power	50,852,087	48,601,547
Distribution – operations	1,734,170	1,539,616
Distribution – maintenance	5,563,766	4,706,638
Customer accounts	2,726,357	2,798,880
Customer service and information expense	1,857,018	1,690,977
Administrative and general	3,186,878	3,011,264
Depreciation and amortization	4,866,116	4,614,750
Taxes – property	1,909,367	1,895,898
Taxes – other	459	-
TOTAL OPERATING EXPENSES	<u>72,696,218</u>	<u>68,859,570</u>
OPERATING MARGINS BEFORE FIXED CHARGES	<u>3,866,160</u>	<u>4,353,089</u>
FIXED CHARGES:		
Interest on long-term debt	3,682,755	3,770,857
Other interest	87,194	51,242
TOTAL FIXED CHARGES	<u>3,769,949</u>	<u>3,822,099</u>
OPERATING MARGINS AFTER FIXED CHARGES	96,211	530,990
G&T AND OTHER CAPITAL CREDITS	<u>1,597,463</u>	<u>2,378,757</u>
NET OPERATING MARGINS	<u>1,693,674</u>	<u>2,909,747</u>
NON-OPERATING MARGINS:		
Interest and dividend income	442,347	414,044
Income (Loss) from subsidiary	812,336	780,453
Other income (expense)	(338,253)	(201,748)
TOTAL NON-OPERATING MARGINS	<u>916,430</u>	<u>992,749</u>
NET MARGINS	<u>\$ 2,610,104</u>	<u>\$ 3,902,496</u>

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE
STATEMENT OF CHANGES IN PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Total	Patronage Capital Assigned	Patronage Capital Assignable	Non-Operating Margins	Unappropriated Undistributed Subsid. Earnings	Other Equities	Accumulated Other Comprehensive Loss
Balance, December 31, 2012	\$ 35,330,520	\$ 42,761,210	\$ 911,610	\$ 2,387,869	\$ (2,287,349)	\$ 1,841,900	\$ (10,284,720)
Adjustments							
Net margins (loss)	3,902,496	2,837,741	(2,837,741)				
Capital credits retired	(138,667)	(154,202)	2,906,034	216,009	780,453	15,535	
Reserved-prepaid pension cost	4,735,360						4,735,360
Balance, December 31, 2013	43,829,709	45,444,749	979,903	2,603,878	(1,506,896)	1,857,435	(5,549,360)
Adjustments							
Net margins (loss)	2,610,104	4,002,979	(4,002,979)				
Capital credits retired	(163,176)	(181,710)	2,077,046	(279,278)	812,336	18,534	
Reserved-prepaid pension cost	(4,273,861)						(4,273,861)
Balance, December 31, 2014	\$ 42,002,776	\$ 49,266,018	\$ (946,030)	\$ 2,324,600	\$ (694,560)	\$ 1,875,969	\$ (9,823,221)

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Organization

Midwest Energy Cooperative (Midwest) is a member-owned, not-for-profit corporation whose purpose is to provide electric service to its members. As a cooperative, all monies in excess of cost of providing electric service are capital, at the moment of receipt, and are credited to each member's capital account. The Cooperative is engaged principally in the distribution and sale of electricity in Southwest and Southeast Michigan, Northern Indiana and Northern Ohio.

The Cooperative began a soft launch project for fiber to the home in 2013. This includes providing phone and high-speed broadband to 1,224 members in two areas of their service territory. It was under construction in 2013 and 2014. Additionally, the Cooperative began a project in 2014 that will expand their existing communication infrastructure, with the possibility of providing additional broadband capabilities to members.

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

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Accounting Records

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

Electric Plant

Additions, with a life expectancy of more than one year, are recorded at cost, less contributions in aid of construction received from customers. As items are retired or otherwise disposed of, the asset account is credited for the cost and the accumulated depreciation account is charged. The cost of removal, less salvage, is also charged to the accumulated depreciation account.

MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

The carrying values of investments in associated organizations are stated at cost, adjusted for capital credits earned or retired. Short-term investments are stated at cost, which approximates market value.

Cash

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

Unbilled Revenues

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

Accounts receivable

Accounts receivable consist primarily of amounts due from members for electric service. An allowance for doubtful accounts has been estimated based on collection history. When a member's account becomes past due and uncollectible, the member's service is terminated. The Board of Director's approve all accounts charged off.

Purchased Power Billing

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

Materials and Supplies

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

Regulation

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

Revenue Recognition

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

MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Recognition of Patronage Revenue

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

Unclaimed Property

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

Cash and Cash Equivalents

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

Advertising

The cost of advertising is expensed as incurred.

Compensated Absences

The Cooperative's policy on accumulated extended sick leave is to grant 48 hours annually with any unused hours available to be carried forward to future years up to a maximum of 800 hours. Employees may use extended sick leave hours on their 4th consecutive day of absence due to their own personal illness or injury. It is the Cooperative's policy to pay one-half of the employee's accumulated unused sick leave upon normal retirement provided that their extended sick leave bank is equal to or greater than 520 hours. The payout is capped at 260 hours and will be reduced by any PTO payouts taken during the employee's tenure. For the years ended December 31, 2014 and 2013 an accrual has been made for individuals who meet the required qualifications and have attained the age of 60.

Income Taxes

The Cooperative is exempt from federal and state income taxes under Section 501(c)(12) of the Internal Revenue Code which provides, in part that the Cooperative derive at least 85 percent of its annual gross income from members to retain the exemption. The Cooperative expects to meet the requirements for the tax year ended December 31, 2014. Accordingly, no provision for income taxes has been made in the consolidated financial statements. The Cooperative's federal information returns for Calendar year 2010 and after are subject to examination by the Internal Revenue Service.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 2: ASSETS PLEDGED

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

NOTE 3: ELECTRIC PLANT AND DEPRECIATION RATES AND PROCEDURES

Major classes of electric plant as of December 31, 2014 and 2013 consisted of:

	2014	2013
Cost:		
General plant	\$ 15,744,911	\$ 15,111,088
Transmission plant	6,546,825	6,546,825
Distribution plant	138,600,646	135,111,910
Fiber plant	2,869,138	-
Construction in progress	1,958,620	1,733,021
	165,720,140	158,502,844
Accumulated depreciation and amortization	54,657,566	50,680,075
Net Electric Plant	\$ 111,062,574	\$ 107,822,769

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

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

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

Depreciation and amortization of electric plant in service was charged as follows for the years ended December 31, 2014 and 2013:

	2014	2013
Charged to operations-		
Classified as depreciation	\$ 4,866,116	\$ 4,614,750
Classified in other operating expenses	338,264	302,084
	5,204,380	4,916,834
Capitalized	116,735	134,827
TOTAL DEPRECIATION	\$ 5,321,115	\$ 5,051,661

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 4: INVESTMENTS IN ASSOCIATED ORGANIZATIONS

Investments in associated organizations consisted of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Capital term certificates, at cost, issued by National Rural Utilities Cooperative Finance Corp. (CFC)	\$ 1,264,242	\$ 1,274,079
Patronage capital:		
CFC	378,665	364,395
National Information Solutions Cooperative	216,663	192,616
Wabash Valley Power Association	9,854,658	9,854,658
Buckeye Power, Inc.	866,150	812,722
Wolverine Power Supply Cooperative	5,045,822	3,831,958
Midwest Energy, Inc.	5,805,540	4,993,204
Federated Rural Electric Insurance Cooperative, at cost	251,235	314,471
Buckeye Power, Inc. – membership	98,889	98,889
CFC Member Capital Securities	-	300,000
Resco (WISC)	590,149	517,731
NRTC	198,060	196,323
Other	<u>111,047</u>	<u>96,970</u>
 TOTAL	 <u>\$ 24,681,120</u>	 <u>\$ 22,848,016</u>

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

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

	<u>Midwest Energy, Inc.</u>
Original Investment	\$ 100
Capital contributions, to date, December 31, 2013	6,500,000
Undistributed loss, to date, December 31, 2013	<u>(1,506,896)</u>
 Book value as of December 31, 2013	 4,993,204
 Undistributed income during 2014	 <u>812,336</u>
 Book value as of December 31, 2014	 <u>\$ 5,805,540</u>

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

MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS

NOTE 5: DEFERRED CHARGES AND CREDITS

Following is a summary of the amounts recorded as deferred charges as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
WVPA buyout	\$ -	\$ 719,875
Other work-in-progress	<u>160,628</u>	<u>447,189</u>
TOTAL	<u><u>\$ 160,628</u></u>	<u><u>\$ 1,167,064</u></u>

Following is a summary of the amounts recorded as deferred credits as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Refundable contracting advance	\$ -	\$ 249,225
Prepaid deposits from subsidiary	<u>54,000</u>	<u>54,000</u>
	<u><u>\$ 54,000</u></u>	<u><u>\$ 303,225</u></u>

NOTE 6: CASH AND INVESTMENTS

Statements of Financial Accounting Standards (SFAS) No. 105 require disclosure of significant concentrations of credit risk arising from cash deposits in excess of federally insured limits. The detail of these deposits follows:

	<u>Per Institution</u>
Insured	\$ 250,000
Uninsured	<u>1,496,889</u>
	1,746,889
In-transit transactions	<u>(83,187)</u>
	<u><u>\$ 1,663,702</u></u>
Total cash in bank	\$ 1,663,702
Undeposited funds	170,967
Working funds	<u>1,820</u>
Total Cash	<u><u>\$ 1,836,489</u></u>

MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS

NOTE 7: NOTES RECEIVABLE

Notes receivable includes loans to customers for the purchase of miscellaneous equipment.

