

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NON-MAJOR)

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

Report submitted for year ending: December 31, 2004
Present name of respondent: Alpena Power Company
Address of principal place of business: 310 North Second Avenue, Alpena, Michigan 49707
Utility representative to whom inquires regarding this report may be directed: Name: Vicki M Goodburne Title: Finance Department Manager Address: 310 North Second Avenue City: Alpena State: MI Zip: 49707 Telephone, Including Area Code: 989-358-4934
If the utility name has been changed during the past year: Prior Name: Date of Change:
Two copies of the published annual report to stockholders: [X] were forwarded to the Commission [] will be forwarded to the Commission on or about March 25, 2005
Annual reports to stockholders: [X] are published [] are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission at
(517) 241-6175 or forward correspondence to:

Regulated Energy Division
Financial Analysis Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

STRALEY, ILSLEY & LAMP P.C.

2106 U.S. 23 SOUTH, P.O. BOX 738

ALPENA, MICHIGAN 49707

TELEPHONE (989) 356-4531

FACSIMILE (989) 356-0494

Certified Public Accountants

PHILIP T. STRALEY, C.P.A.
ROBERT D. ILSLEY, C.P.A.
BERNARD R. LAMP, C.P.A.
MARK L. SANDULA, C.P.A.
TERRENCE D. YULE, C.P.A.
JAMES E. KRAENZLEIN, C.P.A., C.V.A.
SHANNA M. JOHNSON, C.P.A.
DONALD C. LEVREN

TAX, AUDIT AND BUSINESS CONSULTANTS

RETIRED
GORDON A. NETHERCUT, C.P.A.
CARL F. REITZ, C.P.A.
WARREN W. YOUNG, C.P.A.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders
and Directors of
Alpena Power Company

We have audited the balance sheets of Alpena Power Company as of December 31, 2004 and 2003, and the related statements of income, retained earnings and cash flows for the years then ended, included on pages 110 through 123D of the accompanying Michigan Public Service Commission Form P521. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alpena Power Company as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles. Also, in our opinion, the information presented in the financial statements referred to above is presented fairly, in all material respects, in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Straley, Ilsley & Lamp P.C.

January 27, 2005

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

GENERAL INFORMATION

I. Purpose:

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

II. Who Must Submit:

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

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

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

III. What and Where to Submit:

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

Michigan Public Service Commission
Financial Analysis Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Retain one copy of this report for your files.

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

Michigan Public Service Commission
Financial Analysis Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report:
- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
 - (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications).

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

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

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

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

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

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

Michigan Public Service Commission
 Financial Analysis Section
 6545 Mercantile Way
 P.O. Box 30221
 Lansing, MI 48909

IV. When to Submit

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

GENERAL INSTRUCTIONS

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

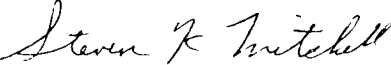
at the end of the current reporting year, and use for statement of income accounts the current year's accounts.

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

DEFINITIONS

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

MPSC FORM P-521
ANNUAL REPORT OF ELECTRIC UTILITIES, LICENSEES AND OTHERS (Major and Nonmajor)

IDENTIFICATION		
01 Exact Legal Name of Respondent Alpena Power Company	02 Year of Report Dec. 31, 20 04__	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, St., Zip) 310 North Second Avenue, Alpena, Michigan 49707		
05 Name of Contact Person Vicki M. Goodburne	06 Title of Contact Person Finance Department Manager	
07 Address of Contact Person (Street, City, St., Zip) 310 North Second Avenue, Alpena, Michigan 49707		
08 Telephone of Contact Person, Including Area Code: 989-358-4934	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr)
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
01 Name Steven K. Mitchell	03 Signature 	04 Date Signed (Mo, Da, Yr) 4/26/05
02 Title Executive Vice President		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 20 04	Year of Report Dec. 31, 20 04
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LIST OF SCHEDULES (Electric Utility)

1. Enter in column (c) the terms "none", "not applicable", or "NA", as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".	2. The "M" prefix below denotes those pages where the information requested by the MPSC differs from that requested by FERC. Each of these pages also contains the "M" designation on the page itself.
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Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS		
General Information	101	
Control Over Respondent & Other Associated Companies	M 102	
Corporations Controlled by Respondent	103	None
Officers and Employees	M 104	
Directors	M 105	
Security Holders and Voting Powers	M 106-107	
Important Changes During the Year	108-109	
Comparative Balance Sheet	M 110-113	
Statement of Income for the Year	114-117	
Statement of Retained Earnings for the Year	118-119	
Statement of Cash Flows	120-121	
Notes to Financial Statements	122-123	
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)		
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201	
Nuclear Fuel Materials	202-203	None
Electric Plant in Service	M 204-211	
Electric Plant Leased to Others	213	None
Electric Plant Held for Future Use	214	None
Construction Work in Progress - Electric	M 216	
Construction Overheads - Electric	217	
General Description of Construction Overhead Procedure	M 218	
Accumulated Provision for Depreciation of Electric Utility Plant	M 219	
Nonutility Property	M 221	
Investment in Subsidiary Companies	224-225	None
Materials and Supply	227	
Allowances	228-229	None
Extraordinary Property Losses	230B	None
Unrecovered Plant and Regulatory Study Costs	230B	None
Other Regulatory Assets	M 232	
Miscellaneous Deferred Debits	M 233	
Accumulated Deferred Income Taxes (Account 190)	M 234A-B	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)		
Capital Stock	250-251	
Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock	252	None

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 04__
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LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)		
Other Paid-In Capital	253	None
Discount on Capital Stock	254	None
Capital Stock Expense	254	None
Long-Term Debt	256-257	
Reconciliation of Reported Net Income with Taxable Income for Federal Income Tax	M 261A-B	
Calculation of Federal Income Tax		
Taxes Accrued, Prepaid and Charged During Year	M 262-263	
Distribution of Taxes Charged	M 262-263	
Accumulated Deferred Income Taxes - Accelerated Amortization Property	M 272-273	None
Accumulated Deferred Income Taxes - Other Property	M 274-275	
Accumulated Deferred Income Taxes - Other	M 276A-B	
Other Regulatory Liabilities	M 278	
INCOME ACCOUNT SUPPORTING SCHEDULES		
Electric Operating Revenues	M 300-301	
Sales of Electricity by Rate Schedules	304	
Sales for Resale	310-311	None
Electric Operation and Maintenance Expenses	320-323	Replace with 320n-324n
Number of Electric Department Employees	323	
Purchased Power	326-327	
Transmission of Electricity for Others	328-330	
Transmission of Electricity by Others	332	None
Miscellaneous General Expenses - Electric	M 335	
Depreciation and Amortization of Electric Plant	M 336-337	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340	
COMMON SECTION		
Regulatory Commission Expenses	350-351	
Research, Development and Demonstration Activities	352-353	None
Distribution of Salaries and Wages	354-355	
Common Utility Plant and Expenses	356	None
ELECTRIC PLANT STATISTICAL DATA		
Electric Energy Account	401	
Monthly Peaks and Output	401	
Steam-Electric Generating Plant Statistics (Large Plants)	402-403	None
Hydroelectric Generating Plant Statistics (Large Plants)	406-407	None
Pumped Storage Generating Plant Statistics (Large Plants)	408-409	None
Generating Plant Statistics (Small Plants)	410-411	None

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 04
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LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
ELECTRIC PLANT STATISTICAL DATA (Continued)		
Transmission Line Statistics	422-423	
Transmission Lines Added During Year	424-425	
Substations	426-427	
Electric Distribution Meters and Line Transformers	429	
Environmental Protection Facilities	430	None
Environmental Protection Expenses	431	None
Footnote Data	450	None
Stockholders' Report	---	
MPSC SCHEDULES		
Reconciliation of Deferred Income Tax Expense	117A-B	
Operating Loss Carry Forward	117C	None
Plant Acquisition Adjustments and Accumulated Provision for Amortization of Plant Acquisition Adjustments	215	
Construction Work In Progress and Completed Construction Not Classified - Electric	216	
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221	
Investments	222-223	
Notes & Accounts Receivable Summary for Balance Sheet	226A	
Accumulated Provision for Uncollectible Accounts - Credit	226A	
Receivables From Associated Companies	226B	
Production Fuel and Oil Stocks	227A-B	None
Miscellaneous Current and Accrued Assets	230A	
Preliminary Survey and Investigation Charges	231A-B	None
Deferred Losses fro Disposition of Utility Plant	235A-B	None
Unamortized Loss and Gain on Reacquired Debt	237A-B	None
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255	
Notes Payable	260A	
Payables to Associated Companies	260B	
Investment Tax Credits Generated and Utilized	264-265	None
Miscellaneous Current and Accrued Liabilities	268	
Customer Advances for Construction	268	
Deferred Gains from Disposition of Utility Plant	270A-B	None
Accumulated Deferred Income Taxes - Temporary	277	None
Gain or Loss on Disposition of Property	280A-B	
Income from Utility Plant Leased to Others	281	None
Particulars Concerning Certain Other Income Accounts	282	
Electric Operation and Maintenance Expenses (Nonmajor)	320N-324N	
Number of Electric Department Employees	234N	
Sales to Railroads & Railways and Interdepartmental Sales	331A	
Rent From Electric Property & Interdepartmental Rents	331A	
Sales of Water and Water Power	331B	
Misc. Service Revenues & Other Electric Revenues	331B	
Lease Rentals Charged	333A-D	None
Expenditures for Certain Civic, Political and Related Activities	341	

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 20 04_
LIST OF SCHEDULES (Electric Utility) (Continued)			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
MPSC SCHEDULES (Continued)			
Extraordinary Items	342	None	
Charges for Outside Professional and Other Consultative Services	357		
Summary of Costs Billed to Associated Companies	358-359		
Summary of Costs Billed from Associated Companies	360-361		
Changes Made or Scheduled to be Made in Generating Plant Capacities	412	None	
Steam-Electric Generating Plants	413A-B	None	
Hydroelectric Generating Plants	414-415	None	
Pumped Storage Generating Plants	416-418	None	
Internal Combustion Engine and Gas Turbine Generating Plants	420-421	None	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Steven K. Mitchell-Executive Vice President</p> <p>310 N. Second Avenue, Alpena, Michigan 49707</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.</p> <p>Michigan, April 28, 1924</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>N/A</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which respondent operated.</p> <p>Distribution of Electric Energy-Michigan</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter date when such independent accountant was initially engaged: _____.</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.
2. List any entities which respondent did not control either directly or indirectly and which did not control respondent but which were associated companies at any time during the year.

1. Alpena Power Resources Ltd. Owns 100% of Alpena Power Company common stock.
2. Alpena Power Generation LLC, Sunrise Side Energy LLC, and West Dock Properties, LLC.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04	
CORPORATIONS CONTROLLED BY RESPONDENT				
<p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p style="text-align: center;"><u>DEFINITIONS</u></p> <p>1. See the Uniform of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p>				
Line	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock (c)	Footnote Ref. (d)
1	None			
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04		
OFFICERS AND EMPLOYEES					
<p>1. Report below the name, title and salary for the five executive officers</p> <p>2. Report in column (b) salaries and wages accrued during the year including deferred compensation.</p> <p>3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc., and explain in a footnote what the amounts represent. Provide type code for other compensation in column (d).</p> <p>4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.</p> <p>5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.</p>					
Line	Name and Title	Base Wages	Other Compensation	Type of Other Compensation	Total Compensation
	(a)	(b)	(c)	(d)	(e)
1	Stehen H. Fletcher Chairman & CEO				0
2	Ann K. Burton President				0
3	Steven K. Mitchell Executive Vice President & Treasurer				0
4	Elaine M. Orr Vice President				0
5	Mary Ann Pernie Corporate Secretary				0
1	Footnote Data				
2					
3					
4					
5					
Compensation Type Codes:		A = Executive Incentive Compensation B = Incentive Plan (Matching Employer Contribution) C = Stock Plans D = Other Reimbursements			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
DIRECTORS			
<p>1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
1. Stephen H. Fletcher Chairman and CEO	Alpena Power Company Alpena, Michigan	3	12,600
2. Philip N. Potvin	Western Concrete Products Cadillac, Michigan	3	12,600
3. Craig T. Hall	LeanLogistics, Inc Holland, Michigan	3	12,600
4. Timothy O. Schad	Grand Valley State University Allendale, Michigan	3	12,600
5. Steven E. York	Contract Professionals Inc. Waterford, Michigan	3	12,600
6. Ann K Burton President	Alpena Power Company Alpena, Michigan	3	12,600
7. Charon K. Fletcher	Alpena, Michigan	3	12,600
<p><u>Footnote Data</u></p> <p>1</p> <p>2</p> <p>3</p> <p>4</p>			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
SECURITY HOLDERS AND VOTING POWERS			
<p>1. (A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>1. (B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondent of each officer and director not included in the list of 10 largest security holders.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>			
<p>1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:</p> <p>December 23, 2004</p> <p>Record date for dividend</p>			
<p>2. State the total number of votes cast at the latest general proxy meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:</p> <p style="text-align: center;">Total: 336,793</p> <p style="text-align: center;">By Proxy: 336,793</p>			
<p>3. Give the date and place of such meeting:</p> <p>April 20, 2004</p> <p>Alpena Power Company, Alpena, Michigan</p>			

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
SECURITY HOLDERS AND VOTING POWERS (Continued)					
Line	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date): 12/31/2004			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes all voting securities	336,793	336,793		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below	336,793	336,793		
7	Alpena Power Resources, Ltd.				
8	310 N. Second Ave.				
9	Alpena, MI 49707				
10					
11					
12					
13					
14					
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34					
35					
# <u>RESPONSE/NOTES TO INSTRUCTION #</u>					

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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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 therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly and materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be attached to this page.

1. None
2. None
3. None
4. None
5. None

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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IMPORTANT CHANGES DURING THE YEAR (Continued)

Please refer to the Supplemental File titled (*MPSC FORM P-521 - Pages 109 Supplement for Important Changes During Year*). Please use the supplemental file to submit any and all information required per the instructions for this section.

6. \$1,998,000 of Long-Term Energy Thrift Notes were issued in 2004. These notes have a weighted average interest rate of 4.08% and are due in two to seven years after issuance.

7. None

8. Most non-union employees received a 2 ½ % increase on 1/12/04 and most union employees received a 2% increase on 1/12/04. The total estimated cost for the year was \$41,371.

9. None

10. None

Name of Respondent Alpena Power Company		This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	40,865,312	42,443,793
3	Construction Work in Progress (107)	200-201	532,013	673,181
4	TOTAL Utility Plant (Enter total of lines 2 and 3)		41,397,325	43,116,974
5	(Less) Accum.Prov for Depr.Amort.Depl (108,111,115)	200-201	(15,569,936)	(16,419,692)
6	Net Utility Plant (Enter total of line 4 less 5)		25,827,389	26,697,282
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203		
8	(Less) Accumulated Provision of Amortization of Nuclear Fuel Assemblies (120.5)	202-203		
9	Net Nuclear Fuel (Enter total of line 7 less 8)		0	0
10	Net Utility Plant (Enter total of lines 6 and 9)		25,827,389	26,697,282
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Underground-Noncurrent (117)	---		
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	190,734	190,734
15	(Less) Accum.Prov. for Depr. and Amort. (122)	---	(118,556)	(126,838)
16	Investments in Associated Companies (123)	222-223		
17	Investments in Subsidiary Companies (123.1)	224-225		
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	228-229		
20	Other Investments (124)	222-223	27,749	27,430
21	Special Funds (125-128)	---		
22	TOTAL Other Property and Investments (Total of lines 14 thru 17, 19 thru 21)		99,927	91,326
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)	---	(162,964)	911
25	Special Deposits (132-134)	---		
26	Working Fund (135)	---		
27	Temporary Cash Investments (136)	222-223		
28	Notes Receivable (141)	226A		
29	Customer Accounts Receivable (142)	226A	1,507,469	1,564,016
30	Other Accounts Receivable (143)	226A	32,818	10,447
31	(Less) Accum.Prov. for Uncoll. Acct.- Credit (144)	226A	(20,000)	(25,000)
32	Notes Receivable from Assoc. Companies (145)	226B	2,706,338	2,037,879
33	Accounts Receivable from Assoc. Companies (146)	226B	2,105	13,220
34	Fuel Stock (151)	227		
35	Fuel Stock Expense Undistributed (152)	227		
36	Residuals (Elec) and Extracted Products (153)	227		
37	Plant Materials and Operating Supplies (154)	227	110,948	120,783
38	Merchandise (155)	227		
39	Other Materials and Supplies (156)	227		
40	Nuclear Materials Held for Sale (157)	202-203, 207		

Name of Respondent Alpena Power Company		This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
41	Allowances	228-229		
42	(Less) Noncurrent Portion of Allowances	---		
43	Stores Expense Undistributed (163)	227		
44	Gas Stored Underground-Current (164.1)	---		
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	---		
46	Prepayments (165)	---	609,590	686,321
47	Advances for Gas (166-167)	---		
48	Interest and Dividends Receivable (171)	---		
49	Rents Receivable (172) Current Deferred Tx (176)	---	71,191	102,580
50	Accrued Utility Revenues (173)	---		
51	Miscellaneous Current and Accrued Assets (174)	230A	828,339	845,609
52	TOTAL Current and Accrued Assets (Enter total of lines 24 thru 51)		5,685,834	5,356,766
53	DEFERRED DEBITS			
54	Unamortized Debt Expenses (181)	---		
55	Extraordinary Property Losses (182.1)	230B		
56	Unrecovered Plant & Regulatory Study Costs (182.2)	230B		
57	Other Regulatory Assets	232	413,947	342,587
58	Prelim. Survey & Invest. Charges (Elec) (183)	231		
59	Prelim. Survey & Invest. Charges (Gas) (183.1, 183.2)	---		
60	Clearing Accounts (184)	---		
61	Temporary Facilities (185)	---		
62	Miscellaneous Deferred Debits (186)	233	92,954	79,279
63	Def. Losses from Disposition of Utility Plant (187)	235		
64	Research, Devel. and Demonstration Expend (188)	352-353		
65	Unamortized Loss on Reacquired Debt (189)	237		
66	Accumulated Deferred Income Taxes (190)	234	1,939,310	2,059,048
67	Unrecovered Purchased Gas Costs (191) Deferred Txs	---	7,469	(34,889)
68	TOTAL Deferred Debits (Enter total of lines 54 thru 67)		2,453,680	2,446,025
69	TOTAL Assets and Other Debits (Enter total of lines 10, 11, 12, 22, 52 and 68)		34,066,830	34,591,399

Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec 31, 20 04__
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	3,395,380	3,367,930
3	Preferred Stock Issued (204)	250-251	608,300	608,300
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-In Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119	7,440,205	8,059,899
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	TOTAL Proprietary Capital (Enter total of lines 2 thru 13)		11,443,885	12,036,129
15	LONG-TERM DEBT			
16	Bonds (221)	256-257		
17	(Less) Reacquired Bonds (222)	256-257		
18	Advances from Associated Companies (223)	256-257		
19	Other Long-Term Debt (224)	256-257	11,357,140	10,943,361
20	Unamortized Premium on Long-Term Debt (225)	---		
21	(Less) Unamortized Discount on Long-Term Debt -Debit (226)	---		
22	TOTAL Long-Term Debt (Enter total lines 16 thru 21)		11,357,140	10,943,361
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases-Noncurrent (227)	---		
25	Accumulated Prov. for Property Insurance (228.1)	---		
26	Accumulated Prov. for Injuries and Damage (228.2)	---		
27	Accumulated Prov. for Pensions and Benefits (228.3)	---		
28	Accumulated Misc. Operating Provisions (228.4)	---		
29	Accumulated Provision for Rate Refunds (229)	---		
30	TOTAL Other Noncurrent Liabilities (Enter total of lines 24 thru 29)		0	0
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)	260A		50,000
33	Accounts Payable (232)	---	1,263,442	1,445,587
34	Notes Payable to Associated Companies (233)	260B	602,077	
35	Accounts Payable to Associated Companies (234)	260B		
36	Customer Deposits (235)	---	47,026	25,646
37	Taxes Accrued (236)	262-263	275,004	354,601
38	Interest Accrued (237)	---	103,146	91,312
39	Dividends Declared (238)	---		
40	Matured Long-Term Debt (239)	---		

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
41	Matured Interest (240)	---		
42	Tax Collections Payable (241)	---		
43	Misc. Current and Accrued Liabilities (242)	268	639,922	700,751
44	Obligations Under Capital Leases -Current (243)	---		
45	Federal Income Taxes Accrued for Prior Years (244)	---		
46	Michigan Single Business Taxes Accrued for Prior Years (244.1)	---		
47	Fed. Inc. Taxes Accrued for Prior Years -Adj. (245)	---		
48	Michigan Single Business Taxes Accrued for Prior Years - Adj. (245.1)	---	2,460	2,969
49	TOTAL Current and Accrued Liabilities (Enter total of lines 32 thru 48)		2,933,077	2,670,866
50	DEFERRED CREDITS			
51	Customer Advances for Construction (252)	268	234,254	124,543
52	Accumulated Deferred Investment Tax Credits (255)	266-267	280,583	251,885
53	Deferred Gains from Disposition of Utility Plt. (256)	270		
54	Other Deferred Credits (253)	269	4,049,533	4,460,199
55	Other Regulatory Liabilities	278	272,988	235,247
56	Unamortized Gain on Reacquired Debt (257)	237	217,160	172,062
57	Accumulated Deferred Income Taxes (281-284)	272-277	3,278,210	3,697,107
58	TOTAL Deferred Credits (Enter total of lines 51 thru 57)		8,332,728	8,941,043
59	TOTAL Liabilities and Other Credits (Enter total of lines 14, 22, 30, 49 and 58)		34,066,830	34,591,399

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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STATEMENT OF INCOME FOR THE YEAR

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

Line	Title of Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	21,424,611	21,076,752
3	Operating Expenses			
4	Operation Expenses (401)	320-323	16,067,916	15,435,239
5	Maintenance Expenses (402)	320-323	688,760	575,748
6	Depreciation Expenses (403)	336-337	1,235,407	1,189,933
7	Amortization and Depl. of Utility Plant (404-405)	336-337	73,895	85,594
8	Amortization of Utility Plant Acq. Adj (406)	336-337		
9	Amort. Of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. Of Conversion Expenses (407)			
11	Regulatory Debits			
12	(Less) Regulatory Credits			
13	Taxes Other Than Income Taxes (408.1)	262-263	774,373	879,915
14	Income Taxes-Federal (409.1)	262-263	366,780	286,599
15	-Other (409.1)	262-263		
16	Provision for Deferred Income Taxes (410.1)	234,272-276	889,239	1,058,017
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-276	(628,686)	(636,028)
18	Investment Tax Credit Adj.- Net (411.4)	270A-B	(28,698)	(28,896)
19	(Less) Gains from Disp. of Utility Plant (411.7)			
20				
21	(Less) Gains from Disposition of Allowances			
22	Losses from Disposition of Allowances			
23	Total Utility Operating Expenses (Enter Total of lines 4 thru 22)		19,438,986	18,846,121
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		1,985,625	2,230,631

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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STATEMENT OF INCOME FOR THE YEAR (Continued)

6. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.
8. Enter on pages 122-123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the proceeding year. Also give the approximate dollar effect of such changes.
9. Explain in a footnote if the previous year's figures are different from that reported in prior years.
10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.

