

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)

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 in violation of the Acts.

Report submitted for year ending: December 31, 2004
Present name of respondent: CONSUMERS ENERGY COMPANY
Address of principal place of business: One Energy Plaza, Jackson, Michigan 49201
Utility representative to whom inquiries regarding this report may be directed: Name <u>Thomas J. Webb</u> Title <u>Executive Vice President,</u> <u>and Chief Financial Officer</u> Address <u>One Energy Plaza</u> City <u>Jackson</u> State <u>Michigan</u> Zip Code <u>49201</u> <u>Telephone, Including Area Code (517) 788-0351</u>
If the utility name has been changed during the past year: <u>Prior Name</u> <u>Date of Change</u>
Two copies of the published annual report to stockholders: <input checked="" type="checkbox"/> were forwarded to the Commission <input type="checkbox"/> will be forwarded to the Commission on or about _____, 20__.
Annual reports to stockholders: <input checked="" type="checkbox"/> are published. <input type="checkbox"/> are not published.

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

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

Commission Operation Division
Market Monitoring & Enforcement Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF
NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)

GENERAL INFORMATION

I. Purpose:

By authority conferred upon the Michigan Public Service Commission by 1919 PA 419, as amended, being MCL 460.51 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 gas company, as classified by the Commission's Uniform System of Accounts must submit this form.

NOTE: Major- A gas company having annual natural gas sales over 50 million Dth in each of the 3 previous calendar years.

Nonmajor - A gas company having annual natural gas sales at or below 50 million Dth in each of the 3 previous calendar years.

The class to which any utility belongs shall originally be determined by the average of its annual gas sales for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas sales for each of the three immediately preceding years exceeds the upper limit, or is less than the lower limit of the classification previously applicable to the utility.

III. What and Where to Submit:

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

Michigan Public Service Commission
Market Monitoring & Enforcement 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 5, the List of Schedules.) Mail these reports to:

Michigan Public Service Commission
Market Monitoring & Enforcement Section
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission of the form, a letter or report prepared in conformity with current standards of reporting which will:

- (i) contain a paragraph attesting to the conformity, in all material aspects, of the schedules and pages listed below 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 date of _____ we have also reviewed schedules _____ of Form P-522 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 users may obtain additional blank copies to meet their requirements for a charge from:

Michigan Public Service Commission
Market Monitoring & Enforcement 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 Dth) 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 amounts.

- 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 ⑥ on the List of Schedules, pages 2, 3 and 4.
- 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. The copies, however, may be carbon copies or other similar means of reproduction provided the impression are clear and readable.
- VI. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (See VIII, below).
- 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
Market Monitoring & Enforcement 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 ½ 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. Report all gas volumes on a pressure base of 14.65 psia and a temperature base 60° F.
- XIII. Respondents may submit computer printed schedules (reduced to 8 ½ x 11 inch size) instead of the preprinted schedules if they are in substantially the same format

DEFINITIONS

- I. BTU per cubic foot - The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.65 cm. Per sec.²) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)

- II. 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.
- III. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

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 Dec. 31, 20__
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LIST OF SCHEDULES (Natural Gas Utility)

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."

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
<p align="center">GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</p> <p>General Information 101</p> <p>Control Over Respondent & Other Associated Companies M 102</p> <p>Corporations Controlled by Respondent 103</p> <p>Officers and Employees M 104</p> <p>Directors 105</p> <p>Security Holders and Voting Powers M 106-107</p> <p>Important Changes During the Year 108-109</p> <p>Comparative Balance Sheet M 110-113</p> <p>Statement of Income for the Year M 114-117</p> <p>Statement of Retained Earnings for the Year M 118-119</p> <p>Statement of Cash Flows 120-121</p> <p>Notes to Financial Statements 122-123</p>		
<p align="center">BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</p> <p>Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion 200-201</p> <p>Gas Plant in Service M 204-212B</p> <p>Gas Plant Leased to Others 213</p> <p>Gas Plant Held for Future Use 214</p> <p>Production Properties Held for Future Use 215</p> <p>Construction Work in Progress - Gas 216</p> <p>Construction Overheads - Gas 217</p> <p>General Description of Construction Overhead Procedure M 218</p> <p>Accumulated Provision for Depreciation of Gas Utility Plant M 219</p> <p>Gas Stored 220</p> <p>Nonutility Property 221</p> <p>Accumulated Provision for Depreciation and Amortization of Nonutility Property 221</p> <p>Investments 222-223</p> <p>Investment in Subsidiary Companies 224-225</p> <p>Gas Prepayments Under Purchase Agreements 226-227</p> <p>Advances for Gas Prior to Initial Deliveries or Commission Certification 229</p> <p>Prepayments 230</p> <p>Extraordinary Property Losses 230</p> <p>Unrecovered Plant and Regulatory Study Costs 230</p> <p>Preliminary Survey and Investigation Charges 231</p> <p>Other Regulatory Assets 232</p> <p>Miscellaneous Deferred Debits 233</p> <p>Accumulated Deferred Income Taxes (Account 190) 234-235</p>		

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 Dec. 31, 20__
LIST OF SCHEDULES (Natural Gas Utility) (Continued)			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
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Calculation of Federal Income Tax	M 261C-D		
Taxes Accrued, Prepaid and Charged During Year	262-263		
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Accumulated Deferred Investment Tax Credits	M 266-267		
Miscellaneous Current and Accrued Liabilities	M 268		
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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 Dec. 31, 20
LIST OF SCHEDULES (Natural Gas Utility) (Continued)			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts
2. In addition to Account 101, Gas Plant in Service (Classified), this schedule includes Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Complete Construction Not Classified-Gas.
3. Include in column (c) or (d) , as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustment of plant accounts to indicate the negative effect of such amounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and

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 distributions 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 statements showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior year's tentative account distribution of these

Line No.	Acct No	Account	Balance at Beginning of Year	Additions
		(a)	(b)	(c)
1		1. INTANGIBLE PLANT		
2	301	Organization	\$33,468	\$0
3	302	Franchises and Consents	183,433	1,287
4	303	Miscellaneous Intangible Plant	26,612,427	1,660,691
5		TOTAL Intangible Plant	\$26,829,328	\$1,661,978
6		2. PRODUCTION PLANT		
7		Manufactured Gas Production Plant		
8	304	Land	\$0	\$0
9	304	Land Rights	0	0
10	305	Structures and Improvements	0	0
11	306	Boiler Plant Equipment	0	0
12	307	Other Power Equipment	0	0
13	308	Coke Ovens	0	0
14	309	Producer Gas Equipment	0	0
15	310	Water Gas Generating Equipment	0	0
16	311	Liquefied Petroleum Gas Equipment	0	0
17	312	Oil Gas Generating Equipment	0	0
18	313	Generating Equipment - Other Processes	0	0
19	314	Coal, Coke and Ash Handling Equipment	0	0
20	315	Catalytic Cracking Equipment	0	0
21	316	Other Reforming Equipment	0	0
22	317	Purification Equipment	0	0
23	318	Residual Refining Equipment	0	0
24	319	Gas Mixing Equipment	0	0
25	320	Other Equipment	0	0
26		TOTAL Manufactured Gas Production Plant	\$0	\$0

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

amounts. Careful observance of the about 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) reclassifications 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 classification.

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	Adjustments	Transfers	Balance at End of Year	Acct No.	Line No.
(d)	(e)	(f)	(g)		
					1
\$0	\$0	\$0	33,468	301	2
28,626	0	0	156,094	302	3
1,530,196	0	0	26,742,922	303	4
\$1,558,822	\$0	\$0	\$26,932,484		5
					6
					7
\$0	\$0	\$0	\$0	304.1	8
0	0	0	0	304.2	9
0	0	0	0	305	10
0	0	0	0	306	11
0	0	0	0	307	12
0	0	0	0	308	13
0	0	0	0	309	14
0	0	0	0	310	15
0	0	0	0	311	16
0	0	0	0	312	17
0	0	0	0	313	18
0	0	0	0	314	19
0	0	0	0	315	20
0	0	0	0	316	21
0	0	0	0	317	22
0	0	0	0	318	23
0	0	0	0	319	24
0	0	0	0	320	25
\$0	\$0	\$0	\$0		26

	Account	Balance at	Additions
	(a)	Beginning of Year	(c)
	(b)		
	Natural Gas Production & Gathering Plant		
325.1	Producing Lands	\$0	\$0
325.2	Producing Leaseholds	172,559	0
325.3	Gas Rights	890	0
325.4	Rights of Way	4,207	0
325.5	Other Land	0	0
325.6	Other Land Rights	0	0
326	Gas Well Structures	0	0
327	Field Compressor Station Structures	0	0
328	Field Measuring and Regulating Station Structures	0	0
329	Other Structures	116,071	0
330	Producing Gas Wells - Well Construction	61,603	0
331	Producing Gas Wells - Well Equipment	40,523	0
332	Field Lines	4,825	0
333	Field Compressor Station Equipment	0	0
334	Field Measuring and Regulating Station Equipment	77,146	0
335	Drilling and Cleaning Equipment	0	0
336	Purification Equipment	227,390	0
337	Other Equipment	7,322	0
338	Unsuccessful Exploration & Development Costs	8,224,143	0
	TOTAL Production and Gathering Plant	\$8,936,679	\$0
	Products Extraction Plant		
340.1	Land	\$0	\$0
340.2	Land Rights	0	0
341	Structures and Improvements	0	0
342	Extraction and Refining Equipment	0	0
343	Pipe Lines	0	0
344	Extracted Products Storage Equipment	0	0
345	Compressor Equipment	0	0
346	Gas Measuring and Regulating Equipment	0	0
347	Other Equipment	0	0
	TOTAL Products Extraction Plant	\$0	\$0
	TOTAL Natural Gas Production Plant	\$8,936,679	\$0
	SNG Production Plant (Submit Supplemental Statement)	0	0
	TOTAL Production Plant	\$8,936,679	\$0
	3. Natural Gas Storage and Processing Plant		
	Underground Storage Plant		
350.1	Land	\$7,950,181	\$49,651

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Account No.	Line No.
					27
\$0	\$0	\$0	\$0	325.1	28
0	0	0	\$172,559	325.2	29
0	0	0	\$890	325.3	30
0	0	0	\$4,207	325.4	31
0	0	0	\$0	325.5	32
0	0	0	\$0	325.6	33
0	0	0	\$0	326	34
0	0	0	\$0	327	35
0	0	0	\$0	328	36
0	0	0	\$116,071	329	37
0	0	0	\$61,603	330	38
0	0	0	\$40,523	331	39
0	0	0	\$4,825	332	40
0	0	0	\$0	333	41
0	0	0	\$77,146	334	42
0	0	0	\$0	335	43
0	0	0	\$227,390	336	44
0	0	0	\$7,322	337	45
0	0	0	\$8,224,143	338	46
\$0	\$0	\$0	\$8,936,679		47
					48
\$0	\$0	\$0	\$0	340.1	49
0	0	0	0	340.2	50
0	0	0	0	341	51
0	0	0	0	342	52
0	0	0	0	343	53
0	0	0	0	344	54
0	0	0	0	345	55
0	0	0	0	346	56
0	0	0	0	347	57
\$0	\$0	\$0	\$0		58
\$0	\$0	\$0	\$8,936,679		59
0	0	0	0		60
\$0	\$0	\$0	\$8,936,679		
					62
					63
\$55,408	\$0	\$0	\$7,944,424	350.1	64