NOTE 8: MORTGAGE NOTES

Long-term debt is composed of 2.267% to 7.350% mortgage notes payable to the Rural Utilities Service (RUS) of the United States of America, the National Rural Utilities Cooperative Finance Corporation (CFC), the Federal Financing Bank (FFB), and CoBank Cooperative. Several mortgage notes to CFC and RUS will be repriced and the interest rate adjusted accordingly during the next 10 years in accordance with the policy and procedure governing such repricing. The notes are for 35 year periods each, with principal and interest installments due either quarterly or monthly. The notes are scheduled to be fully repaid at various times from 2015 through 2046. Unadvanced loan funds were available from RUS at December 31, 2014 and 2013 in the amount of \$20,000,000.

Detail of the long-term debt is as follows:

	2014	2013
Notes payable to CFC in quarterly installments of \$259,679, including interest at 5.15%-7.35%, with final maturity ranging from 2015 to 2032. Secured by substantially all assets	\$ 4,455,490	\$ 5,166,815
Notes payable to CoBank in monthly installments of \$44,896, including interest at 4.44%, with final maturity in 2022. Secured by substantially all assets	3,421,081	3,792,394
Notes payable to FFB in quarterly installments of \$279,182, including interest at 2.267%-3.941%, with final maturity ranging from 2042 to 2046. Secured by substantially all assets	22,601,572	23,067,717
Notes, payable to RUS in monthly installments of \$347,895, including interest at 3.000-5.375%, with final maturity ranging from 2019 to 2039. Secured by substantially all assets.	56,685,663	58,323,486
	87,163,806	90,350,412
Less:		
RUS Cushion of credit	7,081,460	5,728,636
Current maturities	3,372,704	3,266,862
TOTAL LONG-TERM DEBT, less current portion	\$ 76,709,642	\$ 81,354,914

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

2015	\$ 3,372,704
2016	3,522,640
2017	3,651,732
2018	3,751,289
2019	3,849,473
Thereafter	69,015,968
	<u>\$ 87,163,806</u>

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 9: LINE OF CREDIT

The Cooperative has available a perpetual line of credit with CFC in the amount of \$10,000,000 for both 2014 and 2013. The Cooperative had an outstanding balance of \$-0- for 2014 and \$-0- in 2013. Interest at December 31, 2014 was charged at 2.90%

The Cooperative has available a line of credit with CoBank in the amount of \$10,000,000 for both 2014 and 2013. The Cooperative had an outstanding balance of \$5,000,000 for 2014 and \$0 for 2013. Interest at December 31, 2014 was charged at 3.02%.

The Cooperative also had a \$5,000,000 unsecured promissory note from Wolverine Power Supply Cooperative. Interest on advances was charged at 1.25%. The balance on December 31, 2014 was \$0. The note expired December 31, 2014.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Under its wholesale power agreement the Cooperative is committed to purchase most of its electric power and energy requirements from Wolverine Power Supply Cooperative, Inc., until December 31, 2050. The rates paid for such purchases are subject to approval of the Federal Energy Regulatory Commission (FERC).

NOTE 11: RETIREMENT PLAN

The Cooperative has a defined benefit pension plan covering 56 employees. As of January 1, 2007, the plan was closed to all new non-union staff and inside union staff. As of January 1, 2009, the plan was closed to all new outside union staff. Retirement benefits are based on a percentage of compensation as defined in the plan and benefits vested after completion of five years of service or age 55. The normal retirement age is 62. The assets of the plan consist primarily of mutual funds. The Cooperative's funding policy is to contribute so as to amortize the unfunded actuarial accrued liabilities over a 30-year period from January 1, 1987.

The following table sets forth the plan's funded status and amounts recognized in the Cooperative's financial statements at December 31, 2014 and 2013:

	2014	2013
Actuarial present value of benefit obligations: Accumulated		
Benefit obligation, including vested benefits of \$22,264,716 for 2014 and \$18,149,170 for 2013.	<u>\$ 22,264,716</u>	<u>\$ 18,226,985</u>
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$ 20,700,492	\$ 22,023,079
Service cost	721,219	797,170
Interest cost	1,011,864	899,749
Actuarial (gain) loss	4,175,185	(2,452,429)
Benefits paid	<u>(598,782)</u>	<u>(567,077)</u>
Benefit obligation at end of year	<u>\$ 26,009,978</u>	<u>\$ 20,700,492</u>

MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS

NOTE 11: RETIREMENT PLAN - continued

	2014	2013
Change in Plan Assets		
Fair value of plan assets at beginning of year	\$ 21,888,270	\$ 17,954,998
Actual return on plan assets	1,184,331	2,800,349
Employer contributions	1,400,000	1,700,000
Benefits paid	(598,782)	(567,077)
Fair value of plan assets at end of year	<u>\$ 23,873,819</u>	<u>\$ 21,888,270</u>
Reconciliation of Funded Status		
Funded status (underfunded)/overfunded	<u>\$ (2,136,159)</u>	<u>\$ 1,187,778</u>
Net pension cost included the following components:		
Service cost- benefits earned during the period	\$ 721,219	\$ 797,170
Interest cost on projected benefit obligation	1,011,864	899,749
Return on plan assets	(1,609,769)	(1,406,853)
Net amortization and deferral	223,734	590,655
Amortization of prior service cost	<u>10,489</u>	<u>10,489</u>
Net periodic pension cost	<u>\$ 357,537</u>	<u>\$ 891,210</u>
Amounts Recognized in Accumulated Other Comprehensive Loss		
Net actuarial gains	\$ (9,313,169)	\$ (4,936,280)
Net prior service cost	<u>(20,976)</u>	<u>(31,465)</u>
Amounts Recognized in Accumulated Other Comprehensive Loss - ending	<u>\$ (9,334,145)</u>	<u>\$ (4,967,745)</u>

The weighted-average discount rate was 4.03% for 2014 and 4.96% for 2013. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation was 3.5% for 2014 and 2013. The expected long-term rate of return on assets was 7.00% for 2014 and 7.25% 2013.

The Cooperative expects to contribute \$1,000,000 to its pension plan in 2015. Expected benefit payments for 2015 are estimated at \$700,000, \$730,000 for 2016, \$800,000 for 2017, \$850,000 for 2018, \$910,000 for 2019, and \$6,050,000 for 2020 – 2024.

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 11: RETIREMENT PLAN - continued

Investment Policy

Asset Allocation for Midwest Energy Cooperative

US large cap equity	\$ 7,187,374
U.S. small/mid cap equity	1,850,904
International Equity	2,898,393
Balanced	1,156,928
Fixed income	9,336,845
Other	<u>1,443,375</u>
Total	<u><u>\$ 23,873,819</u></u>

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

NOTE 12: RECLASSIFICATION OF AMOUNTS

Certain amounts previously reported have been reclassified to conform to the 2014 presentation.

NOTE 13: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS

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

The following table sets forth the plan's combined funded status reconciled with the amount shown in the Cooperative's statement of financial position at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
(Accrued) post-retirement benefit costs, beginning	\$ (2,819,905)	\$ (2,943,354)
Net periodic post-retirement benefit (costs)	(327,273)	(332,057)
Contributions made	165,561	167,215
Actuarial adjustment	<u>104,841</u>	<u>288,291</u>
(Accrued) post-retirement benefit cost, end of year	<u><u>\$ (2,876,776)</u></u>	<u><u>\$ (2,819,905)</u></u>

**MIDWEST ENERGY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS**

NOTE 13: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - continued

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

	2014	2013
Service cost-benefits attributed to service during the period	\$ 197,820	\$ 218,510
Interest cost	134,014	118,108
Net amortization and deferral	<u>(4,561)</u>	<u>(4,561)</u>
Net periodic post-retirement benefit cost	<u>\$ 327,273</u>	<u>\$ 332,057</u>

**Amounts recognized in Accumulated Other
Comprehensive Loss**

Net (gain) loss	\$ (90,161)	\$ (255,618)
Amortization of net gain (loss)	(19,241)	(37,234)
Amortization of prior service (cost) credit	<u>4,561</u>	<u>4,561</u>
Total recognized in other comprehensive income	<u>\$ (104,841)</u>	<u>\$ (288,291)</u>

In 2016, medical costs are expected to increase 7.0% and then drop to 4.5% per year in 2021 and after.