ELECTIC UTILITY		GAS UTILITY		OTHER UTILITY		Line
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
21,424,611	21,076,752					2
						3
16,067,916	15,435,239					4
688,760	575,748					5
1,235,407	1,189,933					6
73,895	85,594					7
						8
						9
						10
						11
						12
774,373	879,915					13
366,780	286,599					14
						15
889,239	1,058,017					16
(628,686)	(636,028)					17
(28,698)	(28,896)					18
						19
						20
						21
						22
19,438,986	18,846,121	0	0	0	0	23
1,985,625	2,230,631	0	0	0	0	24

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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STATEMENT OF INCOME FOR THE YEAR (Continued)

Line	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (m)	Current Year (m)
1						
2						
3						
4						
5	NONE					
6						
7						
8						
9						
10						
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16						
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Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) [X] An Original (2) [] A Resubmission	(Mo, Da, Yr)	Dec 31, 20 04
STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line	Account (a)	(Ref.) Page No. (b)	Total	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income <i>(Carried forward from page 114)</i>		1,985,625	2,230,631
26	OTHER INCOME AND DEDUCTIONS			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	282		
30	(Less) Costs and Exp. Of Merchandising, Job. And Contract Work (416)	282		
31	Revenues From Nonutility Operations (417)	282	94,351	97,403
32	(Less) Expenses of Nonutility Operations (417.1)	282	(72,439)	(76,684)
33	Nonoperating Rental Income (418)	282	28,602	43,608
34	Equity in Earnings of Subsidiary Companies (418.1)	119,282		
35	Interest and Dividend Income (419)	282	93,627	98,784
36	Allowance for Other Funds Used During Construction (419.1)	282		
37	Miscellaneous Nonoperating Income (421)	282		
38	Gain on Disposition of Property (421.1)	280	2,447	
39	TOTAL Other Income <i>(enter Total of lines 29 thru 38)</i>		146,588	163,111
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	280		
42	Miscellaneous Amortization (425)	340		
43	Miscellaneous Income Deductions (426.1 - 426.5)	340,341	47,283	48,186
44	TOTAL Other Income Deductions <i>(enter Total of lines 41 thru 43)</i>		47,283	48,186
45	Taxes Applic. To Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263	5,124	4,966
47	Income Taxes-Federal (409.2)	262-263	29,375	43,129
48	Income Taxes-Other (409.2)	262-263		
49	Provision for Deferred Inc. Taxes (410.2)	234,272-276	3,570	3,570
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272-276	(1,119)	(9,518)
51	Investment Tax Credit Adj.-Net (411.5)	264-265		
52	(Less) Investment Tax Credits Adj.-Net (411.5)	264-265		
53	TOTAL Taxes on Other Income and Deductions (Total of 46 thru 52)		36,950	42,147
54	Net Other Income and Deductions(Enter Total of lines 39, 44& 53)		62,355	72,778
55	INTEREST CHARGES			
56	Interest on Long-Term Debt (427)	257	673,041	739,391
57	Amort. Of Debt Disc. And Expense (428)	256-257		
58	Amortization of Loss on Reacquired Debt (428.1)			
59	(Less) Amort. Of Premium on Debt-Credit (429.1)	256-257		
60	(Less) Amortization of Gain on Reacquired			
61	Interest on Debt to Assoc. Companies (430)	257-340		
62	Other Interest Expense (431)	340	164,362	211,803
63	(Less) Allownc. for Borrowed Funds Used During Construction-Cr. (432)			
64	Net Interest Charges (Enter Total of lines 56 thru 63)		837,403	951,194
65	Income Before Extraordinary Items (Total of lines 25,54, and 64)		1,210,577	1,352,215
66	EXTRAORDINARY ITEMS			
67	Extraordinary Income (434)	342		
68	(Less) Extraordinary Deductions (435)	342		
69	Net Extraordinary Items (Enter Total of line 67 less line 68)		0	0
70	Income Taxes-Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Enter Total of lines 69 less line 70)		0	0
72	Net Income (Enter Total of lines 65 and 71)		1,210,577	1,352,215

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

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

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

Line No.	Electric Utility	Gas Utility
1 Debits to Account 410 from:		
2 Account 190	298,476	
3 Account 281		
4 Account 282	501,395	
5 Account 283	89,368	
6 Account 284		
7 Reconciling Adjustments		
8 TOTAL Account 410.1 (on pages 114-115 line 44) 16	889,239	0
9 TOTAL Account 410.2 (on page 117 line 45) 49		
10 Credits to Account 411 from:		
11 Account 190	(457,430)	
12 Account 281		
13 Account 282	(86,416)	
14 Account 283	(84,840)	
15 Account 284		
16 Reconciling Adjustments		
17 TOTAL Account 411.1 (on page 114-115 line 45) 17	(628,686)	0
18 TOTAL Account 411.2 (on page 117 line 46) 50		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR		
21 ITC Amortized for the Year CR	(28,698)	
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*	(28,698)	0
26 Net Reconciling Adjustments Account 411.5**		
27 Net Reconciling Adjustments Account 420***		

* on pages 114-15 line 46-18

** on page 117 line 47-51

*** on page 117 line 48-52

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

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

Other Utility	Total Utility	Other Income	Total Company	Line No.
	298,476	3,570	302,046	1
				2
	501,395		501,395	3
	89,368		89,368	4
				5
				6
				7
0	889,239			8
		3,570		9
	(457,430)		(457,430)	10
				11
	(86,416)	(1,119)	(87,535)	12
	(84,840)		(84,840)	13
				14
				15
				16
0	(628,686)			17
		(1,119)		18
	(28,698)		(28,698)	19
				20
				21
				22
				23
				24
0	(28,698)	0		25
		0		26
		0		27

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04__
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OPERATING LOSS CARRYFORWARD

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

Line No.	Year (a)	Operating Loss (b)	Loss Carryforward (F) or Carryback (B) (c)	Loss Utilized		Balance Remaining (f)
				Amount (d)	Year (e)	
1	None					
2						
3						
4						
5						
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first account 439, *Adjustments to Retained Earnings*, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit, items in that order.
5. Show dividends for each class and series of capital stock.
6. Show seperately the state and federal income tax effect of items shown in account 439, *Adjustment to Retained Earnings*.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		7,440,205
2	Changes (<i>Identify by prescribed retained earnings accounts</i>)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit: Unrealized gain on securities	124	1,498
5	Credit: Taxes related to unrealized gain on securities	283	(509)
6	Credit: Minimum pension liability	253	104,840
7	Credit: Taxes related to Minimum pension liability	190	(35,646)
8	TOTAL Credits to Retained Earnings (439)		70,183
9	Debit: Redemption of Common Stock	130	61,790
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		61,790
14	Balance Transferred from Income (Account 433 Less Account 418.1)		1,210,577
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared-Preferred Stock (Account 437)		
23	Dividends Declared-Preferred Stock	242	59,309
24			
25			
26			
27			
28	TOTAL Dividends Declared-Preferred Stock (Account 437)		59,309

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock (Account 438)	242	539,967	
30				
31				
32				
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		539,967	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings			
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		8,059,899	
APPROPRIATED RETAINED EARNINGS (Account 215)				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
38				
39				
40				
41				
42				
43	TOTAL Appropriated Retained Earnings (Account 215)		0	
APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)				
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
45	TOTAL Appropriated Retained Earnings (Account 215 & 215.1)		0	
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		8,059,899	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
47	Balance-Beginning of Year (Debit or Credit)			
48	Equity in Earnings for Year (Credit) (Account 418.1)			
49	(Less) Dividends Received (Debit)			
50	Other Changes (Explain)			
51	Balance-End of Year (Enter Total of lines 47 thru 50)		0	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.

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

3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income (Line 72 (c) on page 117)	1,210,577
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	1,354,632
5	Amortization of (Specify)	
6	Intangible Plant	73,895
7		
8	Deferred Income Taxes (Net)	263,004
9	Investment Tax Credit Adjustment (Net)	(28,698)
10	Net (Increase) Decrease in Receivables	(40,290)
11	Net (Increase) Decrease in Inventory	(9,835)
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	(182,145)
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: Other Current Assets	(94,494)
19	Deferred Debits	13,674
20	Deferred Credits	405,795
21	Other Current Liabilities	472,600
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	3,438,715
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(2,153,060)
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(2,153,060)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	(137,081)
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)	2,310
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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)	(2,287,831)	
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long Term Debt (b)	2,240,265	
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)	2,240,265	
71			
72	Payments for Retirement of:		
73	Long Term Debt (b)	(2,654,043)	
74	Preferred Stock		
75	Common Stock	(89,240)	
76	Other:		
77	Increase in Notes Receivable	668,459	
78	Net Decrease in Short-Term Debt (c)	(749,252)	
79			
80	Dividends on Preferred Stock	(59,309)	
81	Dividends on Common Stock	(541,065)	
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	(1,184,185)	
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22, 57 and 83)	(33,301)	
87			
88	Cash and Cash Equivalents at Beginning of Year	34,212	
89			
90	Cash and Cash Equivalents at End of Year	911	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, *Unamortized Loss on Reacquired Debt*, and 257, *Unamortized Gain on Reacquired Debt*, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 16 of Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be herein.

Note 1 — Significant Accounting Policies.

Nature of Operations. Alpena Power Company ("Company") is primarily engaged in the distribution and retail sale of electric energy to approximately 16,000 residential, commercial and industrial customers in the Alpena area, situated in the northeastern lower peninsula of Michigan. The Company has been in operation since 1881. The Company purchases 88% of its power from Consumers Energy Company and receives 24% of its revenue from its five largest customers.

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

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

Depreciation. Property is depreciated on a straight-line basis over its estimated service life by applying rates approved by the MPSC. Depreciation rates averaged 3.29% in 2004 and 3.31% in 2003.

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

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

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

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

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

Regulation and Regulatory Assets and Liabilities. The Company is subject to regulation by the MPSC with respect to accounting and rate matters. As a regulated utility, the Company meets the criteria of Statement of Financial Accounting Standards ("SFAS") No. 71, "Accounting for the Effects of Certain Types of Regulations". This accounting standard recognizes the ratemaking process which results in differences in the application of generally accepted accounting principles between regulated and non-regulated business. These regulatory assets and liabilities are deferred (normally treated as expenses or revenues in non-regulated business), and are being amortized as the costs are included in rates and recovered from customers.

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

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

Advertising. Advertising costs are generally expensed as incurred.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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NOTES TO FINANCIAL STATEMENTS

Note 2 — Long-Term Debt

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

	December 31	
	2004	2003
Certificates outstanding	\$10,943,361	\$11,357,140
Weighted average cost	5.83%	6.15%
Interest rate range at December 31	2.50% to 8.40%	2.50% to 8.40%

The table below shows maturities (principal and compounded interest) for long-term debt outstanding at December 31, 2004.

2005	\$ 1,922,176
2006	2,198,126
2007	2,202,720
2008	571,468
2009	1,238,545
Due thereafter	<u>2,810,326</u>
Total	<u>\$10,943,361</u>

Note 3 — Purchased Power

The Company purchases power from Consumers Energy Company under an agreement that expires December 31, 2024. Under the agreement the Company must purchase 31 megawatts of firm power at all times through 2007, except in certain circumstances involving significant load loss, when the required purchases can be reduced to 23 megawatts. After 2007 and through 2024 the Company must purchase 23 megawatts of firm power at all times, except in certain circumstances involving significant load loss, when the required purchases can be reduced to 17 megawatts. Additional purchases of non-firm power are permitted at all times. Rates under the agreement provide for fixed capacity charges and variable energy charges. The minimum annual payments under the agreement, assuming that significant load loss does not occur, range from \$5,621,000 in 2005 to \$6,900,000 in 2024. The cost of power purchased under this agreement was \$11,131,514 in 2004 and \$10,080,697 in 2003.

The Company purchases power from Thunder Bay Power Company under agreements that expire December 31, 2005. The cost of power purchased under these agreements is the Company's avoided capacity and energy costs, which amounted to \$1,085,681 in 2004 and \$993,176 in 2003.

The Company purchases power from two of its customers, when those customers generate power in excess of their needs. The cost of power purchased from those customers is the Company's avoided energy cost, which amounted to \$256,479 in 2004, \$223,799 in 2003.

The Company entered into an agreement with CMS Marketing, Services & Trading ("CMS MST") to purchase five megawatts of firm power at all times from May 16 through October 15 in the years 1999 through 2003. For 2003 CMS MST's rights and responsibilities under the agreement were transferred to Constellation Power Source. Rates under the agreement provided for fixed energy charges, which were approved by the MPSC. The cost of power purchased was \$0 in 2004, \$784,071 in 2003.

The Company purchases power from APGen when APGen generates power in excess of its customers' needs. The cost of the power purchased is the Company's avoided cost, which amounted to \$7,898 in 2004, \$7,529 in 2003.

Note 4 — Financial Instruments

SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities", requires accounting for investments in debt securities to be held to maturity at amortized cost; otherwise debt and marketable equity securities would be recorded at fair value, with any unrealized gains or losses included in earnings if the security is held for trading purposes or as a separate component of shareholder's equity if the security is available-for-sale. Realized gains or losses are calculated by the specific identification method. The following is a summary of marketable securities:

	December 31, 2004		
	Amortized Cost	Unrealized gains (losses)	Fair Value
Available-for-sale: Equity securities	\$ <u>18,699</u>	\$ <u>8,731</u>	\$ <u>27,430</u>
	December 31, 2003		
	Amortized Cost	Unrealized gains (losses)	Fair Value
Available-for-sale: Equity securities	\$ <u>20,515</u>	\$ <u>7,234</u>	\$ <u>27,749</u>

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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NOTES TO FINANCIAL STATEMENTS

As disclosed in Note 3 — Long-Term Debt, the Company borrows operating funds by selling Energy Thrift Notes at rates varying from 2.50% to 8.40% over periods from two to seven years in length. The Company is subject to risk that may arise by holding debt at rates higher than the market, should interest rates drop. The Company minimizes this risk by retaining the right to "call" or redeem these notes prior to maturity.

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

Note 5 — Pension and Other Postretirement Benefits

Pension Plan Benefits. The Company has a non-contributory defined benefit pension plan for all eligible employees. The plan provides defined benefits based upon years of service and career average salary. The Company uses a September 30 measurement date for its pension plan.

The following table sets forth certain information concerning the status of the plan.	September 30	
	<u>2004</u>	<u>2003</u>
Plan assets at fair value at end of period	\$ 5,764,094	\$ 5,292,596
Projected benefit obligation at end of period	<u>7,367,261</u>	<u>7,010,903</u>
Funded (unfunded) status	<u>\$ (1,603,167)</u>	<u>\$ (1,718,307)</u>
Accumulated benefit obligation at end of period	\$ 6,300,151	\$ 5,893,455
Company contributions	\$ 250,000	\$ 923,538
Benefits paid	\$ (283,528)	\$ (281,939)
Net periodic benefit cost	\$ 307,211	\$ 300,380
Increase (decrease) in minimum liability included in a combination of other comprehensive income and intangible assets	\$ (122,012)	\$ (41,933)
Accrued benefit cost	\$ (236,058)	\$ (350,859)
Intangible assets	31,489	48,661
Accumulated other comprehensive income	<u>202,933</u>	<u>307,773</u>
Net (accrued benefit cost) asset	<u>\$ (1,636)</u>	<u>\$ 5,575</u>

The assumptions used to determine benefit obligations were as follows:

	<u>2004</u>	<u>2003</u>
Discount rate	6.25%	6.25%
Rate of compensation increase	5.00%	5.00%

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

	<u>2004</u>	<u>2003</u>
Discount rate	6.25%	6.75%
Expected long-term return on plan assets	8.25%	8.25%
Rate of compensation increase	5.00%	5.00%

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

The pension plan's asset allocations at September 30, and the target allocation for 2004, by asset category were as follows:

	<u>Target</u>	<u>2004</u>	<u>2003</u>
Equity securities	80%	79%	78%
Debt securities	1	2	1
Other (guaranteed interest)	<u>19</u>	<u>19</u>	<u>21</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

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

The Company made contributions to the plan after the September 30 measurement date of \$300,000 in 2004 and \$250,000 in 2003. The Company expects to contribute \$400,000 to the plan in 2005.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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NOTES TO FINANCIAL STATEMENTS

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

2005	\$ 263,719
2006	\$ 269,504
2007	\$ 278,772
2008	\$ 332,377
2009	\$ 420,243
2010 thru 2014	\$ 2,453,105

In late 2004, the Company offered an early retirement incentive program ("ERIP") through its defined benefit pension plan. Five employees elected to retire under the program. Because the ERIP occurred after the measurement date of the plan, SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", requires that the additional pension liability related to the ERIP of \$257,707 be recorded in 2005.

Other Postretirement Plan Benefits. The Company provides certain postretirement health care benefits to qualified retired employees. The health care plan is contributory with participants' contributions adjusted annually. The Company uses an August 31 measurement date for its health care plan.

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

	August 31	
	2004	2003
Plan assets at fair value at end of period	\$ ~	\$ ~
Projected benefit obligation at end of period	<u>2,549,969</u>	<u>2,981,900</u>
Funded (unfunded) status	<u>\$ (2,549,969)</u>	<u>\$ (2,981,900)</u>
Participant contributions	\$ 19,513	\$ 10,075
Company contributions	\$ 76,408	\$ 160,147
Benefits paid	\$ (95,921)	\$ (170,222)
Net periodic pension benefit cost	\$ 343,578	\$ 241,671
Net (accrued) benefit cost, at December 31	\$ (2,075,580)	\$ (1,843,634)

The assumptions used to determine benefit obligations were as follows:

Discount rate	<u>2004</u>	<u>2003</u>
	6.25%	6.25%

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

Discount rate	<u>2004</u>	<u>2003</u>
	6.25%	6.75%
Expected long-term return on plan assets	n.a.	n.a.

Benefit costs were calculated assuming health care cost trend rates of 10.3% for 2005 decreasing by 0.5% per year to an ultimate rate of 4.8%. The Company expects to contribute \$120,000 to the plan in 2005.

The following benefit payments are expected to be paid:

2005	\$ 108,000
2006	\$ 122,000
2007	\$ 139,000
2008	\$ 156,000
2009	\$ 172,000
2010 thru 2014	\$ 1,268,000

Note 6 — Related Party Transactions

The Company has entered into operating agreements with APResources, APGen, Sunrise Side, and West Dock, whereby the Company performs certain operational and managerial services for each company. The Company is compensated for these services at market-based rates that are higher than the Company's costs. The revenues received from these agreements were \$88,808 in 2004, \$95,850 in 2003. The related expenses were \$68,820 in 2004, \$75,647 in 2003.

In 2001 the Company received a \$2,501,582 long-term note from West Dock at a variable rate of interest. West Dock was required to make minimum monthly payments of \$20,000. As of December 31, the remaining balance on the note was \$0 for 2004, \$1,130,000 for 2003. The Company received interest income from this note of \$16,209 in 2004, \$45,442 in 2003.

From time-to-time the Company has made short-term loans at a variable rate of interest to West Dock and West Dock has made payments on the loans. West Dock is required to pay all interest due monthly. As of December 31, the outstanding note balance was \$2,037,879 for 2004, \$346,323 for 2003. The Company received interest income from these notes of \$50,118 in 2004, \$14,115 in 2003.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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NOTES TO FINANCIAL STATEMENTS

From time-to-time the Company has issued short-term notes payable at a variable rate of interest to APResources and the Company has made payments on the notes. The Company is required to pay all interest due monthly. As of December 31, the outstanding note balance was \$0 for 2004, \$799,253 for 2003. The Company incurred interest expense on these notes of \$1,223 in 2004, \$7,800 in 2003.

The Company provides regulated electric utility services to APGen and West Dock. The revenue from these services related to APGen was \$156,383 in 2004, \$134,957 in 2003. The revenue from these services related to West Dock was \$581 in 2004, \$752 in 2003.

As described more fully in Note 8 — Purchased Power, the Company purchases power from APGen.