Acct No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
350.2	Rights of Way	1,353,051	43,590
351	Structures and Improvements	11,589,398	464,525
352	Wells	52,335,902	6,539,471
352.1	Storage Leaseholds and Rights	6,183,567	732,256
352.2	Reservoirs	0	0
352.3	Non-Recoverable Natural Gas	0	0
353	Lines	24,271,856	5,925,293
354	Compressor Station Equipment	81,894,038	1,162,333
355	Measuring and Regulating Equipment	4,754,791	2,678,933
356	Purification Equipment	15,002,650	2,200,370
357	Other Equipment	3,611,316	712,288
358	Gas in Underground Storage-Noncurrent	22,735,309	3,714,819
358.1	Asset Retirement Costs for Underground Storage Plant	34,455	0
	TOTAL Underground Storage Plant	\$231,716,514	\$24,223,529
	Other Storage Plant		
360.1	Land	\$0	\$0
360.2	Land Rights	0	0
361	Structures and Improvements	0	0
362	Gas Holders	0	0
363	Purification Equipment	0	0
363.1	Liquefaction Equipment	0	0
363.2	Vaporizing Equipment	0	0
363.3	Compressor Equipment	0	0
363.4	Measuring and Regulating Equipment	0	0
363.5	Other Equipment	0	0
	TOTAL Other Storage Plant	\$0	\$0
	Base Load Liquefied NG Terminating and Processing Plant		
364.1	Land	\$0	\$0
364.1a	Land Rights	0	0
364.2	Structures and Improvements	0	0
364.3	LNG Processing Terminal Equipment	0	0
364.4	LNG Transportation Equipment	0	0
364.5	Measuring and Regulating Equipment	0	0
364.6	Compressor Station Equipment	0	0
364.7	Communication Equipment	0	0
364.8	Other Equipment	0	0
	TOTAL Base Load LNG Terminating and Processing Plant	\$0	\$0
	TOTAL Natural Gas Storage and Processing Plant	\$231,716,514	\$24,223,529

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct No	Line No.
0	0	0	\$1,396,641	350.2	65
0	0	0	\$12,053,923	351	66
285,159	0	0	\$58,590,214	352	67
0	0	0	\$6,915,823	352.1	68
0	0	0	\$0	352.2	69
0	0	0	\$0	352.3	70
73,000	0	0	\$30,124,149	353	71
0	0	0	\$83,056,371	354	72
23,093	0	0	\$7,410,631	355	73
33,927	0	0	\$17,169,093	356	74
0	0	0	\$4,323,604	357	75
0	(196,930)	0	\$26,253,198	358	76
0	0	0	\$34,455	358.1	77
\$470,587	(\$196,930)	\$0	\$255,272,526		78
					79
\$0	\$0	\$0	\$0	360.1	80
0	0	0	0	360.2	81
0	0	0	0	361	82
0	0	0	0	362	83
0	0	0	0	363	84
0	0	0	0	363.1	85
0	0	0	0	363.2	86
0	0	0	0	363.3	87
0	0	0	0	363.4	88
0	0	0	0	363.5	89
\$0	\$0	\$0	\$0		90
					91
\$0	\$0	\$0	\$0	364.1	92
0	0	0	0	364.1a	93
0	0	0	0	364.2	94
0	0	0	0	364.3	95
0	0	0	0	364.4	96
0	0	0	0	364.5	97
0	0	0	0	364.6	98
0	0	0	0	364.7	99
0	0	0	0	364.8	100
\$0	\$0	\$0	\$0		101
					102
\$470,587	(\$196,930)	\$0	\$255,272,526		103

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Acct No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
103		4. Transmission Plant		
104	365.1	Land	\$6,522,556	\$421,327
105	365.2	Land Rights	0	0
106	365.3	Rights of Way	\$19,831,243	208,257
107	366	Structures and Improvements	\$11,020,921	154,826
108	367	Mains	\$227,021,375	18,695,929
109	368	Compressor Station Equipment	\$36,203,689	1,333,013
110	369	Measuring and Regulating Station Equipment	\$30,206,963	2,695,050
111	370	Communication Equipment	\$7,682,632	1,684,352
112	371	Other Equipment	\$3,829,092	642,166
113		TOTAL Transmission Plant	\$342,318,471	\$25,834,920
114		5. Distribution Plant		
115	374.1	Land	\$1,827,858	\$85,311
116	374.2	Land Rights	7,334,412	574,191
117	375	Structures and Improvements	4,249,763	193,649
118	376	Mains	936,644,285	32,520,336
119	377	Compressor Station Equipment	0	0
120	378	Measuring and Regulating Station Equipment - General	34,639,304	6,756,556
121	379	Measuring and Regulating Station Equipment - City Gate	0	0
122	380	Services	633,772,134	33,950,979
123	381	Meters	178,383,825	5,020,171
124	382	Meter Installations	160,186,889	8,248,828
125	383	House Regulators	18,975,755	680,574
126	384	House Regulator Installations	0	0
127	385	Industrial Measuring and Regulating Station Equipment	0	0
128	386	Other Prop. on Customer's Premises	0	0
129	387	Other Equipment	0	0
130	388	Asset Retirement Costs for Distribution Plant	17,939	0
131		TOTAL Distribution Plant	\$1,976,032,164	\$88,030,595
132		6. GENERAL PLANT		
133	389.1	Land	\$767,997	\$0
134	389.2	Land Rights	1,516	0
135	390	Structures and Improvements	24,467,586	136,103
136	391	Office Furniture and Equipment	1,601,591	0
137	391.1	Computers and Computer Related Equipment	7,419,511	348,392
138	392	Transportation Equipment	6,524,230	11,432
139	393	Stores Equipment	53,714	0
140	394	Tools, Shop and Garage Equipment	4,873,749	447,887
141	395	Laboratory Equipment	1,003,686	94,465

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements	Adjustments	Transfers	Balance at	Acct	Line
(d)	(e)	(f)	End of Year	No.	No.
			(g)		
					103
\$540,738	\$0	(\$10,000)	\$6,393,145	365.1	104
0	0	0	\$0	365.2	105
15,582	0	10,000	\$20,033,918	365.3	106
8,755	0	0	\$11,166,992	366	107
266,347	0	(18,643)	\$245,432,314	367	108
0	0	0	\$37,536,702	368	109
340,151	0	0	\$32,561,862	369	110
0	0	18,643	\$9,385,627	370	111
0	0	0	\$4,471,258	371	112
\$1,171,573	\$0	\$0	\$366,981,818		113
					114
\$10,080	\$0	(\$15,322)	\$1,887,767	374.1	115
0	0	15,064	\$7,923,667	374	
17,686	0	(9,869)	\$4,415,857	375	117
1,329,301	0	0	967,835,320	376	118
0	0	0	0	377	119
656,671	0	9,869	40,749,058	378	120
0	0	0	0	379	121
2,363,151	0	0	665,359,962	380	122
1,453,444	0	0	181,950,552	381	123
872,349	0	0	167,563,368	382	124
437,748	0	0	19,218,581	383	125
0	0	0	0	384	126
0	0	0	0	385	127
0	0	0	0	386	128
0	0	0	0	387	129
0	0	0	17,939	388	130
\$7,140,430	\$0	(\$258)	\$2,056,922,071		131
					132
\$0	\$0	\$0	\$767,997	389.1	133
0	0	0	1,516	389.2	134
0	0	0	24,603,689	390	135
1,264	0	0	1,600,327	391	136
1,584,369	0	775,733	6,959,267	391.1	137
1,305,165	0	(986,106)	4,244,391	392	138
0	0	0	53,714	393	139
44,959	0	0	5,276,677	394	140
8,141	0	0	1,090,010	395	141

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Acct No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
141	396	Power Operated Equipment	505,370	1,366
142	397	Communication Equipment	8,530,790	239,697
143	398	Miscellaneous Equipment	259,392	0
144		SUBTOTAL	\$56,009,132	\$1,279,342
145	399	Other Tangible Property	0	0
146		TOTAL General Plant	\$56,009,132	\$1,279,342
147		TOTAL (Accounts 101 and 106)	\$2,641,842,285	\$141,030,364
148	101.1	Property Under Capital Leases	\$14,905,268	\$1,300,732
149	102	Gas Plant Purchased (See Instruction 8)	0	0
150	102	Gas Plant Sold (See Instruction 8)	0	
151	103	Experimental Gas Plant Unclassified	0	
152		TOTAL GAS PLANT IN SERVICE	\$2,656,747,553	\$142,331,096

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct No.	Line No.
0	0	(245,450)	261,286	396	141
29,647	0	0	8,740,840	397	142
6,590	0	0	252,802	398	143
\$2,980,135	\$0	(\$455,823)	\$53,852,516		144
0	0	0	0	399	145
\$2,980,135	\$0	(\$455,823)	\$53,852,516		146
\$13,321,547	(\$196,930)	(\$456,081)	\$2,768,898,094		147
2,350,115	(177,231)	0	13,678,654	101.1	148
	0	0	0	102	149
0	0	0	0	(LESS) 102	150
0	0	0	0	103	151
\$15,671,662	(\$374,161)	(\$456,081)	\$2,782,576,748		152

GAS PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$250,000 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 Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natural Gas Lands, Leaseholds, and Gas Rights Held for Future Utility Use (Per Pages 500-501)			
2				
3				
4				
5	Gas Leasehold Properties	Various	Various	6,385
6	8 Gas Properties	Various	Various	554,817
7				
8				
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42	TOTAL			\$561,202

CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$500,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Gas Supply System Additions and Improvements	\$11,525,019	\$47,358,000
2			
3	Gas Distribution Land and Land Rights	\$109,977	\$357,000
4			
5	Gas Distribution Regulating and Connecting Supply Lines -		
6	Additions and Improvements	1,925,064	2,720,000
7			
8	Gas Distribution System - Additions and Improvements	2,508,871	83,418,000
9			
10	Gas Production/Storage Plants - Additions and Improvements	2,066,150	5,476,000
11			
12	Capitalized Projects	1,166,505	327,000
13			
14	Transportation Equipment	465,005	396,000
15			
16	Office and Service Buildings	399,262	566,000
17			
18	Minor Projects	81,453	234,000
19			
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42	TOTAL	\$20,247,307	\$140,852,000

CONSTRUCTION OVERHEADS-GAS

1. List in column (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.
2. On page 218 furnish information concerning construction overheads.
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather

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.

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.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Engineering and Supervision	\$25,738,670	\$86,108,942
2	Administrative and General	10,115,403	94,641,660
3			
4			
5			
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46	TOTAL	\$35,854,073	

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

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

construction, and (f) whether the overhead is directly or indirectly assigned.

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

ENGINEERING AND SUPERVISION

Includes (1) charges by outside engineering companies and (2) the actual time and expenses of Company employees devoted to the design, planning and supervision of construction jobs. Costs were derived by direct charges from payrolls, invoices, vouchers, etc. On major construction jobs these costs were charged directly to the construction job involved. On minor construction jobs these costs were accumulated in a construction clearing account which was distributed pro rata over all minor construction jobs, except land and landrights, and general equipment, on the basis of direct labor and material charges.

ADMINISTRATIVE AND GENERAL

An examination was made of the various expenses classified as administration and general to determine those containing substantial amounts applicable to construction expenditures. Costs were allocated to construction on the basis of (1) time spent on construction-related activities after obtaining information from the employee having firsthand knowledge of the expense or work performed and (2) by direct charges from payrolls, invoices, vouchers, etc. The total so allocated was distributed pro rata over all construction jobs except general equipment on basis of total direct construction costs.

Pension expenses and payroll taxes were allocated directly, based on payroll charges, to the various work orders.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

An allowance is applied on all construction where the period of construction is greater than six months and the cost is expected to exceed \$50,000 (exclusive of the allowance). It is computed monthly and based on the accumulated balance of total construction costs. The allowance is charged during the actual period of construction, starting from the date that field construction begins and terminating when the facility is tested and placed in or is ready for service.