The weighted average discount rate used in determining the accumulated post-retirement benefit obligation is 4.03% and 4.96% for 2014 and 2013, respectively.

Benefit payments of \$132,000 are expected for 2015, \$108,000 for 2016, \$131,000 for 2017, \$171,000 for 2018, and \$242,000 for 2019.

NOTE 14: RELATED PARTY TRANSACTIONS

Midwest Energy, Inc. is a wholly-owned subsidiary of Midwest Energy Cooperative. In addition, Midwest Energy Cooperative has furnished some personnel, office space, and other necessary operating facilities such as computer time for Midwest Energy's operations. During the year Midwest Energy Cooperative charged Midwest Energy, Inc.'s operations for such services. The total inter-company receivable (payable) was \$(1,536,581) and \$(1,285,810) at December 31, 2014 and 2013, respectively. The 2014 inter-company balance includes a \$1,600,000 non-interest bearing fund advancement that is expected to be repaid in 2015.

NOTE 15: SUBSEQUENT EVENTS

Subsequent to year end, the Cooperative obtained an unsecured \$5,000,000 Promissory Note from Wolverine Power Supply Cooperative, due on the earlier of December 31, 2015 or thirty days after demand by the lender. Interest on advances is charged at 1.25%.

In preparing these financial statements, the Cooperative's management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2014, the most recent statement of financial position presented herein, through March 17, 2015, the issuance date of the accompanying financial statements. No significant such events or transactions were identified.

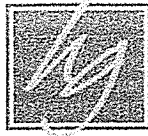
SUPPLEMENTARY MATERIAL

**MIDWEST ENERGY COOPERATIVE
BALANCE SHEET - STATISTICS**

	2014	2013	2012	2011
Utility plant, net	\$ 111,062,574	\$ 107,822,769	\$ 103,728,169	\$ 100,167,736
Investments	24,681,120	22,848,016	19,974,458	17,739,406
Notes receivable	76,994	76,160	79,472	93,753
Current assets	7,228,449	9,242,693	9,534,491	7,336,280
Long-term debt	76,709,642	81,354,914	80,566,844	76,271,985
Equities	42,002,776	43,829,709	35,330,520	33,092,785
Current liabilities	19,503,704	14,119,411	15,389,291	15,417,146
Net cash flows	(1,898,470)	875,426	482,305	(3,159,692)
Current ratio	37%	65%	62%	48%
Quick ratio	32%	57%	53%	41%
Equity/assets ratio	29%	31%	26%	26%
Number of members	29,027	29,004	28,993	28,115

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

	2014	2013	2012	2011
Electric revenues	\$ 76,562,378	\$ 73,212,659	\$ 72,202,854	\$ 68,022,430
Purchased power	50,852,087	48,601,547	49,302,514	45,112,509
Gross margin	25,710,291	24,611,112	22,900,340	22,909,921
Gross margin %	33.58%	33.62%	31.72%	33.68%
Operating expenses	15,068,189	13,834,442	13,064,681	12,906,657
Depreciation	4,866,116	4,614,750	4,373,462	4,147,304
Taxes (net)	1,909,826	1,895,898	1,798,553	1,867,405
Operating margins before other items	3,866,160	4,353,089	3,663,644	3,988,555
Patronage revenue	1,597,463	2,378,757	2,140,546	1,657,791
Interest expense	3,769,949	3,822,099	3,844,084	3,753,877
Operating margins (loss)	1,693,674	2,909,747	1,960,106	1,892,469
Non-operating items	916,430	992,749	700,343	813,555
Net margins (loss)	2,610,014	3,902,496	2,660,448	2,706,024
KWH sold	617,469,735	605,374,225	617,325,204	601,058,374
KWH purchased	655,993,164	646,327,387	652,916,838	634,762,033
Line loss %	5.72%	6.20%	5.31%	5.15%
Percentage change in KWH sold	1.99%	(1.94%)	2.71%	(0.56%)
Revenue per KWH sold	0.1239	0.1210	0.1170	0.1131
Power cost per KWH sold	0.0823	0.0803	0.0799	0.0751
Margin per KWH sold	0.0416	0.0407	0.0371	0.0450
Times interest earned ratio (TIER)	1.71	2.03	1.71	1.73
Debt service coverage (DSC)	1.63	1.83	1.61	1.66



HARRIS GROUP

Certified Public Accountants

March 17, 2015

To the Board of Directors
Midwest Energy Cooperative
Cassopolis, Michigan

This letter supplements our Independent Auditor's Report dated March 17, 2015 and should be read in conjunction with that report.

During the period of this audit period, Midwest Energy Cooperative received \$0 in long-term loan fund advances from CFC on loans controlled by the RUS/CFC Mortgage and Loan Agreement. Based on our audit procedures of construction work orders and other plant accounting records created during the period of audit, it is our opinion that these CFC loan funds were expended for purposes contemplated in the Loan Agreements on such loans.

Certified Public Accountants



HARRIS GROUP

Certified Public Accountants

March 20, 2015

To the Board of Directors
Midwest Energy Cooperative

We have audited the financial statements of Midwest Energy Cooperative for the year ended December 31, 2014, and have issued our report thereon dated March 17, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 8, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Midwest Energy Cooperative are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 17, 2015.

Management Consultations with Other Independent Accountants

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

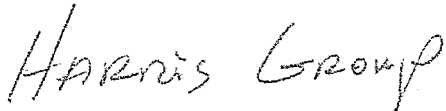
Other Audit Findings or Issues

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

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Very truly yours,

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

Certified Public Accountants



HARRIS GROUP

Certified Public Accountants

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

March 17, 2015

To the Board of Directors
Midwest Energy Cooperative
Cassopolis, Michigan

We have audited the financial statements of Midwest Energy Cooperative for the year ended December 31, 2014, and have issued our report thereon dated March 17, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Certified Public Accountants

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/29/2015	2014

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)	
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	
5	Amortization of (Specify)	
6	Intangible Plant	
7		
8	Deferred Income Taxes (Net)	
9	Investment Tax Credit Adjustment (Net)	
10	Net (Increase) Decrease in Receivables	
11	Net (Increase) Decrease in Inventory	
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net (Increase) Decrease in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other:	
19		
20		
21		
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/29/2015	2014

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) Don not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.	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)	
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	
87		
88	Cash and Cash Equivalents at Beginning of Year	
89		
90	Cash and Cash Equivalents at End of Year	

MIDWEST ENERGY COOPERATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from consumers	\$ 76,396,856	\$ 75,033,437
Cash paid to suppliers and employees	(66,818,496)	(62,433,608)
Interest received	444,333	410,492
Interest paid	(3,775,763)	(3,827,671)
Taxes paid	(1,817,552)	(1,781,518)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,429,378	7,401,132
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction and acquisition of plant, net of retirements	(7,043,907)	(7,647,679)
Net proceeds from sale of plant	42,624	365,097
(Increase) decrease in:		
Materials inventory	142,667	166,321
Deferred charges	1,006,436	462,005
Notes receivable	26,000	3,312
Investments – associated organizations	576,697	264,883
NET CASH (USED IN) INVESTING ACTIVITIES	(5,249,483)	(6,386,061)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from RUS and CFC	-	4,000,000
Cushion of credit advances from RUS	(1,352,823)	(23,452)
Advances from affiliates	300,000	1,300,000
Line of credit borrowings	5,000,000	-
Retirement of patronage capital credits, net	(163,176)	(138,666)
Payments on debt	(3,186,606)	(3,082,042)
Payments to pension	(1,400,000)	(1,700,000)
Increase (decrease) in:		
Consumer deposits and advances	(275,760)	(495,485)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(1,078,365)	(139,645)
Net Increase (Decrease) in Cash and Temporary Cash Investments	(1,898,470)	875,426
CASH AND TEMPORARY CASH INVESTMENTS – beginning	3,734,959	2,859,533
CASH AND TEMPORARY CASH INVESTMENTS - ending	<u>\$ 1,836,489</u>	<u>\$ 3,734,959</u>

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)

	<u>2014</u>	<u>2013</u>
RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net margins	\$ 2,610,104	\$ 3,902,496
Adjustments to reconcile net margins to net cash provided by Operating activities:		
Depreciation and amortization	5,204,380	4,916,834
G & T capital credits	(1,597,463)	(2,378,757)
(Gain) Loss on disposal of assets	(18,049)	(8,084)
(Income) Loss from subsidiary	(812,336)	(780,453)
(Increase) decrease in assets:		
Customer and other accounts receivable	446,061	373,312
Current and accrued assets – other	(87,878)	(191,667)
Power supply cost recovery	(808,478)	1,166,872
Post-retirement benefits other than pensions	56,870	(123,449)
Pension asset	(925,317)	(520,499)
Increase (decrease) in:		
Accounts payable	48,071	668,551
Regulatory liabilities	118,639	240,707
Current and accrued liabilities – other	194,774	135,269
Total Adjustments	<u>1,819,274</u>	<u>3,498,636</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,429,378</u>	<u>\$ 7,401,132</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital credits	\$ 1,597,463	\$ 2,378,757
Income (Loss) from subsidiary	812,336	780,453
(Gain) Loss on disposition of property	(18,049)	(8,084)
Capitalized depreciation	116,735	134,827

The accompanying notes are an integral part of these statements.