Note 7 — Capital Stock

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

In 2004 the Company purchased 2,745 shares of its outstanding common stock at a cost of \$89,240, which was the book value of the stock as of February 29, 2004.

Note 8 — Legal Proceedings

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

Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec 31, 20 04
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION AND DEPLATION				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	42,443,793	42,443,793	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified			
7	Experimental Plant Unclassified			
8	TOTAL (Enter Total of lines 3 thru 7)	42,443,793	42,443,793	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	673,181	673,181	
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	43,116,974	43,116,974	
14	Accum. Prov. For Depr., Amort., & Depl.	(16,419,692)	(16,419,692)	
15	Net Utility Plant (Enter Total of line 13 less 14)	26,697,282	26,697,282	
DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
17	In Service:			
18	Depreciation	16,082,877	16,082,877	
19	Amort. & Depl. Of Producing Natural Gas Land & Land Rights			
20	Amort. Of Underground Storage Land & Land Rights			
21	Amort. Of Other Utility Plant	336,815	336,815	
22	TOTAL In Service (Enter Total of lines 18 thru 21)	16,419,692	16,419,692	
23	Leased to Others			
24	Depreciation			
25	Amortization & Depletion			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0	0	
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	TOTAL held for Future Use (Enter Total of Lines 28 and 29)	0	0	
31	Abandonment of leases (Natural Gas)			
32	Amortization of Plant Acquisition Adjustment			
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31 & 32)	16,419,692	16,419,692	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION,
AMORTIZATION AND DEPLETION (Continued)**

Gas (d)	Other (Specify) (e)	Other (Specify) (e)	Other (Specify) (e)	Common (h)	Line No.
					1
NONE					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
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					22
					23
					24
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					26
					27
					28
					29
					30
					31
					32
					33

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04 _____
NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 & 157)				
1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.		arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.		
2. If the nuclear fuel stock is obtained under leasing				
Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes During Year Additions (c)	
1	Nuclear Fuel in process of Refinement, Conversion, Enrichment & Fabrication (120.1)	NONE		
2	Fabrication			
3	Nuclear Materials			
4	Allowance for Funds Used during Construction			
5	(Other Overhead Construction Costs)			
6	SUBTOTAL (Enter Total of lines 2 thru 5)			
7	Nuclear Fuel Materials & Assemblies			
8	In Stock (120.2)			
9	In Reactor (120.3)			
10	SUBTOTAL (Enter Total of lines 8 & 9)			
11	Spent Nuclear Fuel (120.4)			
12	Nuclear Fuel Under Capital Leases (120.6)			
13	(Less) Accum. Prov. For Amortization of Nuclear Fuel Assemblies (120.5)			
14	TOTAL Nuclear Fuel Stock (Enter Total line 6, 10, 11 & 12 less line 13)			
15	Estimated net Salvage Value of Nuclear Materials in line 9			
16	Estimated net salvage Value of Nuclear Materials in line 11			
17	Estimated Net Salvage Value of Nuclear Materials in Chemical Processing			
18	Nuclear Materials held for Sale (157)			
19	Uranium			
20	Plutonium			
21	Other			
22	TOTAL Nuclear Materials held for Sale (Enter Total of lines 19, 20 & 21)			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20_04_____
NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 & 157)(Continued)			
Changes During the Year		Balance End of Year (f)	Line No.
Amortization (d)	Other Reductions (Explain in a Footnote) (e)		
	NONE		1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
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			19
			20
			21
			22

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20_04
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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

- | | |
|---|--|
| <p>1. Report below the original cost of plant in service in the same detail as in the current depreciation order.</p> <p>2. In addition to Account 101, Electric Plant in service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and</p> | <p>include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the</p> |
|---|--|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents	32,504	4,172
4	303 Miscellaneous Intangible Plant	310,903	165,312
5	TOTAL Intangible Plant	343,407	169,484
6	2. PRODUCTION PLANT		
7	Steam Production Plant		
8	310.1 Land	0	
9	310.2 Land Rights	0	
10	311 Structures and Improvements	0	
11	312 Boiler Plant Equipment	0	
12	313 Engines and Engine-Driven Generators	0	
13	314 Turbogenerator Units	0	
14	315 Accessory Electric Equipment	0	
15	316 Miscellaneous Power Plant Equipment	0	
16	TOTAL Steam Production Plant	0	
17	Nuclear Production Plant		
18	320.1 Land	0	
19	320.2 Land Rights	0	
20	321 Structures and Improvements	0	
21	322 Reactor Plant Equipment	0	
22	323 Turbogenerator Units	0	
23	324 Accessory Electric Equipment	0	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

reversals of the prior year's tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassification or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f)

to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and, if substantial in amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
				301	2
6,009			30,667	302	3
			476,215	303	4
6,009	0	0	506,882		5
					6
					7
			0	310.1	8
			0	310.2	9
			0	311	10
			0	312	11
			0	313	12
			0	314	13
			0	315	14
			0	316	15
			0		16
					17
			0	320.1	18
			0	320.2	19
			0	321	20
			0	322	21
			0	323	22
			0	324	23

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04_____
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)	
24	325 Miscellaneous Power Plant Equipment	0		
25	TOTAL Nuclear Production Plant	0		
26	Hydraulic Production Plant			
27	330.1 Land	0		
28	330.2 Land Rights	0		
29	331 Structures and Improvements	0		
30	332 Reservoirs, Dams and Waterways	0		
31	333 Water Wheels, Turbines and Generators	0		
32	334 Accessory Electric Equipment	0		
33	335 Miscellaneous Power Plant Equipment	0		
34	336 Roads, Railroads and Bridges	0		
35	TOTAL Hydraulic Production Plant	0		
36	Other Production Plant			
37	340.1 Land	0		
38	340.2 Land Rights	0		
39	341 Structures and Improvements	0		
40	342 Fuel Holders, Products and Accessories	0		
41	343 Prime Movers	0		
42	344 Generators	0		
43	345 Accessory Electric Equipment	0		
44	346 Miscellaneous Power Plant Equipment	0		
45	TOTAL Other Production Plant	0		
46	TOTAL Production Plant	0		
47	3. TRANSMISSION PLANT			
48	350.1 Land	150,710	0	
49	350.2 Land Rights	7,486	0	
50	352 Structures and Improvements	128,862	0	
51	353 Station Equipment	3,483,647	443,743	
52	354 Towers and Fixtures	0	0	
53	355 Poles and Fixtures	1,303,232	17,988	
54	356 Overhead Conductors and Devices	959,831	18,759	
55	357 Underground Conduit	0	0	
56	358 Underground Conductors and Devices	19,634	4,779	

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec 31, 20 04	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				325	24
					25
					26
				330.1	27
				330.2	28
				331	29
				332	30
				333	31
				334	32
				335	33
				336	34
					35
					36
				340.1	37
				340.2	38
				341	39
				342	40
				343	41
				344	42
				345	43
				346	44
					45
					46
					47
	(36)		150,674	350.1	48
			7,486	350.2	49
(3,110)			125,752	352	50
(5,000)			3,922,390	353	51
				354	52
(3,549)			1,317,671	355	53
			978,590	356	54
				357	55
			24,413	358	56

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
57	359 Roads and Trails			
58	TOTAL Transmission Plant	6,053,402	485,269	
59	4. DISTRIBUTION PLANT			
60	360.1 Land	32,988		
61	360.2 Land Rights	1,968	119	
62	361 Structures and Improvements	12,012		
63	362 Station Equipment	4,554,688	48,111	
64	363 Storage Battery Equipment	0		
65	364 Poles, Towers and Fixtures	8,414,630	444,813	
66	365 Overhead Conductors and Devices	5,625,950	237,463	
67	366 Underground Conduit			
68	367 Underground Conductors and Devices	1,773,532	54,066	
69	368 Line Transformers	6,550,949	332,878	
70	368.1 Capacitors			
71	369 Services	2,712,293	104,669	
72	370 Meters	1,263,600	25,017	
73	371 Installations on Customers' Premises	494,238	10,311	
74	372 Leased Property on Customers' Premises			
75	373 Street Lighting and Signal Systems	57,504		
76	TOTAL Distribution Plant	31,494,352	1,257,447	
77	5. GENERAL PLANT			
78	389.1 Land	48,469	6,473	
79	389.2 Lands Rights			
80	390 Structures and Improvements	930,254		
81	391 Office Furniture and Equipment	296,585		
82	391.1 Computers / Computer Related Equipment	223,829	5,618	
83	392 Transportation Equipment	376,274	79,366	
84	393 Stores Equipment			
85	394 Tools, Shop and Garage Equipment	69,411	7,139	
86	395 Laboratory Equipment	132,434	1,129	
87	396 Power Operated Equipment	738,976		
88	397 Communication Equipment	157,919		
89	398 Miscellaneous Equipment			
90	SUBTOTAL	2,974,151	99,725	

Name of Respondent Alpena Power Company		This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				359	57
(11,659)	(36)		6,526,976		58
					59
			32,988	360.1	60
			2,087	360.2	61
			12,012	361	62
			4,602,799	362	63
			0	363	64
(104,551)			8,754,892	364	65
(65,604)			5,797,809	365	66
			0	366	67
(5,659)			1,821,939	367	68
(110,240)			6,773,587	368	69
			0	368.1	70
(34,311)			2,782,651	369	71
(13,713)			1,274,904	370	72
(9,224)			495,325	371	73
			0	372	74
			57,504	373	75
(343,302)			32,408,497		76
					77
			54,942	389.1	78
			0	389.2	79
			930,254	390	80
(1,096)			295,489	391	81
(14,475)			214,972	391.1	82
(51,635)			404,005	392	83
			0	393	84
			76,550	394	85
			133,563	395	86
			738,976	396	87
(5,232)			152,687	397	88
			0	398	89
(72,438)			3,001,438		90

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04_____
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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
91	399 Other Tangible Property		
92	TOTAL General Plant	2,974,151	99,725
93	TOTAL (Accounts 101 and 106)	40,865,312	2,011,925
94			
95	102 Electric Plant Purchased		
96	(Less) 102 Electric Plant Sold		
97	103 Experimental Plant Unclassified		
98	TOTAL Electric Plant in Service <i>(Total of lines 93 thru 97)</i>	40,865,312	2,011,925

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04_____
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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			0	399	91
(72,438)			3,001,438		92
(433,408)	(36)		42,443,793		93
			0		94
			0	102	95
			0		96
			0	103	97
(433,408)	(36)	0	42,443,793		98

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04_____
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ELECTRIC PLANT LEASED TO OTHERS (Account 104)

1. Report below the information called for concerning electric plant leased to others.	2. In column (c) give the date of Commission authorization of the lease of electric plant to others.
--	--

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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15					
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36					
37					
38					
39					
40					
41					
42					
43					
44	TOTAL				

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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ELECTRIC PLANT LEASED TO OTHERS (Account 104)

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

Line No.	Description and Location of Property (a)	Date Originally included in this Acct. (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:	NONE		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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21	Other Property:			
22				
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43				
44	TOTAL			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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**PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION
OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 & 115)**

- | | |
|--|---|
| <p>1. Report the particulars called for concerning acquisition adjustments.</p> <p>2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.</p> <p>3. Explain each debit and credit during the year, give reference to any Commission orders or other authorizations concerning such amounts, and show contra account debited or credited.</p> <p>4. For acquisition adjustments arising during the year</p> | <p>state the name of the company from which the property was acquired, date of transaction, and date journal entries clearing Account 102, Plant Purchased or Sold, were filed with the Commission.</p> <p>5. In the blank space at the bottom of the schedule, explain the plan of disposition of any acquisition adjustments not currently being amortized.</p> <p>6. Give date Commission authorized use of Account 115.</p> |
|--|---|

Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	CREDITS		Balance End of Year (f)
				Contra Acct. (d)	Amount (e)	
1	Account 114	NONE				
2						
3						
4						
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14						
15	Account 115					
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Blank space for explanation of acquisition adjustments not currently being amortized and date Commission authorized use of Account 115.

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)				
1. Report below descriptions and balances at end of year of projects in process of construction and completed construction not classified for projects actually in service. For any substantial amounts of completed construction not classified for plant actually in service explain the circumstances which have prevented final classification of such amounts to prescribed primary accounts for plant in service.		Not Classified-Electric, shall be furnished even though this account is included in the schedule, Electric Plant in Service, pages 204-211, according to a tentative classification by primary accounts.		
2. The information specified by this schedule for Account 106, Completed Construction		3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts). 4. Minor projects may be grouped.		
Line No.	Description of Project (a)	Construction Work in Progress-Electric (Account 107) (b)	Completed Construction Not Classified-Electric (Account 106) (c)	Estimated Additional Cost of Project (d)
1	Hubbard Lake Substation Upgrade	80,576		19,424
2	Scada-South Sub	4,028		5,972
3	Radio System Improvements	154,144		5,000
4	Line Extensions	434,433		0
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35	TOTAL	673,181	0	30,396

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
CONSTRUCTION OVERHEADS - ELECTRIC			
<p>1. List in columns (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.</p> <p>2. On page 218 furnish information concerning construction overheads.</p> <p>3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather</p>		<p>should explain on page 218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.</p> <p>4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.</p>	
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	
1	Administrative & General	353,732	
2	Payroll Tax	23,438	
3	General Liability Insurance	26,249	
4	Worker's Compensation	4,989	
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39	TOTAL	408,408	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE			
<p>1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.</p> <p>2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.</p>			
<p>Administrative and General Salaries (Account 920) and Employee Benefits (Account 926) are charged to construction based on percent of construction labor to total labor. The procedure is the same for all work orders and it is accomplished through the use of a sub account.</p> <p>Payroll taxes (FICA, Medicare, MESC, and FUTA), general liability insurance, and workers compensation insurance are loaded as a percent of all labor charges to construction. The procedure is the same for all work orders and is accomplished by the use of a sub account.</p>			

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108 & 110)					
1. Explain in a footnote any important adjustments during year.		If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all cost included in retirement work in progress at year end in the appropriate functional classifications.			
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 202-204A, column (d), excluding retirements of non-depreciable property.		4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.			
3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	15,301,008	15,301,008		
2	Depreciation Prov. for Year, Charged to				
3	(403) Depreciation Expense	1,235,407	1,235,407		
4	(403.1) Decommissioning Expense				
5	(413) Exp. Of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	110,942	110,942		
7	Other Clearing Accounts				
8	Other Accounts (Specify):				
9					
10	TOTAL Deprec. Prov. For Year (Enter Total of Lines 3 thru 9)	1,346,349	1,346,349	0	0
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	427,399	427,399		
13	Cost of Removal	130,388	130,388		
14	Salvage (Credit)	(9,952)	(9,952)		
15	TOTAL Net Chrgs. For Plant Ret. (Enter Total of lines 12 thru 14)	547,835	547,835	0	0
16	Net Earnings of Decommissioning Funds				
17	Other Debit or Credit Items (Described)				
18	Retirement WIP	(16,645)	(16,645)		
19	Balance End of Year (Enter total of lines 1, 10, 15, 16 & 17)	16,082,877	16,082,877	0	0
Section B. Balances at End of Year According to Functional Classifications					
20	WIP-Retirement	(31,255)	(31,255)		
21	Nuclear Production-Depreciation				
22	Nuclear Production-Decommissioning				
23	Hydraulic Production-Conventional				
24	Hydraulic Production-Pumped Storage				
25	Other Production				
26	Transmission	2,883,853	2,883,853		
27	Distribution	11,971,036	11,971,036		
28	General	1,259,243	1,259,243		
29	TOTAL (Enter total of lines 20 thru 28)	16,082,877	16,082,877	0	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04__
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NONUTILITY PROPERTY (Account 121)

- | | |
|---|---|
| <p>1. Give a brief description and state the location of nonutility property included in Account 121.</p> <p>2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.</p> <p>3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.</p> | <p>4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.</p> <p>5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.</p> |
|---|---|

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Previously devoted to public service:			
2	Office building, Alpena, MI 5/31/88	190,734		190,734
3				
4				
5				
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9				
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13				
14				
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16				
17				
	TOTAL	190,734	0	190,734

**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	118,556
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	8,282
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	8,282
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	0
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	126,838

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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INVESTMENTS (Accounts 123, 124, 136)

1. Report below the investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investment*, and 136, *Temporary Cash Investments*. in Account 124, *Other Investments*), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.

2. Provide a subheading for each account and list thereunder the information called for:

(a) Investment in securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included

(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account. Each note should be

Line No.	Description of Investment (a)	Book Cost at Beginning of Year <i>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)</i>		Purchases or Additions During Year (c)
		Original Cost	(b) Book Value	
1	Semco Energy Common Stock	2,050	624	0
2	CMS Energy Common Stock	2,452	852	0
3	DTE Energy Common Stock	3,559	3,940	0
4	WPS Resource Common Stock	3,059	5,706	68
5	LaFarge Corporation Common Stock	1,941	4,052	0
6	WI Energy Common Stock	3,469	7,286	44
7	Maine Public Service Commission	2,058	3,501	0
8	Louisiana Pacific Common Stock	1,927	1,788	0
9				
10				
11				
12				
13				
14				
15				
16	For book purpose, stock investments are adjusted to market value. The market adjustment, net of deferred taxes, is recorded in Account 439, Adjustment to Retained Earnings			
17				
18				
19				
20				
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29				
30		20,515	27,749	112

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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INVESTMENTS (Accounts 123, 124, 136)

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.

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.

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 authorization, and case or docket number.

5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

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).

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)		Revenues for Year (g)	Gain of Loss from Improvement Disposed of (h)	Line No.
		Original cost(f)	Book Value			
	127.363	2,050	680	19		1
	100	2,452	1,045			2
	100	3,559	4,313	206		3
	124.848	3,127	6,237	274		4
	100	1,941	5,132	84		5
	219.1599	3,513	7,388	136		6
	100	2,058	2,635	152		7
2,420	0	0	0	13	493	8
						9
						10
						11
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						28
						29
2,420	871.3709	18,700	27,430	884	493	30

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04 _____
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)					
Report below the investments in Accounts 123.1, <i>Investments in Subsidiary Companies</i> . 2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h). (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate. (b) Investment Advances - Report separately the			amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal. 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.		
Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	
1	NONE				
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3					
4					
5					
6					
7					
8					
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11					
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13					
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31					
32					
33					
34					
35					
36	TOTAL Cost of Account 123.1 \$ _____		TOTAL		0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

<p>4. For any securities, notes, or accounts that were pledged, designate such securities, notes or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>5. 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 authorization, and case or docket number.</p> <p>6. Report in column (f) interest and dividend revenues from investments, including such revenues from</p>	<p>securities disposed of during the year.</p> <p>7. 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 interest adjustment includible in column (f).</p> <p>8. Report on Line 36, column (a) the total cost of Account 123.1.</p>
---	--

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
NONE				1
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				3
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and		employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).	
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)	1,507,469	1,564,016
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	32,818	10,447
4	TOTAL	1,540,287	1,574,463
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	(20,000)	(25,000)
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	1,520,287	1,549,463
7			
8			
9			
10			
11			
12			
13			
14			

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)

1. Report below the information called for concerning this accumulated provision.
2. Explain any important adjustments of subaccounts.
3. Entries with respect to officers and employees shall not include items for utility services.

Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	20,000				20,000
2	Prov. For uncollectibles for current year	17,680				17,680
3	Account written off (less)	(47,103)				(47,103)
4	Coll. Of accounts written off	34,423				34,423
5	Adjustments (explain):					
6	Balance end of year	25,000				25,000
7						
8						
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11						

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Alpena Power Company			Dec 31, 20 04

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

<p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</p> <p>3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.</p>	<p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p>
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* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the account company. This includes related parties.

