

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF PURCHASER AND/OR CARRIER OF NATURAL GAS

This form is authorized by Act 9, P.A. 1929, as amended. Filing of this form is mandatory. Failure to complete and submit this form will place you in violation of the Act.

RECEIVED
Michigan Public Service Commission

Report submitted for year ending: September 30, 2007	JAN 17 2008
Present name of respondent: AURORA GAS COMPANY	REGULATED ENERGY DIVISION
Address of principal place of business: 7038 BLACK RIVER ROAD ONAWAY MI 49765	
Utility representative to whom inquires regarding this report may be directed:	
Name: JOHN S TIERNEY	Title: PRESIDENT
Address: PO BOX 721	
City: ONAWAY	State: MI Zip: 49765
Direct Telephone, Include Area Code: (989) 733-6625	
If the utility name has been changed during the past year:	
Prior Name:	
Date of Change:	
Two copies of the published annual report to stockholders:	
[]	were forwarded to the Commission
[]	will be forwarded to the Commission
	on or about
Annual reports to stockholders:	
[]	are published
[X]	are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

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

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

**PRODUCER, PURCHASER AND/OR TRANSMITTER
OF NATURAL GAS (ACT 9 COMPANY)**

ANNUAL REPORT OF:

AURORA GAS COMPANY

(Name of Company)

TO THE

MICHIGAN PUBLIC SERVICE COMMISSION

For the Calendar Year:

30-Sep-07

(Read Instructions on Last Page Carefully Before Filling Out Report)

Name of Company: AURORA GAS COMPANY

Post Office Address: PO BOX 721

Organization: CORPORATION
(Corporation, Partnership or Individual)

Date of Organization: January 13, 1984 Under the laws of what state? Michigan

Printed name of person who prepared this report: Straley, Ilsley & Lamp P.C.

Signature of person who prepared this report: Straley, Ilsley & Lamp P.C.

If incorporated, give the titles, names and addresses of all company officials at close of year:

<u>Name</u>	<u>Title</u>	<u>Address</u>
John S Tierney	President	PO Box 721 Onaway Mi 49765
John S Tierney	Secretary	PO Box 721 Onaway Mi 49765
John S Tierney	Treasurer	PO Box 721 Onaway Mi 49765
John S Tierney	Manager	PO Box 721 Onaway Mi 49765

If not incorporated, state the name and address of owner or owners and the extent of their respective interests:

<u>Name</u>	<u>Address</u>
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Name of Respondent		This Report Is:	Date of Report	Year of Report
Aurora Gas Co		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	September 30, 2007
BALANCE SHEET - TOTAL COMPANY (ASSETS)				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	CURRENT ASSETS			
2	Cash	22,099	6,032	
3	Short Term Investments			
4	Accounts and Notes Receivable	106,916	79,034	
5	Inventories	839,070	738,098	
6	Other (please describe)	561,840	495,388	
7	TOTAL CURRENT ASSETS	1,529,925	1,318,552	
8	INVESTMENT AND OTHER ASSETS			
9	Investments in Affiliated Companies			
10	Other (please describe)	132,202	146,296	
11	Other (please describe)			
12	TOTAL INVESTMENTS AND OTHER ASSETS	132,202	146,296	
13	PROPERTY, PLANT AND EQUIPMENT			
14	Property, Plant and Equipment	5,253,758	5,326,073	
15	Less Accumulated Depreciation, Depletion and Amoritzation	2,005,799	2,119,558	
16	NET PROPERTY, PLANT AND EQUIPMENT	3,247,959	3,206,515	
17	PREPAID AND DEFERRED CHARGES	15,772	(196)	
18	TOTAL ASSETS	4,925,858	4,671,167	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Aurora Gas Co		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	September 30, 2007
BALANCE SHEET - TOTAL COMPANY (LIABILITIES AND SHAREHOLDER EQUITY)				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	CURRENT LIABILITIES			
2	Notes Payable			
3	Accounts Payable	89,205		201,212
4	Accrued Taxes			
5	Long-Term Debt Maturing Within One Year	1,097,198		896,737
6	Accrued Expenses			6,603
7	Other (please describe)			
8	TOTAL CURRENT LIABILITIES	1,186,403		1,104,552
9	LONG-TERM DEBT	3,176,133		2,938,055
10	OTHER LIABILITIES AND DEFERRED CREDITS			
11	Advances Against Future Production			
12	Deferred Income Taxes			
13	Other (please describe)	166,296		175,195
14	Other (please describe)			
15	SHAREHOLDERS EQUITY			
16	Preferred Stock: Authorized, Issued and Outstanding			
17	Common Stock (Par Value per Share) (Authorized, Issued and Outstanding)	30,000		30,000
18	Other Equity Capital			
19	Paid in Capital in Excess of Par			
20	Retained Earnings	367,026		423,375
21	Other (please describe)			
22	TOTAL SHAREHOLDER EQUITY	397,026		453,375
23	TOTAL LIABILITIES AND SHAREHOLDER EQUITY	4,925,858		4,671,177