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/29/15	Year of Report 2014	
NONUTILITY PROPERTY (Account 121)				
1. Give a brief description and state the location of nonutility property included in Account 121. 2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company. 3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.		4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property. 5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.		
Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	n/a			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
TOTAL				

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	
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
INVESTMENTS (Accounts 123, 124, 136)			
<p>1. Report below the investments in Accounts 123, <i>Investments in Associated Companies</i>, 124, <i>Other Investment</i>, and 136, <i>Temporary Cash Investments</i>.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(a) Investment in securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included</p> <p>in Account 124, <i>Other Investments</i>), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, <i>Temporary Cash Investments</i>, also may be grouped by classes.</p> <p>(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account. Each note should be</p>			
Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (b) Original Cost Book Value	Purchases or Additions During Year (c)
1	See Attachment		
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Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)						
<p>listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.</p> <p>3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of</p>			<p>authorization, and case or docket number.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</p>			
Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (f) Original Cost Book Value		Revenues for Year (g)	Gain of Loss from Improvement Disposed of (h)	Line No.
						1
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Midwest Energy Cooperative

Investment in Associated Organizations - Patronage Capital and Other NonGeneral Funds

YTD Summary thru 12/31/2014

Account Number	Description	12/31/2013 Beginning Balance	YTD Summary thru 12/31/2014 Allocated	YTD Summary thru 12/31/2014 Invested	YTD Summary thru 12/31/2014 Profit(loss)	Adjusted	Retired (Cash Received)	YTD Summary thru 12/31/2014 Form 7	YTD Summary thru 12/31/2014 General Ledger
Investment in Subsidiary Companies									
123.25	Midwest Energy-100 shares	6,500,100	-	-	-	-	-	6,500,100	6,500,100
123.18	Midwest Energy, Inc.	(1,506,895)	-	-	812,336	-	-	(694,559)	(694,559)
		4,993,205	-	-	812,336	-	-	5,805,541	5,805,541
123.55 Fiber Investment									
		-	-	-	(49,945)	49,945	-	0	-
		-	-	-	(49,945)	49,945	-	0	-
123.10 NRUCFC									
123.11	Wabash Valley	364,395	28,540	-	-	-	-	-	-
123.12	NISC (formerly CADP)	9,854,658	-	-	-	-	(14,270)	378,665	378,665.41
123.13	Resco - Michigan (5/10 to Wisc)	192,616	31,093	-	-	-	(7,046)	9,854,658	9,854,657.62
123.15	Resco - Ohio	20,106	-	-	-	-	-	216,663	216,662.79
123.16	Resco - Wisconsin	517,731	130,131	-	-	-	-	20,106	20,106.05
123.17	Buckeye	911,611	89,072	-	-	-	(57,713)	590,149	590,149.00
		11,861,117	278,836	-	-	-	(35,644)	965,039	965,038.84
		-	-	-	-	-	(114,673)	12,025,280	12,025,280
123.21 CFC Capital Funding Investment									
123.22	CFC Cap. Term Cert.	300,000	-	-	-	-	(300,000)	-	-
123.23	MECA	1,274,079	-	-	-	-	(9,837)	1,264,242	1,264,242
123.24	NRUCFC Membership	1,000	-	-	-	-	-	1,000	1,000
123.24	Wabash Membership	-	-	-	-	-	-	-	-
123.24	NRTC (New 6/03)	196,323	2,482	-	-	-	(745)	198,060	198,060
123.24	Federated Insurance	314,471	56,581	-	-	-	(119,817)	251,235	251,235
123.24	CoBank-New 10/2006	45,920	40,008	-	-	-	(30,006)	55,922	55,922
123.27	Wolverine Power-membership	3,831,958	1,213,864	-	-	-	-	5,045,822	5,045,822
124.10	Cooperative Response Center	29,945	5,692	-	-	-	(1,618)	34,019	34,019
		5,993,695	1,318,627	-	-	-	(462,023)	6,850,300	6,850,300
128.50 Other Special Funds - Def. Comp									
		-	-	-	-	-	-	-	-
		22,848,017	1,597,463	-	762,391	49,945	(576,696)	24,681,120	24,681,120
Total - Form 7, Part C, Line 14									

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)			
1. Report particulars of notes and accounts receivable from associated companies* at end of year. 2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts. 3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.		4. If any note was received in satisfaction of an open account, state the period covered by such open account. 5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year. 6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.	

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

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

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

**Midwest Energy Cooperative
Receivables from Associated Companies (Account 145,146)
For Year Ending 12/31/14**

<u>Line #</u>	<u>Particulars</u> (a)	<u>Balance Beginning of Year</u> (b)	<u>Debits</u> (c)	<u>Credits</u> (d)	<u>Balance End of Year</u> (e)	<u>Interest for Year</u> (f)
1	146.35 Midwest Energy, Inc. Billed	\$1,939	53,363	52,920	\$2,382	
2	146.36 Midwest Propane Billed	\$79,976	1,468,229	1,453,286	\$94,918	
3	146.37 Due from wild Blue	\$773	6,920	7,095	\$598	
4	146.38 Due from BPL	\$0	0	\$0	\$0	
5	146.95 Midwest Propane Unreimbursed Medical	\$0	0	\$0	\$0	
		<u>\$82,687</u>	<u>\$1,528,512</u>	<u>\$1,513,301</u>	<u>\$97,898</u>	<u>\$0</u>

Name of Respondent Midwest Energy Cooperative		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report 2014 04/29/15		Year of Report 2014	
ALLOWANCES							
1. Report below the details called for concerning allowances. 2. Report all acquisitions of allowances at cost. 3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts. 4. Report the allowances transactions by the period they are first				eligible for use; the current year's allowances in columns (b)-(c), allowances for the three succeeding years in column(d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k). 5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.			
Line No.	Allowance Inventory (a)	Current Year		20__			
		No. (b)	Amt. (c)	No. (d)	Amt. (e)		
1	Balance - Beginning of Year						
2-4	Acquired During Year: Issued (Less Withheld Allow.)						
5	Returned by EPA						
6-8	Purchases/Transfers:						
9							
10							
11							
12							
13							
14							
15	Total						
16-18	Relinquished During Year: Charges to Acct. 509						
19	Other:						
20							
21-22	Cost of Sales/Transfers:						
23							
24							
25							
26							
27							
28	Total						
29	Balance - End of Year						
30-32	Sales:						
	Net Sales Proceeds (Assoc Co.)						
33	Net Sales Proceeds (Other)						
34	Gains						
35	Losses						
	Allowances Withheld						
36	Balance - Beginning of Year						
37	Add: Withheld by EPA						
38	Deduct: Returned by EPA						
39	Cost of Sales						
40	Balance - End of Year						
41-43	Sales:						
	Net Sales Proceeds (Assoc. Co.)						
44	Net Sales Proceeds (Other)						
45	Gains						
46	Losses						

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
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ALLOWANCES (Continued)								
6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales or auction of the withheld allowances.				8. Report on lines 22-27 the names of purchasers/transfers of allowances disposed of and identify associated companies.				
7. Report on lines 8-14 the names of vendors/transfers of allowances acquired and identify associated companies (See "associated co." under "Definitions" in Uniform System of Accounts).				9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.				
				10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.				
20		20		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								1
								2-4
								5
					N/A			6-8
								9
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								41-43
								44
								45
								46

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
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 (For new issue, give Commission Authorization numbers and dates) (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)
1	See Attachment		
2			
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25	TOTAL		

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
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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)			
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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION M10049			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2014			
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	53,418,800	2,533,367	1,637,823	4,171,190
2	National Rural Utilities Cooperative Finance Corporation	4,455,490	298,148	711,325	1,009,473
3	CoBank. ACB	3,421,081	162,510	371,312	533,822
4	Federal Financing Bank	22,601,573	685,613	466,146	1,151,759
5	RUS - Economic Development Loans				
6	Payments Unapplied	7,081,459			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	76,815,485	3,679,638	3,186,606	6,866,244

