

MICHIGAN PUBLIC SERVICE COMMISSION

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

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

Report submitted for year ending:
December 31, 2009
Present name of respondent:
Edison Sault Electric Company
Address of principal place of business:
725 East Portage Avenue, Sault Ste. Marie, MI 49783
Utility representative to whom inquires regarding this report may be directed:
Name: Robert J. Malaski Title: Assistant Vice President-Finance
Address: 725 E. Portage Avenue
City: Sault Ste. Marie State: MI Zip: 49783
Telephone, Including Area Code: (906) 632-5172
If the utility name has been changed during the past year:
Prior Name:
Date of Change:
Two copies of the published annual report to stockholders:
[ ] were forwarded to the Commission
[ ] will be forwarded to the Commission
on or about
Annual reports to Stockholders:
[ ] are published
[ x ] are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

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

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

Water is Power



Serving Since 1892

**EDISON SAULT  
ELECTRIC COMPANY**

A Wisconsin Energy Company

725 East Portage Avenue / Sault Ste. Marie, MI 49783  
906-632-2221 800-562-4960

April 30, 2010

Deanne Rivera, Regulated Energy Division  
Michigan Public Service Commission  
P.O. Box 30221 – 6545 Mercantile Way  
Lansing, MI 48909

Dear Ms. Rivera:

Enclosed please find one unbound original and one conformed copy of the M.P.S.C. *Form P-521* of Edison Sault Electric Company for the year ended December 31, 2009. In compliance with your instructional letter dated January 25, 2010, we are submitting the F.E.R.C. *Form 1 Report* with the M.P.S.C. schedules attached and separated by a divider. The list of Schedules page for the M.P.S.C. is included at the front of the attached reports.

Sincerely,

A handwritten signature in black ink that reads 'Robert J. Malaski'. The signature is written in a cursive style with a prominent 'R' and 'M'.

Robert J. Malaski  
Assistant Vice President-Finance

mad

Enclosures



Deloitte & Touche LLP  
555 East Wells Street  
Suite 1400  
Milwaukee, WI 53202-3824  
USA

Tel: +1 414 271 3000  
Fax: +1 414 347 6200  
www.deloitte.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Edison Sault Electric Company:

We have audited the balance sheet — regulatory basis of Edison Sault Electric Company (the “Company”) as of December 31, 2009, and the related statements of income — regulatory basis; retained earnings — regulatory basis; and cash flows — regulatory basis, for the year ended December 31, 2009, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note B, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such regulatory-basis financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2009, and the results of its operations and its cash flows for the year ended December 31, 2009, in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the Board of Directors and management of the Company and for filing with the Federal Energy Regulatory Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

*Deloitte + Touche LLP*

April 15, 2010

**MPSC FORM P-521**

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

<b>IDENTIFICATION</b>		
<b>01 Exact Legal Name of Respondent</b> Edison Sault Electric Company		<b>02 Year of Report</b> December 31, 2009
<b>03 Previous Name and Date of Change (if name changed during year)</b>		
<b>04 Address of Principal Business Office at End of Year (Street, City, St., Zip)</b> 725 East Portage Avenue, Sault Ste. Marie, MI 49783		
<b>05 Name of Contact Person</b> Robert J. Malaski	<b>06 Title of Contact Person</b> Assistant Vice President-Finance	
<b>07 Address of Contract Person (Street, City, St., Zip)</b> 725 East Portage Avenue, Sault Ste. Marie, MI 49783		
<b>08 Telephone of Contact Person, Including Area Code:</b> (906) 632-5172	<b>09 This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>10 Date of Report (Mo, Da, Yr)</b> 04/30/10
<b>ATTESTATION</b>		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including the December 31 of the year of the report.		
<b>01 Name</b> Robert J. Malaski	<b>03 Signature</b>  /s/ Robert J. Malaski	<b>04 Date Signed (Mo, Da, Yr)</b>  4/30/2010
<b>02 Title</b> Assistant Vice-President Finance		

LIST OF SCHEDULES (Electric 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 respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	N/A
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	106b N/A
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	116 N/A
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	N/A
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	201 N/A
15	Nuclear Fuel Materials	202-203	N/A
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	N/A
18	Electric Plant Held for Future Use	214	N/A
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	N/A
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	N/A
24	Extraordinary Property Losses	230	N/A
25	Unrecovered Plant and Regulatory Study Costs	230	N/A
26	Transmission Service and Generation Interconnection Study Costs	231	N/A
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	N/A
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