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	NOTES RECEIVABLE					
2						
3	Sunrise Side Energy LLC	1,230,015	290,311	1,520,326		19,969
4	Working capital; 1/4% above APC's borrowing rate					
5						
6	West Dock Properties, LLC	346,323	2,716,564	1,025,008	2,037,879	50,118
7	Working capital; 1/4% above APC's borrowing rate					
8						
9	West Dock Properties, LLC	1,130,000		1,130,000		16,209
10	Real estate investments; 1/4% above APC's borrowing rate					
11	TOTALS	2,706,338	3,006,875	3,675,334	2,037,879	86,296
12	ACCOUNTS RECEIVABLE					
13						
14	Alpena Power Resources, LTD	522	8,873	8,822	573	
15						
16	West Dock Properties, LLC	576	18,342	8,721	10,197	
17						
18	Sunrise Side Energy LLC	281	3,971	3,957	295	
19						
20	Alpena Power Generation, LLC	726	66,949	65,520	2,155	
21						
22	TOTALS	2,105	98,135	87,020	13,220	
23						
24						
25	TOTAL	2,708,443	3,105,010	3,762,354	2,051,099	86,296

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected-debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Dept. or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials & Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	45,548	48,313	
6	Assigned to - Operations & Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)	27,700	30,195	
9	Distribution Plant (Estimated)	37,700	42,275	
10	Assigned to - Other			
11	TOTAL Account 154 <i>(Enter total of line 5 thru 10)</i>	110,948	120,783	
12	Merchandise (Account 155)			
13	Other Material & Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) <i>(not applicable to Gas utilities)</i>			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials & Supplies (Per Balance Sheet)	110,948	120,783	

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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)

- | | |
|---|---|
| <p>1. Report below the information called for concerning production fuel and oil stock.</p> <p>2. Show quantities in tons Of 2000 lb. Barrels (42 gals.) or Mcf., whichever unit of quantity is applicable.</p> <p>3. Each kind of coal or oil should be shown separately.</p> <p>4. If the respondent obtained any of its fuel from its own coal mines or oil or gas lands or leases or from</p> | <p>affiliated companies, a statement should be submitted showing the quantity of such fuel so obtained, the quantity used and quantity on hand, and cost of the fuel classified as to the nature of the costs and expenses incurred with appropriate adjustment for the inventories at beginning and end of year.</p> |
|---|---|

Line No.	Item (a)	Total Cost (b)	KINDS OF FUEL AND OIL	
			Quantity (c)	Cost (d)
1	On hand beginning of year	NONE		
2	Received during year			
3	TOTAL	0	0	0
4	Used during year (specify department)			
5	None			
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	Sold or transferred			
16	TOTAL DISPOSED OF			
17	BALANCE END OF YEAR			

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Alpena Power Company			Dec 31, 20 04

PRODUCTION FUEL AND OIL STOCKS (Included in Account 151 (Continued))

--

KINDS OF FUEL AND OIL (Continued)

Quantity (e)	Cost (f)	Quantity (g)	Cost (h)	Quantity (i)	Cost (j)	Line No.
NONE						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
0	0	0	0	0	0	17

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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ALLOWANCES

- | | |
|--|--|
| <p>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</p> | <p>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.</p> |
|--|--|

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.)	NONE			
5	Returned by EPA				
6-8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total	0	0	0	0
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	0	0	0	0
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 Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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ALLOWANCES (Continued)

<p>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.</p> <p>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).</p>	<p>8. Report on lines 22-27 the names of purchasers/transfers of allowances disposed of and identify associated companies.</p> <p>9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.</p> <p>10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.</p>
--	--

20__		20__		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								1
NONE								2-4
								5
								6-8
								9
								10
								11
								12
								13
								14
								15
								16-18
								19
								20
								21-22
								23
								24
								25
								26
								27
								28
								29
								30-32
								33
								34
								35
								36
								37
								38
								39
								40
								41-43
								44
								45
								46

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)				
1. Give description and amount of other current and accrued assets as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.				
Line No.	Item (a)	Balance End of Year (b)		
1	Unbilled Revenue	845,609		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	845,609		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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EXTRAORDINARY PROPERTY LOSS (Account 182.1)

Line No.	Description of Extraordinary Loss (Include in description the date of loss, the date of Commission authorization to use Account 182.1 and period of amort. (mo, yr, to mo, yr). (a))	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL	0	0		0	0

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs (Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr). (a))	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL	0	0		0	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)

1. Report below particulars concerning the cost of plans, surveys, and investigations made for the purpose of determining the feasibility of projects under contemplation.
2. Minor items may be grouped by classes. Show the number of items in each group.

Line No.	Description and Purpose of Project (a)	Balance Beginning of Year (b)
1		
2		
3		
4		
5		
6	NONE	
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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26		
27		
28		
29		
TOTAL		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)

Debits (c)	CREDITS		Balance End of Year (f)	Line No.
	Account Charged (d)	Amount (e)		
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
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				24
				25
				26
				27
				28
				29
				TOTAL

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
OTHER REGULATORY ASSETS					
1. Report below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts.) 2. For regulatory assets being amortized, show period of amortization in column (a).			3. Minor items (amounts less than \$50,000) may be grouped by classes. 4. Give the number and name of the account(s) where each amount if recorded.		
Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1	FAS109 Adj: Capitalized Interest & Custome Contrib.		191	142	366
2	FAS109 Straight Line Tax/Book Depreciation		285	71,219	342,220
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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30					
31					
32					
33					
34					
35					
36					
37					
38					
39	TOTAL	0		71,361	342,586

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission		Date of Report (Mo, Da, Yr)		Year of Report Dec 31, 20 04	
MISCELLANEOUS DEFERRED DEBITS (Account 186)							
1. Report below the particulars (details) called for concerning miscellaneous deferred debits.				3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.			
2. For any deferred debit being amortized, show period of amortization in column (a).							
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1	Customer Choice Implementation	44,293	3,497			47,790	
2	Intangible Pension (Unrecognized Prior Service	48,661		439	17,172	31,489	
3	Cost)						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38	Misc. Work in Progress						
39	TOTAL	92,954	3,497		17,172	79,279	

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

TAX SCHEDULES

I Purpose:

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

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

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes.			2. At Other (Specify), include deferrals relating to other income and deductions.	
Line No.	Account Subdivision (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2	Uncollectibles	6,800		1,700
3	Pension	102,748	102,000	104,451
4	Post Retirement Benefits	626,836	38,589	117,450
5	Customer Contributions/Capital Int.	362,520	43,256	29,700
6	Vacation	40,866	33,460	24,620
7	Customer Advances	79,646	45,141	7,839
8	Deferred Compensation	630,714	4,566	104,363
9	Office Building Basis Adj.	39,884	2,686	
10	PSCR & Related Interest	21,145	41,356	79,885
11				
12	Subtotals	1,911,159	311,054	470,008
13				
14				
15	Other			
16	Pledge Donations	10,880		
17	Non-utility - Office Building	17,271		
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	1,939,310	311,054	470,008
19	Classification of Total:			
20	Federal Income Tax	1,939,310	311,054	470,008
21	State Income Tax			
22	Local Income Tax			
<p>NOTES</p> <p><i>In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.</i></p>				

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission		Date of Report (Mo, Da, Yr) Dec 31, 20 04		Year of Report Dec 31, 20 04	
ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)							
3. If more space is needed, use separate pages as required.				and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed other Other.			
4. In the space provided below, identify by amount							
Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
						8,500	2
		439	5,838	439	41,484	69,553	3
						705,697	4
						348,964	5
						32,026	6
						42,344	7
						730,511	8
						37,198	9
						59,674	10
							11
			5,838		41,484	2,034,467	12
							13
							14
							15
2,380						8,500	16
1,190						16,081	17
3,570			5,838		41,484	2,059,048	18
							19
3,570			5,838		41,484	2,059,048	20
							21
							22
NOTES (Continued)							

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT (Account 187)

1. In column (a) give a brief description of property creating the deferred loss and the date the loss was recognized. Identify items by department where applicable.
2. Losses on property with an original cost of less than \$50,000 may be grouped. The number of items making up the grouped amount shall be reported in column (a).
3. In column (b) give the date of Commission approval of journal entries. Where approval has not been received, give explanation following the respective item in column (a). (See account 187, Deferred Losses From Sale of Utility Plant.)

Line No.	Description of Property (a)	Date J.E. Approved (b)	Total Amount of Loss (c)
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
TOTAL			\$ 0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT (Account 187) (Continued)

Balance Beginning of Year (d)	Current Year		Balance End of Year (g)	Line No
	Amortizations to Acct. 411.7 (e)	Additional Losses (f)		
None				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
\$ 0	\$ 0	\$ 0	\$ 0	TOTAL

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars of gain and loss on reacquisition applicable to each class and series of long-term debt, including maturity date. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.

2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 16 of the Uniform System of Accounts.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Princ. Amt. Of Debt Reacquired (c)	Net Gain or Net Loss (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257) (Continued)

4. Show loss amounts in red or by enclosure in parentheses. 5. Explain any debits and credits other than amortization debited to Account 428.1,	Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.
--	---

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
None				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
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				18
				19
				20
				21
				22
				23
				24
				25

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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CAPITAL STOCK (Accounts 201 and 204)

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

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

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Common Stock	602,050	10	None
2	Preferred Stock (9.75% cumulative)	20,000	100	None
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
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15				
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Alpena Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	(Mo, Da, Yr)	Dec 31, 20 04

CAPITAL STOCK (Accounts 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET <i>(Total amount outstanding without reduction for amounts held by respondents.)</i>		HELD BY RESPONDENT				
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	Line No.
336,793	3,367,930					1
6,083	608,300					2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
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						15
						16
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						19
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Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 & 205, 203 & 206, 207, 212)				
1. Show for each of the above accounts the amounts applying to each class and series of capital stock. 2. For Account 202, <i>Common Stock Subscribed</i> , and Account 205, <i>Preferred Stock Subscribed</i> , show the subscription price and the balance due on each class at the end of year. 3. Describe in a footnote the agreement and transactions under which a conversion liability existed		under Account 203, <i>Common Stock Liability for Conversion</i> , or Account 206, <i>Preferred Stock Liability for Conversion</i> , at the end of the year. 4. For Premium on Account 207, <i>Capital Stock</i> , designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.		
Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)	
1	None			
2				
3				
4				
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39				
40	TOTAL		0	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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OTHER PAID - IN CAPITAL (Accounts 208-211, inc.)

<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (account 209)-State amount and give brief explanation</p>	<p>of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) <i>Gain on Resale or Cancellation of Reacquired Capital Stock</i> (Account 210)-Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(d) <i>Miscellaneous Paid-In Capital</i> (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.</p>
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Line No.	Item (a)	Amount (b)
1	None	
2		
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34		
35	TOTAL	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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DISCOUNT ON CAPITAL STOCK (Account 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock.	attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.
---	--

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	TOTAL	0

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock,	attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.
--	--

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
2		
3		
4		
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16		
17		
18	TOTAL	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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**SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED
DURING THE YEAR**

<p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p> <p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend</p>	<p>rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p>
--	---

\$1,998,000 of Long-Term Energy Thrift Notes were issued in 2004. These notes have a weighted average interest rate of 4.08% and are due in two to seven years after issuance.

\$2,654,043 of Long-Term Energy Thrift Notes were redeemed in 2004. The weighted average interest rate was 5.91%.

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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
LONG-TERM DEBT (Accounts 221, 222, 223 and 224)			
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>			
Line No.	Class and Series of Obligation, Coupon Rate <i>(For new issue, give Commission Authorization numbers and dates)</i> (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)
1	Account 224-Long Term Debt-Energy Thrift Certificates	10,363,000	0
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
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18			
19			
20			
21			
22			
23			
24			
25	TOTAL	10,363,000	0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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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-Discount and Expense, or credited to Account 429, *Amortization of Premium on Debt-Credit*.
12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, *Interest on Long-Term Debt*, and Account 430, *Interest on Debt to Associated Companies*.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
Various	Various	N/A	N/A	10,943,361	673,041	1
				Includes \$580,361 of compound interest		2
						3
						4
						5
						6
						7
						8
						9
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						20
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						23
						24
				10,943,361	673,041	25

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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NOTES PAYABLE (Accounts 231)

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

Line No.	Payee (a)	Purpose for which issued (b)	Date of Note (c)	Date of Maturity (d)	Int. Rate (e)	Balance End of Year (f)
1	Short Term Energy Thrift Note	working capital	7/11/2004	1/11/2005	0.50%	50,000
2						
3						
4						
5						
6						
7						
8						
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27						
	TOTAL					50,000

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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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>*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	Notes Payable-APResources	602,077	602,077	0	0	1,223
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
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23						
	TOTAL	602,077	602,077	0	0	1,223

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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</p> <p>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</p>				
Line No.				TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)			
2	Allocations: Allowance for funds used during construction			
3	Interest expense			
4	Other (specify)			
5	Net income for the year (page 117 line 68)			
6	Allocation of Net income for the year			
7	Add: Federal income tax expenses			
8				See Insert Page 261B
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			

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

	TOTAL AMOUNT	UTILITY	OTHER
Utility Net Operating Income: (Pg114 Ln24)		1,985,625	
Allocations:			
Interest Expense		837,403	
Other (Net Other Income & Deductions)			62,355
Net Income for the Year: (Pg117 Ln72)	1,210,577	1,148,222	62,355
Add: Federal Income Tax Expenses	630,460	598,635	31,825
Total Pre-Tax Income	1,841,037	1,746,857	94,180
Add: Taxable Income Not Reported on Books:			
Customer Advances	(109,711)	(109,711)	
Customer Contributions in Aid of Construction	98,620	98,620	
Power Supply Cost Recovery Overr Recovery	96,465	96,465	
Gain on Sale of Fixed Assets	(1,538)	(1,538)	
Add: Deductions Recorded on Books Not Deducted on Return:			
Deferred Compensation w/Interest	306,949	306,949	
Book Depreciation	1,243,689	1,235,407	8,282
50% of Meals and Entertainment	1,180	1,180	
Interest Capitalized for Tax	8,748	8,748	
Other Post-Employment Benefits	235,050	235,050	
Bad Debt Expense	5,000	5,000	
Pension	307,211	307,211	
Vacation Pay Accrual	(26,000)	(26,000)	
Interest Expense on Power Supply Cost Recovery	16,854	16,854	
Subtract: Income recorded on Book Not Included on Return:			
Dividend Exclusion	(618)		(618)
Subtract: Deductions on Return Not Charged Against Book Income:			
Tax Depreciation	(2,524,028)	(2,515,580)	(8,448)
Charitable Contributions	(7,000)		(7,000)
Property Taxes	(9,822)	(9,822)	
Customer Choice Implementation	(3,497)	(3,497)	
Deferred Compensation Paid	(13,428)	(13,428)	
Pension Plan Contribution	(300,000)	(300,000)	
Federal Taxable Income for the Year:	1,165,161	1,078,765	86,396

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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)

return. Statenames of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

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
See Insert Page 261B		2
		3
		4
		5
		6
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Account 236)

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxes material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax Subaccount (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. In Account 165) (c)
1	Federal Income Tax	(92,272)	
2	MI Single Business Tax	35,107	
3	Property Tax	320,072	439,922
4	Payroll Tax	11,877	
5	Michigan Use Tax	220	
6	MPSC Assessment	0	
7			
8			
9			
10			
11			
12			
13			
14		275,004	439,922

DISTRIBUTION OF TAXES CHARGED (omit cents)

Line No.	Electric a/c 408.1, 409.1 (i)	Gas a/c 408.1, 409.1 (j)	Other Utility Departments a/c 408.1, 409.1 (k)	Other Income & Deductions a/c 408.2, 409.2 (l)
1	366,780			29,375
2	128,944			
3	476,201			5,124
4	146,477			
5	1,581			
6	22,082			
7				
8				
9				
10				
11				
12	1,142,065	0	0	34,499

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a). Itemize by subaccount.

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.

7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. The accounts to which taxes charged were distributed should be shown in columns (i) to (o). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.

10. Fill in all columns for all line items.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	
396,155	305,728		(1,845)		1
128,944	134,755		29,296		2
481,325	491,147		317,347	447,019	3
189,733	191,918		9,692		4
1,775	1,884		111		5
22,082	22,082		0		6
					7
					8
					9
					10
					11
					12
					13
1,220,014	1,147,514	0	354,601	447,019	14

DISTRIBUTION OF TAXES CHARGED

Extraordinary Items a/c 409.3 (m)	Other Utility Opn. Income a/c 408.1, 409.1 (n)	Adjustment to Ret. Earnings a/c 439 (o)	Other (p)	Line No.
				1
				2
				3
			#107-33,409 #110-4,239 #186-2,130	4
			#417-3,349 #456-129	5
			194	6
				7
				8
				9
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				11
			43,450	12

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where adjustments to the account balance shown in column (g). Include in appropriate, segregate the balances and transactions by utility column (i) the average period over which the tax credits are amortized. and nonutility operations. Explain by footnote any correction

Line No.	Account Subdivisions	Balance at Beginning of Year	Deferred for Year		Allocation to Current Year's Income		Adjustments
	(a)		(b)	Account No. (c)	Amount (d)	Account No. (e)	
1	Electric Utility						
2	3%						
3	4%						
4	7%	17,596			411.4	1,614	
5	10%	262,987			411.4	27,084	
6							
7							
8	TOTAL	280,583		0		28,698	0
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL						
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11							
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04__
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation	Line No.
			1
			2
			3
15,982	30.9		4
235,903	31.8		5
			6
			7
251,885			8
			9
			10
			11
			12
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)			
1. Give description and amount of other current and accrued liabilities as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Accrued Payroll	47,550	
2	Accrued Vacation	117,475	
3	Tax Collection Payable	79,228	
4	Preferred Stock Dividend Declared	59,309	
5	Common Stock Dividend Declared	134,717	
6	Prepaid Rent	4,198	
7	Flex Plan	3,677	
8	General Liability Insurance	47,867	
9	2004 PSCR	175,511	
10	Employee Medical Contributions	5,154	
11	Pledged Donations	25,000	
12	Miscellaneous	1,065	
13			
14			
15			
16			
17			
18			
19			
20	TOTAL	700,751	

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)		
Line No.	List Advances by department (a)	Balance End of Year (b)
21	Electric Construction	124,543
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	124,543

Name of Respondent Alpena Power Company			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.				period of amortization.		
2. For any deferred credit being amortized, show the				3. Minor items (less than \$10,000) may be grouped by classes.		
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year of Report (f)
			Contract Account (c)	Amount (d)		
1	Deferred Pension Liability	350,859	439	122,012		
2			130	300,000	307,211	236,058
3						
4	FASB 109 - OPEB	1,843,634	926	113,495	345,441	2,075,580
5						
6	Deferred Compensation	1,855,040	130	13,428	306,949	2,148,561
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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33						
34						
35						
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39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	4,049,533		548,935	959,601	4,460,199

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT (Account 256)

1. In column (a) give a brief description of property creating the deferred gain and the date the gain was recognized. Identify items by department where applicable.
2. Gains on property with an original cost of less than \$50,000 may be grouped. The number if items making up the grouped amount shall be reported in column (a).
3. In column (b) give the date of Commission approval of journal entries. Where approval has not been received, give explanation following the respective item in column (a). (See account 256. Deferred Gains from Sale of Utility Plant.)

Line No.	Description of Property (a)	Date J. E. Approved (b)	Total Amount of Gain (c)
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
TOTAL			0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT (Account 256)

Balance Beginning of Year (d)	Current Year		Balance End of Year (g)	Line No.
	Amortizations to Acc. 411.6 (e)	Additional Gains (f)		
None				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
0	0	0	0	TOTAL

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.			2. For Other (Specify), include deferrals relating to other income and deductions.	
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities	None		
4	Pollution Control Facilities			
5	Other			
6				
7	TOTAL Electric <i>(Total of lines 3 thru 6)</i>	0	0	0
8	Gas			
9	Defense Facilities			
10	Pollution Control Facilities			
11	Other			
12				
13	TOTAL Gas <i>(Total of lines 10 thru 12)</i>	0	0	0
14	Other (Specify)			
15	TOTAL (Account 281) <i>(Total of lines 7, 13 and 14)</i>	0	0	0
16	Classification of TOTAL			
17	Federal Income Tax			
18	State Income Tax			
19	Local Income Tax			
Notes				

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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**ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY
(Account 281) (Continued)**

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

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
None							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19

Notes

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY
(Account 282)**

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Account 282			
2	Electric			
3	Gas-Depreciation -Utilitiy	3,210,039	522,500	106,767
4	Other (Define)			
5	TOTAL (Enter total of lines 2 thru 4)	3,210,039	522,500	106,767
6	Other (Specify)			
7	AFUDC	18,814		754
8	Non-Utility Depreciation	(8,911)		
9	TOTAL Account 282 (Enter total of lines 5 thru 8)	3,219,942	522,500	107,521
10	Classification of TOTAL			
11	Federal Income Tax	3,219,942	522,500	107,521
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY
(Account 282) (Continued)**

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

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
						3,625,772	3
							4
0	0		0		0	3,625,772	5
							6
						18,060	7
	1,120					(10,031)	8
0	1,120		0		0	3,633,801	9
							10
	1,120					3,633,801	11
							12
							13

NOTES (Continued)

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283. 2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Electric			
2	Property Tax	40,749	88,179	84,840
3	Customer Choice	15,059	1,190	
4				
5				
6	Other			
7	TOTAL Electric (total of lines 2 thru 6)	55,808	89,369	84,840
8	Gas			
9				
10				
11				
12				
13	Other			
14	TOTAL Gas (Total of lines 9 thru 13)	0	0	0
15	Other (Specify) Investment Gain	2,460		
16	TOTAL (Account 283) (Enter total of lines 7, 14 and 15)	58,268	89,369	84,840
17	Classification of TOTAL			
18	Federal Income Tax	58,268	89,369	84,840
19	State Income Tax			
20	Local Income Tax			

NOTES

Name of Respondent Alpena Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for pages 276A and 276B. Include amounts relating to insignificant items listed under Other.	4. Fill in all columns for all items as appropriate. 5. Use footnotes as required.
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CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
0	0		0		0	44,088	2
0	0		0		0	16,249	3
							4
							5
							6
0	0		0		0	60,337	7
							8
							9
							10
							11
							12
							13
0	0		0		0	0	14
	0	439	509		0	2,969	15
	0		509		0	63,306	16
							17
	0		509		0	63,306	18
							19
							20

NOTES (Continued)

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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ACCUMULATED DEFERRED INCOME TAXES - TEMPORARY (Account 284)

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

Line No.	Description of Item (a)	Balance at End of Year (b)	Date of Filing for Commission Approval (c)	Case Number (d)
1	Electric			
2				
3				
4				
5				
6				
7	TOTAL Electric (Total of lines 2 thru 6)	0		
8	Gas			
9				
10				
11				
12				
13				
14	TOTAL Gas (Total of lines 9 thru 13)	0		
15	Other (Specify)			
16	TOTAL (Account 284) (Enter Total of lines 7, 14 and 15)	0		
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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OTHER REGULATORY LIABILITIES

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	DEBITS		Credits (d)	Balance at End of Year (e)
		Account Credited (b)	Amount (c)		
1	FAS 109 Adjustment:				
2	ITC Basis Adjustment			3,674	(61,706)
3					
4	FAS 109 Adjustment:				
5	Amortization of Deferred ITC	191	14,784		129,764
6					
7	FAS 109 Adjustment:				
8	Accelerated Tax Depreciation on	285	23,729		76,313
9	Pre 1981 Utility Property				
10					
11	FAS 109 Adjustment:				
12	Tax Depreciation on Post 1980	285	2,902		90,876
13	Utility Property				
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL		41,415	3,674	235,247

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421. 2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.

2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).