Current portion of LTD = 3,266,862

U. S. DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
WASHINGTON, D. C. 20250

CONFIRMATION SCHEDULE LONG TERM OBLIGATION TO RUS AS OF DEC 31, 2014

NAME OF CPA: HARRIS GROUP, CERTIFIED PUBLIC ACCOUNT

731 S. GARFIELD AVENUE

TRAVERSE CITY MI 49686

REFERENCE
NUMBER

926049

THIS SCHEDULE SHOWS THE OBLIGATION OF THE ORGANIZATION ON LOANS GUARANTEED BY RUS.
AS OF THE DATE SHOWN. (SEE RUS BULLETIN 20-9:320-12 AND 7CFR 1773)

ACCOUNT NUMBER	INTEREST RATE	DATE OF NOTE	NOTE AMOUNT	UNADVANCED AMOUNT	OUTSTANDING BALANCES	
					ACCUM. INTEREST	PRINCIPAL
1B271	050000	04 30 84	50000			18852
1B293	050000	12 09 88	482443			315555
1B299	050000	00 00 00				
1B310	042500	02 29 96	60100000			53321767
1B311	035000	02 29 96	9300000			8021735
1B312	041250	02 29 96	18100000			16325844
1B313	043750	02 29 96	27400000			24863751
1B314	045000	02 29 96	2200000			2004774
1B315	053750	02 29 96	88600000			84941995
1B316	043750	02 29 96	28500000			24919447
1B600	050000	07 01 97	343300000			333751522
1B605	045000	07 01 97	343300000			323889133
1B609	031250	00 00 00				
1B610	042500	03 01 99	384000000			284315628
1B611	051250	03 01 99	418500000			319327763
1B612	046250	03 01 99	110000000			82279700
1B613	045000	03 01 99	210000000			156900523
TOTAL						

BORROWER: MIDWEST ENERGY COOPERATIVE
P O BOX 127
CASSOPOLIS MI 49031

01/07/2015
DATE

Ann Bradley
Chief, Direct Loan & Grant Branch

CONTINUATION OF THE CONFIRMATION
SCHEDULE LONG TERM OBLIGATION TO RUS AS OF DEC 31, 2014

NAME OF CPA: HARRIS GROUP, CERTIFIED PUBLIC ACCOUNT
731 S. GARFIELD AVENUE
TRAVERSE CITY MI 49686

REFERENCE
NUMBER

926049

THIS SCHEDULE SHOWS THE OBLIGATION OF THE ORGANIZATION ON LOANS GUARANTEED BY RUS.
AS OF THE DATE SHOWN. (SEE RUS BULLETIN 20-9-320-12 AND 7CFR 1773)

ACCOUNT NUMBER	INTEREST RATE	DATE OF NOTE	NOTE AMOUNT	UNADVANCED AMOUNT	OUTSTANDING BALANCES	
					ACCUM. INTEREST	PRINCIPAL
1B614	030000	03 01 99	2700000000			192001519
1B615	042500	03 01 99	2375000000			177884136
1B620	050800	08 01 02	2425000000			203188294
1B621	028660	08 01 02	2425000000			195031389
1B622	033400	08 01 02	2425000000			191042219
1B623	050900	08 01 02	2000000000			167833878
1B624	052600	08 01 02	3000000000			252865612
1B625	048800	08 01 02	3500000000			294443929
1B626	044500	08 01 02	2000000000			167355478
1B627	046200	08 01 02	2285000000			192384081
1B630	050500	11 01 05	4000000000			350715007
1B631	046500	11 01 05	4000000000			347645222
1B632	046500	11 01 05	2000000000			173822610
1B633	036760	11 01 05	6000000000			523108202
1B634	035860	11 01 05	4000000000			348096270
1B635	039820	11 01 05	2000000000			175950450
TOTAL			6757332443			5668566285

BORROWER: MIDWEST ENERGY COOPERATIVE
P O BOX 127
CASSOPOLIS MI 49031

01/07/2015
DATE

Ann Bradley
Chief, Direct Loan & Grant Branch

Midwest Energy Cooperative RUS Debt Reconciliation									
December 2014									
	A/C #	Loan Executed	Date	Final Payment Date	Beginning Principal Balance	Next Reprice Year	Interest Rate %	Ending Principal Balance	YTD Interest Expense
1	1B271	4/30/1984	4/30/2019	\$ 191.77	N/A	N/A	5.000%	\$ 188.52	\$ 10.47
2	1B293	12/9/1988	12/9/2023	\$ 3,176.82	N/A	N/A	5.000%	\$ 3,155.55	\$ 165.24
3	1B310	2/29/1996	2/28/2031	\$ 535,094.87	N/A	N/A	4.250%	\$ 533,217.67	\$ 23,178.34
4	1B311	2/29/1996	2/28/2031	\$ 80,522.37	2/28/2031	N/A	3.500%	\$ 80,217.35	\$ 2,876.58
5	1B312	2/29/1996	2/28/2031	\$ 163,844.04	N/A	N/A	4.125%	\$ 163,258.44	\$ 6,890.77
6	1B313	2/29/1996	2/28/2031	\$ 249,507.54	N/A	N/A	4.375%	\$ 248,637.51	\$ 11,124.38
7	1B314	2/29/1996	2/28/2031	\$ 20,116.98	N/A	N/A	4.500%	\$ 20,047.74	\$ 922.33
8	1B315	2/29/1996	2/28/2031	\$ 852,096.06	12/31/2017	N/A	5.375%	\$ 849,419.95	\$ 46,590.29
9	1B316	9/23/1999	2/28/2031	\$ 250,067.79	N/A	N/A	4.375%	\$ 249,194.47	\$ 11,149.68
10	1B600	7/1/1997	7/1/2032	\$ 3,347,234.04	N/A	N/A	5.000%	\$ 3,337,515.22	\$ 170,034.99
11	1B605	7/1/1997	7/1/2032	\$ 3,248,857.25	N/A	N/A	4.500%	\$ 3,238,891.33	\$ 148,660.94
12	1B610	8/1/1999	3/12/1934	\$ 2,850,962.62	N/A	N/A	4.250%	\$ 2,843,156.28	\$ 122,991.41
13	1B611	2/9/2000	3/12/1934	\$ 3,201,232.80	N/A	N/A	5.125%	\$ 3,193,277.63	\$ 166,316.12
14	1B612	2/16/2000	3/12/1934	\$ 824,975.39	N/A	N/A	4.625%	\$ 822,797.00	\$ 38,710.34
15	1B613	1/9/2001	3/12/1934	\$ 1,573,217.87	1/31/2017	N/A	4.500%	\$ 1,569,005.23	\$ 71,838.90
16	1B614	2/27/2001	3/12/1934	\$ 1,926,120.02	2/28/2011	N/A	3.000%	\$ 1,920,015.19	\$ 58,786.90
17	1B615	9/11/2001	3/12/2034	\$ 1,783,743.21	9/30/2011	N/A	4.250%	\$ 1,778,841.36	\$ 76,955.28
18	1B620	3/25/2003	8/1/2037	\$ 2,035,758.12	N/A	N/A	5.080%	\$ 2,031,882.94	\$ 104,514.07
19	1B621	3/31/2003	8/1/2037	\$ 1,955,358.60	3/31/2013	N/A	2.860%	\$ 1,950,313.89	\$ 56,834.90
20	1B622	4/2/2003	8/1/2037	\$ 1,915,046.12	4/30/2015	N/A	3.340%	\$ 1,910,422.19	\$ 64,812.98
21	1B623	12/23/2003	8/1/2037	\$ 1,681,509.59	N/A	N/A	5.090%	\$ 1,678,338.78	\$ 86,489.03
22	1B624	7/8/2004	8/1/2037	\$ 2,533,328.74	N/A	N/A	5.260%	\$ 2,528,656.12	\$ 134,626.08
23	1B625	3/29/2005	8/1/2037	\$ 2,950,166.86	N/A	N/A	4.880%	\$ 2,944,439.29	\$ 145,524.10
24	1B626	9/13/2005	8/1/2037	\$ 1,677,016.58	N/A	N/A	4.450%	\$ 1,673,554.78	\$ 75,481.70
25	1B627	11/22/2005	8/1/2037	\$ 1,927,747.34	N/A	N/A	4.620%	\$ 1,923,840.81	\$ 90,064.19
26	1B630	8/10/2006	11/1/2037	\$ 3,513,679.75	N/A	N/A	5.050%	\$ 3,507,150.07	\$ 179,280.72
27	1B631	11/24/2006	11/1/2037	\$ 3,483,335.43	N/A	N/A	4.650%	\$ 3,476,452.22	\$ 163,754.23
28	1B632	9/11/2007	11/2/2037	\$ 1,741,667.70	N/A	N/A	4.650%	\$ 1,738,226.10	\$ 81,877.12
29	1B633	2/6/2009	11/1/2037	\$ 5,242,973.03	N/A	N/A	3.676%	\$ 5,231,082.02	\$ 195,144.14
30	1B634	2/12/2009	11/1/2037	\$ 3,488,976.52	N/A	N/A	3.586%	\$ 3,480,962.70	\$ 126,699.87
31	1B635	4/29/2009	11/1/2037	\$ 1,763,340.92	N/A	N/A	3.982%	\$ 1,759,504.50	\$ 71,061.03
32							136.924%		
33									
34									
					\$ 56,820,868.74			\$ 56,885,862.85	\$ 2,533,367.12