Name of Respondent		This Report Is:	Date of Report	Year of Report
Aurora Gas Co		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	September 30, 2007
STATEMENT OF INCOME - TOTAL COMPANY				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	REVENUES - SALES AND SERVICES			
2	Refined Petroleum			
3	Crude Oil			
4	Natural Gas	3,698,206		3,665,574
5	Chemicals			
6	Other Products			
7	Services			
8	Other (please describe)	(4,303)		14,256
9	Other (please describe)			
10	TOTAL SALES AND SERVICES	3,693,903		3,679,830
11	EXPENSES			
12	Operating Expenses	3,421,436		3,096,455
13	Exploration Expenses			
14	Selling and General Expenses			
15	Depreciation, Depletion and Amoritzation	148,181		150,617
16	Taxes Other than Income Taxes	52,958		64,614
17	Income Taxes			
18	Other (please describe)			
19	TOTAL EXPENSES	3,622,575		3,311,686
20	NET OPERATING INCOME	71,328		368,144
21	OTHER INCOME AND EXPENSES			
22	Interest and Debt Expenses	280,447		267,976
23	Other (please describe)	55,044		55,044
24	Other (please describe)			
25	NET INCOME	(264,163)		45,124

Name of Respondent Aurora Gas Co		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
STATEMENT OF INCOME - MICHIGAN OPERATIONS				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	REVENUES - SALES AND SERVICES			
2	Refined Petroleum			
3	Crude Oil			
4	Natural Gas			
5	Chemicals			
6	Other Products			
7	Services			
8	Other (please describe)			
9	Other (please describe)			
10	TOTAL SALES AND SERVICES			
11	EXPENSES			
12	Operating Expenses			
13	Exploration Expenses			
14	Selling and General Expenses			
15	Depreciation, Depletion and Amoritization			
16	Taxes Other than Income Taxes			
17	Income Taxes			
18	Other (please describe)			
19	TOTAL EXPENSES			
20	NET OPERATING INCOME			
21	OTHER INCOME AND EXPENSES			
22	Interest and Debt Expenses			
23	Other (please describe)			
24	Other (please describe)			
25	NET INCOME			

Name of Respondent Auora Gas Co		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
LONG - TERM DEBT				
Line	Class and Series of Obligation, Coupon Rate (for new issue, give Commission Authorization numbers and dates) (a)	Interest Rate (b)	Amount Outstanding (c)	
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25	TOTAL			

Name of Respondent Aurora Gas Co	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
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STATEMENT OF SHAREHOLDERS' EQUITY

	Common Stock (a)	Paid In Capital (b)	Retained Earnings (c)	Preferred and Preference Stock (d)	Total (e)
Balance at Beginning of Year:					
Net Income					
Cash Dividends Declared					
Stock Cancellation, net					
Other (please specify)					
Balance at End of Year					

Notes to Financial Statements

GENERAL INSTRUCTIONS

- 1 This form for Annual Report should be filled out and copied in duplicate with one copy returned to the office of the Michigan Public Service Commission by April 30, following the year for which made. The remaining copy should be retained by the Utility Company in its permanent files in case correspondence with regard to this report becomes necessary.
- 2 Additional statements inserted for the purpose of further explanation of accounts or schedules should be made on durable paper the same size as this report and securely attached.
- 3 There should always appear some notation to indicate that the questions asked have not been overlooked. The word "None" may be used against any particular item or items where that word expresses the fact.
- 4 The Oath on this page must be administered by a Notary Public or other officer authorize to administer oaths.

OATH

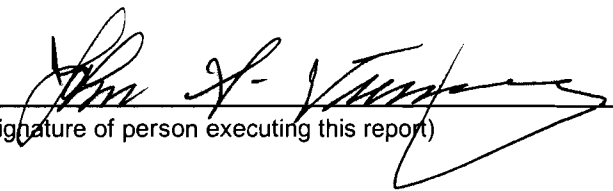
State of ... Michigan

} ss.

County of Cheboygan

I, the undersigned, on oath do say that I am John S Tierney President
(State official position as owner or officer)

of the Utility Company for whom the foregoing annual report was prepared; that the same was prepared by myself or under my direction; that I have full and complete knowledge of the affairs of the said Natural Gas Purchaser and/or Carrier that I have examined the foregoing annual report and declare the same to be a correct and complete statement of the business and affairs of said Utility Company in respect to each and every matter and thing therein set forth, to the best of my knowledge, information and belief.