INSURANCE

Insurance costs have been charged directly to the major construction jobs to which they apply.

PROPERTY TAXES

Property taxes are capitalized on projects where the period of construction is greater than six months and the project is estimated to cost \$500,000 or more. The capitalized taxes on major plant jobs are actual taxes paid. Taxes capitalized on other than the major plant jobs are computed by estimating the equalized taxable value and multiplying this by the Company average millage rate to determine the tax to be capitalized for the year.

ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108 and 109)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-211, column (d), excluding retirements of non-depreciable property.
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.

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 costs included in retirement work in process at year end in the appropriate functional classification.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	\$1,569,908,439	\$1,569,880,119	\$28,320	\$0
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	\$90,759,723	\$90,759,723	\$0	\$0
4	(403.1) Deprec. And Deplet. Expense	0	0	0	0
5	(413) Exp. of Gas Plt. Leas. to Others	0	0	0	0
6	Transportation Expenses-Clearing	261,330	261,330	0	0
7	Other Clearing Accounts	0	0	0	0
8	Other Accounts (Specify):				
9		0	0	0	0
10	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 9)	\$91,021,053	\$91,021,053	\$0	\$0
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	\$12,156,283	\$12,156,283	\$0	\$0
13	Cost of Removal	10,861,535	10,861,535	0	0
14	Salvage (Credit)	(651,939)	(651,939)	0	0
15	TOTAL Net Charges for Plant Ret. (Enter Total of lines 12 thru 14)	\$22,365,879	\$22,365,879	\$0	\$0
16	Other Debit or Credit Items (Describe):				
17	See Footnote 1	\$935,668	\$935,668	\$0	\$0
18		\$0	0	0	0
19	Balance End of Year (Enter Total of lines 1, 10, 15, and 17)	\$1,639,499,281	\$1,639,470,961	\$28,320	\$0

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

20	Production - Manufactured Gas	\$0	\$0	\$0	\$0
21	Production & Gathering - Natural Gas	672,404	644,084	28,320	0
22	Products Extraction - Natural Gas	0	0	0	0
23	Underground Gas Storage	102,860,955	102,860,955	0	0
24	Other Storage Plant	0	0	0	0
25	Base Load LNG Terminating & Processing Plant	0	0	0	0
26	Transmission	182,730,462	182,730,462	0	0
27	Distribution	1,328,511,075	1,328,511,075	0	0
28	General	24,724,385	24,724,385	0	0
29	TOTAL (Enter Total of Lines 20 thru 28)	\$1,639,499,281	\$1,639,470,961	\$28,320	\$0

1. Line 17, column (c) amount consists primarily of (a) the transfer of reserves to non-utility and (b) activity related to the adoption of SFAS 143, Accounting for Asset Retirement Obligations.

2. Gas Plant in Service Retirements-	
Page 212B, Line 147, Col (d)	\$13,321,547
Nondepreciable Property	(2,180,631)
Other Adjustments	1,015,368
Book Cost of Plant Retired-Line 12, Col (c)	<u>\$12,156,284</u>

GAS STORED (ACCOUNT 117, 164.1, 164.2 AND 164.3)

1. If during the year adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited.

2. Give in a footnote a concise statement of the facts and accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.

3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock", or restoration of previous encroachment,

including brief particulars of any such accounting during the year.

4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year.

5. Report pressure base of gas volumes as 14.65 psia at 60 degrees F.

No.	Description (a)	Noncurrent (Account 117) (b)	Current (Account 164.1) (c)	LNG (Account 164.2) (d)	LNG (Account 164.3) (e)	Total (f)
1	Balance at Beginning of Year	\$0	\$739,123,655	\$0	\$0	\$739,123,655
2	Gas Delivered to Storage (contra Account)	0	716,606,429	0	0	716,606,429
3	Gas Withdrawn from Storage (contra Account)	0	589,221,088	0	0	589,221,088
4	Other Debits or Credits (Net)	0	(11,667,444)	0	0	(11,667,444)
5	Balance at End of Year	\$0	\$854,841,552	\$0	\$0	\$854,841,552
6	Mcf	0	146,386,385	0	0	146,386,385
7	Amount Per Mcf	\$0.00	\$5.84	\$0.00	\$0.00	\$5.84

8 State basis of segregation of inventory between current and noncurrent portions:

The company has elected to use Account 358 for non-current gas.

Gas withdrawn from storage excludes 151,473 Mcf of gas valued at \$119,467 related to base gas removal included in Account 358.

Other Credits include the reduction of working gas which was the result of unmeasured gas leakage from the storage fields since their conversion to storage. The total Mcf was 1,416,864 valued at \$8,256,234. Account 164 was credited and Account 182 was charged. The balance of Other Credits was the establishment of the new Northville Lyon 29 field. A total of 560,784 mcf valued at \$3,411,210 was moved from working gas to base gas. Account 164 was credited and a plant account was charged.

GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS				
1. Report below the information called for concerning gas prepayments as defined in the text of Account 165, Prepayments. (Report advances on page 229.)				
2. If any prepayment at beginning of year (or incurred during year) was cancelled, forfeited, or applied to another purpose, state in a footnote gas volume and dollar amount, period when such prepayment was incurred, and accounting disposition of prepayment amount. Give a concise explanation of circumstances causing forfeiture or other disposition of the prepayment.				
Line No.	Name of Vendor (Designate associated companies with an asterisk) (a)	Seller FERC Rate Schedule No. (b)	BALANCE BEGINNING OF YEAR	
			Mcf (14.73 psia at ° 60 F) (c)	Amount (d)
1	ANR Pipeline Transportation		NA	262,088
2				
3	Cinergy Marketing and Trading		1,544,147	8,096,175
4				
5	ConocoPhillips Company		0	0
6				
7	Duke Energy		298,380	1,443,750
8				
9	Noble Gas Marketing		745,950	4,530,000
10				
11	Planalytics Inc		0	0
12				
13	Tenaska Marketing Ventures		0	0
14				
15	Total Gas and Power Company		507,246	3,123,750
16				
17	WPS Services		0	0
18				
19				
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22				
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27				
28				
29				
30				
31				
32				
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36				
37				
38				
39				
40				
41				
42	TOTAL		3,095,723	17,455,763

GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS (Continued)						
3. If for any reason a take or pay situation is in controversy, list in the columns below the amount of those prepayment claims which have not been paid, together with footnote notation that the amount is in controversy (and any explanation the respondent chooses to make).						
4. If any prepayment was determined other than by reference to amounts per Mcf or demand-commodity factors, furnish in a footnote a concise explanation of basis of computation.						
BALANCE END OF YEAR		Prepayments in CURRENT YEAR			Make-up Period expiration date (j)	Lin e No.
Mcf (14.73 psia at ° 60 F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at ° 60 F) (h)	Percent of Year's required take (i)		
NA	0	NA	NA	NA		1
						2
0	0	5.774	6,894,567	2.8%		3
						4
0	0	6.614	5,102,298	2.1%		5
						6
0	0	6.724	318,272	0.1%		7
						8
0	0	6.939	5,450,000	2.2%		9
						10
NA	150,000	NA	NA	NA		11
						12
0	0	6.296	636,544	0.3%		13
						14
0	0	7.111	2,570,046	1.0%		15
						16
0	0	6.034	1,233,304	0.5%		17
						18
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0	150,000		22,205,031			42

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PREPAYMENTS (Account 165)						
1. Report below the particulars (details) on each prepayment.				2. Report all payments for undelivered gas on line 5 and complete pages 226-227 showing particulars (details) for gas prepayments.		
Line No.	Nature of Prepayment (a)	Balance End of Year (b)				
1	Prepaid Insurance	14,177,698				
2	Prepaid Fees - PCRBS	1,264,798				
3	Electric Purchase Power Prepayments	2,484,730				
4	Gas Purchase Prepayments (pages 226-227)	150,000				
5	Prepaid Parking Structure	250,000				
6	Prepaid Pension	355,508,077				
7	Gas Margin Call Costs	47,900,242				
8	Prepaid MPSC Assessment	1,465,182				
9	Prepaid Software Fees	947,349				
	TOTAL	424,148,076				
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1, and period of amortization (mo, to, 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	TOTAL					
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 Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10	Unrecovered Plant - Abandoned Midland Project			407	518,516	9,835,861
11	Authorized 12/26/89 (effective 1/1/89) by Federal Energy					
12	Regulatory Commission (FERC) Case Number ER90-69-000.					
13	This amount represents the wholesale portion of the					
14	unrecovered cost of the abandoned Midland project,					
15	consistant with FERC Order Number 295.					
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	TOTAL				518,516	9,835,861

GAS OPERATING REVENUES (Account 400)			
<p>1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Report number of customers, column (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</p>		<p>for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.</p> <p>4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.</p> <p>5. If increases or decreases from previous year (column (c) , (e) and (g)), are not derived from previously reported figures,</p>	
Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	480 Residential Sales	\$1,465,762,310	\$1,268,805,804
3	481 Commercial & Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	419,615,282	359,654,877
5	Large (or Ind.) (See Instr. 6)	93,740,650	81,826,459
6	482 Other Sales to Public Authorities	0	0
7	484 Interdepartmental Sales	2,640,302	2,699,030
8	TOTAL Sales to Ultimate Consumers	\$1,981,758,544	\$1,712,986,170
9	483 Sales for Resale	0	0
10	TOTAL Nat. Gas Service Revenues	\$1,981,758,544	\$1,712,986,170
11	Revenues from Manufactured Gas	0	0
12	TOTAL Gas Service Revenues	\$1,981,758,544	\$1,712,986,170
13	OTHER OPERATING REVENUES		
14	485 Intracompany Transfers		
15	487 Forfeited Discounts	\$9,825,084	\$8,853,607
16	488 Misc. Service Revenues	33,046,602	34,616,727
17	489 Rev. from Trans. of Gas of Others	54,617,990	55,167,930
18	490 Sales of Prod. Ext. from Nat. Gas	0	0
19	491 Rev. from Nat. Gas Proc. by Others	0	0
20	492 Incidental Gasoline and Oil Sales	27,089	23,508
21	493 Rent from Gas Property	1,024,102	1,470,247
22	494 Interdepartmental Rents	0	0
23	495 Other Gas Revenues	9,764,172	8,759,423
24	TOTAL Other Operating Revenues	\$108,305,039	\$108,891,442
25	TOTAL Gas Operating Revenues	\$2,090,063,583	\$1,821,877,612
26	(Less) 496 Provision for Rate Refunds	740,558	(15,113,098)
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	\$2,089,323,025	\$1,836,990,710
28	Sales by Communities (Incl. Main Line Sales to Resid. and Comm. Custrs.)	1,979,118,242	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	0	
30	Sales for Resale	0	
31	Other Sales to Public Authorities (from Local Dist. Only)	0	
32	Interdepartmental Sales	2,640,302	
33	TOTAL (Same as Line 10, Columns (b) and (d))	\$1,981,758,544	

GAS OPERATING REVENUES (Account 400) (Continued)				
<p>explain any inconsistencies in a footnote.</p> <p>6. Commercial and Industrial sales, Account 481, 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 200,000 Mcf per year or approximately 800 Mcf per day of normal</p>		<p>requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)</p> <p>7. See pages 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.</p>		
MCF OF NATURAL GAS SOLD		AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH		Line No
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
175,491,068	182,892,708	1,551,962	1,536,413	2
				3
56,097,678	58,611,404	114,764	111,853	4
13,120,076	13,963,525	7,205	7,345	5
0	0	0	0	6
375,138	485,586	84	83	7
245,083,960	255,953,223	1,674,015	1,655,694	8
0	0	0	0	9
245,083,960	255,953,223	1,674,015	1,655,694	10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
244,708,822				28
0				29
0				30
0				31
375,138				32
245,083,960				33

RATE AND SALES SECTION

Definitions of Classes of Service and Instructions Pertaining to
Statements of Sales Data

In the definitions below, the letters preceding the captions distinguish the main classes from the subclasses. Show the data broken into the subclasses if possible, but if not, report data under the main classes, drawing a dash through the subclass.