A	B	C	D	E	F	G	H	I	J	P	W	AD	AK	AL
1														
2	CFC Debt								31					
3														
4	Midwest Energy Cooperative													
5	Long Term Debt - Account # 224.12													
6	CFC Debt - 2014 Annual Summary													
9														
10		Original	Date	Final	Reprice	Fixed (F)	Interest	11/30/2013	December	February	May	August	November	December
11		Loan	Loan	Payment	Year	Var(V)	Rate	Principal	Accrued	Principal	Principal	Principal	Principal	Accrued
12		Amount	Executed	Date		Rate		Balance	Interest	Balance	Balance	Balance	Balance	Interest
13	9005-001	5.025%	8/17/1979	6/1/2014	N/A	F	5.025%	\$ 6,210.35	\$ 26.65	\$3,124.87	\$0.00	\$0.00	\$0.00	\$0.00
14	9006-001	5.125%	4/29/1982	2/28/2017	N/A	F	5.125%	\$ 25,405.35	\$ 111.15	\$23,600.37	\$21,771.69	\$19,919.01	\$18,042.02	\$ 78.93
15	9007-001	5.175%	4/30/1984	3/1/2019	N/A	F	5.175%	\$ 30,671.32	\$ 135.46	\$29,394.99	\$28,101.75	\$26,791.38	\$25,463.65	\$ 112.46
16	9008-001	5.975%	10/30/1986	9/1/2021	N/A	F	5.975%	\$ 95,665.74	\$ 486.30	\$93,228.86	\$90,754.82	\$88,243.05	\$85,692.98	\$ 435.61
17	9009-001	6.075%	12/9/1988	11/30/2023	N/A	F	6.075%	\$ 110,554.38	\$ 571.20	\$108,538.65	\$106,491.68	\$104,412.98	\$102,302.06	\$ 528.56
18	9009-002	6.075%	12/9/1988	11/30/2023	N/A	F	6.075%	\$ 96,393.58	\$ 498.03	\$94,636.03	\$92,851.24	\$91,038.78	\$89,198.23	\$ 460.86
19	9010-001	5.275%	10/31/1991	9/1/2026	1/1/24	F	5.275%	\$ 257,529.18	\$ 1,105.23	\$253,925.98	\$250,337.14	\$246,699.85	\$243,013.46	\$ 1,093.56
20	9011-001	5.275%	2/29/1996	2/28/2031	1/1/24	F	5.275%	\$ 130,737.41	\$ 561.08	\$129,549.88	\$128,375.28	\$127,184.83	\$125,978.31	\$ 566.90
21	9011-002	5.275%	2/29/1996	3/1/2031	1/1/24	F	5.275%	\$ 446,203.50	\$ 1,914.96	\$442,150.50	\$438,141.63	\$434,078.64	\$429,960.80	\$ 1,934.82
22									\$ -					\$ -
23									\$ -					\$ -
24	9016-001	6.875%	7/27/1978	6/1/2013	N/A	F	6.875%	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
25	9017-001	6.625%	10/23/1979	9/1/2014	N/A	F	6.625%	\$ 42,732.91	\$ 240.37	\$28,726.23	\$14,483.19	\$0.00	\$0.00	\$ -
26	9018-001	6.025%	8/18/1982	6/1/2017	N/A	F	6.025%	\$ 150,877.04	\$ 773.24	\$141,136.02	\$131,245.24	\$121,202.39	\$111,005.13	\$ 568.90
27	9019-001	7.125%	1/13/1989	12/1/2023	N/A	F	7.125%	\$ 692,262.48	\$ 4,182.42	\$680,328.35	\$668,177.91	\$655,807.24	\$643,212.36	\$ 3,886.07
28	9020-001	7.225%	7/1/1997	5/1/2032	N/A	F	7.225%	\$ 1,248,571.06	\$ 7,647.50	\$1,240,513.82	\$1,232,308.53	\$1,223,952.47	\$1,215,442.87	\$ 7,444.59
29	9020-002	5.725%	7/1/1997	5/1/2032	1/1/17	F	5.725%	\$ 1,072,174.24	\$ 5,226.85	\$1,064,042.32	\$1,055,791.47	\$1,047,419.95	\$1,038,926.00	\$ 5,064.76
30									\$ -					\$ -
31									\$ -					\$ -
32	9021-010	4.775%	8/8/2003	8/31/2013	N/A	F	4.775%	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
33	9021-011	4.775%	8/8/2003	8/31/2014	N/A	F	4.775%	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
34	9021-012	5.025%	8/8/2003	8/31/2015	N/A	F	5.025%	\$ 327,251.96	\$ 1,404.46	\$219,560.45	\$110,482.41	\$0.00	\$0.00	\$ -
35	9021-013	5.025%	8/8/2003	8/31/2016	N/A	F	5.025%	\$ 433,574.53	\$ 1,860.76	\$433,574.53	\$433,574.53	\$433,574.53	\$327,251.93	\$ 1,404.46
36								\$0.00		0			\$0.00	\$ -
37	Grand Total							\$166,815.03	\$26,745.66	\$1,986,031.85	\$4,802,888.51	\$4,620,325.10	\$4,455,489.80	\$23,580.48

Midwest Energy Cooperative CoBank Debt Reconciliation December 2014													
AC #	Date Loan Executed	Final Payment Date	Beginning Principal Balance	Next Reprice Year	Interest Rate %	To Update/Validate diff	Calc on 360 Days Interest Accrual	New GL# 237.04/427.04 Interest Payment	Principal Payment	Input Total Payment	Pmt Freq	Ending Principal Balance	Interest Expense
1	Sum of 1B260-1B296	4/29/1982	4/29/2017	\$ 3,421,081.11	N/A	4.440%	\$ 13,530.54	13,530.54	\$ 31,691.52	45,222.06	M	\$ 3,389,389.59	\$ 162,494.77
2	1B262	4/29/1982	4/29/2017	\$ -	N/A	4.440%	-	-	-	-	M	-	-
3	1B270	4/30/1984	4/30/2019	\$ -	N/A	4.440%	-	-	-	-	M	-	-
4	1B273	4/30/1984	4/30/2019	\$ -	N/A	4.440%	-	-	-	-	M	-	-
5	1B280	10/30/1986	10/30/2021	\$ -	N/A	4.440%	-	-	-	-	M	-	-
6	1B282	10/30/1986	10/30/2021	\$ -	N/A	4.440%	-	-	-	-	M	-	-
7	1B283	10/30/1986	10/30/2021	\$ -	N/A	4.440%	-	-	-	-	M	-	-
8	1B290	12/9/1988	12/9/2023	\$ -	N/A	4.440%	-	-	-	-	M	-	-
9	1B292	12/9/1988	12/9/2023	\$ -	N/A	4.440%	-	-	-	-	M	-	-
10	1B301	10/31/1991	10/31/2026	\$ -	N/A	4.440%	-	-	-	-	M	-	-
11	1B301	1/31/1989	3/20/2030	\$ -	N/A	4.440%	-	-	-	-	M	-	-
12	1B396	1/31/1989	3/20/2030	\$ -	N/A	4.440%	-	-	-	-	M	-	-
					Jan 1, 2015		-	-	-	0			
							\$ 13,530.54	\$ 13,530.54	\$ 31,691.52	\$ 45,222.06		\$ 3,389,389.59	\$ 162,494.77

Summary of Long Term Debt Detail_2014.xls

Name of Respondent Midwest Energy Cooperative	This Report Is: 2,014 (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014			
PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)						
<p>1. Report particulars of notes and accounts payable to associated companies at end of year.</p> <p>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.</p> <p>3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.</p> <p>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.</p> <p>5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.</p> <p style="text-align: center;">*See definition on page 226B</p>						
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	See Attachment					
2						
3						
4						
5						
6						
7						
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15						
16						
17						
18						
19						
20						
21						
22						
23						
	TOTAL					