(Signature of person executing this report)

7038 Black River Road
(Address of person executing this report)

SUBSCRIBED AND SWORN BEFORE ME

at Cheboygan County

this....9th day of January, 2008


(Signature of person executing this report)

My Commission expires 10/26/2013

Office Manager
(Official Title)

NONMAJOR GAS UTILITIES WITH ANNUAL SALES OF LESS THAN 200,000 MCF

ANNUAL REPORT OF:

AURORA GAS COMPANY

(Name of Company)

RECEIVED Michigan Public Service Commission

TO THE MICHIGAN PUBLIC SERVICE COMMISSION

JAN 17 2008

For the Calendar Year: 9/30/2007

REGULATED ENERGY DIVISION

(Read Instructions on Last Page Carefully Before Filling Out Report)

Name of Company: AURORA GAS COMPANY

Post Office Address: P.O. BOX 721

Organization: CORPORATION (Corporation, Partnership or Individual)

Date of Organization: January 13, 1984 Under the laws of what state? Michigan

Printed name of person who prepared this report:

Signature of person who prepared this report:

If incorporated, give the titles, names and addresses of all company officials at close of year:

Table with 3 columns: Name, Title, Address. Lists John S Tierney as President, Secretary, Treasurer, and Manager, all at P.O. Box 721 Onaway MI 49765.

If not incorporated, state the name and address of owner or owners and the extent of their respective interests:

Name Address

Name of any stockholders owning or controlling 10% or more of the stock, and number of votes to which each said stockholder is entitled:

Table with 3 columns: Name, Address, Number of Votes. Lists John S Tierney and Helen Tierney, both at P.O. Box 721 Onaway MI 49765, with 15,000 votes each.

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
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PROPERTIES USED IN OPERATION

Line No.	Description and Location, Including County and City or Township (a)	Date Purchased (b)	Date Placed In Service (c)	Original Cost (d)
1	Office building, Waverly Twp, Cheboygan County	08/01/84	08/01/84	\$71,333
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26	TOTAL			

Notes to Financial Statements

Name of Respondent		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
BALANCE SHEET				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	INVESTMENTS			
2	Total Utility Plant in Service			
3	Construction Work in Progress			
4	Total Utility Plant (2 + 3)			
5	Accumulated Provision for Depreciation			
6	Net Utility Plant (4 - 5)			
7	Other Property			
8	Other Investments (please describe here)			
9	Total Property and Investments (6 thru 8)			
10	CURRENT ASSETS			
11	Cash			
12	Notes Receivable - Net			
13	Accounts Receivable - Net			
14	Material and Supplies			
15	Prepayments			
16	Other Current and Accrued Assets			
17	Total Current and Accrued Assets (10 thru 15)			
18	Deferred Debits			
19	Total Assets (9 + 17 + 18)			
20	LIABILITIES & STOCKHOLDERS EQUITY			
21	STOCKHOLDER EQUITY			
22	Capital Stock			
23	Retained Earnings			
24	Total Stockholders Equity (22 + 23)			
25	Long -Term Debt			
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable			
28	Accounts Payable			
29	Customer Deposits			
30	Other Current and Accrued Liabilities			
31	Total Current and Accrued Liabilities (27 thru 30)			
32	Deferred Credits			
33	Total Liabilities and Equity (24+25+31+32)			

Name of Respondent		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
STATEMENT OF INCOME				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	Operating Revenues			
2	Natural Gas Production Expense			
3	Cost of Purchased Gas			
4	Transmission Expense			
5	Distribution Expense Operation			
6	Distribution Expense - Maintenance			
7	Administrative & General Expense			
8	Other Expenses			
9	Total Operation & Maintenance Expense (2 thru 8)			
10	Depreciation & Amoritization Expense			
11	Tax Expense			
12	Interest Expense			
13	Other Deductions			
14	Total Cost of Gas Service (9 thru 13)			
15	Income From Operations (1 - 14)			
16	Miscellaneous Non-Operating Income			
17	Miscellaneous Non-Operating Deductions			
18	Total Non-Operating Income (Loss)			
19	NET INCOME (15 + 18)			

Name of Respondent	This Report Is: (1) [] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
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SALES DATA BY RATE SCHEDULE FOR THE YEAR

- 1 Report below the distribution of customers, sales and revenue for the year by individual rate schedules.
- 2 Column (a): List all rate schedules by identification number or symbol. Where the same rates schedule designation applies to different rates in different zones, cities or districts, list separately data for each such area.
- 3 Column (b): Give the type of service to which rate schedule is applicable (ex. Commercial heating, space heating, etc)
- 4 Column (c): Indicate the class or classes of customers served under each rate schedule.
- 5 Column (d): Give the average number of customers billed under each rate schedule during the year.
- 6 Columns (e) and (f): For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule.
- 7 If a rate schedule was not in effect during the entire year, indicate in a foot note the period in which it was in effect.