When gas measured through a single meter is used for more than one class of service as here defined, as for example, for both commercial and residential purposes, assign the total to the class having the principal use.

Average number of customers Number of customers should be reported on the basis of number of meters, plus number of flat-rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for code group of meters so added. The average number of customers means the average of the 12 figures at the close of each month.

Thousands of Cubic Feet or Therms Sold(indicate which by crossing out one not applying). Give net figures, exclusive of respondent's own use and losses.

Revenues. This term covers revenues derived from (a) Sale of Gas (exclusive of forfeited discounts and penalties) and (b) Other Gas Revenues, such as rent from gas property, Interdepartmental rents, customers' forfeited discounts and penalties, servicing of customers' installations and miscellaneous gas revenues.

- AB. Residential Service. This class includes all sales of gas for residential uses such as cooking, refrigeration, water heating, space heating and other domestic uses.
 - A. Residential Service. This class includes all sales of gas for residential use except space heating.
 - B. Residential Space Heating. This class includes all sales of gas for space heating including gas for other residential uses only when measured through the same meter.
- CD. Commercial Service. This class includes service rendered primarily to commercial establishments such as restaurants, hotels, clubs, hospitals, recognized rooming and boarding houses, apartment houses (but not individual tenants therein), garages, churches, warehouses, etc.
 - C. Commercial Service. This class to include all sales of gas for commercial use except space heating.
 - D. Commercial Space Heating. This class includes all sales of gas for space heating including gas for other commercial uses only when measured through the same meter.
- E. Industrial Service. This class includes service rendered primarily to manufacturing and industrial establishments where gas is used principally for large power, heating and metallurgical purposes.
- F. Public Street and Highway Lighting. Covers service rendered to municipalities or other governmental units for the purpose of lighting streets, highways, parks and other public places.
- G. Other Sales to Public Authorities. Covers service rendered to municipalities or other governmental units for lighting, heating, cooking, water heating and other general uses.
- H. Interdepartmental Sales. This class includes gas supplied by the gas department to other departments of the utility when the charges therefor are at tariff or other specific rates.
- I. Other Sales. This class includes all service to ultimate consumers not included in the foregoing described classifications.
- *A-I. Total Sales to Ultimate Consumers. This is the total of the foregoing described classifications.
- J. Sales to Other Gas Utilities for Resale. This class includes all sales to gas to other gas utilities or to public authorities for resale to ultimate consumers.
- K. Other Gas Revenues. Revenues derived from operations of the respondent other than sales of gas. They include rent from gas property, interdepartmental rents, customers' forfeited discounts and penalties, services of customers' installations and miscellaneous gas revenues, such as fees and charges for changing, connecting and disconnecting service, profit on sales of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' gas (sold under rates filed by such other), management or supervision fees, sale of steam (except where the respondent furnishes steam-heating service) and rentals from leased property on customers' premises.
- *A-K. Total Gas Operating Revenues. The total of all the foregoing accounts.

Separate Schedules for Each State. Separate schedules in this section should be filed for each state in which the respondent operates.

Estimates. If actual figures are not available for the schedules in this section, give estimates. Explain the methods used and the factual basis of the estimates, using supplementary sheets, if necessary.

625-A. SALES DATA FOR THE YEAR
(STATE OF MICHIGAN)

Line No.	Class of Service (a)	Average number of customers per month (b)	Gas Sold Mcf * (c)	Revenue (to nearest dollar) (d)	Averages		
					Mcf * per customer (e)	Revenue per customer (f)	Revenue per Mcf * (g)
1	AB. Residential service						
2	A. Residential service	6,554	314,373	2,948,109	47.97	\$449.82	\$9.38
3	B. Residential space heating service	1,545,408	176,129,618	1,462,756,269	113.97	\$946.52	\$8.30
4	CD. Commercial service						
5	C. Commercial service, except SH	114,764	56,402,538	419,390,266	491.47	\$3,654.37	\$7.44
6	D. Commercial space heating				0.00	\$0.00	\$0.00
7	E. Industrial service	7,205	13,192,567	93,301,160	1,831.03	\$12,949.50	\$7.07
8	F. Public street & highway lighting				0.00	\$0.00	\$0.00
9	G. Other sales to public authorities				0.00	\$0.00	\$0.00
10	H. Interdepartmental sales	84	375,503	2,622,182			\$6.98
11	I. Other sales				0.00	\$0.00	\$0.00
12	A-I. Total sales to ultimate customers	1,674,015	246,414,599	\$1,981,017,986	147.20	\$1,183.39	\$8.04
13	J. Sales to other gas utilities for resale	0	0	0	0.00	\$0.00	\$0.00
14	A-J. TOTAL SALES OF GAS	1,674,015	246,414,599	\$1,981,017,986	147.20	\$1,183.39	\$8.04
15	K. Other gas revenues			108,305,039			
16	A-K. TOTAL GAS OPERATING REVENUE			\$2,089,323,025			

* Report Mcf on a pressure base of 14.65 psia dry and a temperature base of 60 degrees F. Give two decimals.

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625-B SALES DATA BY RATE SCHEDULES FOR THE YEAR

1. Report below the distribution of customers, sales and revenue for the year by individual rate schedules. (See definitions on first page of this section).

2. Column (a)-List all rate schedules by identification number or symbol. Where the same rate schedule designation applies to different rates in different zones, cities or districts, list separately data for each such area in which the schedule is available.

3. Column (b)-Give the type of service to which the rate schedule is applicable, i.e. cooking, space heating, commercial heating, commercial cooking, etc.

4. Column (c) - Using the classification show in Schedule 625-A, column (a), indicate the class or classes of customers served under each rate schedule, e.g., (A) for Residential Service, (B) Heating Service, etc.

5. Column (d)-Give the average number of customers billed under each rate schedule during the year. The total of this column will approximate the total number of ultimate customers, line 12, Schedule 625-A.

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. The totals of these columns should equal the totals shown on line 12, Schedule 625-A. If the utility sells gas to ultimate customers under special contracts, the totals for such sales should be entered on a line on this page in order to make the totals of columns (e) and (f) check with those entered on line 12, Schedule 625-A.

7. When a rate schedule was not in effect during the entire year, indicate in a footnote the period in which it was effective.

Line No.	Rate schedule designation (a)	Type of service to which schedule is applicable (b)	Class of service (c)	Average number of customers per month (d)	Mcf Sold (e)	Revenue (to nearest dollar) (f)
1	Residential - Rate A	(1)	A	6,554	314,228	2,921,980
2	Residential - Rate A	(2)	B	1,534,496	165,825,253	1,369,676,300
3	Residential - Rate A-1	(2)	A & B	10,912	7,935,572	60,445,332
4	Comm & Ind - Rate B/GS-1	(3)	D & E	88,291	13,454,343	106,954,873
5	Comm & Ind - Rate GS-2	(3)	D & E	32,811	43,169,615	312,908,367
6	Comm & Ind - Rate C/GS-3	(3)	D & E	860	11,932,701	80,311,654
7	Commercial - Rate GL-1	(4)	C	7	528	7,524
8	Interdepartmental	(5)	H	84	372,060	2,577,387
9	Total Sales to Ultimate Customers			1,674,015	243,004,300	\$1,935,803,417
10	Unbilled Sales and Revenue				3,410,299	45,955,127
11	Provisions for Rate Refunds				0	(740,558)
12					0	0
13					0	0
14					0	0
15					0	0
16					0	0
17						
18						
19						
20						
21						
22						
23	Net Sales and Revenues				246,414,599	\$1,981,017,986

(1) All domestic uses except space heating.

(2) All domestic uses.

(3) Any usual commercial, industrial or institutional use with space heating.

(4) Commercial and industrial outdoor lighting.

(5) Electric generation, space heating and miscellaneous uses.

REVENUE FROM TRANSPORTATION OF GAS OF OTHERS - NATURAL GAS (Account 489)		
<p>1. Report below particulars (details) concerning 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, however, 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>		
Line No.	Name of Company and Description of Service Performed (Designate with an asterisk associated companies) (a)	Distance Transported (In miles) (b)
1	Utilicorp United, Inc. (Michigan Gas Utilities) (1)	
2	Received from Trunkline, ANR, Great Lakes, Jackson, and Mich Con Pipelines, the	
3	Amoco Plant and various Michigan production areas and redelivered at Girard,	
4	Plainwell, Monterey and Salem interchanges.	
5		
6	Transportation Rate ST-1, ST-2, LT-1, LT-2, SC-T and CS Customers (2); U-8678, U-8924,	
7	U-10262, U-10755 and U-11249	
8	Chrysler (1)	
9	Delphi(1)	
10	Ford Motor (1)	
11	General Motors (1)	
12	James River (1)	
13	Michigan Sugar (1)	
14	Monitor Sugar (1)	
15	Nutra Sweet (1)	
16	Visteon(1)	
17	State of Michigan(1)	
18	Western Michigan University (1)	
19	Others under 1,000,000 Mcf per company	
20		
21	Midland Cogeneration Venture (1,2); U-9101	
22		
23		
24	Marysville (1)	
25	Received from Trunkline, Panhandle, ANR, and Mich Con Pipelines, the Amoco Plant	
26	and various Michigan production areas and redelivered at Marysville.	
27		
28		
29	Southeastern Michigan Gas Company (1,2)	
30		
31		
32		
33	Others under 1,000,000 Mcf per company (1,2)	
TOTAL		
<p>(1) Mcf and revenue related to gas delivered are as billed. Billed amounts are recorded in the month following the actual month of delivery and may include adjustments for previous months.</p> <p>(2) Transportation gas can be received from CMS-Trunkline Gas Company at Elkhart, American Natural Resources at Overisel, Stag Lake and Otisville, CMS-Panhandle Eastern Pipe Line Company at Freedom, Michigan Consolidated Gas Company at Northville and Goose Creek, Great Lakes Gas Transmission Company at Chippewa and Birch Run, Jackson Pipeline at Fowler Road, Beaver Creek Pipeline at Jerome, Vector Pipeline at Hartland and Ray, and from Michigan producers at various points throughout the state and redelivered at numerous points.</p>		

REVENUE FROM TRANSPORTATION OF GAS OF OTHERS - NATURAL GAS (Account 489) (Continued)					
4. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipeline system. 5. Enter Mcf at 14.65 psia at 60 degrees F. 6. Minor items (less than 1,000,000 Mcf) may be grouped.			"Note: For transportation provided under Par 284 of Title 18 of the Code of Federal Regulations, report only grand totals for all transportation in columns (b) through (g) for the following regulation sections to be listed in column (a): 284.102, 284.122, 284.222, 284.223(a), 284.223(b), and 284.224. Details for each transportation are reported in separate annual reports required under Part 284 of the Commission's regulations."		
Mcf of Gas Received (c)	Mcf of Gas Delivered (d)	Revenue (e)	Average Revenue per Mcf of Gas Delivered (In cents) (f)	FERC Tariff Rate Schedule Designation (g)	Line No.
3,366,503	3,319,661	385,973	11.6		1
					2
					3
					4
					5
					6
					7
					8
5,122,503	4,868,356	1,926,246	39.6		9
1,356,681	1,225,893	523,761	42.7		10
4,640,732	4,273,090	1,511,352	35.4		11
15,347,507	13,827,106	5,417,102	39.2		12
1,697,045	1,667,080	457,335	27.4		13
1,653,992	1,556,624	582,034	37.4		14
2,234,193	2,180,689	1,084,457	49.7		15
1,136,906	1,076,731	399,878	37.1		16
1,647,028	1,541,350	973,386	63.2		17
1,845,040	1,431,675	630,163	44.0		18
1,486,015	1,352,340	456,015	33.7		19
36,054,056	38,487,364	28,038,950	72.9		20
56,430,493	57,882,730	10,133,804	17.5		21
					22
					23
144,748	157,741	29,104	18.5		24
					25
					26
					27
					28
3,241,915	3,208,603	528,740	16.5		29
					30
					31
					32
2,178,690	3,578,442	1,539,690	43.0		33
139,584,047	141,635,475	54,617,990	38.6		