Midwest Energy Cooperative

Payables to Associated Companies (Accts 232,233,242)
For Year Ending 12/31/14

Note () =s credit balance

<u>Line #</u>	<u>Particulars</u> (a)	<u>Balance</u> <u>Beginning of</u> <u>Year</u> (b)	<u>Debits</u> <u>©</u>	<u>Credits</u> (d)	<u>Balance</u> <u>End of</u> <u>Year</u> (e)	<u>Interest</u> <u>for Year</u> (f)
1	232.50 Accounts Payable Midwest Propane Payments made with Electric bill that need to be transferred to Propane	(\$62,030.18)	10,606,158.29	10,574,903.20	(\$30,775.09)	
2	232.60 Accounts Payable Midwest Energy, Inc.	(\$1,300,000.00)	600,178.71	900,178.71	(\$1,600,000.00)	
3	232.70 Accounts payable-Wild Blue	(\$6,467.25)	55,611.75	52,793.75	(\$3,649.25)	
4	242.58 Aflac Pretax Deduction-Employee transfer to Propane-due coop	\$0.00	13,301.06	13,301.06	\$0.00	
		(1,368,497.43)	11,275,249.81	11,541,176.72	(1,634,424.34)	\$0.00

Name of Respondent Midwest Energy Cooperative		This Report Is: 2,014 (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p>				
Line No.	N/A, MWE is a tax exempt organization and does not file a Federal Income Tax Return.			TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)			
2	Allocations: Allowance for funds used during construction			
3	Interest expense			
4	Other (specify)			
5	Net income for the year (page 117 line 68)			
6	Allocation of Net income for the year			
7	Add: Federal income tax expenses			
8				
9	Total pre-tax income			
10				
11	Add: Taxable income not reported on books:			
12				
13				
14				
15	Add: Deductions recorded on books not deducted from return			
16				
17				
18				
19	Subtract: Income recorded on books not included in return:			
20				
21				
22				
23	Subtract: Deductions on return not charged against book income:			
24				
25				
26	Federal taxable income for the year			

N/A

Name of Respondent Midwest Energy Cooperative	This Report Is: 2,014 (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)			
3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2 4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.			
Utility	Other	Line No.	
		1	
		2	
		3	
		4	
		5	
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		24	
		25	
		26	

Name of Respondent Midwest Energy Cooperative		This Report Is: 2,014 (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014	
GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)					
<p>1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.</p> <p>2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).</p> <p>3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)</p>					
Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2					
3	See Attachment				
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain				

Name of Respondent Midwest Energy Cooperative		This Report Is: 2,014 (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/29/15		Year of Report 2014	
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							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34	Total Loss						

Midwest Energy Cooperative
Schedule of general plant assets disposed of in 2014
Reconciliation of GL #421.10 gain or loss on disposition of property

Date	Acct #	Item #	Description	CR	DR	Carrying Value	Sales Price	Gain (Loss)	Item Notes	JL #
1/21/2014	391.00	3910000421	Literature Rack for Lobby	1,977.72	1,977.72	-	6.03	6.03	6.03 Silent Bid - Sold to Dixie Teague Inv# 9673	130295
2/19/2014			Drafting Board			-	25.16	25.16	Silent Bid - Sold to Dixie Teague Inv# 9770	131989
4/30/2014	392.00	3920050804	2004 Chevy Silverado 4x4	26,107.96	26,107.96	-	4,000.00	4,000.00	Silent Bid - Sold to Todd Hartsell Inv#9983	135389
6/16/2014			Two drawer shelf filing Cabinet			-	0.10	0.10	Silent Bid - Sold to Dixie Teague Inv# 10262	138671
6/16/2014			Two drawer shelf filing Cabinet			-	10.00	10.00	Silent Bid - Sold to Jan Mikel Inv# 10253	138597
6/17/2014			Two drawer shelf filing Cabinet			-	3.31	3.31	Silent Bid - Sold to Glenyce Bentzer Inv# 10254	138596
6/16/2014			Two drawer shelf filing Cabinet			-	10.00	10.00	Silent Bid - Sold to Meghan Tarver Inv# 10252	138596
8/18/2014			Two Pictures from Cass Basement			-	15.00	15.00	Silent Bid - Sold to Angie Edge Inv# 10560	142311
9/30/2014	392.00	3920007203	T203 Reel Trailer	6,626.00	6,626.00	-	1,000.00	1,000.00	Sold to Van Buren Co Road Comm Inv# 10756	144833
11/7/2014	391.10	3911000647	Xoom - Colyne Sorsby	642.33	588.80	53.53	10.00	(43.53)	Xoom sold to Colyne Sorsby	147617 & 147870
11/7/2014	391.10	3911000653	Xoom - Harry Gentz	631.34	578.74	52.60	10.00	(42.60)	Xoom sold to Harry Gentz	147617 & 147870
11/7/2014	391.10	3911000650	Xoom - Clarence Barth	631.34	578.74	52.60	10.00	(42.60)	Xoom sold to Clarence Barth	147617 & 147870
11/7/2014	391.10	3911000676	iPAD - Ron Armstrong	672.28	560.23	112.05	10.00	(102.05)	iPad sold to Ron Armstrong	147617 & 147870
11/30/2014	391.10	3911000648	Xoom - Ben Russell	631.34	578.74	52.60	10.00	(42.60)	IT Asset Audit	148177
11/30/2014	391.10	3911000649	Xoom - Jim Dickerson	631.34	578.74	52.60	10.00	(42.60)	IT Asset Audit	148177 & 150190
11/30/2014	391.10	3911000650	Xoom - Ron Armstrong	631.34	578.74	52.60	10.00	(42.60)	IT Asset Audit	148177
11/30/2014	391.10	3911000652	Xoom - Ken Swope	631.34	578.74	52.60	10.00	(42.60)	IT Asset Audit	148177 & 150190
11/30/2014	391.10	3911000654	Xoom - John Green	631.34	578.74	52.60	10.00	(42.60)	IT Asset Audit	148177
11/30/2014	391.10	3911000655	Xoom - Jerry Campbell	631.34	578.74	52.60	10.00	(42.60)	IT Asset Audit	148177
11/30/2014	391.10	3911000656	Xoom - IT Spare	634.91	582.01	52.90	10.00	(52.90)	IT Asset Audit	148177
11/30/2014	391.10	3911000657	Xoom - Tanya	634.92	582.02	52.90	10.00	(52.90)	IT Asset Audit	148177
11/30/2014	391.10	3911000680	Receipt Printer for Adrian	591.72	460.24	131.48	10.00	(131.48)	IT Asset Audit	148177
11/30/2014	391.10	3911000693	Xpad - Josh Hance	580.33	354.64	225.69	10.00	(225.69)	IT Asset Audit	148177
11/30/2014	391.10	3911000694	Xpad - Mike Roush	580.33	354.64	225.69	10.00	(225.69)	IT Asset Audit	148177
11/30/2014	391.10	3911000695	Xpad - Todd Hartsell	580.33	354.64	225.69	10.00	(225.69)	IT Asset Audit	148177
11/30/2014	391.10	3911000697	Droid Pad - Patty Nowlin	529.99	323.84	206.15	10.00	(206.15)	IT Asset Audit	148177
11/30/2014	391.10	3911000698	Droid Pad - Candy Riem	498.19	304.48	193.71	10.00	(193.71)	IT Asset Audit	148177
12/30/2014	392.00	3920001108	2008 Chrysler Aspen	33,650.36	33,650.36	-	5,000.00	5,000.00	Trade in value of #1108	150867
12/31/2014	392.05	392050F2707	Fiber Truck Purchased from Coop	22,400.00	22,400.00	-	4,850.00	4,850.00	Fiber Purchased from Coop (Correct from Earlier in th	152223

Dec-14 101,758.09 99,857.50 1,900.59 13,085.01

Per ABS (13,089.01)

Check

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014		
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 \$25,000, 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					
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3		See Attachment			
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Name of Respondent Midwest Energy Cooperative		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES					
<p>1. In column (a) report the name of the associated company.</p> <p>2. In column (b) describe the affiliation (percentage ownership, etc.).</p> <p>3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).</p> <p>4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.</p>					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
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Midwest Energy Cooperative
 Charges for Outside Professional and Other Consultative Service
 Year Ending 12/31/14
 RUN GL HISTORY TRANSACTION, ADVANCE CONT
 Amounting to more than \$25,000.00