3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.		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	Sale of Stock Investments (3)	1,927		2,447	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain	1,927		2,447	

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)					
None					
Line No.		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	0			0

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
INCOME FROM UTILITY PLANT LEASED TO OTHERS (Accounts 412 AND 413)			
<p>1. Report below the following information with respect to utility property leased to others constituting an operating unit or system.</p> <p>2. For each lease show: (1) name of lessee and description and location of the leased property; (2) revenues; (3) operating expenses classified as to operation, maintenance, depreciation, rents, amortization; and (4) net income from lease for year. Arrange amounts so that deductions appear as a</p>		<p>subtraction from revenues, and income as the remainder.</p> <p>3. Provide a subheading and total for each utility department in addition to a total for all utility departments.</p> <p>4. Furnish particulars of the method of determining the annual rental for the property.</p> <p>5. Designate associated companies.</p>	
Line No.			
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

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

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

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

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

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

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

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

Line No.	Item (a)	Amount (b)
1	Account 417 - Revenues From Non-Utility Operations	
2	Combat Readiness Training Center	5,543
3	Alpena Power Recources Ltd.	8,873
4	Alpena Power Generation LLC	66,949
5	West Dock Properties LLC	9,015
6	Sunrise Side Energy LLC	3,971
7	Total	94,351
8	Account 417.1-Expenses of Non-Utility Operations	
9	Combat Readiness Training Center	(3,620)
10	Alpena Power Recources Ltd.	(6,931)
11	Alpena Power Generation LLC	(51,889)
12	West Dock Properties LLC	(6,949)
13	Sunrise Side Energy LLC	(3,050)
14	Total	(72,439)
15	Account 418-Non Operating Rental	
16	Rents	50,124
17	Depreciation	(8,282)
18	Utilities	(2,990)
19	Maintenance	(10,250)
20	Total	28,602
21	Account 419-Interest & Dividend Income	
22	Bank & Credit Unions	2,916
23	Stock Dividend	917
24	Customer Choice Implementation	3,497
25	West Dock Properties LLC	66,327
26	Sunrise Side Energy LLC	19,969
27	Total	93,626
28	Grand Total	144,140

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04_	Year of Report Dec 31, 20 04_
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ELECTRIC OPERATING REVENUES (Account 400)

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

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	7,670,645	7,779,729
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	8,374,842	8,277,372
5	Large (or Industrial)	5,227,197	4,768,990
6	(444) Public Street and Highway Lighting	23,734	23,569
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	(449) Other Sales		
11			
12	TOTAL Sales to Ultimate Consumers	21,296,418	20,849,660
13			
14	(447) Sales for Resale		
15	TOTAL Sales of Electricity	21,296,418 *	20,849,660
16			
17	(Less) (449.1) Provision for Rate Refunds	-160,287	-57,140
18	TOTAL Revenue Net of Provision for Refunds	21,136,131	20,792,520
19	Other Operating Revenues		
20	(450) Forfeited discounts	37,790	36,204
21	(451) Miscellaneous Service Revenues	21,221	23,045
22	(453) Sales of Water and Water Power		
23	(454) Rent from Electric Property	93,939	105,300
24	(455) Interdepartmental Rents		
25	(456) Other Electric Revenues	135,530	119,683
26			
27			
28			
29			
30	TOTAL Other Operating Revenues	288,480	284,232
31			
32	TOTAL Electric Operating Revenues	21,424,611	21,076,752

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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ELECTRIC OPERATING REVENUES (Account 400) (Continued)

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

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number or Previous Year (g)	
87,004	88,432	13,578	13,592	1
110,395	108,364	3,610	3,518	2
120,236	112,271	5	5	3
97	96	197	196	4
				5
				6
				7
				8
				9
				10
				11
317,732	309,163	17,390	17,311	12
				13
				14
317,732 **	309,163	17,390	17,311	15
				16
				17
317,732	309,163	17,390	17,311	18

*Include \$845,609 unbilled revenues.

**Includes 9,626 MWH relating to unbilled revenues.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1	<u>440 - Residential</u>					
2	Residential	87,004	7,617,918	13,578	6,407	8.756
3	Unbilled @ 12/31/04	6,181	554,404			
4						
5						
6	<u>442-Commercial/Industrial</u>					
7	General Service	28,800	2,589,560	2,186	13,175	8.99
8	General Service-Electric Heat	35	2,630	4	8,750	7.51
9	Standard Power	78,747	3,453,535	218	223,610	7.08
10	Large Power	31,781	2,073,956	17	1,869,471	6.53
11	Protective Lights	1,032	193,743	1,185	870	18.77
12	Industrial	120,236	5,181,108	5	24,047,200	4.31
13	Total 442	260,631	13,494,532	3,615	72,097	5.178
14	Unbilled @ 12/31/04	3,440	290,055			
15						
16	<u>444-Street and Highway</u>					
17	Street and Highway Lights	97	23,681	197	492	24.41
18	Unbilled @ 12/31/04	5	1,150			
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	Total Billed	347,732	21,136,131	17,390	18,271	6.65
35	Total Unbilled	9,626	845,609			
36	TOTAL	347,732	21,136,131	17,390	18,271	6.65

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Name of Respondent Alpena Power Company	This Report Is: (1) [<input checked="" type="checkbox"/>] An Original (2) [<input type="checkbox"/>] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i. e. transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (pp. 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e. the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of **LF** service). This category should not be used for long-term firm service which meets the definition of **RQ** service. For all transactions identified as **LF**, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as **LF** service except that "intermediate-term" means longer than one year but less than five years.

SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as **LU** service except that "intermediate-term" means longer than one year but less than five years.

OS - for other service. Use this category only for

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff No. (c)	Avg. Monthly Billing Dmnd. (MW) (d)	Actual Demand (MW)	
					Avg. Monthly NCP Demand (e)	Avg. Monthly CP Demand (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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SALES FOR RESALE (Account 447) (Continued)

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

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

4. Group requirements **RQ** sales together. Report them starting at line number one. After listing all **RQ** sales, enter "Subtotal - **RQ**" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-**RQ**" in column (a) after this listing. Enter "Total" in column (a) as the last line of the schedule. Report subtotals and total for columns (g) through (k).

5. In column (c), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements **RQ** sales and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the avg. monthly billing demand in column (d), the avg. monthly non-coincident peak (NCP) demand in column (e), and the avg. monthly coincident peak (CP) demand in column (f).

For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatthours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j).

Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in columns (g) through (k) must be subtotaled based on the **RQ** / Non-**RQ** grouping (see instruction 4), and then totaled on the last line of the schedule. The "Subtotal-**RQ**" amount in column (g) must be reported as Requirements Sales For Resale on p. 401, line 23. The "Subtotal-Non **RQ**" amount in column (g) must be reported as Non-Requirements Sales for Resale on p. 401, line 24.

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

Megawatthours Sold (g)	REVENUE				Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)	Total (\$) (h + i + j) (f)	
None				0	1
				0	2
				0	3
				0	4
				0	5
				0	6
				0	7
				0	8
				0	9
				0	10
				0	11
				0	12
				0	13
				0	14

Name of Respondent		This Report Is:	Date of Report	Year of Report
Alpena Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	None		
5	(501) Fuel	See Page 320N		
6	(502) Steam Expenses			
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred - CR. (enter as a negative number)			
9	(505) Electric Expenses			
10	(506) Miscellaneous Steam Power Expenses			
11	(507) Rents			
12	Allowances			
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	0	0	0
14	Maintenance			
15	(510) Maintenance Supervision and Engineering			
16	(511) Maintenance of Structures			
17	(512) Maintenance of Boiler Plant			
18	(513) Maintenance of Electric Plant			
19	(514) Maintenance of Miscellaneous Steam Plant			
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	0	0	0
21	TOTAL Power Production Expenses-Steam Power (Total of lines 13 & 20)	0	0	0
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred - CR (enter as a negative number)			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses			
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)	0	0	0
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant			
40	TOTAL Maintenance (Enter Total of Lines 35 thru 39)	0	0	0
41	TOTAL Power Production Expenses-Nuclear Power (Total of lines 33 & 40)	0	0	0
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering			
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses			
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	0	0	0

Name of Respondent Alpena Power Company		This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures	N/A		
55	(543) Maintenance of Reservoirs, Dams, and Waterways	Check 321N		
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant			
58	TOTAL Maintenance (Total of Lines 53 thru 57)	0		0
59	TOTAL Pwr. Production Expenses-Hydraulic Pwr. (Total of lines 50 & 58)	0		0
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering			
63	(547) Fuel			
64	(548) Generation Expenses			
65	(549) Miscellaneous Other Power Generation Expenses			
66	(550) Rents			
67	TOTAL Operation (Total of Lines 62 thru 66)	0		0
68	Maintenance			
69	(551) Maintenance Supervision and Engineering			
70	(552) Maintenance of Structures			
71	(553) Maintenance of Generating and Electric Plant			
72	(554) Maintenance of Miscellaneous Other Power Generation Plant			
73	TOTAL Maintenance (Total of Lines 60 thru 72)	0		0
74	TOTAL Pwr. Production Expenses-Other Power (Total of Lines 67 & 73)	0		0
75	E. Other Power Supply Expenses			
76	(555) Purchased Power			
77	(556) System Control and Load Dispatching			
78	(557) Other Expenses			
79	Total Other Power Supply Expenses (Total of Lines 76 thru 78)	0		0
80	Total Pwr. Production Expenses (Total of lines 21, 41, 59, 74 & 79)	0		0
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering			
84	(561) Load Dispatching			
85	(562) Station Expenses			
86	(563) Overhead Lines Expenses			
87	(564) Underground Lines Expenses			
88	(565) Transmission of Electricity by Others			
89	(566) Miscellaneous Transmission Expenses			
90	(567) Rents			
91	TOTAL Operation (Total of Lines 83 thru 90)	0		0
92	Maintenance			
93	(568) Maintenance Supervision and Engineering			
94	(569) Maintenance of Structures			
95	(570) Maintenance of Station Equipment			
96	(571) Maintenance of Overhead Lines			
97	(572) Maintenance of Underground Lines			
98	(573) Maintenance of Miscellaneous Transmission Plant			
99	TOTAL Maintenance (Total of Lines 93 thru 98)	0		0
100	TOTAL Transmission Expenses (Total of Lines 91 & 99)	0		0
101	3. DISTRIBUTION EXPENSES			
102	Operation			
103	(580) Operation Supervision and Engineering			

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
104	3. DISTRIBUTION EXPENSES (Continued)			
105	(581) Load Dispatching			
106	(582) Station Expenses			
107	(583) Overhead Line Expenses			
108	(584) Underground Line Expenses			
109	(585) Street Lighting and Signal System Expenses			
110	(586) Meter Expenses			
111	(587) Customer Installations Expenses			
112	(588) Miscellaneous Expenses			
113	(589) Rents			
114	TOTAL Operation (Total of Lines 103 thru 113)	0		0
115	Maintenance			
116	(590) Maintenance Supervision and Engineering			
117	(591) Maintenance of Structures			
118	(592) Maintenance of Station Equipment			
119	(593) Maintenance of Overhead Lines			
120	(594) Maintenance of Underground Lines			
121	(595) Maintenance of Line Transformers			
122	(596) Maintenance of Street Lighting and Signal Systems			
123	(597) Maintenance of Meters			
124	(598) Maintenance of Miscellaneous Distribution Plant			
125	TOTAL Maintenance (Total of Lines 116 thru 124)	0		0
126	TOTAL Distribution Expenses (Total of Lines 114 & 125)	0		0
127	4. CUSTOMER ACCOUNTS EXPENSES			
128	Operation			
129	(901) Supervision			
130	(902) Meter Reading Expenses			
131	(903) Customer Records and Collection Expenses			
132	(904) Uncollectible Accounts			
133	(905) Miscellaneous Customer Accounts Expenses			
134	TOTAL Customer Accounts Expenses (Total of Lines 129 thru 133)	0		0
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
136	Operation			
137	(907) Supervision			
138	(908) Customer Assistance Expenses			
139	(909) Informational and Instructional Expenses			
140	(910) Miscellaneous Customer Service and Informational Expenses			
141	TOTAL Cust. Service and Informational Exp. (Total of Lines 137 thru 140)	0		0
142	6. SALES EXPENSE			
143	Operation			
144	(911) Supervision			
145	(912) Demonstrating and Selling Expenses			
146	(913) Advertising Expenses			
147	(916) Miscellaneous Sales Expenses			
148	Total Sales Expenses (Total of Lines 144 thru 147)	0		0
149	7. ADMINISTRATIVE AND GENERAL EXPENSES			
150	Operation			
151	(920) Administrative and General Salaries			
152	(921) Office Supplies and Expenses			
153	(Less) (922) Administrative Expenses Transferred - CR (enter as a NEGATIVE)			

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not deprived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)	
154	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)			
155	(923) Outside Services Employed			
156	(924) Property Insurance			
157	(925) Injuries and Damages			
158	(926) Employee Pensions and Benefits			
159	(927) Franchise Requirements			
160	(928) Regulatory Commission Expenses			
161	(929) Duplicate Charges - CR. (enter as a NEGATIVE number)			
162	(930.1) General Advertising Expenses			
163	(930.2) Miscellaneous General Expenses			
164	(931) Rents			
165	TOTAL Operation (<i>Total of Lines 151 thru 164</i>)	0	0	
166	Maintenance			
167	(935) Maintenance of General Plant			
168	TOTAL Administrative and General Expenses (<i>Total of Lines 165 & 167</i>)	0	0	
169	TOTAL Electric Operation and Maintenance Expenses (<i>Enter total of lines 80, 100, 126, 134, 141, 148, and 168</i>)	0	0	

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

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
1	(1) POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	500 Operation Supervision and Engineering			
5	501 Fuel			
6	503 Steam from Other Sources			
7	(Less) 504 Steam Transferred- CR.			
8	507 Rents			
9	508 Operation Supplies and Expenses			
10	509 Allowances			
11	TOTAL Operation (Enter Total of Lines 4 thru 10)	0	0	
12	Maintenance			
13	515 Maintenance of Steam Production Plant			
14	TOTAL Maintenance	0	0	
15	TOTAL Power Prod. Exp. - Steam Plant	0	0	
16	B. Nuclear Power Generation			
17	Operation			
18	517 Operation Supervision and Engineering			
19	518 Nuclear Fuel Expense			
20	519 Coolants and Water			
21	520 Steam Expenses			
22	521 Steam from Other Sources			
23	(Less) 522 Steam Transferred- CR.			
24	523 Electric Expenses			
25	524 Miscellaneous Nuclear Power Expenses			
26	525 Rents			
27	TOTAL Operation (Enter Total of Lines 18 thru 26)	0	0	
28	Maintenance			
29	528 Maintenance Supervision and Engineering			
30	529 Maintenance of Structures			
31	530 Maintenance of Reactor Plant Equipment			

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
32	531 Maintenance of Electric Plant			
33	532 Maintenance of Miscellaneous Nuclear Plant			
34	TOTAL Maintenance (Total of Line 29 thru 33)	0	0	
35	TOTAL Power Production Expenses-Nuclear Power	0	0	
36	C. Hydraulic Power Generation			
37	Operation			
38	535 Operation Supervision and Engineering			
39	536 Water for Power			
40	540 Rents			
41	540.1 Operation Supplies and Expenses			
42	TOTAL Operation (Total of Line 38 thru 41)	0	0	
43	Maintenance			
44	545.1 Maintenance of Hydraulic Production Plant			
45	TOTAL Maintenance	0	0	
46	TOTAL Power Production Expenses-Hydraulic Power	0	0	
47	D. Other Power Generation			
48	Operation			
49	546 Operation Supervision and Engineering			
50	547 Fuel			
51	550 Rents			
52	550.1 Operation Supplies and Expenses			
53	TOTAL Operation (Total of Lines 49 thru 52)	0	0	
54	Maintenance			
55	554.1 Maintenance of Other Power Production Plant			
56	TOTAL Maintenance	0	0	
57	TOTAL Power Production Expenses-Other Power	0	0	
58				
59	E. Other Power Supply Expenses			
60	Operation			
61	555 Purchased Power	12,481,572	12,089,272	
62	557 Other Expenses			

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
63	TOTAL Other Pwr. Supply Exp. (Total of Lines 61 and 62)	12,481,572	12,089,272	
64	TOTAL Power Prod. Exp. (Total Lines 15, 35, 46, 57 & 63)	12,481,572	12,089,272	
65				
66	2. TRANSMISSION EXPENSES			
67	Operation			
68	560 Operation Supervision and Engineering	22,646	8,690	
69	567 Rents			
70	567.1 Operation Supplies and Expenses	43,628	9,170	
71	TOTAL Operation (Total of Lines 68 thru 70)	66,274	17,860	
72	Maintenance			
73	574 Maintenance of Transmission Plant	77,100	58,699	
74	TOTAL Maintenance	77,100	58,699	
75	TOTAL Transmission Expenses	143,374	76,559	
76	3. DISTRIBUTION EXPENSES			
77	Operation			
78	580 Operation Supervision and Engineering	139,447	121,434	
79	581.1 Line and Station Expenses	93,488	98,725	
80	585 Street Lighting and Signal System Expenses	474		
81	586 Meter Expenses	91,072	96,343	
82	587 Customer Installations Expenses	21,368	18,359	
83	588 Miscellaneous Distribution Expenses	161,200	113,312	
84	589 Rents	3,065	2,724	
85	TOTAL Operation (Total of Lines 78 thru 84)	510,114	450,897	
86	Maintenance			
87	592.1 Maintenance of Structures and Equipment	22,166	24,729	
88	594.1 Maintenance of Lines	294,410	326,771	
89	595 Maintenance of Line Transformers	32,052	24,073	
90	596 Maintenance of Street Lighting and Signal Systems			
91	597 Maintenance of Meters	8,699	5,734	
92	598 Maintenance of Miscellaneous Distribution Plant	2,167	2,446	
93	TOTAL Maintenance (Total of Lines 87 thru 92)	359,494	383,753	

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
94	TOTAL Distribution Expenses <i>(Total of Lines 85 and 93)</i>	869,608	834,650	
95				
96	4. CUSTOMER ACCOUNTS EXPENSES			
97	Operation			
98	902 Meter Reading Expenses	151,298	48,068	
99	903 Customer Records and Collection Expenses	287,265	276,659	
100	904 Uncollectible Accounts	17,680	24,764	
101	TOTAL Customer Accounts Expenses <i>(Total of Lines 98 thru 100)</i>	456,243	349,491	
102				
103	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
104	Operation			
105	906 Customer Service & Informational Expense	18,493	19,912	
106	TOTAL Cust. Service & Informational Expense	18,493	19,912	
107				
108	6. SALES EXPENSE			
109	Operation			
110	917 Sales Expenses	2,871	5,863	
111	TOTAL Sales Expense	2,871	5,863	
112	7. ADMINISTRATIVE AND GENERAL EXPENSES			
113	Operation			
114	920 Administrative and General Salaries	923,022	941,300	
115	921 Office Supplies and Expenses	85,043	113,238	
116	(Less) 922 Administrative Expenses Transferred-CR.	(402,387)	(438,947)	
117	923 Outside Services Employed	120,687	126,009	
118	924 Property Insurance	57,283	56,219	
119	925 Injuries and Damages	188,031	164,974	
120	926 Employee Pensions and Benefits	1,367,078	1,366,157	
121	927 Franchise Requirements			
122	928 Regulatory Commission Expenses	38,701	24,604	
123	(Less) 929 Duplicate Charges-CR.			

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
ELECTRIC OPERATION AND MAINTENANCE EXPENSES-NONMAJOR (Continued)				
Line No.	Account	Amount For Current Year	Amount for Previous Year	
124	930.1 General Advertising Expenses	17,620	19,694	
125	930.2 Miscellaneous General Expenses	130,671	122,096	
126	931 Rents	6,600	6,600	
127	933 Transportation Expenses			
128	TOTAL Operation (Total of Lines 114 thru 127)	2,532,349	2,501,944	
129	Maintenance			
130	935 Maintenance of General Plant	252,166	133,296	
131	TOTAL Admin. And Gen. Exp. (Total of Lines 128 and 130)	2,784,515	2,635,240	
132	TOTAL Electric Operation and Maintenance Expenses (Total of lines 64, 75, 94, 101, 106, 111 and 131)	16,756,676	16,010,987	

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES	
1. The data on number of employees should be reported for the payroll period ending nearest to December 31, any payroll period ending 60 days before or after December 31.	
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.	
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.	
1. Payroll Period Ended (Date)	12/26/2004
2. Total Regular Full-Time Employees	38
3. Total Part-Time and Temporary Employees	0
4. Total Employees	38

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(NEXT PAGE IS 326)

Name of Respondent	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Alpena Power Company			Dec 31, 20 04

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

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.

2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e. the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of **LF** service). This category should not be used for long-term firm service

which meets the definition of **RQ** service. For all transactions identified as **LF**, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as **LF** service except that "intermediate-term" means longer than one year but less than five years.

SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as **LU** service except that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff No. (c)	Avg. Monthly Billing Dmnd. (d)	Actual Demand (MW)	
					Avg. Monthly NCP Demand (e)	Avg. Monthly CP Demand (f)
1	Consumers Energy	RQ	N/A	31.0	50.2	49.5
2	Thunder Bay Power	LU	N/A	3.0	4.8	3.4
3	Lafarge Corporation	OS*	N/A			
4	Decorative Panel Inc.	OS*	N/A			
5	Alpena Power Generation **	OS*	N/A			
6						
7						
8	* Dump Power					
9	** 50% owned by Sunrise Side Energy, a subsidiary of APC ¹ parent.					
10						
11						
12						
13						
14						

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

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

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

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

5. For requirements **RQ** sales and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hourly (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and

(f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

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

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

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

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

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j + k + l) or Settlement (\$) (m)	
295,322			5,969,965	5,146,960	14,589	11,131,514	1
29,846			426,202	659,479		1,085,681	2
9,964				254,125		254,125	3
109				2,354		2,354	4
280				7,898		7,898	5
						0	6
						0	7
					kilovar chg	0	8
						0	9
						0	10
						0	11
						0	12
						0	13
335,521	0	0	6,396,167	6,070,816	14,589	12,481,572	14

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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DISTRIBUTION TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as "wheeling")

<p>1. Report all transmission of electricity, i.e. wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in columns (a), (b), and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate.</p>	<p>or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b), or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:</p> <p>LF - for long-term transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p>
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Line No.	Payment By (Company or Public Authority) [Footnote Affiliations] (a)	Energy Received From (Company or Public Authority) [Footnote Affiliations] (b)	Energy Delivered To (Company or Public Authority) [Footnote Affiliation] (c)	Statistical Classification (d)
1	Alpena Power Generation	Alpena Power Generation	Consumers Energy	OS
2	(An affiliated company)			
3				
4	Note: In 2004 no energy was transferred.			
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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DISTRIBUTION TRANSMISSION OF ELECTRICITY FOR OTHER (Account 456) (Continued)
(Including transactions referred to as "wheeling")

<p>SF - for short-term transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.</p> <p>OS - for other transmission service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm transmission service, regardless of the length of the contract. Describe the nature of the service in a footnote.</p> <p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation</p>	<p>in a footnote for each adjustment.</p> <p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for</p>
--	--

MPSC Rate Schedule or Tariff Number (e)	Point or Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				Megawatthours Received (i)	Megawatthours Delivered (j)	
*	various	Four Mile	36.4	0	0	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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DISTRIBUTION TRANSMISSION OF ELECTRICITY FOR OTHER (Account 456) (Continued)
(Including transactions referred to as "wheeling")

<p>where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number or megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in columns (i) and (j) the total megawatthours received and delivered.</p> <p>9. In columns (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other</p>	<p>charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity listed in column (a). If no monetary settlement was made, enter zero ("0") in column (n). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and the type of energy or service rendered.</p> <p>10. Provide total amounts in column (i) through (n) as the last line. Enter "TOTAL" in column (a) as the last line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on page 401, lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>
--	---

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	Other Charges (\$) (m)	Total Revenues (\$) (k + l + m) (n)	Line No.
73,931	0	3,600	77,531	1
			0	2
			0	3
			0	4
			0	5
			0	6
			0	7
			0	8
			0	9
			0	10
			0	11
			0	12
			0	13
			0	14
			0	15
			0	16
			0	17

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)

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

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

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

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

Line No.	Name of Lessee or Department (a)	Description of Property (b)	Amount of Revenue for Year (c)
16	Township of Alpena	Equipment Use	503
17	Verizon	Pole Attachment	47,712
18	Alpena School District	Pole Attachment	3,445
19	Charter Communications	Pole Attachment	33,765
20	Westdock Properties*	Pole Attachment	224
21	Various (5)	Pole Attachment	1,540
22	Lemar Company	Land Rental	750
23	Michcon	Computer Handheld	6,000
24			
25			
26			
27	*Associated Company	Total	93,939
28			
29			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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SALES OF WATER AND WATER POWER (Account 453)

1. Report below the information called for concerning revenues derived during the year from sales to others of water or water power. 2. In column (c) show the name of the power		development of the respondent supplying the water or water power sold. 3. Designate associated companies.		
Line No.	Name of Purchaser (a)	Purpose for Which Water Was Used (b)	Power Plant Development Supplying Water or Water Power (c)	Amount of Revenue for Year (e)
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10	Total			0.00

MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)

1. Report particulars concerning miscellaneous service revenues and other electric revenues derived from electric utility operations during year. Report separately in this schedule the total revenues from operation of fish and wildlife and recreation facilities, regardless of whether such facilities are operated by		company or by contract concessionaires. Provide a subheading and total for each account. For Account 456, list first revenues realized through Research and Development ventures, see Account 456. 2. Designate associated companies. 3. Minor items may be grouped by classes.		
Line No.	Name of Company and Description of Service (a)	Amount of Revenue for Year (c)		
11	Account 451 - Misc Service Revenue			
12	Special Services - Customer request	11,895		
13	Meter tests	180		
14	Reconnect fee	2,805		
15	Bad check handling charge	6,341		
16	TOTAL account 451	21,221		
17				
18	Account 456 - Other Electric Revenue			
19	Service work for customers	17,800		
20	Administrative charges	40,199		
21	Experimental primary distribution	77,531		
22	TOTAL account 456	135,530		
23				
24				
25				
26				
27				
28				
29				
30	Total	156,751		

Name of Respondent Alpen	This Report Is: (1) [] An Original (2) [] A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20
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**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")**

<p>1. Report all transmission, i.e., wheeling, of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company; abbreviated if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in our affiliation with the transmission service provider.</p> <p>3. Provide in column (a) subheadings and classify transmission service purchased from other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."</p> <p>4. Report in columns (b) and (c) the total megawatthours received and delivered by the provider of the transmission service.</p> <p>5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other</p>	<p>charges on bills or vouchers rendered to respondent, including any out or period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (g) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") in column (g). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line. Provide a total amount in columns (b) through (g) as the last line. Energy provided by the respondent for the wheeler's transmission losses should be reported on the Electric Energy Account, page 401. If the respondent received power from the wheeler, energy provided to account for losses should be reported on line 19, Transmission By Others Losses, on page 401. Otherwise, losses should be reported on line 27, Total Energy Losses, page 401.</p> <p>7. Footnote entries and provide explanations following all required data.</p>
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Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
		Megawatthours Received (b)	Megawatthours Delivered (c)	Demand Charges (\$) (c)	Energy Charges (\$) (d)	Other Charges (\$) (e)	Total Cost of Transmission (\$) (f)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
LEASE RENTALS CHARGED			
<p>1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.</p> <p>2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000 the data called for in columns a, b (description only), f, g and j.</p> <p>3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.</p> <p>4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.</p> <p>5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replace under terms of the lease or for the pole rentals shall report only the data called for in columns a, b (description only), f, g and j, unless the lessee has the option to purchase the property.</p> <p>6. In column (a) report the name of the lessor. List lessors which are associated companies* (describing association) first, followed by non-associated lessors.</p> <p>7. In column (b) for each leasing arrangement, report in order, classified by generating station, transmission line, distribution system, large substation, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:</p>			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)	
None			

**See Electric Plant Instruction 6 & Operating Expense Instruction 3 of the Uniform System of Accounts.

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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LEASE RENTALS CHARGED (Continued)

Description of property, whether lease is a sale and leaseback, whether lessee has option to purchase and conditions of purchase, whether lease is cancellable by either party and the cancellation conditions, the tax treatment used the accounting treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement of property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, whichever ever occurs first.

8. Report in column (d), as of the date of the current lease term, the original cost of the property leased, estimated if not known, or the fair market of the property if greater than original cost and indicate as shown. If leased property is part of a large unit, such as part of a building, indicate without associating any cost or value with it.

9. Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancellable leases will not be cancelled when estimating the remaining charges.

* See definition on page 226 (B)

A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor	Other	Lessor	Other		
		(f)	(g)	(h)	(i)	(j)	(k)
NONE							

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)

Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)
NONE		

B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, Etc.)

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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor	Other	Lessor	Other		
		(f)	(g)	(h)	(i)		
NONE							

B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, Etc.)

--	--	--	--	--	--	--	--

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	12,135		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses			
4	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	711		
5	Other Expenses <i>(List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,00 by classes if the number of items so grouped is shown)</i>			
6				
7	Directors Fees	88,200		
8	Miscellaneous Seminars and Meetings	10,407		
9	Stockholders and Directors Expense	19,221		
10				
11				
12				
13				
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45				
46	TOTAL	130,674		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)
(Except amortization of acquisition adjustments)**

<p>1. Report in section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404, 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year. Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant account included in any subaccounts used.</p>	<p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of Section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), d, and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.</p> <p>If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section C the amounts and nature of the provisions and the plant items to which related.</p>
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A. SUMMARY OF DEPRECIATION AND AMORTIZATION CHARGES

Line No.	Functional Classification	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Account 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant		73,895		73,895
2	Steam Production Plant				0
3	Nuclear Prod Plant-Depreciation				0
	Nuclear Prod Plant- Decommissioning				0
4	Hydraulic Prod Plant-Conventional				0
5	Hydraulic Prod Plant-Pumped Storage				0
6	Other Production Plant				0
7	Transmission Plant	163,164			163,164
8	Distribution Plant	994,285			994,285
9	General Plant	77,958			77,958
10	Common Plant-Electric				0
11	TOTAL	1,235,407	73,895	0	1,309,302

B. BASIS FOR AMORTIZATION CHARGES

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

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation and Decommissioning Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Transmission						
13	352	127					
14	353	3,703					
15	355	1,310					
16	356	969					
17	358	22					
18		6,131					
19							
20	Distribution						
21	361	12					
22	362	4,579					
23	364	8,585					
24	365	5,712					
25	367	1,798					
26	368	6,662					
27	369	2,747					
28	370	1,269					
29	371	495					
30	373	58					
31		31,917					
32							
33	General						
34	390	930					
35	391	296					
36	391.1	219					
37	392	390					
38	394	73					
39	395	133					
40	396	739					
41	397	155					
42		2,935					
43							
44	Grand Total	40,983					
45							
46							
47	Average of beginning and ending balances.						
48							
49							
50							
51							
52							
53							
54							
55							
56							
57							
58							

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS
AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) *Miscellaneous Amortization* (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) *Miscellaneous Income Deductions*-- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies* (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) *Other Interest Expense* (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 426.1 Donations	
2	Berkshire School	7,000
3	Alpena County Library	2,500
4	United Way	2,345
5	Alpena Community College Library	2,500
6	Community Foundation of NE Michigan	21,000
7	Jesse Besser Museum-Science Institute	1,600
8	Boys and Girls Club	<u>150</u>
9	Total	37,095
10		
11	Account 426.4 Civic & Related Activities	
12	Service Meals	1,135
13	Service Club Dues	2,424
14	Sponsorships (Civic and Local Groups)	3,611
15	Sponsorships (Educational Programs)	1,238
16	Sponsorships (Contests)	<u>1,024</u>
17	Total	9,432
18		
19	Account 426.5 Other Deductions	
20	Chamber of Commerce	757
21		
22	Account 426.5 Other Interest Expense	
23	Customer Deposits (2.61 to 9%)	2,316
24	Deferred Compensation (7.49%)	143,864
25	Power Supply Cost Recovery Plan	16,855
26	Energy Thrift Notes (.50%)	104
27	Associated Companies (3.5 to 4.75%)	<u>1,223</u>
28		164,362
29		
30	Grand Total	211,646
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35		
36		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES (Account 426.4)			
<p>1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.</p> <p>2. Advertising expenditures in this Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in</p>		<p>reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.</p> <p>3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.</p> <p>4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.</p> <p>5. Minor amount may be grouped by classes if the number of items so grouped is shown.</p> <p>NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.</p>	
Line No.	Item (a)	Amount (b)	
1	Account 426.4 - Civic And Related Activities	\$	
2	Service Meals (61)	1,135	
3	Service Club Dues	2,424	
4	Sponsorships (Civic and Local Groups)	3,611	
5	Sponsorships (Educational Programs)	1,238	
6	Sponsorships (Contests)	<u>1,024</u>	
7			
8	Total	9,432	
9			
10			
11			
12	Note: None of the above expenditures were incurred for the purpose described in instruction 1 and 2.		
13			
14			
15			
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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EXTRAORDINARY ITEMS (Accounts 434 and 435)

1. Give below a brief description of each item included in Accounts 434, Extraordinary Income and 435, Extraordinary Deductions. on income. (See General Instruction 7 of the Uniform System of Accounts).
2. List date of Commission approval for extraordinary treatment of any item which amounts to less than 5% 3. Income tax effects relating to each extraordinary item should be listed in Column (c).
4. For additional space use an additional page.

Line No.	Description of Items (a)	Gross Amount (b)	Related Income Taxes (c)
1	Extraordinary Income (Account 434):		
2			
3			
4	NONE		
5			
6			
7			
8			
9			
10			
11			
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18			
19	Total Extraordinary Income		
20	Extraordinary Deductions (Account 435):		
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38			
39	Total Extraordinary Deductions		
40	Net Extraordinary Items		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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REGULATORY COMMISSION EXPENSES

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

Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for current year (b) + (c) (d)	Deferred at Beginning of Year (e)
1	Case U-14110 Depreciation	0	6,350	6,350	0
2	Case U-12134 Code of Conduct	0	975	975	0
3	Case U-13552R 2003 PSCR Reconciliation	0	4,520	4,520	0
4	Case U-13745 Interconnection Standards	0	825	825	0
5	Case U-12915 MREP	0	1,730	1,730	0
6	Case U-13903 2004 PSCR	0	1,500	1,500	0
7	Case U-14261 2005 PSCR	0	7,510	7,510	0
8	Case U-13975 Tree Trimming	0	2,700	2,700	0
9	Case U-13934 Stray Voltage	0	1,950	1,950	0
10	Case U-14087 Reliability Plan	0	583	583	0
11	Case U-14135 Code of Conduct	0	3,933	3,933	0
12	Case U-13859 Impedence Relay Setting	0	1,500	1,500	0
13	Case U-14191 Dist.Performance Standards	0	650	650	0
14	Case U-14292 FAS 143	0	3,975	3,975	0
15	Case U-12655 Choice Implementation Plan	0	0	0	44,293
16				0	
17				0	
18				0	
19				0	
20				0	
21				0	
22				0	
23				0	
24				0	
25				0	
26				0	
27				0	
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33				0	
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39				0	
40				0	
41				0	
42				0	
43				0	
44	TOTAL	0	38,701	38,701	44,293

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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REGULATORY COMMISSION EXPENSES (Continued)

years
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CHARGED CURRENTLY TO			Deferred	Contra Account	Amount	Deferred at End of Year	
Department	Account No.	Amount					
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
Electric	928	6,350					1
Electric	928	975					2
Electric	928	4,520					3
Electric	928	825					4
Electric	928	1,730					5
Electric	928	1,500					6
Electric	928	7,510					7
Electric	928	2,700					8
Electric	928	1,950					9
Electric	928	583					10
Electric	928	3,933					11
Electric	928	1,500					12
Electric	928	650					13
Electric	928	3,975					14
Electric	186	3,497				47,790	15
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		42,198	0		0	47,790	44

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)

2. Indicate in column (a) the applicable classification, as shown below. Classifications:

A. Electric R, D & D Performed Internally

(1) Generation

 a. Hydroelectric

 i. Recreation, fish, and wildlife

 ii. Other hydroelectric

 b. Fossil-fuel steam

 c. Internal combustion or gas turbine

 d. Nuclear

 e. Unconventional generation

 f. Siting and heat rejection

(2) System Planning, Engineering and Operation

(3) Transmission

 a. Overhead

 b. Underground

(4) Distribution

(5) Environment (other than equipment)

(6) Other (*Classify and include items in excess of \$5,000.*)

(7) Total Cost Incurred

B. Electric R, D & D Performed Externally

(1) Research Support to the Electrical Research Council or Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	None	
2		
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

(2) Research Support to Edison Electric Institute
(3) Research Support to Nuclear Power Groups
(4) Research Support to Others (*Classify*)
(5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A.(6) and B.(4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, *Construction Work in Progress*, first. Show in column (f) the amounts related to the account charged in column (e).

5. Show in column (g) the total amortized accumulation of costs of projects. This total must equal the balance in Account 188, *Research, Development, and Demonstration Expenditures, Outstanding* at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Cost Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
					2
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Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
DISTRIBUTION OF SALARIES AND WAGES				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and			columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.	
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	ELECTRIC			
2	Operation			
3	Production	0		
4	Transmission	21,294		
5	Distribution	354,614		
6	Customer Accounts	204,908		
7	Customer Service and Informational	0		
8	Sales	0		
9	Administrative and General	1,357,739		
10	TOTAL Operation (<i>Enter Total of lines 3 thru 9</i>)	1,938,555		
11	Maintenance			
12	Production	0		
13	Transmission	15,022		
14	Distribution	160,163		
15	Administrative and General	5,186		
16	TOTAL Maint. (<i>Total of lines 12 thru 15</i>)	180,371		
17	Total Operation and Maintenance			
18	Production (<i>Enter Total of lines 3 and 12</i>)	0		
19	Transmission (<i>Enter Total of lines 4 and 13</i>)	36,316		
20	Distribution (<i>Enter Total of lines 5 and 14</i>)	514,777		
21	Customer Accounts (<i>Transcribe from line 6</i>)	204,908		
22	Customer Svc. And Informational (<i>Transcribe from line 7</i>)	0		
23	Sales (<i>Transcribe from line 8</i>)	0		
24	Administrative and General (<i>Enter Total of lines 9 & 15</i>)	1,362,925		
25	TOTAL Oper. And Maint. (<i>Total of lines 18 thru 24</i>)	2,118,926	7,537	2,126,463
26	GAS			
27	Operation			
28	Production-Manufactured Gas	0		
29	Production-Nat. Gas (Including Expl. And Dev.)	0		
30	Other Gas Supply	0		
31	Storage, LNG Terminating and Processing	0		
32	Transmission	0		
33	Distribution	0		
34	Customer Accounts	0		
35	Customer Service and Informational	0		
36	Sales	0		
37	Administrative and General	0		
38	TOTAL Operation (<i>Enter Total of lines 28 thru 37</i>)	0		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	GAS (Continued)			
39	Maintenance			
40	Production-Manufactured Gas			
41	Production-Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution			
46	Administrative and General			
47	TOTAL Maint. (Enter Total of lines 40 thru 46)	0		
48	Total Operation and Maintenance			
49	Production-Manufactured Gas (Total of lines 28 and 40)	0		
50	Production-Nat. Gas (Including Expl. & Dev.) (Total of lines 29 and 41)	0		
51	Other Gas Supply (Enter Total of lines 30 and 42)	0		
52	Storage, LNG Terminaling and Processing (Total of lines 31 and 43)	0		
53	Transmission (Lines 32 and 44)	0		
54	Distribution (Lines 33 and 45)	0		
55	Customer Accounts (Line 34)	0		
56	Customer Service and Informational (Line 35)	0		
57	Sales (Line 36)	0		
58	Administrative and General (Lines 37 and 46)	0		
59	TOTAL Operation & Maint. (total of lines 49 thru 58)	0		
60	OTHER UTILITY DEPARTMENTS			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59 & 61)	2,118,926	7,537	2,126,463
63	UTILITY PLANT			
64	Construction (By Utility Departments)			
65	Electric Plant	428,797	12,222	441,019
66	Gas Plant			
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	428,797	12,222	441,019
69	Plant Removal (By Utility Departments)			
70	Electric Plant	54,413	1,065	55,478
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	54,413	1,065	55,478
74	Other Accounts (Specify) Transportation	14,353	(14,353)	
75	Stores	6,471	(6,471)	
76	Non-Utility	71,974		71,974
77	TOTAL Other Accounts	92,798	(20,824)	71,974
78	TOTAL SALARIES AND WAGES	2,694,934	0	2,694,934

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
COMMON UTILITY AND PLANT EXPENSES			
<p>1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.</p> <p>2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated</p>	<p>provisions relate, including explanation of basis of allocation and factors used.</p> <p>3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.</p> <p>4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.</p>		
NONE			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$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	Daffron & Associates	Computer services	Hourly	165	109,429
2	1310 Business 61 S			588	975
3	Bowling Green, MO 63334				
4					110,404
5					
6	Gillard, Bauer, Mazrum, Florip	Legal	Hourly	186	950
7	Smigelski, Gulden			107	2,815
8	109 E Chisholm Street			928	33,985
9	Alpena, MI 49707			923	57,859
10					95,609
11					
12	Great Lakes Excavating	Excavating Work	Hourly	107	56,973
13	821 Miller Street			143	3,479
14	Alpena, MI 49707			Misc (2)	1,310
15					61,762
16					
17	Peterson Consulting Service	Engineering Services	Hourly	592	866
18	PO Box 888272			567	7,393
19	Grand Rapids, MI 49588-8272			107	17,626
20					25,885
21					
22	Thunder Bay Tree Service	Tree trimming/		594	107,262
23	Alpena, MI 49707	Underground installation		107	95,333
24					202,595
25					
26	Novak Engineering, Inc.	Engineering Services	Hourly	107	3,502
27	5591 Morrill Road			588	6,825
28	Jackson, MI 49201			567	16,026
29					26,353
30					
31					
32					
33					
34					
35					

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04__	
SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company. 2. In column (b) describe the affiliation (percentage ownership, etc.). 3. In column (c) describe the nature of the goods and			services provided (administrative and general expenses, dividends declared, etc.). 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.		
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Alpena Power	100% owner of Alpena	Operational Services		
2	Resources, LTD	Power Company			
3					
4	West Dock	100% owned by	Electricity pole	442	356
5	Properties, LLC	Alpena Power	attachments	454	224
6		Resources, LTD	Operational Services		
7			Interest on long-term		
8			loan		
9			Interest on short-term		
10			loan		
11					
12	Sunrise Side	100% owned by	Operational Services		
13	Energy LLC	Alpena Power	Interest on short-term		
14		Resources, LTD	loan		
15					
16	Alpena Power	50% owned by Sunrise	Electricity	442	78,808
17	Generation, LLC	Side Energy, LLC	Experimental	456	77,531
18			Primary		
19			Distribution		
20			Service		
21			Operational Services		
22					
23					
24					
25					
26					
27					
28					
29					
30					
TOTAL					156,919