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Wells Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Enter Total of lines 18 and 29)	0	0
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchases for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Enter Total of lines 33 thru 46)	0	0

GAS OPERATION AND MAINTENANCE EXPENSES (CONTINUED)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Supplemental Statement for Manufactured Gas Production - Page 320, Line 3		
4			
5	Operation		
6	718 Other Process Production Expense	0	0
7	735 Marysville Production Expense	0	0
9	TOTAL Operation	0	0
10			
11	Maintenance		
12	740 Maintenance Supervision and Engineering	0	0
13	741 Maintenance Structures and Improvements	0	0
14	742 Maintenance of Production Equipment	0	0
16	TOTAL Maintenance	0	0
18	TOTAL Manufactured Gas Production	0	0

GAS OPERATION AND MAINTENANCE EXPENSES (CONTINUED)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
	B2. Products Extraction (Continued)			
48	Maintenance			
49	784	Maintenance Supervision and Engineering	0	0
50	785	Maintenance of Structures and Improvements	0	0
51	786	Maintenance of Extraction and Refining Equipment	0	0
52	787	Maintenance of Pipe Lines	0	0
53	788	Maintenance of Extracted Products Storage Equipment	0	0
54	789	Maintenance of Compressor Equipment	0	0
55	790	Maintenance of Gas Measuring and Reg. Equipment	0	0
56	791	Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)		0	0
58	TOTAL Products Extraction (Enter Total of line 47 and 57)		0	0
59	C. Exploration and Development			
60	Operation			
61	795	Delay Rentals	0	0
62	796	Nonproductive Well Drilling	0	0
63	797	Abandoned Leases	0	0
64	798	Other Exploration	0	0
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)		0	0
	D. Other Gas Supply Expenses			
66	Operation			
67	800	Natural Gas Well Head Purchases	0	0
68	801	Natural Gas Field Line Purchases	0	23,409
69	802	Natural Gas Gasoline Plant Outlet Purchases	3,416,639	14,302,941
70	803	Natural Gas Transmission Line Purchases	1,601,625,503	1,499,536,520
71	803.1	Off-System Gas Purchases	0	0
72	804	Natural Gas City Gate Purchases	0	0
73	804.1	Liquefied Natural Gas Purchases	0	0
74	805	Other Gas Purchases	0	0
75	(Less) 805.1	Purchased Gas Cost Adjustments	0	0
76	(Less) 805.2	Incremental Gas Cost Adjustments	0	0
77	TOTAL Purchased Gas (Enter Total of lines 68 to 76)		1,605,042,142	1,513,862,870
78	806	Exchange Gas	0	0
79	Purchased Gas Expenses			
80	807.1	Well Expenses - Purchased Gas	0	0
81	807.2	Operation of Purchased Gas Measuring Stations	0	0
82	807.3	Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4	Purchased Gas Calculations Expenses	0	0
84	807.5	Other Purchased Gas Expenses	0	150,000
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)		0	150,000
86	808.1	Gas Withdrawn from Storage - Debit	589,340,555	503,960,024
87	(Less) 808.2	Gas Delivered to Storage - Credit	716,606,429	756,493,125
88	809.1	Withdrawals of Liquefied Natural Gas for Processing - Debit	0	0
89	(Less) 809.2	Deliveries of Natural Gas for Processing - Credit	0	0
90	(Less)	Gas Used in Utility Operations - Credit		
91	810	Gas Used for Compressor Station Fuel - Credit	6,403,185	10,135,727
92	811	Gas Used for Products Extraction - Credit	0	0
93	812	Gas Used for Other Utility Operations - Credit	2,563,572	2,152,985
94	TOTAL Gas Used in Utility Operations - Credit (Enter Total of lines 91 thru 93)		8,966,757	12,288,712
95	813	Other Gas Supply Expenses		
95a	813.1	Synthetic Gas Supply Expenses	0	0
95b	813.2	Gas Cost Recovery Expenses-Royalties	0	0
96	TOTAL Other Gas Supply Expenses (Total of lines 77,78,85,86 thru 89,94 & 95)		1,468,809,511	1,249,191,057
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)		1,468,809,511	1,249,191,057

GAS OPERATION AND MAINTENANCE EXPENSES (CONTINUED)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	1,909,695	1,927,692
102	815 Maps and Records	0	0
103	816 Wells Expenses	966,093	1,014,496
104	817 Lines Expense	672,029	647,859
105	818 Compressor Station Expenses	1,982,174	1,812,180
106	819 Compressor Station Fuel and Power	8,890,125	9,610,608
107	820 Measuring and Regulating Station Expenses	46,947	73,446
108	821 Purification Expenses	380,323	429,364
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	1,219,280	1,184,326
112	825 Storage Well Royalties	29,618	35,993
113	826 Rents	-	-
114	TOTAL Operation (Enter Total of lines 101 thru 113)	16,096,284	16,735,964
115	Maintenance		
116	830 Maintenance Supervision and Engineering	3,400,535	3,375,814
117	831 Maintenance of Structures and Improvements	0	582
118	832 Maintenance of Reservoirs and Wells	642,466	1,184,220
119	833 Maintenance of Lines	137,458	202,790
120	834 Maintenance of Compressor Station Equipment	3,322,903	2,654,464
121	835 Maintenance of Measuring and Regulating Station Equipment	22,349	12,939
122	836 Maintenance of Purification Equipment	598,078	576,934
123	837 Maintenance of Other Equipment	0	0
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	8,123,789	8,007,743
125	TOTAL Underground Storage Expenses (Enter Total of lines 114 and 124)	24,220,073	24,743,707
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Enter Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures and Improvements	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	0	0

GAS OPERATION AND MAINTENANCE EXPENSES (CONTINUED)			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(Less) 845.5 Wharfage Receipts - Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Enter Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Natural Gas Terminaling & Processing Expenses (Lines 165 & 175)	0	0
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)	24,220,073	24,743,707
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	1,610,865	1,606,908
181	851 System Control and Load Dispatching	3,211,075	2,815,206
182	852 Communication System Expenses	122,215	98,354
183	853 Compressor Station Labor and Expenses	1,099,439	1,035,197
184	854 Gas for Compressor Station Fuel	(1,746,973)	1,155,743
185	855 Other Fuel and Power for Compressor Stations	339,564	313,478
186	856 Mains Expenses	3,620,223	2,945,984
187	857 Measuring and Regulating Station Expenses	3,036,229	2,677,213
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	451,575	373,423
190	860 Rents	0	0
191	TOTAL Operation (Enter Total of lines 180 thru 190)	11,744,212	13,021,506

GAS OPERATION AND MAINTENANCE EXPENSES (CONTINUED)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
	3. TRANSMISSION EXPENSES (Continued)			
192	Maintenance			
193	861	Maintenance Supervision and Engineering	1,517,046	1,571,777
194	862	Maintenance of Structures and Improvements	0	0
195	863	Maintenance of Mains	265,413	104,888
196	864	Maintenance of Compressor Station Equipment	734,652	861,681
197	865	Maintenance of Measuring and Reg. Station Equipment	493,742	233,705
198	866	Maintenance of Communication Equipment	0	16,332
199	867	Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)		3,010,853	2,788,383
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)		14,755,065	15,809,889
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870	Operation Supervision and Engineering	6,511,966	7,350,587
205	871	Distribution Load Dispatching	0	0
206	872	Compressor Station Labor and Expenses	0	0
207	873	Compressor Station Fuel and Power	0	0
208	874	Mains and Services Expenses	13,285,734	10,263,892
209	875	Measuring and Regulating Station Expenses - General	2,792,494	2,534,708
210	876	Measuring and Regulating Station Expenses - Industrial	0	0
211	877	Measuring and Regulating Station Expenses - City Gate Check Station	0	0
212	878	Meter and House Regulator Expenses	8,046,898	5,484,910
213	879	Customer Installations Expenses	22,639,947	19,747,771
214	880	Other Expenses	17,579,185	19,181,166
215	881	Rents	0	0
216	TOTAL Operation (Enter Total of lines 204 thru 215)		70,856,224	64,563,034
217	Maintenance			
218	885	Maintenance Supervision and Engineering	7,012,568	7,612,883
219	886	Maintenance of Structures and Improvements	146	328
220	887	Maintenance of Mains	8,477,008	7,793,983
221	888	Maintenance of Compressor Station Equipment	0	0
222	889	Maintenance of Meas. and Reg. Sta. Equip.-General	728,720	846,367
223	890	Maintenance of Meas. and Reg. Sta. Equip.-Industrial	0	0
224	891	Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	0	0
225	892	Maintenance of Services	6,972,274	5,861,548
226	893	Maintenance of Meters and House Regulators	2,725,586	2,389,956
227	894	Maintenance of Other Equipment	2,172,325	1,955,234
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)		28,088,627	26,460,299
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)		98,944,851	91,023,333
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901	Supervision	8,251,972	9,304,222
233	902	Meter Reading Expenses	7,224,817	6,833,782
234	903	Customer Records and Collection Expenses	22,470,167	21,740,596
235	904	Uncollectible Accounts	12,360,931	11,709,719
236	905	Miscellaneous Customer Accounts Expenses	526,246	293,056
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)		50,834,133	49,881,375

GAS OPERATION AND MAINTENANCE EXPENSES (CONTINUED)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907	Supervision	30,366	75,265
241	908	Customer Assistance Expenses	1,055,922	477,396
242	909	Informational and Instructional Expenses	138,377	234,176
243	910	Miscellaneous Customer Service and Information Expenses	30,292	52,078
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)		1,254,957	838,915
245	7. SALES EXPENSES			
246	Operation			
247	911	Supervision	35,023	32,778
248	912	Demonstrating and Selling Expenses	412,264	282,665
249	913	Advertising Expenses	0	0
250	916	Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)		447,287	315,443
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920	Administrative and General Salaries	21,720,881	17,805,465
255	921	Office Supplies and Expenses	4,350,081	4,069,852
256	(Less) 922	Administrative Expenses Transferred-Credit	1,689,600	1,191,600
257	923	Outside Services Employed	3,971,881	5,084,025
258	924	Property Insurance	4,159,180	514,582
259	925	Injuries and Damages	9,999,267	4,542,942
260	926	Employee Pensions and Benefits	38,702,735	60,100,821
261	927	Franchise Requirements	0	0
262	928	Regulatory Commission Expenses	281,023	(752,533)
263	(Less) 929	Duplicate Charges - Credit	0	0
264	930.1	General Advertising Expenses	1,166,820	1,347,738
265	930.2	Miscellaneous General Expenses	1,746,885	1,569,365
266	931	Rents	773,239	1,379,025
267	TOTAL Operation (Enter Total of lines 254 thru 266)		85,182,392	94,469,682
268	Maintenance			
269	935	Maintenance of General Plant	3,197,157	2,780,868
270	TOTAL Administrative and General Expenses (Enter Total of lines 267 and 269)		88,379,549	97,250,550
271	TOTAL Gas O and M Expenses (Lines 97,177,201,229,237,244,251,and 270)		1,747,645,426	1,529,054,269
NUMBER OF GAS DEPARTMENT EMPLOYEES				
1. The data on number of employees should be reported for the payroll period ending nearest to October 31.				
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employee on line 3, and show the number				
of special construction employees in a footnote.				
3. The number of employees assignable to the gas 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 gas department from joint functions.				
1	Payroll Period Ended (Date)		12/31/04	
2	Total Regular Full-Time Employees		3,132	
3	Total Part-Time and Temporary Employees (Full Time Equivalents)		28	
4	Total Employees		3,160	

GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 and 805)

1. Report particulars of gas purchases during the year in the manner prescribed below.

2. Provide subheadings and totals for prescribed accounts as follows:

- 800 Natural Gas Well Head Purchases.
- 801 Natural Gas Field Line Purchases.
- 802 Natural Gas Gasoline Plant Outlet Purchases.
- 803 Natural Gas Transmission Line Purchases.
- 803 Off-System Gas Purchases.
- 804 Natural Gas City Gate Purchases.
- 804 Liquefied Natural Gas Purchases.
- 805 Other Gas Purchases.

Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to shown for each account in Columns (h) and (i) and should agree with the books of account, or any differences reconciled.

In some cases, two or more lines will be required to report a purchase, as when it is charged to more than one account.

3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect the sellers at each price are to be listed separately.

4. Purchases of less than 100,000 Mcf per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (b). Only Columns (a), (b), (h), (i), and (j) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.

5. Column instructions are as follows:

Column (b) - Report the names of all sellers. Abbreviations may be used where necessary.

Column (c) - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchase from gasoline outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.

Columns (d) and (e) - Designate the state and county where the gas is received. Where gas is received in more than one county, use the name of the county having the largest volume and by footnote list the other counties involved.

Column (f) - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract, show the date of the original contract and the date of the renegotiated contract on the following line in brackets. If new acreage is dedicated by ratification of an existing contract show the date of ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56(f)(2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.

If the purchase was permanently discontinued during the reporting year, so indicate by an asterick (*) in Column (f).

Column (g) - Show for each purchase the approximate Btu per cubic foot.

Column (h) - State the volume of purchased gas as measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid for in prior years.

Column (i) - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (h).

Column (j) - State the average cost per Mcf to the nearest hundredth of a cent. [Column (i) divided by Column (h) multiplied by 100].

GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 and 805) (Continued)				
Line No.	Account No. (a)	Name of Seller (Designate Associated Companies) (b)	Name of Producing Field or Gasoline Plant (c)	State (d)
1	802-301	Northern Michigan Tailgate	N/A	N/A
2	803-009	Miscellaneous Short Term Purchases		
3	803-018	ANR Pipeline (Unused Reservation)		
4	803-024	ANR Pipeline (Unused Reservation)		
5				
6	803-026	Occidental Energy Marketing		
7	803-028	Great Lakes Trans.(Unused Reservation)		
8	803-044	Conoco Natural Gas Services		
9	803-051	Trunkline Gas Co. (Unused Reservation)		
10				
11	803-057	Anadarko Energy Services		
12	803-062	BP Canada Energy Marketing		
13	803-068	Gas Options		
14	803-083	Imbalance Gas		
15	803-120	Chevron USA		
16	803-139	Conoco Phillips Company		
17	803-147	Anadarko Energy Services		
18	803-151	Duke Energy Trading & Marketing		
19	803-155	Noble Energy Marketing		
20	803-176	WPS Energy Services		
21	803-179	BP Canada Energy Marketing		
22	803-180	J Aron & Company		
23	803-182	Cinergy Marketing & Trading		
24	803-184	Panhandle Pipeline (Unused Reserv.)		
25	803-185	Tenaska Marketing Ventures		
26	803-186	Tenaska Marketing Ventures		
27	803-187	Morgan Stanley Capital Group		
28				
29				
30	803-188	Sequent Energy Mgmt		
31	803-189	Cinergy Marketing & Trading		
32	803-190	Morgan Stanley Capital Group		
33				
34				
35	803-191	J Aron & Company		
36	803-192	WPS Energy Services		
37	803-195	Total Gas & Power North America, Inc		
38	803-196	Nexen Marketing USA Inc		
39	803-197	Eagle Energy		
40	803-198	Vector Pipeline (Unused Reservation)		
41	803-199	Nexen Marketing USA Inc		
42	803-200	Mx Energy		
43	803-801	GCC - CMS MS&T		
44	803-809	GCC - Energy America		
45	803-818	GCC - MX Energy		
46	803-820	GCC - Miscellaneous		
47	803-821	GCC - MidAmerican Energy		

N/A - Gas is delivered from a pool on Interstate Pipelines, therefore, the producing field, state and county are unknown.

GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 and 805) (Continued)						
County (e)	Date of Contract (f)	Approx. Btu per Cu. Ft. (g)	Gas Purchased-Mcf (14.73 psia 60° F) (h)	Cost of Gas (i)	Cost per Mcf (cents) (j)	Line No.
N/A	01/1994	1,035	805,017	3,416,639	4.244	1
	N/A	1,035	580,031	2,237,452	3.857	2
	N/A	N/A	-	(2,855)	-	3
	11-01-03	N/A	-	166,624	-	4
	[04-01-04]					5
	11-01-02	1,035	625,603	3,493,257	5.584	6
	07-03&21-03	N/A	-	(53,596)	-	7
	03-01-03	1,035	938,888	5,629,230	5.996	8
	04-01-03	N/A	-	1,256,967	-	9
	[02-01-04]					10
	03-01-03	1,035	268,519	1,744,564	6.497	11
	03-01-03	1,035	7,671,054	54,137,895	7.057	12
		N/A	-	7,039,625	-	13
	N/A	1,035	155,148	629,575	4.058	14
	02-01-03	1,035	7,498,417	40,840,374	5.447	15
	03-01-03	1,035	23,352,043	154,452,067	6.614	16
	03-01-03	1,035	5,019,655	27,645,236	5.507	17
	01-01-97	1,035	1,110,008	7,463,729	6.724	18
	01-01-03	1,035	17,018,843	118,092,972	6.939	19
	02-01-00	1,035	9,151,757	58,294,323	6.370	20
	03-01-03	1,035	56,916,021	371,798,909	6.532	21
	10-01-01	1,035	3,853,318	23,312,996	6.050	22
	04-01-02	1,035	13,115,416	92,573,719	7.058	23
	04-01-04	N/A	-	(734)	-	24
	11-01-02	1,035	13,662,816	84,162,773	6.160	25
	11-01-02	1,035	5,655,510	35,605,955	6.296	26
	10-01-01	1,035	2,675,682	17,781,185	6.645	27
	[01-06-03]&					28
	[10-28-04]					29
	01-01-03	1,035	2,140,831	13,222,604	6.176	30
	04-01-02	1,035	7,421,714	42,853,471	5.774	31
	10-01-01	1,035	11,310,773	59,829,748	5.290	32
	[01-06-03]					33
	[10-28-04]					34
	10-01-01	1,035	6,718,207	47,023,065	6.999	35
	02-01-00	1,035	3,517,163	21,221,200	6.034	36
	04-01-03	1,035	15,487,876	110,133,862	7.111	37
	03-01-03	1,035	588,894	3,452,149	5.862	38
	07-01-03	1,035	2,874,276	16,755,440	5.829	39
		N/A	-	693,839	-	40
	03-01-03	1,035	10,028,931	66,889,937	6.670	41
	04-26-04	1,035	203,062	1,217,310	5.995	42
	01-12-01	1,035	288,752	1,258,861	4.360	43
	12-21-00	1,035	15,015,632	92,316,646	6.148	44
	01-15-02	1,035	3,047,819	18,631,691	6.113	45
	N/A	1,035	(580,031)	(2,203,145)	3.798	46
	11-11-03	1,035	3,921	26,583	6.780	47

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GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.

2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.

3. If the reported Mcf for any use is an estimated quantity, state such fact in a footnote.

4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Mcf of gas used, omitting entries in columns (d) and (e).

5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			Mcf of Gas Used (c)	Amount of Credit (d)	Amount per Mcf (In Cents) (e)	Mcf of Gas Used (f)	Amount of Credit (g)
1	810 Gas Used for Compressor Station Fuel-Credit	(A)	1,022,483	6,403,185	626.24	0	0
2	811 Gas Used for Products Extraction-Credit	-	0	0	0.00	0	0
3	Gas Shrinkage and Other Usage in Respondent's Own Processing	-	0	0	0.00	0	0
4	Gas Shrinkage, Etc., for Respondent's Gas Processed by Others	-	0	0	0.00	0	0
5	812 Gas Used for Other Utility Operations-Credit (Report separately for each principal use. Group minor uses.)						
6	812.1 Gas used in Util. Oprs--Credit (Nonmajor only)						
7	Field Usage	824	93,154	597,983	641.93	0	0
8	Transmission Measuring and Regulating Stations	857	273,767	1,965,589	717.98	0	0
9	Maintenance, Construction and Testing	367, 833	0	0	0.00	0	0
10	Gas Used in Company Buildings		53,860				
11							
12	Total Account 812		420,781	2,563,572	609.24	0	0
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Total		1,443,264	8,966,757	621.28	0	0

(A) 819,821,854 Note: Account 854 includes fuel credits for gas retained from transportation and storage customers.

Mcf on lines 1, 6, 7 & 8 are recorded on an estimated and adjusted basis.

LEASE RENTALS CHARGED		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>1. For the 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> </div> <div style="width: 45%;"> <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 replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (description only), f, g and j, until 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 production plant, storage plant, transmission line, distribution system, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:</p> <p style="text-align: center;">** See Gas Plant Instruction 6 & Operating Expense Instruction 3 of the Uniform System of Accounts.</p> </div> </div>		
A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES		
Name of Lessor (a)	Basic Details of Lease of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)
Bankers Leasing Corp	Vehicles, Office Equipment, EDP Equipment, Material Handling Equipment, Tools & Garage Equipment, Lab & Instrument Equipment, Construction & Maintenance Equipment and Communications Equipment (Note 1)	2013(P)
Merrill Lynch	Office Furniture (Note 4)	
1016 Sixteenth Street NW Venture	Office Space - Washington DC	
Consumsan Company, LLC C/O Kin Properties	Lansing Service Center	
Consumsan Company, LLC C/O Kin Properties	Saginaw Service Center	
Walter Neller Enterprises	Central Mail Remittance - CMR Edgewood	
Coldwell Banker Commercial	Lapeer Service Center	
Phyleo Realty Co	Storage Area - Jackson	
GE Capital Fleet Services	Vehicles and Equipment (Note 1)	

LEASE RENTALS CHARGED (Continued)

Description of the 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 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 lease will not be cancelled when estimating the remaining charges.

* See definition on page 226 (B)

A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (F) of Property (d)	Expense To Be Paid by Lessee Itemize (e)	Amount of Rent - Current Term				Account Charged (j)	Remaining Annual Charges Under Lease (Estimate if Not Known) (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
3,516,077(O)	(Note 2)	2,963,889				(Note 3)	3,722,932
	O&M, T	700,498		1,160,307		(Note 3)	
		67,973				(Note 3)	
		28,189				(Note 3)	
		39,168				(Note 3)	
		37,289				(Note 3)	
		49,736				(Note 3)	
		154,339				(Note 3)	
		110,151				(Note 3)	

LEASE RENTALS CHARGED (Footnotes)

Notes:

- (1) This Master Lease Agreement involves numerous individual leases with various termination dates.
- (2) T=Taxes, I=Insurance Costs, O&M=Operating and Maintenance Costs
- (3) Amounts are charged to clearing accounts and cleared to Gas Operating Expense and Construction accounts monthly.
- (4) The lease is on a sale leaseback contract. The lease term is for ten years. At the end of the lease, the Company has the option to purchase the furniture for its fair market value, return the equipment to the lessor and pay costs associated with the removal of the furniture, or renew the lease at the then current market prices. Also, the Company has the right to purchase the furniture at the end of five years or return it with a penalty of 21.5 percent of the furniture cost.