Line No.	Rate Schedule Designation (a)	Type of Service to Type of Service to (b)	Class of Service (c)	Ave Number of Customers per Month (d)	Mcf Sold (e)	Revenue (f)
1	Residential			2,402	173,447	\$2,270,769
2	Commercial			162	74,328	\$972,487
3	Public Auth.			4	7,283	\$95,534
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Notes to Financial Statements

Name of Respondent	This Report Is: (1) [] An Original (2) [] A Resubmission	
	Date of Report (Mo, Da, Yr)	Year of Report

OFF-SYSTEM SALES OF NATURAL GAS

Report the details concerning off-system sales. Off-system sales include all sales other than MPSC approved rate schedule sales.

Line No.	Name	Point of Delivery (City/Town, State)	Account	Mcf of Gas Sold (apprx BTU per CubicFt)	Revenue For Year	Average Revenue Per Mcf	Date		Peak Day Delivery to Customers
							(a)	(b)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
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Name of Respondent		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report		
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS - NATURAL GAS (Account 489)							
<p>1 Report below the details of revenue from transportation or compression (by respondent) of natural gas for others. Subdivide revenue between transportation or compression for Interstate pipeline companies and others.</p> <p>2 Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. Designate with an asterisk if gas transported or compressed is other than natural gas.</p> <p>3 In column (a), include the names of companies from which revenues were derived, points of receipt and delivery, and names of companies from which gas was received and to which delivered. Also specify the Commission order or regulation authorizing such transaction.</p> <p>4 Designate points of receipt and delivery so that they can be identified on map of the respondent's pipeline system.</p> <p>5 Enter Mcf at 14.73 psi at 60 degrees Fahrenheit. 6 Minor Items (less than 1,000,000 Mcf) may be grouped.</p>							
Line No.	Name of Company and Description of Service Performed (a)	Distance Transported (in miles) (b)	Mcf of Gas Received (c)	Mcf of Gas Delivered (d)	Revenue (e)	Ave Revenue per Mcf of Gas Delivered (in cents) (f)	FERC Tariff Rate Schedule Designation (g)
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25	TOTAL						

GENERAL INSTRUCTIONS

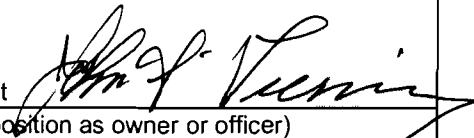
- 1 This form for Annual Report should be filled out and copied in duplicate with one copy returned to the office of the Michigan Public Service Commission by April 30, following the year for which made. The remaining copy should be retained by the Common Purchaser and/or Common Carrier in its permanent files in case correspondence with regard to this report becomes necessary.
- 2 Attention is called to Section 12 P.A. 1929, No. 9 which directs Common Purchasers and/or Common Carriers to make reports to the Michigan Public Service Commission, and provides penalties for those who fail, neglect or refuse to comply with the provisions of the Act.
- 3 If you file an annual report with this Commission on MPSC Form P-522, pages 2 through 7 can be omitted on this form because that information is on file with the Commission.
- 4 Additional statements inserted for the purpose of further explanation of accounts or schedules should be made on durable paper the same size as this report and securely attached.
- 5 There should always appear some notation to indicate that the questions asked have not been overlooked. The word "None" may be used against any particular item or items where that word expresses the fact.
- 6 The Oath on this page must be administered by a Notary Public or other officer authorize to administer oaths.

OATH

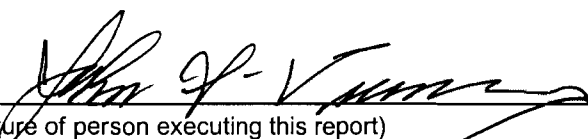
State of ... Michigan

} ss.

County of Cheboygan

I, the undersigned, on oath do say that I am John S Tierney President 
 (State official position as owner or officer)

of the Natural Gas Purchaser and Carrier for whom the foregoing annual report was prepared; that the same was prepared by myself or under my direction; that I have full and complete knowledge of the affairs of the said Natural Gas Purchaser and/or Carrier that I have examined the foregoing annual report and declare the same to be a correct and complete statement of the business and affairs of said Natural Gas Purchaser and/or Carrier in respect to each and every matter and thing therein set forth, to the best of my knowledge, information and belief.

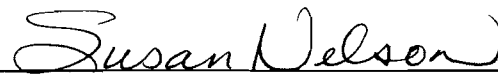

 (Signature of person executing this report)

7038 Black River Road Onaway Mi 49765
 (Address of person executing this report)

SUBSCRIBED AND SWORN BEFORE ME

atCheboygan Co

this....9th day of January, 2008


 (Signature of person executing this report)

My Commission expires 10/26/2013

Office Manager
 (Official Title)