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

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

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
417	8,873			0	1	1
				8,873		2
				0		3
				356		4
				224		5
417	9,015			9,015		6
419	16,209			16,209		7
				0		8
419	50,118			50,118		9
				0		10
				0		11
417	3,971			3,971		12
419	19,969			19,969		13
				0		14
				0		15
				78,808		16
				77,531		17
				0		18
				0		19
				0		20
417	66,949			66,949		21
				0		22
				0		23
				0		24
				0		25
				0		26
Pricing methods:						
	(1) Monthly service fee plus time spent					27
	(2) Tarriffed rates					28
	(3) Interest rate of 1/4% above APC's borrowing rate					29
				0		30
	175,104		0	332,023		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Alpena Power	owns 100% of Alpena Power Company	Dividends declared -		
2	Resources, LTD		Common		
3			Federal Income taxes		
4			Interest on short-		
5			term loan		
6					
7	Alpena Power	50% owned by Sunrise Side Energy, LLC which is 100% owned by Alpena Power Resources, LTD	Electricity	555	7,898
8	Generation LLC				
9					
10					
11					
12					
13		100% owned by Alpena Power Resources	Fiber optic line	931	6,000
16	West Dock				
17	Properties, LLC				
18					
19					
20					
21		TOTAL			13,898
22					
23					
24					
25					
26					
27					
28					
29					
30					

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

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

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.	
431	1,223	438	541,065	541,065	1	1	
		236	305,728	305,728	2	2	
					1,223	3	3
					7,898	4	4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
						6,000	5
			Pricing method:	(1) Dividends declared @ 1.60 per share			
		(2) Federal Income Tax liability of APC				16	
		(3) Interest rate equal to Alpena Power Resource's borrowing rate				17	
		(4) APC's avoided cost on a real time basis				18	
		(5) Avoided telephone line costs				19	
						20	
						21	
						22	
						23	
						24	
						25	
						26	
						27	
						28	
						29	
						30	
	1,223		846,793	861,914			

Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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ELECTRIC ENERGY ACCOUNT

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

Line No.	Item (a)	MWH's (b)	Line No.	Item (a)	MWH's (b)
1	SOURCES OF ENERGY		18	Net Transmission for other (line 16 minus line 17)	0
2	Generation (Excluding Station Use):				
3	Steam		19	Transmission by others losses	0
4	Nuclear		20	TOTAL (Total of lines 9, 10, 14, 18 & 19)	335,521
5	Hydro-Conventional		21	DISPOSITION OF ENERGY	
6	Hydro-Pumped Storage		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	317,732
7	Other				
8	Less Energy for Pumping		23	Requirements Sales for Resale (See instruction 4, page 311.)	0
9	Net Generation (Total of lines 3 thru 8)	0			
10	Purchases	335,521	24	Non-Requirements Sales For Resale (See instruction 4, page 311.)	0
11	Power Exchanges:				
12	Received		25	Energy furnished without charge	0
13	Delivered		26	Energy used by the company (Electric Dept. only, excluding station use)	329
14	NET Exchanges (line 12 minus 13)	0			
15	Transmission for other (Wheeling)		27	Total Energy Losses	17,460
16	Received		28	TOTAL (Enter total of lines 22 thru 27) (MUST equal line 20)	335,521
17	Delivered				

MONTHLY PEAKS AND OUTPUT

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

NAME of SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instruction 4) (d)	Day of Month (e)	Hour (f)
29	January	28,991		54	15	12:00
30	February	23,683		42	5	19:00
31	March	30,752		60	16	20:00
32	April	27,193		54	2	11:00
33	May	26,282		50	20	11:00
34	June	27,286		52	25	16:00
35	July	28,897		52	21	14:00
36	August	27,059		55	25	13:00
37	September	27,870		57	15	21:00
38	October	28,173		52	29	12:00
39	November	27,087		54	29	19:00
40	December	32,248		61	21	18:00
41	TOTAL	335,521	0			

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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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STEAM-ELECTRIC GENERATION PLANT STATISTICS (Large Plants)

- | | |
|--|---|
| <p>1. Report data for Plant in Service only.</p> <p>2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more, and nuclear plants</p> <p>3. Indicate by footnote any plant leased or operated as a joint facility.</p> <p>4. If net peak demand for 60 minutes is not available, give data which is available, specifying period.</p> <p>5. If any employees attend more than one plant, report on line 11 the approximate number of employees assignable to each plant.</p> | <p>6. If gas is used and purchased on a therm basis, report the Btu content of the gas and the quantity of fuel burned converted to Mef.</p> <p>7. Quantities of fuel burned (line 38) and average cost per unit of fuel burned (line 41) must be consistent with charges to expense accounts 501 and 547 (line 42) as shown on line 21.</p> <p>8. If more than one fuel is burned in a plant, furnish only the composite heat rate for all fuels burned.</p> <p>9. Items under Cost of PLant4 are based on U.S. of A. accounts. Production expenses do not include Purchased Power, System</p> |
|--|---|

Line No.	Item (a)	Plant Name (b)	Plant Name (c)
1	Kind of plant (steam, int. combustion. Gas turbine or nuclear		
2	Plant Constrctn. Type (Conventional/Outdr. Boiler/Full Outdoor/Etc.)		
3	Year originally constructed	NONE	
4	Year last unit was installed		
5	Total Installed cpcty. (max. generator name plate ratings in MW)		
6	Net Peak Demand on Plant-MW (60 minutes)		
7	Plant hours connected to load		
8	Net continuous plant capability (megawatts)		
9	When not limited by condenser water		
10	When limited by condenser water		
11	Average number of employees		
12	Net generation, exclusive of plant use-KWh		
13	Cost of plant: Land and Land Rights		
14	Structures and Improvements		
15	Equipments costs		
16	Total cost		
17	Cost per KW of Installed capacity (line 5)		
18	Production Expenses: Oper., Supv., & Engr.		
19	Fuel		
20	Coolants and Water (Nuclear Plants only)		
21	Steam expenses		
22	Steam from other sources		
23	Steam transferred (credit)		
24	Electric expenses		
25	Misc. steam (or nuclear) power expenses		
26	Rents		
27	Allowances		
28	Maintenance Supervision and Engineering		
29	Maintenance of structures		
30	Maintenance of boiler (or reactor) plant		
31	Maintenance of electric plant		
32	Maintenance of Misc. steam (or nuclear) plant		
33	Total Production Expenses		
34	Expenses per net KWh		
35	Fuel: Kind (coal, gas, oil, or nuclear)		
36	Unit: (coal-tons of 2,000 lb) (oil-barrels of 42 gals.) (Gas-Mcf) (Nuclear-indicate)		
37	Quantity (units) of fuel burned		
38	Avg. Heat cont. of fuel burned (Btu per lb. Of coal, per gal. of oil, or per Mcf of gas) (give unit if nuclear)		
39	Avg. cost of fuel per unit, as delvrd. F.o.b. plant during year		
40	Avg. cost of fuel per unit burned		
41	Avg. cost of fuel burned per million Btu		
42	Avg. cost of fuel burned per KWh net gen.		
43	Avg. Btu per KWh net generation		

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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STEAM-ELECTRIC GENERATION PLANT STATISTICS (Large Plants) (Continued)

<p>Control and Load Dispatching, and Other Expenses classified as other Power Supply Expenses.</p> <p>10. For IC and GT plants, report Operating Expenses, Acct. Nos. 548 and 549 on line 26 "Electric Expenses," and Maintenance Acct. Nos. 553 and 554 on line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load svc. Designate automatically operated plants.</p> <p>11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit</p>	<p>functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant.</p> <p>12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type, fuel used, fuel enrichment by type and quantity for the report period, and other physical and operating characteristics of plant.</p>
--	---

Plant Name _____ (d)	Plant Name _____ (e)	Plant Name _____ (f)	Line No.
			1
NONE			2
			3
			4
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Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)				
1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings). 2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.		3. If net peak demand for 60 minutes is not available, give that which is available, specifying period. 4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.		
Line No.	ITEM (a)	FERC Licensed Project No. _____ Plant name: _____ (b)	FERC Licensed Project No. _____ Plant name: _____ (c)	
1	Kind of Plant (Run-of-River or Storage)			
2	Type of Plant Construction (Conventional or Outdoor)	NONE		
3	Year originally constructed			
4	Year last unit was installed			
5	Total Installed Capacity (Generator name plate ratings in MW)			
6	Net peak demand on plant-megawatts (60 minutes)			
7	Plant hours connected to load			
8	Net plant capability (in megawatts)			
9	(a) under the most favorable oper. conditions			
10	(b) under the most adverse oper. conditions			
11	Average number of employees			
12	Net generation, exclusive of plant use-KWh			
13	Cost of plant:			
14	Land and Land Rights			
15	Structures and Improvements			
16	Reservoirs, Dams, and Waterways			
17	Equipment costs			
18	Roads, railroads, and bridges			
19	TOTAL Cost (Enter total of lines 14 thru 18)	0		0
20	Cost per KW of installed capacity (Line 5)	0		0
21	Production Expenses:			
22	Operation Supervision and Engineering			
23	Water for power			
24	Hydraulic Expenses			
25	Electric Expenses			
26	Misc. Hydraulic Power Generation Expenses			
27	Rents			
28	Maintenance Supervision and Engineering			
29	Maintenance of Structures			
30	Maintenance of Reservoirs, Dams and Waterways			
31	Maintenance of Electric Plant			
32	Maintenance of Misc. Hydraulic Plant			
33	Total Production Expenses (Total lines 22 thru 32)	0		0
34	Expenses per net KWh			

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine or gas turbine equipment.

FERC Licensed Project No. _____ Plant Name: _____ (c)	FERC Licensed Project No. _____ Plant Name: _____ (d)	FERC Licensed Project No. _____ Plant Name: _____ (e)	Line No.
			1
			2
NONE			3
			4
			5
			6
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			8
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)			
1. Large plants are pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings). 2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number 3. If net peak demand for 60 minutes is not available, give that which is available, specifying period.		4. If a group of employees attends more than one generating plant, report on line 8 the approximate avg. number of employees assignable to each plant. 5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses.	
Line No.	Item (a)	FERC Licensed Project No.____ Plant Name: _____ (b)	
1	Type of Plant Construction (Conventional or Outdoor)		
2	Year Originally Constructed	NONE	
3	Year Last Unit was Installed		
4	Total Installed Capacity (Generator Name Plate Ratings in MW)		
5	Net Peak Demand on Plant-Megawatts (60 minutes)		
6	Plant Hours Connected to Load While Generating		
7	Net Plant Capability (In megawatts)		
8	Average Number of Employees		
9	Generation Exclusive of Plant Use-KWh		
10	Energy Used for Plumbing-KWh		
11	Net Output for Load (line 9 minus line 10)-KWh	0	
12	Cost of Plant		
13	Land and Land Rights		
14	Structures and Improvements		
15	Reservoirs, Dams and Waterways		
16	Water Wheels, Turbines, and Generators		
17	Accessory Electric Equipment		
18	Miscellaneous Powerplant Equipment		
19	Roads, Railroads, and Bridges		
20	TOTAL Cost (Enter total of lines 13 thru 19)	0	
21	Cost per KW of Installed Capacity (line 20 ÷ line 4)	#DIV/0!	
22	Production Expenses		
23	Operation Supervision and Engineering		
24	Water for Power		
25	Pumped Storage Expenses		
26	Electric Expenses		
27	Miscellaneous Pumped Storage Power Generation Expenses		
28	Rents		
29	Maintenance Supervision and Engineering		
30	Maintenance of Structures		
31	Maintenance of Reservoirs, Dams, and Waterways		
32	Maintenance of Electric Plant		
33	Maintenance of Miscellaneous Pumped Storage Plant		
34	Production Exp. Before Pumping Exp. (Total of lines 23 thru 33)	0	
35	Pumping Expenses		
36	Total Production Expenses (Enter Total of lines 34 and 35)	0	
37	Expenses per KWh (Enter result of line 36 ÷ line 9)	#DIV/0!	

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

<p>classified as "Other Power Supply Expenses."</p> <p>6. Pumping energy (line 10) is that energy measured as input to the plant for pumping purposes.</p> <p>7. Include on line 35 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed, leave lines 35, 36, and 37 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the</p>	<p>estimated amounts of energy from each station or other source that individually provides more than 10% of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other sources which individually provide less than 10% of total pumping energy. If contracts are mde with others to purchase power for pumping, give the supplier, contract number, and date of contract.</p>
--	---

FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.
			1
NONE			2
			3
			4
			5
			6
			7
			8
			9
			10
0	0	0	11
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			15
			16
			17
			18
			19
0	0	0	20
#DIV/0!	#DIV/0!	#DIV/0!	21
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			27
			28
			29
			30
			31
			32
			33
0	0	0	34
			35
0	0	0	36
#DIV/0!	#DIV/0!	#DIV/0!	37

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report Dec 31, 20 04	
GENERATING PLANT STATISTICS (Small Plants)							
1. Small generating plants are steam plants of less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating).				2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.			
Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity-Name Plate Rating (in MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)	
1	NONE						
2							
3							
4							
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see inst. 11, p. 403. steam, hydro, internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

4. If net peak demand for 60 minutes if not available, give that which is available, specifying period.

5. If any plant is equipped with combinations of

Plant Cost Per MW Inst Capacity (g)	Operation Exc'l Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Cost (In cents per million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
NONE						1
						2
						3
						4
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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CHANGES MADE OR SCHEDULED TO BE MADE IN GENERATING PLANT CAPACITIES

Give below the information called for concerning changes in electric generating plant capacities during the year.

A. Generating Plants or Units Dismantled, Remove from Service, Sold, or Leased to Others During Year

1. State in column (b) whether dismantled, removed from service, sold, or leased to another. Plants removed from service include those not maintained for regular or emergency service.

2. In column (f), give date dismantled, removed from service, sold, or leased to another. Designate complete plants as such.

Line No.	Name of Plant (a)	Disposition (b)	Installed Capacity (in megawatts)			Date (f)	If Sold or Leased, Give Name and Address of Purchaser or Lessee (g)
			Hydro (c)	Steam (d)	(Other) (e)		
1	NONE						
2							
3							
4							
5							
6							
7							

B. Generating Units Scheduled for or Undergoing Major Modifications

Line No.	Name of Plant (a)	Character of Modification (b)	Installed Plant Capacity After Modification (in MW) (c)	Estimated Dates of Construction	
				Start (d)	Completion (e)
8					
9					
10					
11					
12					
13					
14					

C. New Generating Plants Scheduled for or Under Construction

Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, etc.) (b)	Installed Capacity (in megawatts)		Estimated Dates of Construction	
			Initial (c)	Ultimate (d)	Start (e)	Completion (f)
15						
16						
17						
18						
19						
20						
21						

D. New Units in Existing Plants Scheduled for or Under Construction

Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, etc.) (b)	Unit (c)	Size of Unit (in megawatts) (d)	Estimated Dates of Construction	
					Start (e)	Completion (f)
22						
23						
24						
25						
26						
27						

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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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STEAM ELECTRIC GENERATING PLANTS

- | | |
|--|--|
| <p>1. Include on this page steam-electric plants of 25,000 Kw (name plate rating) or more of installed capacity.</p> <p>2. Report the information called for concerning generating plants and equipment at year end. Show unit type Installation, boiler, and turbine-generator on same line.</p> <p>3. Exclude plant, the book cost of which is located in Account 121, <i>Nonutility Property</i>.</p> <p>4. Designate any generating plant or portion thereof for which the respondent is not the sole owner. If such property is leased from another company give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant or portion thereof for which the respondent is not the sole</p> | <p>owner but which the respondent operates or share in the of, furnish a succinct statement explaining the arrangement and giving details as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses or revenues, and how expenses and/or revenues are accounted for and accounts affected.</p> <p>Specify if lessor, co-owner, or other party is an associated company.</p> <p>5. Designate any generating plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent, and how determined. Specify whether lessee is an associated company.</p> <p>6. Designate any plant or equipment owned, not</p> |
|--|--|

Line No.	Name of Plant (a)	Location of Plant (b)	BIOLERS <i>(Include both ratings for the boiler and the turbine-generator or dual-rated installations)</i>				
			Number and Year Installed (c)	Kind of Fuel And Method of Firing (d)	Rated Pressure (In psig) (e)	Rated Steam Temp. <i>(Indicate reheat boilers as 1050/1000)</i> (f)	Rated Max. Continuous M lbs. Steam per Hour (g)
1							
2							
3							
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Name of Respondent Alpena Power Company	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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STEAM ELECTRIC GENERATING PLANTS

operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.
7. Report gas-turbines operated in a combined cycle with a conventional steam unit with its associated steam unit.

Turbine-Generators <i>(Report cross-compound turbine generator units on two lines-H.P. section and I.P. section. Designate units with shaft connected boiler feed pumps. Give capacity rating of pumps in terms of full load requirements.)</i>													
Year Installed	TURBINES <i>Include both ratings for boiler and turbine-generator of dual-rated installations</i>					GENERATORS <i>(Designate air cooled generators)</i>					Plant Capacity Maximum Generator Name Plate Rating (Should agree with column (n))	Line No.	
	Max. Rating Mega-Watt	Type <small>(Indicate tandem-compound (TC); cross compound (CC) single casing (SC); topping unit (T); and non-condensing (NC) Show back pressures)</small>	Steam Pressure at Throttle psig.	RPM	NAME PLATE Rating in Kw		Hydrogen Pressure		Power Factor	Voltage (in MV) <small>(If other than 3 phase, 60 cycle indicate other characteristic)</small>			
					At Minimum Hydrogen Pressure	At Max. Hydrogen Pressure <small>(Include both ratings for the boiler and the turbine-generator of dual-rated installations)</small>	Min.	Max.					
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)		
		NONE											1
													2
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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HYDROELECTRIC GENERATING PLANTS

<p>1. Report on this page Hydro plants of 10,000 Kw (name plate rating) or more of installed capacity.</p> <p>2. Report the information called for concerning generating plants and equipment at year end. Show associated prime movers and generators on the same line.</p> <p>3. Exclude from this schedule, plant, the book cost of which is included in Account 121, <i>Nonutility Property</i>.</p> <p>4. Designate any plant or portion thereof for which</p>	<p>the responsibility is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars</p>
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Line No.	Name of Plant (a)	Location (b)	Name of Stream (c)	Water Wheels <i>(In column (e), indicate whether horizontal or vertical. Also indicate type of runner-Francis (F), fixed propeller (FP), automatically adjustable propeller (AP), Impulse (I). Designate reversible type of units by appropriate footnote)</i>			
				Attended or Unattended (d)	Type of Unit (e)	Year Installed (f)	Gross Static Head with Pond Full (g)
1	NONE						
2							
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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HYDROELECTRIC GENERATING PLANTS (Continued)

(details) as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.
5. Designate any plant or portion thereof leased to another company, and give name of lessee, date and term of lease and annual rent, and how determined. Specify whether lessee is an associated company.
6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

Water Wheels (Continued)			Generators						Total Installed Generating Capacity	Line No.
Design Head (a)	RPM (i)	Maximum Hp. Capacity of Unit at Design Head (j)	Year Installed (k)	Voltage (l)	Phase (m)	Frequency or d.c. (n)	Name Plate Rating of Unit (in MW) (o)	No. of Units in Plant (p)	(Name Plate Ratings in megawatts) (q)	
NONE										1
										2
										3
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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PUMPED STORAGE GENERATING PLANTS

- | | |
|--|--|
| <p>1. Include in this schedule pumped storage plants of 10,000 Kw (name-plate rating) or more of installed capacity.</p> <p>2. Report the information called for concerning generating plants and equipment at year end. Show associated prime movers and generators on the same line.</p> | <p>3. Exclude from this schedule the book cost of plant included in Account 121, <i>Nonutility Property</i>.</p> <p>4. Designate any plant or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any</p> |
|--|--|

Line No.	Name of Plant (a)	Location (b)	Name of Stream (c)	Water Wheels of Hydraulic Turbines/Pumps <i>(In column (e), indicate whether horizontal or vertical or inclined. Also indicate type of runner-Francis (F), fixed propeller (FP), automatically adjustable propeller (AP), Impulse (I), or Tubular (T). Designate reversible type units by appropriate footnote)</i>				
				Attended or Unattended (d)	Type of Unit (e)	Year Installed (f)	Gross Static Head with Pond Full (g)	Design Head (h)
1	NONE							
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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PUMPED STORAGE GENERATING PLANTS (Continued)

generating plant, other than a leased plant, or portion thereof, for which the respondent shares in the operation of, furnish a concise statement explaining the arrangement and giving particulars as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

SEPARATE MOTOR-DRIVEN PUMPS

RPM <i>(Designate whether turbine or pump)</i> (i)	Maximum Hp Capacigty of Unit at Design Head (j)	Year In-stalled (k)	Type	RPM	Phase	Fre- quency or dc	NAME PLATE RATING IN		
							Hp (p)	MV's (q)	Line No.
	NONE								1
									2
									3
									4
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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PUMPED STORAGE GENERATING PLANTS (Continued)

<p>5. Designate any plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined. Specify whether lessee is an associated company.</p>	<p>6. Designate any plant or equipment, owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.</p>
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Line No.	GENERATORS OR GENERATOR/MOTORS <i>(In column (v) designate whether generator or motor)</i>						Total Installed Generating Capacity (Name Plate Ratings) (In megawatts) (x)
	Year Installed (r)	Voltage (s)	Phase (t)	Frequency or d.c. (u)	Name Plate Rating of Unit (In megawatts) (Designate whether Mva, MW, or HP; indicate power factor) (v)	Number of Units in Plant (w)	
	1	NONE					
2							
3							
4							
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS

- | | |
|--|--|
| <p>1. Include on this page internal-combustion engine and gas-turbine plants of 10,000 kilowatts and more.</p> <p>2. Report the information called for concerning plants and equipment at end of year. Show associated prime movers and generators on the same line.</p> <p>3. Exclude from this page, plant, the book cost of which is included in Account 121, <i>Nonutility Property</i>.</p> | <p>4. Designate any plants or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the</p> |
|--|--|

Line No.	Name of Plant (a)	Location of Plant (b)	Prime Movers <i>In Column (e), indicate basic cycle for gas-turbine as open or closed; indicate basic cycle for internal-combustion as 2 or 4.</i>			
			Internal-Combustion or Gas-Turbine (c)	Year Installed (d)	Cycle (e)	Belted or Direct Connected (f)
1	NONE					
2						
3						
4						
5						
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS (Continued)

operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) as to such matters as percent of ownership by respondent, name of co-owner, basis of sharing output, expenses or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.
 5. Designate any plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined. Specify whether lessee is an associated company.
 6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

Prime Movers (Continued)	Generators						Total Installed Generating Capacity (Name Plate Ratings in Mw) (n)	Line No.
	Rated Hp of Unit (g)	Year Installed (h)	Voltage (i)	Phase (j)	Frequency of d.c. (k)	Name Plate Rating of Unit (In MW) (l)		
NONE								1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40

Name of Respondent	This Report Is:	Date of Report	Year of Report
Alpena Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	(Mo, Da, Yr)	Dec 31, 20 04

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, *Nonutility Property*.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood or steel; (2) H-frame, wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each construction type by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote explain the basis of such occupancy and state

Line No.	DESIGNATION		VOLTAGE <i>(Indicate where other than 60 cycle, 3 phase)</i>		Type of Supporting Structure (e)	LENGTH (Pole Miles) <i>(in the case of underground lines, report circuit miles)</i>		Number of Circuits (h)	
	From (a)	To (b)	Operating (c)	Designed (d)		(f)	(g)		
1	Four mile sub (1&2)	LaFarge	140kv	140kv	Single wood pole	5.68		2	
2									
3									
4									
5	Four mile sub (1&2)	Potter-field	140kv	140kv	Single wood pole	1.79		1	
6									
7									
8	34.5		34.5kv	34.5kv	Single pole cedar	65.55	1.8	15	
9									
10	34.5		34.5kv	34.5kv	Underground	0.2		4	
11									
12									
13									
14									
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21									
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28									
29									
30									
31									
32	TOTAL						73.22	1.8	22

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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TRANSMISSION LINE STATISTICS (Continued)

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

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

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

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

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

Size of Conductor and Material	COST OF LINE <i>(Include in column (j) land, land rights, and clearing right-of-way)</i>			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
267	61,040	178,418	239,458					1
								2
								3
								4
267	41,606	251,552	293,158					5
								6
								7
various	52,303	1,866,291	1,918,594					8
								9
								10
various	0	24,413	24,413					11
								12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
	154,949	2,320,674	2,475,623					32

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TRANSMISSION LINES ADDED DURING YEAR

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

2. Provide separate subheadings for overhead and

Line No.	LINE DESIGNATION		Line Length in Miles	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	Hubbard Lake Sub	Hubbard Lake Rd.	0.01	Underground	N/A	N/A	N/A
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43			0.01	0	0	0	0

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TRANSMISSION LINES ADDED DURING YEAR (Continued)

columns the estimated final completion costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate foot- note, and costs of Underground Conduit in col. (m). 3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating)	LINE COST				Line No.
Size (h)	Specifi- cation (i)	Config- uration & Spacing (j)		Land and Land Rights (l)	Poles, Towers, and Fixtures (m)	Conduct- tors and Device (n)	Total (o)	
350 mcm		3 UG Phase	34.5 kv	N/A	N/A	4,779	4,779	1
							0	2
							0	3
							0	4
							0	5
							0	6
							0	7
							0	8
							0	9
							0	10
							0	11
							0	12
							0	13
							0	14
							0	15
							0	16
							0	17
							0	18
							0	19
							0	20
							0	21
							0	22
							0	23
							0	24
							0	25
							0	26
							0	27
							0	28
							0	29
							0	30
							0	31
							0	32
							0	33
							0	34
							0	35
							0	36
							0	37
							0	38
							0	39
							0	40
							0	41
							0	42
0	0	0	0	0	0	4,779	4,779	43

Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04
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SUBSTATIONS

- | | |
|---|--|
| <p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of less than 10Mva, except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> | <p>4. Indicate in col. (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p> <p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> |
|---|--|

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In Moa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Alpena County				
2	Four Mile	Unattended, Transmission	140.0	34.5	
3	Gennrich	Unattended, Transmission	140.0	34.5	
4	Potterfield	Unattended, Transmission	140.0	34.5	
5					
6	Ninth Street	Unattended, Distribution	34.5	4.16	
7	Central	Unattended, Distribution	34.5	13.8	
8	Bagley	Unattended, Distribution	34.5	13.8	
9	Hospital	Unattended, Distribution	34.5	13.8	
10	Hubbard Lake	Unattended, Distribution	34.5	13.8	
11	Northeast	Unattended, Distribution	34.5	13.8	
12	North Industrial Park	Unattended, Distribution	34.5	13.8	
13	Norway	Unattended, Distribution	34.5	13.8	
14	Ontario	Unattended, Distribution	34.5	13.2	
15	Ossineke	Unattended, Distribution	34.5	13.8	
16	Rockport	Unattended, Distribution	34.5	13.8	
17	South	Unattended, Distribution	34.5	13.2	
18	Southwest	Unattended, Distribution	34.5	13.8	
19	Long Lake	Unattended, Distribution	34.5	13.8	
20	M-32	Unattended, Distribution	34.5	13.8	
21					
22					
23					
24					
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Alpena Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	(Mo, Da, Yr)	Dec 31, 20 04__

SUBSTATIONS (Continued)

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

Capacity of Substation (In Service) (In Mva) (f)	Number of Transformers in Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In Mva) (k)	
20	2	0	None			1
42	2	0	None			2
24	1	0	None			3
						4
						5
5	1	0	None			6
20	2	0	None			7
5	1	0	None			8
8.75	2	0	None			9
3.75	1	0	None			10
5	1	0	None			11
5	1	0	None			12
3.75	1	0	None			13
10	1	0	None			14
8.75	2	0	None			15
10	1	0	None			16
10	1	0	None			17
3.75	1	0	None			18
10	1	0	None			19
20	2	0	None			20
						21
						22
						23
						24
						25
						26
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Name of Respondent Alpena Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 20 04	Year of Report Dec 31, 20 04
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ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS

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

2. Include watt-hour demand distribution meters, but not external demand meters.

3. Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters

Line No.	Item (a)	Number of Watt-Hours Meters (b)	LINE TRANSFORMERS	
			Number (c)	Total Capacity (In Mva) (d)
1	Number at Beginning of Year	16,471	7,045	201
2	Additions During Year			
3	Purchases	351	232	5
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	351	232	5
6	Reduction During Year			
7	Retirements	254	79	3
8	Associated with Utility Plant Sold			
9	TOTAL Additions (Enter Total of lines 3 and 4)	254	79	3
10	Number at End of Year (Lines 1+ 5 - 9)	16,568	7,198	203
11	In Stock	252	320	23
12	Locked Meters on Customers' Premises			
13	Inactive Transformers on System			
14	In Customers' Use	16,303	6,841	179
15	In Companys' Use	13	37	1
16	Total End of Year (Enter Total of lines 11 to 15. This line should equal	16,568	7,198	203

Name of Respondent Alpena Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 20 04	
ENVIRONMENTAL PROTECTION FACILITIES						
<p>1. For purposes of this response, environmental protection facilities shall be defined as any building, structure, equipment, facility or, improvement designed and constructed solely for control, reduction, prevention or abatement of discharges or releases into the environment of gaseous, liquid, or solid substances, heat, noise or for the control, reduction, prevention, or abatement of any other adverse impact of an activity on the environment.</p> <p>2. Report the differences in cost of facilities installed for environmental considerations over the cost of alternative facilities which would otherwise be used without environmental considerations. Use the best engineering design achievable without environmental restrictions as the basis for determining costs without environmental considerations. It is not intended that special design studies be made for purposes of this response. Base the response on the best engineering judgment where direct comparisons are not available.</p> <p>Include in these differences in costs the costs or estimated costs of environmental protection facilities in service, constructed or modified in connection with the production, transmission, and distribution of electrical energy and shall be reported herein for all such environmental facilities placed in service on or after January 1, 1969, so long as it is readily determinable that such facilities were constructed or modified for environmental rather than operational purposes. Also report similar expenditures for environmental plant included in construction work in progress. Estimate the cost of facilities when the original cost is not available or facilities are jointly owned with another utility, provided the respondent explains the basis of such estimations.</p> <p>Examples of these costs would include a portion of the costs of tall smokestacks, underground lines, and landscaped substations. Explain such costs in a footnote.</p> <p>3. In the cost of facilities reported on this page, include an estimated portion of the cost of plant that is or will be used to provide power to operate associated environmental protection facilities. These cost may be estimated on a percentage of plant basis. Explain such estimations in a footnote.</p> <p>4. Report all costs under the major classifications provided below and include, as a minimum, the items listed hereunder:</p> <p>A. Air pollution control facilities:</p> <p>(1) Scrubbers, precipitators, tall smokestacks, etc. (2) Changes necessary to accommodate use of environmentally clean fuels such as low ash or low sulfur fuels including storage and handling equipment. (3) Monitoring equipment (4) Other.</p>				<p>B. Water pollution control facilities:</p> <p>(1) Cooling towers, ponds, piping, pumps, etc. (2) Waste water treatment equipment (3) Sanitary waste disposal equipment (4) Oil interceptors (5) Sediment control facilities (6) Monitoring equipment (7) Other.</p> <p>C. Solid waste disposal costs:</p> <p>(1) Ash handling and disposal equipment (2) Land (3) Settling ponds (4) Other.</p> <p>D. Noise abatement equipment:</p> <p>(1) Structures (2) Mufflers (3) Sound proofing equipment (4) Monitoring equipment (5) Other.</p> <p>E. Esthetic costs:</p> <p>(1) Architectural costs (2) Towers (3) Underground lines (4) Landscaping (5) Other.</p> <p>F. Additional plant capacity necessary due to restricted output from existing facilities, or addition of pollution control facilities.</p> <p>G. Miscellaneous:</p> <p>(1) Preparation of environmental reports (2) Fish and wildlife plants included in Accounts 330, 331, 332, and 335 (3) Parks and related facilities (4) Other.</p> <p>5. In those instances when costs are composites of both actual supportable costs and estimates of costs, specify in column (f) the actual costs that are included in column (e).</p> <p>6. Report construction work in progress relating to environmental facilities at line 9.</p>		
Line No.	Classification of Cost	Additions	Retirements	Adjustments	Balance at End of Year	Actual Cost
	(a)	(b)	(c)	(d)	(e)	(f)
1	Air Pollution Control Facilities	NONE				
2	Water Pollution Control Facilities					
3	Solid Waste Disposal Costs					
4	Noice Abatement Equipment					
5	Esthetic Costs					
6	Additional Plant Capacity					
7	Miscellaneous (<i>Identify significant</i>)					
8	TOTAL (<i>Total of lines 1 thru 7</i>)					
9	Construction work in progress					

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ENVIRONMENTAL PROTECTION FACILITIES

1. Show below expenses incurred in connection with the use of environmental protection facilities, the cost of which are reported on page 430. Where it is necessary that allocations and/or estimates of costs be made, state the basis or method used.

2. Include below the costs incurred due to the operation of environmental protection equipment, facilities, and programs.

3. Report expenses under the subheadings listed below.

4. Under item 6 report the difference in cost between environmentally clean fuels and the alternative fuels that would otherwise be used and are available for use.

5. Under item 7 include the cost of replacement power, purchased or generated, to compensate for the deficiency in output from existing plants due to the addition of pollution control equipment, use of alternate environmentally preferable fuels or environmental regulations of governmental bodies. Base the price of replacement power purchased on the average system price of purchased power if the actual cost of such replacement power is not known. Price internally generated replacement power at the system average cost of power generated if the actual cost of specific replacement generation is not known.

6. Under item 8 include ad valorem and other taxes assessed directly on or directly relatable to environmental facilities. Also include under item 8 licensing and similar fees on such facilities.

7. In those instances where expenses are composed of both actual supportable data and estimates of costs, specify in column (c) the actual expenses that are included in column (b).

Line No.	Classification of Expenses (a)	Amount (b)	Actual Expenses (c)
1	Depreciation	NONE	
2	Labor, Maintenance, Materials, and Supplies Cost Related to Env. Facilities and Programs		
3	Fuel Related Costs		
4	Operation of Facilities		
5	Fly Ash and Sulfur Sludge Removal		
6	Difference in Cost of Environmentally Clean Fuels		
7	Replacement Power Costs		
8	Taxes and Fees		
9	Administrative and General		
10	Other (<i>Identify significant</i>)		
11	TOTAL	0	0

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--	---	--------------------------------	---------------------------------

FOOTNOTE DATE

Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)

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Next Page is Index 1

INDEX

Schedule	Page No.
Accrued and prepaid taxes.	262-263
Accounts receivable.	226A
Accumulated Deferred Income Taxes.	234A-B, 272-5, 276A-B, 277
Accumulated provisions for depreciation of	
common utility plant.	356
utility plant	219
utility plant (summary)	200-201
Acquisition adjustments.	215
Advances from associated companies.	256-257
Advances from customers for construction.	268
Allowances.	228-229
Amortization	
miscellaneous.	340
of nuclear fuel.	202-203
of plant acquisition adjustments, accumulated provision.	215
Appropriations of Retained Earnings.	118-119
Assets, miscellaneous current & accrued.	230A
Associated Companies	
advances from	256-257
corporations controlled by respondent	103
control over respondent.	102
interest on debt to	256-257
payables to.	260B
receivables from	226A
summary of costs billed to.	358-359
summary of costs billed from	360-361
Attestation	1
Balance Sheet	
comparative.	110-113
notes to.	122-123
Bonds.	256-257
Calculation of Federal Income Taxes	261C-D
Capital Stock.	250-251
discount	254
expenses	254
installments received	252
premiums	252
reacquired.	251
subscribed	252
Cash flows, statement of	120-121
Changes	
important during year.	108-109
made or scheduled to be made in generating plant capacities	412
Charges for outside professional and other consultative services	357
Civic activities, expenditures for.	341
Construction completed, not classified - electric.	216
Construction	
overheads, electric.	217
overhead procedures, general description of.	218
work in progress - common utility plant.	356
work in progress - electric.	216
work in progress - other utility departments.	200-201
Consultative services, charges for.	357

INDEX

Schedule	Page No.
Control	
corporation controlled by respondent	103
over respondent	102
security holders and voting powers	106-107
Corporation	
controlled by	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii
Current assets, miscellaneous	230A
Deferred	
credits, other	269
debits, miscellaneous	233
income taxes accumulated - accelerated amortization property	272-273
income taxes accumulated - other property	274-275
income taxes accumulated - other	276A-B
income taxes accumulated - pollution control facilities	234A-B
income taxes accumulated - temporary	277
Definitions, this report form	iii
Depreciation and amortization	
of common utility plant	356
of electric plant	219, 336-337
Directors	105
Discount on capital stock	254
Discount - premium on long-term debt	256-257
Disposition of property, gain or loss	280A-B
Disposition of utility plant	
deferred gains	270A-B
deferred losses	235A-B
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Electric energy account	401
Environmental protection	
expenses	431
facilities	430
Expenses	
electric operation and maintenance	320-323
electric operation and maintenance (nonmajor)	320N-324N
electric operation and maintenance, summary	323
unamortized debt	256-257
Extraordinary items	342
Extraordinary property losses	230B
Filing requirements, this report form	i-ii
Gains	
deferred gains, from disposition of utility plants	270A-B
on disposition of property	280A-B
unamortized, on reacquired debt	237A-B
General description of construction overhead procedure	218
General information	101
General instructions	i-vi
Generating plant statistics	
hydroelectric (large)	406-407, 414-415
internal-combustion engine and gas-turbine	420-421
pumped storage (large)	408-409, 416-418

INDEX

Schedule	Page No.
Generating plant statistics (continued)	
small plants	410-411
steam electric (large).	402-413A-B
Hydro-electric generating plant statistics.	406-407, 414-415
Identification.	101
Important changes during year.	108-109
Income	
statement of, by departments.	114-117
statement of, for the year (see also revenues)	114-117
deductions, interest on debt to associated companies	340
deductions, miscellaneous amortization	340
deductions, other income deduction	340
deductions, other interest charges	340
Incorporation information	101
Installments received on capital stock.	252
Interdepartmental sales and rents	331A
Internal-Combustion Engine and Gas-Turbine Generating Plant	420-421
Interest	
charges, on debt to associated companies	340
charges, other	340
charges, paid on long-term debt, advances, etc.	256-257
Investments	222-223
Investments	
nonutility property	221
subsidiary companies.	224-225
Investment tax credits, accumulated deferred	266-267
Investment tax credits, generated and utilized.	264-265
Law, excerpts applicable to this report form	iii-iv
Leases	
income from utility plant leased to others	281
lease rentals charged.	333A-D
Liabilities, miscellaneous current & accrued.	268
List of schedules, this report form	2-5
Long-term debt	256-257
Losses - Extraordinary property.	230B
Losses	
deferred, from disposition of utility plant.	235A-B
on disposition of property.	280A-B
operating, carryforward	117C
unamortized, on reacquired debt.	237A-B
Materials and supplies.	227
Meters and line transformers	429
Miscellaneous general expenses	335
Notes	
to balance sheet.	122-123
payable	260A
receivable.	226A
to statement of cash flow.	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Nonutility property.	221
Nuclear fuel materials	202-203
Nuclear generating plant, statistics.	402-403
Number of Electric Department Employees.	323
Officers and officers' salaries.	104

INDEX

Schedule	Page No.
Operating	
expenses - electric	320-323
expenses - electric (summary).	323
loss carryforward	117C
Operation and maintenance expense (nonmajor).	320N-324N
Other	
donations received from stockholders	253
gains on resale or cancellations of reacquired capital stock.	253
income accounts.	282
miscellaneous paid-in capital	253
paid-in capital	253
reduction in par or stated value of capital stock.	253
regulatory assets.	232
regulatory liabilities	278
Outside services, charges for	357
Overhead, construction - electric.	217
Payables	260B
Peaks, monthly, and output	401
Plant acquisition adjustment.	215
Plant, Common utility	
accumulated provision for depreciation.	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified.	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	217-218 336-338 401-429
Plant - electric	
accumulated provision for depreciation	219
construction work in progress	216
held for future use.	214
in service.	204-211
leased to others.	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary)	200-201
Political activities, expenditures for	341
Pollution control facilities, accumulated deferred income taxes.	234A-B
Preliminary survey and investigation charges	231A-B
Premium and discount on long-term debt.	256-257
Premium on capital stock.	251
Prepaid taxes	262-263
Production fuel and oil stocks	227A-B
Professional services, charges for	357
Property - losses, extraordinary	230B
Pumped storage generating plant statistics	408-409, 416-418
Purchased power.	326-327
Railroads and railways, sales to	331A
Reacquired capital stock	250
Reacquired debt, unamortized loss and gain on	237A-B
Reacquired long-term debt	256-257

INDEX

Schedule	Page No.
Receivables	
from associated companies.	226B
notes and accounts	226A
Receivers' certificates.	256-257
Reconciliation of deferred income tax expense	117A-B
Reconciliation of reported net income with taxable income	
for Federal income taxes.	261A-B
Regulatory Assets, Other	232
Regulatory Commission Expenses Deferred	233
Regulatory Commission Expenses For Year	350-351
Regulatory Liabilities, Other	278
Rent	
from electric property	331A
interdepartmental.	331A
lease rentals charged.	333A-D
Research, development and demonstration activities.	352-353
Retained Earnings	
amortization reserve Federal.	119
appropriated	118-119
statement of, for year.	118-119
unappropriated.	118-119
Revenues - electric operating	300-301
Revenues, miscellaneous service and other electric	331B
Salaries and wages	
directors fees.	105
distribution of.	354-355
officers'.	104
Sales	
interdepartmental.	331A
of water and water power.	331B
to railroads and railways	331A
Sales of electricity by rate schedules	304
Sales - for resale.	310-311
Salvage - nuclear fuel.	202-203
Schedules, this report form.	2-5
Securities	
exchange registration.	250-251
holders and voting powers.	106-107
Securities issues or assumed and refunded or retired during year.	255
Statement of Cash Flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Steam-electric generating plant statistics	402-404, 413A-B
Stock liability for conversion.	252
Substations	426-427
Supplies - materials and	227
Survey and investigation, preliminary charges	231A-B
Taxes	
accrued and prepaid.	262-263
accumulated deferred income - temporary.	277
calculation of, Federal.	261C-D
charged during year	262-263
on income, deferred and accumulated	234A-B, 272-275
reconciliation of deferred income tax expense.	276A-B
reconciliation of net income with taxable income for	117A-B
reconciliation of net income with taxable income for	261A-B
Transformers, line - electric	429

INDEX

Schedule	Page No.
Transmission	
lines added during year.	424-425
lines statistics.	422-423
of electricity for or by others	328-330, 332
Unamortized	
debt discount.	256-257
debt expense.	256-257
premium on debt	256-257
Unamortized loss and gain on reacquired debt	237A-B
Uncollectible accounts, provision for.	226A
Unrecovered Plant and Regulatory Study Costs.	230B
Water and water power, sales of	331B