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	393,957
2	Experimental and General Research Expenses	
3	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	
4	Other Expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)	
5	COMPANY COMMUNICATION SERVICES	
6	Learning Center LTD	21,872
7	Miscellaneous Under \$5,000 (60 Items)	39,438
8		
9	Total	61,310
10		
11		
12		
13		
14		
15		
16	EMPLOYEE'S RELOCATION EXPENSES	
17	Cendant Mobility Service	75,362
18	Reimbursed Employee Expenses	128,098
19		
20	Total	203,460
21		
22	BOARD OF DIRECTORS' FEES	537,463
23		
24	EXEMPT VACATION LIABILITY	
25	To Accrue Vacation Earned	322,485
26		
27		
28		
29	OTHER	
30		
31		
32	Various Banks - Service Charges	287,634
33	Billing Credits	(65,191)
34	Miscellaneous Under \$5,000 (37 Items)	5,767
35		
36	Total	228,210
36		
37		
38		
39		
40		
41	Total Account 930.2 (Gas)	1,746,885
42		
43		
44		
45		
46		
47		
48		
49	TOTAL	

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.

2. Report all available information called for in Section B for the report year 1971, 1974 and every fifth year thereafter. Report only annual changes in the intervals

between the report years (1971, 1974 and every fifth year thereafter).

Report in column (b) all depreciable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate at the bottom of Section B the

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant	0	0	0
2	Production plant, manufactured gas	0	0	0
3	Production and gathering plant, natural gas	0	0	0
4	Products extraction plant	0	0	0
5	Underground gas storage plant	6,812,600	0	58,528
6	Other storage plant	0	0	0
7	Base load LNG terminating and processing plant	0	0	0
8	Transmission plant	4,565,200	0	0
9	Distribution plant	76,656,600	0	0
10	General plant	2,725,323	0	0
11	Common plant gas			
12	Allocated gas portion of electric general plant	0	0	0
13	Allocated gas portion of common general plant	11,464,557	0	0
14	Allocated gas portion of common limited term plant	0	0	0
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	102,224,280	0	58,528

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405) (Continued)

manner in which column (b) balances are obtained. If average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used

to determine depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves.

3. 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 B the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
20,638	3,502,508	3,523,146	Intangible plant	1
0	0	0	Production plant, manufactured gas	2
0	0	0	Production and gathering plant, natural gas	3
0	0	0	Products extraction plant	4
0	0	6,871,128	Underground gas storage plant	5
0	0	0	Other storage plant	6
0	0	0	Base load LNG terminating and processing plant	7
0	0	4,565,200	Transmission plant	8
0	0	76,656,600	Distribution plant	9
0	0	2,725,323	General plant	10
			Common plant gas	11
0	0	0	Allocated gas portion of electric general plant	12
0	5,026,328	16,490,885	Allocated gas portion of common general plant	13
1,523,220	0	1,523,220	Allocated gas portion of common limited term plant	14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
1,543,858	8,528,836	112,355,502	TOTAL	25

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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (CONTINUED)

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classifications (a)	Depreciable Plant Base (Thousands) (b)	Applied Depr. Rate(s) (Percent) (c)
1	Production and Gathering Plant		
2	Offshore	0	0
3	Onshore	539	Units of Production
4	Underground Gas Storage Plant	211,019	3.25
5	Transmission Plant		
6	Offshore	0	0
7	Onshore	324,302	1.45
8	General Plant	48,583	5.57
9	Distribution	2,014,601	3.89
10	Transmission Plant (Onshore)	23,842	Units of Production

Notes to Depreciation, Depletion and Amortization of Gas Plant

1. Amounts in column (b) are the average of the beginning & ending balances for 2004, except for "Units of Production" method where ending 2004 plant balances are used.
2. Depreciation rates in column (c) are composite rates.
3. Estimated gas reserves at December 31, 2004 are 0 Mcf.
4. Amortization of limited term gas plant is based on the life of the original building lease.

NATURAL GAS RESERVES AND LAND ACREAGE

1. Report below particulars (details) concerning the remaining recoverable saleable gas reserves and natural gas land acreage at the end of year. Designate gas reserves on acreage acquired before October 8, 1969, and reserves on acreage acquired after October 7, 1969.

2. Classify the gas reserves and related land and land rights and costs under the sub-headings: (A) Producing Gas Lands, and (B) Non-producing Gas Lands. Provide a total for each classification.

3. For producing gas lands, report the required information alphabetically by State, County, or offshore area, and field.

If the field name is not assigned, report as "unnamed." Identify offshore fields according to their location in State or Federal domains by using the letter "S" for State domain, and "F" for Federal domain in column (a). For column (b), enter the zone number if applicable. The land, leasehold, and gas rights costs so reported should agree with the amounts carried under Account 101, Gas Plant in Service, and as reported for Accounts 325.1, 325.2, and 325.3 on pages 204-205. In column (e) show for each field the year and remaining recoverable saleable gas reserves available to respondent from owned lands, leaseholds, and gas rights.

Line No.	OFFSHORE AREA		Name of Field or Block (c)	Name of State/ County/Offshore Area (d)	Recoverable Gas Reserves (Thousands Mcf) (e)	OWNED LANDS Acres (f)
	Domain (a)	Zone (b)				
1			A. PRODUCING GAS LANDS			
2			Adair	St Clair	0	0
3			Onondaga "10"	Ingham	2	0
4			Puttygut	St Clair	0	0
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25			Total Producing Gas Lands		2	0
26						
27			B. NONPRODUCING GAS LANDS			
28			Undeveloped Leaseholds -			
29			Various		0	0
30						
31			Total Undeveloped Leaseholds		0	0
32						
33						
34						
35						
36	TOTAL				2	0

(1) All figures at 14.65 psia

NATURAL GAS RESERVES AND LAND ACREAGE (Continued)

4. For non-producing gas lands, report the required information alphabetically by State, County, or offshore area by blocks. Report offshore lands in the same manner as producing gas lands. The land, leasehold, and gas rights costs reported should agree with the amounts carried under Accounts 105, Gas Plant Held for Future Use, and 105.1, Production Properties Held for Future Use, and reported in total on pages 214 and 215. Do not report estimates of gas reserves (column (e)) for unproven fields; however, if the company made estimates for such lands and normally includes such estimates in stating its reserve position in connection with proposed financing and for managerial and other purposes, include such estimates on this page.

5. Report the cost of lands, leaseholds, and gas rights in accordance with the provisions of the Uniform System of Accounts for Natural Gas Companies.

6. For columns (j) and (k), do not duplicate acreages reported for owned lands and leaseholds. Designate with an asterisk royalty interests separately owned.

7. Indicate by footnote whether acres reported are gross acres or net acres based on proportion of ownership in jointly owned tracts.

8. Do not include oil mineral interests in the cost of acreage reported.

9. Report volumes on a pressure base of 14.73 psia at 60 degrees F.

OWNED LANDS (Cont.) Cost (g)	LEASEHOLDS		OWNED GAS RIGHTS		TOTAL		Line No.
	Acre (h)	Costs (i)	Acre (j)	Costs (k)	Acre (l)	Costs (m)	
0	160	38,415	504	890	664	39,305	1
0	3	4,091	0	0	3	4,091	2
0	0	130,053	0	0	0	130,053	3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21
							22
							23
0	163	172,559	504	890	667	173,449	24
							25
							26
0	0	6,385	0	0	0	6,385	27
0	0	6,385	0	0	0	6,385	28
							29
							30
							31
							32
							33
							34
0	163	178,944	504	890	667	179,834	35
							36

COMPRESSOR STATIONS			
<p>1. Report below particulars (details) concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.</p>		<p>2. For column (a), indicate the production areas where such stations are used. Relatively small field compressor stations may be grouped by production areas. Show the number of stations grouped. Designate any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership,</p>	
Line No.	Name of Station and Location (a)	Number of Employees (b)	Plant Cost (c)
1	STORAGE:		
2			
3	Overisel	10	14,763,556
4			
5	St Clair	11	19,330,625
6			
7	Ray	8	52,077,967
8			
9	TRANSMISSION:		
10			
11	Northville	6	7,824,503
12			
13	White Pigeon	10	16,123,397
14			
15	MUSKEGON RIVER PLANT (1/2/3)	14	28,303,213
16			
17	Freedom	7	9,060,200
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			

COMPRESSOR STATIONS (Continued)

if jointly owned. Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and

show in a footnote the size of each such unit, and the date each such unit was placed in operation.
3. For column (d), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Expenses (Except depreciation and taxes)		Gas for Compressor Fuel Mcf (14.65 psia at 60 degrees F) (f)	Operation Data			Line No.
Fuel or Power (d)	Other (e)		Total Compressor Hours of Operation During Year (g)	No. of Comprs. Operated of Time of Station Peak (h)	Date of Station Peak (i)	
1,817,311 (2)	1,835,501	212,000	15,849	4	9/25/04	1
170,780 (3)						2
1,562,734 (2)	1,421,582	44,994	9,860	3	1/24/04	3
69,237 (3)						4
	1,759,008	61,252	7,755	4	9/18/04	5
1,876,605 (2)						6
135,340 (3)						7
						8
						9
						10
285,788 (2)	420,826	55,848	3,438	2	1/24/04	11
34,696 (3)						12
3,890,233 (2)	1,439,069	181,511	28,957	5	2/26/04	13
72,757 (3)						14
						15
2,419,844 (2)	1,797,589	97,867	16,448	6	2/7/04	16
148,230 (3)						17
						18
						19
						20
						21
						22
1,364,458 (2)	687,351	54,994	20,855	7	5/30/04	23
92,746 (3)						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41

(1) Muskegon River Plant 3 is operated by personnel at Plant 2

(2) Natural Gas

(3) Electric

GAS STORAGE PROJECTS		
<p>1. Report particulars (details) for total gas storage projects.</p> <p>2. Total storage plant (column b) should agree with amounts reported by the respondent in Acct's 350.1 to 364.8 inclusive (pages 206-207).</p> <p>3. Give particulars (details) of any gas stored For the benefit of another company under a gas exchange arrangement or on basis of purchase and resale to other company. Designate with an asterisk if other company is an associated company.</p>		
Line No.	Item (a)	Total Amount (b)
1	Natural Gas Storage Plant	
2	Land and Land Rights	16,256,889
3	Structures and Improvements	12,053,923
4	Storage Wells and Holders	58,590,213
5	Storage Lines	30,124,150
6	Other Storage Equipment	138,212,896
7	ARO Gas Intangible Asset	34,455
8	TOTAL (Enter Total of Lines 2 Thru 6)	255,272,526
9	Storage Expenses	
10	Operation	16,096,284
11	Maintenance	8,123,789
12	Rents	-
13	TOTAL (Enter Total of Lines 9 thru 11)	24,220,073
14	Storage Operations (In Mcf)	
15	Gas Delivered to Storage (1)	194,137
16	January	29,382
17	February	1,237,583
18	March	7,152,624
19	April	18,362,506
20	May	18,494,613
21	June	19,048,136
22	July	18,873,486
23	August	18,042,915
24	September	9,899,458
25	October	1,322,983
26	November	33
27	December	
28	TOTAL (Enter Total of Lines 15 thru 26)	112,657,856
29	Gas Withdrawn from Storage (1)	34,701,633
30	January	21,360,278
31	February	13,717,715
32	March	2,471,995
33	April	561,127
34	May	90,276
35	June	60,473
36	July	68,791
37	August	74,838
38	September	380,659
39	October	8,128,414
40	November	26,543,314
41	December	
42	TOTAL (Enter Total of Lines 29 Thru 40)	108,159,513

(1) Gas stored in Consumers Energy Company owned fields only. Mcf @ 14.65 PSIA dry.