Name and Address	Description of Services	Basis of Charges	Total Charges for the Year	Account Charged	Amount
American Energy Services PO Box 295 Richmond, MI 48062	Pole Testing		\$69,040.65	593.00-51 584.00-51 588.10-46	50,738.75 2,732.25 15,569.65 <u>69,040.65</u>
Hydaker-Wheatlake Co 1435 Reliable Parkway Chicago, IL 60686	Contractor-Construction		\$497,367.76	107.10 107.21 108.90 583.00-51 584.00-51	314,066.68 81,492.18 85,593.43 14,877.77 1,337.70 <u>497,367.76</u>
Harris Group 731 S. Garfield Ave Traverse City, MI 49686	CPA		\$40,187.96	923.00-11	\$40,187.96 <u>\$40,187.96</u>
Great Lakes Energy PO Box 70 Boyne City, MI 49712	Contractor Storm Restoration Apprentice Training		\$53,594.65	107.21 580.66-51 580.66-53	\$45,054.65 \$5,070.00 \$3,470.00 <u>\$53,594.65</u>
Dykema Gossett 400 Renaissance Center Detroit, MI 48243	Legal Services		\$400,875.91	184.90-30 416.22 923.00-1 3.00.923.01 5.05.6720.45	622.00 233,614.20 84,095.22 1,756.50 80,787.99 <u>400,875.91</u>
Kent Power, Inc. 90 Spring St PO Box 327 Kent City, MI 49330	Contractor-Construction		\$40,231.17	107.10	40,231.17 <u>40,231.17</u>
Michigan Electric Coop Assoc 7973 East Grand River Ave Portland, MI 48875			\$283,570.35	165.13 580.66-51 908.03-30 909.01-1 909.01-70 909.02-70 1.100.913.00 921.66-1 921.66-22 923.00-1 930.22-1	95,085.02 750.00 1,037.33 7,349.33 88,017.38 6,395.25 7,225.74 900.00 1,000.00 26.49 75,783.81 <u>283,570.35</u>
MECA 7973 East Grand River Ave Portland, MI 48875	EO		\$794,665.33	182.31-30 184.90-30 908.01-30 908.02-30 908.03-30 908.05-30 908.06-30 908.08-30 908.09-30 908.11-30 908.52-30 908.56-30 908.57-30 165.13	14,793.00 89,403.82 44,639.04 44,097.66 185,329.17 5,592.36 53,700.00 21,264.00 \$12,384.00 \$8,810.42 \$275,284.36 \$9,276.00 \$15,456.00 14,635.50 <u>794,665.33</u>

Midwest Energy Cooperative
 Charges for Outside Professional and Other Consultative Service
 Year Ending 12/31/14
 RUN GL HISTORY TRANSACTION, ADVANCE CONT
 Amounting to more than \$25,000.00

Name and Address	Description of Services	Basis of Charges	Total Charges for the Year	Account Charged	Amount
C.C. POWER PO Box 2028 Kalkaska, MI 49646	Contractor-Construction		\$185,570.97	107.10 108.90	169,812.97 15,758.00 <u>185,570.97</u>
Green Leaf Tree Service 5280 Engle Rd Middleville, MI 49333	Contractor- Tree Work		\$2,188,295.79	107.10 107.21 593.30-54	373,093.98 14,600.00 1,800,601.81 <u>2,188,295.79</u>
Wright Way Lawn Service 22282 Loupee Drive Cassopolis, MI 49031	Contractor Build Maint		\$32,612.42	588.20-60 592.00-51 925.00-51	19,615.00 11,692.42 1,305.00 <u>32,612.42</u>
Markur Consulting, LLC 9319 Mockingbird Lane Cadillac, MI 49601	Information Systems Contractor		\$171,965.64	391.10 909.00-70 921.00-23 927.00-23 927.10-23	4,464.72 100.00 87.90 17,506.99 149,806.03 <u>171,965.64</u>
Adams Outdoor Advertising PO Box 809140 Chicago, IL 60680	Advertising		\$46,400.00	913.00-70	46,400.00 <u>46,400.00</u>
Cooperative Response Center 2000 8th Street N.W. Austin, MN 55912	Customer Service, Overflow and after hours		\$117,693.34	581.01-22 1.100.923.00	105,304.74 12,388.60 Propane <u>117,693.34</u>
NISC SDS 12-2053 Minneapolis, MN 55486	Computer System Support		\$567,126.60	163 186.00 186.05 580.66-51 581.01-22 588.10-46 588.10-51 593.00-51 2.00.725.00 902.00-21 903.00-21 903.00-22 903.02-21 903.02-23 903.04-21 903.08-21 903.08-22 903.09-21 904.02-21 921.00-1 1.100.921.00 921.00-11 921.00-21 921.00-45 1.100.921.40 1.100.921.62 921.66-11 921.66-21 921.66-22 5.5.6311.23 5.5.6620.31 5.5.6740	550.00 3,995.80 78,455.60 1,190.00 275.00 12,705.00 967.83 8,305.15 888.90 3,825.00 3,007.10 19,147.48 9,471.29 130,723.96 206,484.87 6,141.12 12,495.21 6,473.60 275.00 129.05 13,062.47 1,080.43 74.25 132.50 29,885.70 750.00 1,385.50 1,303.00 651.50 11,994.40 9.89 1,290.00

Midwest Energy Cooperative
 Charges for Outside Professional and Other Consultative Service
 Year Ending 12/31/14
 RUN GL HISTORY TRANSACTION, ADVANCE CONT
 Amounting to more than \$25,000.00

Name and Address	Description of Services	Basis of Charges	Total Charges for the Year	Account Charged	Amount
					<u>567,126.60</u>
McDonald Underground 30155 Topash Dowagiac, MI 49047	Contractor-Construction		\$341,400.00	107.10 107.20 588.20-60 592.00-51 593.00-1 925.00-51	\$311,818.25 \$16,419.75 \$4,537.00 \$4,150.00 \$800.00 \$3,675.00
					<u>\$341,400.00</u>
Pulse Broadband LLC 18044 Shepherd Valley Road Wildwood, MO 63038	Contractor-Construction		\$625,751.58	107.05 107.10 186.00 186.05 416.22 5.5.6536.00 5.5.6720.40 5.5.6720.45	\$385,119.71 \$199,585.77 \$3,663.20 \$12,973.60 \$6,840.00 \$360.00 \$8,815.00 \$8,394.30
					<u>\$625,751.58</u>
Oni Enterprises LLC 2079 Ashland Ave. Okemos, MI 48864	Consulting		\$51,655.28	416.22	\$51,655.28
					<u>\$1,655.28</u>
Brent Balser B & b Cleaning 25433 Doe Meadow Place Elkhart, IN 46514	Contractor- Building Cleaning		\$26,174.89	588.20-60	\$26,174.89
					<u>26,174.89</u>
Western Tel Com PO Box 1317 A-4273 Blue Star Highway Holland, MI 49422	Contractor-Construction		\$1,029,160.80	107.05 107.10 5.5.6536.00	\$768,768.35 \$257,373.70 \$3,018.75
					<u>\$1,029,160.80</u>
Ace Cable 53425 Hathaway Rd Marcellus, MI 49067	Contractor-Construction		\$387,753.17	107.05 107.10 107.20	\$135,650.68 \$228,544.49 \$23,558.00
					<u>\$387,753.17</u>
Underwood Nursery LLC 4373 N Adrian HWY Adrian, MI 49221	Contractor- Tree Work		\$127,700.00	593.30-54 107.10 107.20	\$127,700.00
					<u>\$127,700.00</u>
				Total	\$8,078,794.26

Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/29/15	Year of Report 2014			
SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)						
<p>5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7. In column (j) report the total.</p> <p>8. In column (k) indicate the pricing method (cost, per contract terms, etc.)</p>						
Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
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Name of Respondent Midwest Energy Cooperative		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/29/15	Year of Report 2014
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES					
<p>1. In column (a) report the name of the associated company.</p> <p>2. In column (b) describe the affiliation (percentage ownership, etc.).</p> <p>3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).</p> <p>4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.</p>					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
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Name of Respondent Midwest Energy Cooperative	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/29/15	Year of Report 2014			
SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)						
<p>5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7. In column (j) report the total.</p> <p>8. In column (k) indicate the pricing method (cost, per contract terms, etc.)</p>						
Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
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Miscellaneous Midwest Inc/Propane Expenses
Paid by Midwest Energy Cooperative to be Reimbursed
For year 2014

Form 7 MPSC page Descr:					
Line #	company	Affiliation	Nature of Goods and Services	Account #	Amount Classified To Balance Pricing Method
1	Midwest Energy, Inc GL# 0.00.146.35	Wholly Owned Subsidiary of Midwest Energy Co	Out of Pocket Expense Labor & Benefit Allocation	0.00.146.35	\$ 1,235.86 Cost \$ 19,936.57 Cost \$ 21,172.43
2	Midwest Propane LLC GL# 0.00.146.36 / GL# 0.00.146.10	Wholly Owned Subsidiary of Midwest Energy Co	Out of Pocket Expense Labor & Benefit Allocation Facility Lease	0.00.146.36	\$ 205,169.82 Cost \$ 323,677.14 Cost \$ 21,000.00 Contract \$ 549,846.96
3	Midwest Energy Inc - Connection/Wild Blu GL# 0.00.146.37	Midwest Energy, Inc Line of Business	Out of Pocket Expense Labor & Benefit Allocation	0.00.146.37	\$ 1,339.68 Cost \$ 5,335.69 Cost \$ 6,675.37
4	Due from BPL GL# 0.00.146.38	Midwest Energy, Inc Line of Business	Out of Pocket Expense Labor & Benefit Allocation	0.00.146.38	\$ - Cost \$ - Cost \$ -
Total Costs Billed to Associated Companies					\$ 577,694.76