GAS STORAGE PROJECTS (CONTINUED)

Line No.	Item (a)	Total Amount (b)
	Storage Operations (In Mcf)	
43	Top or Working Gas End of Year	95,852,463
44	Cushion Gas (Including Native Gas)	171,149,417
45	Total Gas in Reservoir (Enter Total of Line 42 and Line 43)	267,001,880
46	Certificated Storage Capacity	313,365,936
47	Number of Injection - Withdrawal Wells	848
48	Number of Observation Wells	156
49	Maximum Day's Withdrawal from Storage	1,572,000
50	Date of Maximum Days' Withdrawal	01/23/04
51	LNG Terminal Companies (In Mcf)	
52	Number of Tanks	
53	Capacity of Tanks	
54	LNG Volumes	
55	a) Received at "Ship Rail"	
56	b) Transferred to Tanks	
57	c) Withdrawn from Tanks	
58	d) "Boil Off" Vaporization Loss	
59	e) Converted to Mcf at Tailgate of Terminal	

DISTRIBUTION AND TRANSMISSION LINES		
<p>1. Report below by States the total miles of pipeline operated by respondent at end of year.</p> <p>2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.</p> <p>3. Report separately any line that was not operated during the past year. Enter in a footnote the particulars (details) and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book cost are contemplated.</p> <p>4. Report the number of miles of pipe to one decimal point.</p>		
Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to O.1) (b)
1	Overisel-Laingsburg Line 1100	83.0
2	Trunkline-White Pigeon Ln 1200	184.2
3	Overisel-Kalamazoo Line 1300	47.4
4	Northville-Clarkston Line 1400	23.3
5	Salem-Overisel Line 13	6.8
6	Mt Clemens-St Clair Line 1060	13.7
7	St Clair Fld Transmission Lns	33.3
8	Charlotte Jctn-Line 1090	14.0
9	Nrthvl-Coolidge-S Lyon #1600	29.7
10	St Clair-Roch Vlv Site Ln 1500	21.6
11	Ray Fld-Red Run Cg Ln 1700	23.8
12	White Pigeon-Plainwell Jct1800	69.9
13	Flint Jct-Flint No 3 Line 2060	19.3
14	Ray Atlas Junction Line 1900	39.8
15	Carp Road Thetford Ln 2080	9.5
16	Pontiac-Adams Rd Lateral	6.9
17	Chelsea Fenton Line 2200	38.8
18	Coolidge East Line 2070	13.3
19	Kalk-Musk Riv Trans Ln 2400a	69.5
20	Mrc To Gillow Rd Ln 2400b	25.9
21	Atlas Junction-Akron	32.1
22	Kalk-Gillow Rd Vlv Line 2600	29.6
23	Marion Area Header System	13.1
24	Ln 1200b Mendon To Lutes Rd	11.8
25	Goose Creek to Mrc Station	5.4
26	Ln 600 Rochester Line	18.0
27	Panhandle Eastern North Line	140.0
28	Kinder Morgan Line	15.0
29	Freedom-Ovid Line	61.1
30	Ovid-Musk River Line	81.4
31	Laingsburg-Ithaca Line	30.4
32	Ithaca-Herrick Line	39.5
33	Muskegon Rvr-Mt Pleasant Line	37.2
34	Lansing Lateral Line	13.4
35	Lngsbrg Clarkston-Mt Clemens	72.9
36	Ovid-Grad Blanc	41.9
37	Zilwaukee Jct-Musk Rvr	65.2
38	Mt Pleasant-Zilwaukee	34.9
39	Riverside-Muskegon	10.3
40	Alma-Saginaw	30.7
41	Southern Mich Laterals	42.5
42	Plymouth-Clawson-8mi Purch RW	8.0
43	Adam Road City Gate	5.3
44	Miscellaneous Lines	28.6
45		
46		
47	Total Miles of Distribution Main	25,756.0
48	TOTAL	27,398.0

DISTRIBUTION SYSTEM PEAK DELIVERIES

1. Report below the total distribution system deliveries of gas, excluding deliveries to storage, for the periods of system peak deliveries indicated below during the calendar year.

2. Report Mcf on a pressure base of 14.65 psia at 60 degrees F.

Line No.	Item (a)	Day/ Month (1) (b)	Amount of Mcf (c)	Curtailments on Day/Month Indicated (d)
Section A. Three Highest Days of System Peak Deliveries				
1	Date of Highest Day's Deliveries	19-Dec-04		
2	Deliveries to Customers Subject to MPSC Rate Schedules		2,503,000	
3	Deliveries to Others (End User Transport)		N/A	
4	TOTAL		2,503,000	
5	Date of Second Highest Day's Deliveries	22-Jan-04		
6	Deliveries to Customers Subject to MPSC Rate Schedules		2,497,000	
7	Deliveries to Others (End User Transport)		N/A	
8	TOTAL		2,497,000	
9	Date of Third Highest Day's Deliveries	06-Jan-04		
10	Deliveries to Customers Subject to MPSC Rate Schedules		2,418,000	
11	Deliveries to Others (End User Transport)		N/A	
12	TOTAL		2,418,000	
Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)				
13	Dates of Three Consecutive Days Highest System Peak Deliveries	22-Jan-04 23-Jan-04 24-Jan-04		
14	Deliveries to Customers Subject to MPSC Rate Schedules		7,082,000	
15	Deliveries to Others (End User Transport)		N/A	
16	TOTAL		7,082,000	
17	Supplies from Line Pack		N/A	
18	Supplies from Underground Storage		4,224,000	
19	Supplies from Other Peaking Facilities		N/A	
Section C. Highest Month's System Deliveries				
20	Month of Highest Month's System Deliveries	January-04		
21	Deliveries to Customers Subject to MPSC Rate Schedules		62,191,000	
22	Deliveries to Others (End User Transport)		N/A	
23	TOTAL		62,191,000	

(1) Gas Day: 9:00am to 9:00am Beginning on Date Indicated.

SYSTEM MAPS

1. Furnish 5 copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2. Indicate the following information on the maps:

- (a) Transmission lines--colored in red, if they are not otherwise clearly indicated.
- (b) Principal pipeline arteries of gathering systems.
- (c) Sizes of pipe in principal pipelines shown on map.
- (d) Normal directions of gas flow--indicated by arrows.
- (e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas.

(f) Locations of compressor stations, products extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc.

(g) Important main line interconnection with other natural gas companies, indicating in each case whether gas is received or delivered and name of connection company.

(h) Principal communities in which respondent renders local distribution service.

3. In addition, show on each map: graphic scale to which map is drawn; date as of which the map represents the facts it purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

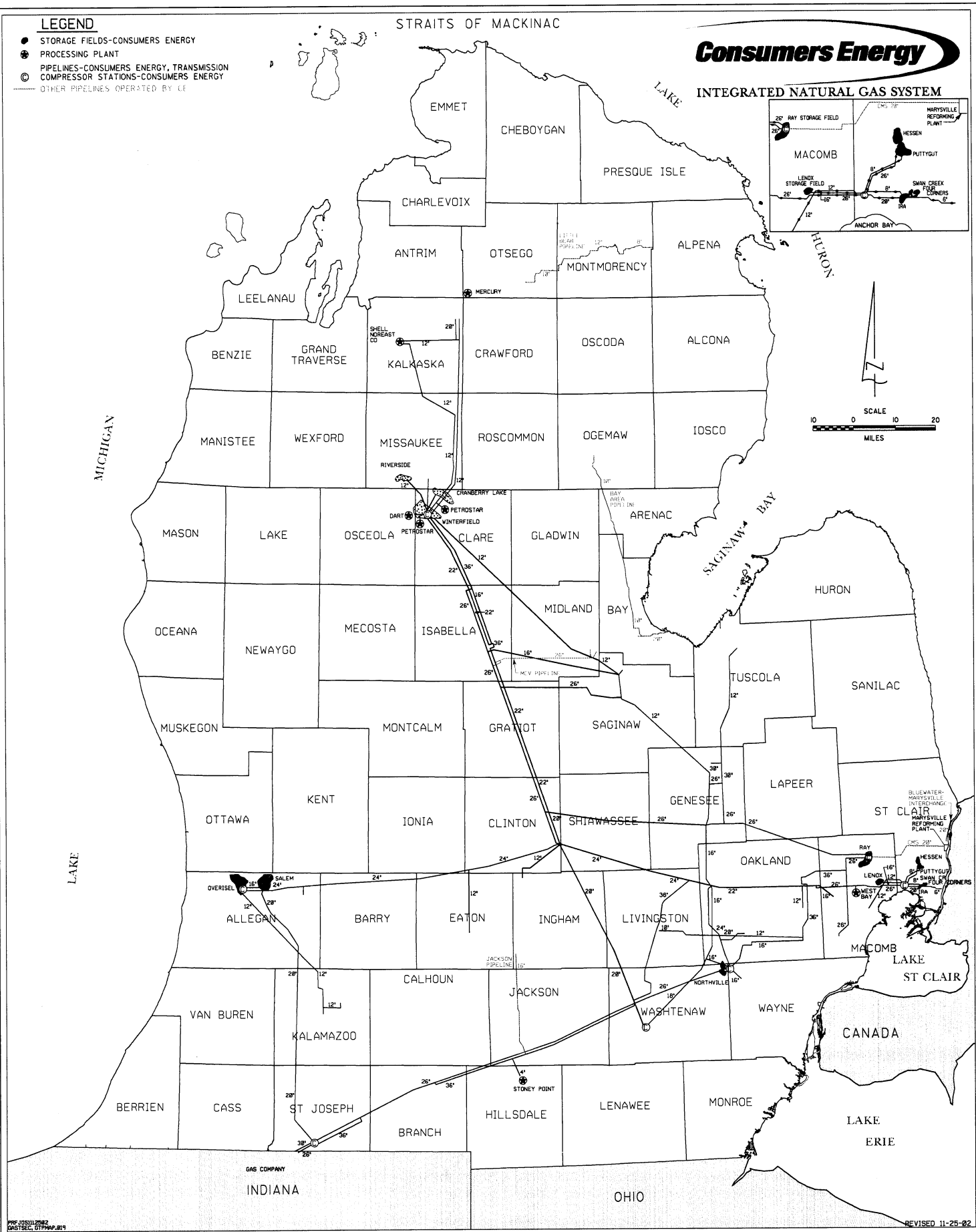
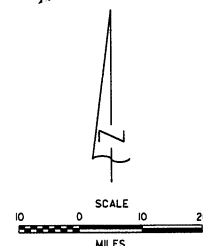
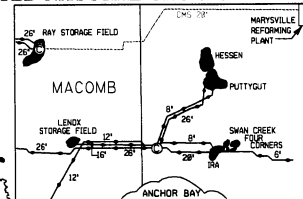
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

See page 522A.

STORAGE FIELDS-CONSUMERS ENERGY
PROCESSING PLANT
PIPELINES-CONSUMERS ENERGY, TRANSMISSION
COMPRESSOR STATIONS-CONSUMERS ENERGY
OTHER PIPELINES OPERATED BY CE

Consumers Energy

INTEGRATED NATURAL GAS SYSTEM



FOOTNOTE DATA			
Page Number (a)	Item Number (b)	Column Number (c)	Comments (d)
Various	Various	Various	Amounts on schedules may not add to the totals and/or cross-referenced schedules may not reconcile due to roundings.

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