LIST OF SCHEDULES (Electric Utility) (continued)

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 respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	N/A
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Sales of Electricity by Rate Schedules	304	
44	Sales for Resale	310-311	
45	Electric Operation and Maintenance Expenses	320-323	
46	Purchased Power	326-327	
47	Transmission of Electricity for Others	328-330	N/A
48	Transmission of Electricity by ISO/RTOs	331	N/A
49	Transmission of Electricity by Others	332	
50	Miscellaneous General Expenses-Electric	335	
51	Depreciation and Amortization of Electric Plant	336-337	337 N/A
52	Regulatory Commission Expenses	350-351	
53	Research, Development and Demonstration Activities	352-353	N/A
54	Distribution of Salaries and Wages	354-355	
55	Common Utility Plant and Expenses	356	N/A
56	Amounts included in ISO/RTO Settlement Statements	397	N/A
57	Purchase and Sale of Ancillary Services	398	
58	Monthly Transmission System Peak Load	400	N/A
59	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
60	Electric Energy Account	401	
61	Monthly Peaks and Output	401	
62	Steam Electric Generating Plant Statistics	402-403	N/A
63	Hydroelectric Generating Plant Statistics	406-407	407 N/A
64	Pumped Storage Generating Plant Statistics	408-409	N/A
65	Generating Plant Statistics Pages	410-411	
66	Transmission Line Statistics Pages	422-423	N/A

LIST OF SCHEDULES (Electric Utility) (continued)

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 respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Lines Added During the Year	424-425	N/A
68	Substations	426-427	
69	Transactions with Associated (Affiliated) Companies	429	
70	Footnote Data	450	
	<p><b>Stockholders' Reports</b> Check appropriate box:</p> <p><input type="checkbox"/> Two copies will be submitted</p> <p><input checked="" type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report End of <u>2009/Q4</u>
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**GENERAL INFORMATION**

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

Robert J. Malaski, Assistant Vice President - Finance  
Edison Sault Electric Company  
725 East Portage Avenue  
Sault Ste. Marie, MI 49783

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

Michigan January 1892

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

Not Applicable

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

Electric - Michigan

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

- (1)  Yes...Enter the date when such independent accountant was initially engaged:  
(2)  No



Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i> 04/19/2010	Year/Period of Report End of <u>2009/Q4</u>
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**CONTROL OVER RESPONDENT**

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

The Company is a wholly owned subsidiary of Wisconsin Energy Corporation  
231 W. Michigan, Milwaukee, Wisconsin 53201

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.  
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
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5	Details on file in Controller's Office		
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**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Gale E. Klappa	231 W. Michigan
2		Milwaukee, WI 53201
3		
4	Donald Sawruk	725 E. Portage Avenue
5		Sault Ste. Marie, MI 49783
6		
7	Charles R. Cole	231 W. Michigan
8		Milwaukee, WI 53201
9		
10	Frederick D. Kuester	231 W. Michigan
11		Milwaukee, WI 53201
12		
13	Roman A. Draba	231 W. Michigan
14		Milwaukee, WI 53201
15		
16	Jeffrey P. West	231 W. Michigan
17		Milwaukee, WI 53201
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Name of Respondent  
Edison Sault Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
04/19/2010

Year/Period of Report  
End of 2009/Q4

INFORMATION ON FORMULA RATES  
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?

Yes  
 No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
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Name of Respondent  
Edison Sault Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
04/19/2010

Year/Period of Report  
End of 2009/Q4

INFORMATION ON FORMULA RATES  
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?

Yes  
 No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
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Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/19/2010	Year/Period of Report End of <u>2009/Q4</u>
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**IMPORTANT CHANGES DURING THE QUARTER/YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report 2009/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13 & 14

None

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	94,483,219	91,124,807
3	Construction Work in Progress (107)	200-201	538,624	762,146
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		95,021,843	91,886,953
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	50,989,807	48,518,891
6	Net Utility Plant (Enter Total of line 4 less 5)		44,032,036	43,368,062
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		44,032,036	43,368,062
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		51,472	51,472
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		38,671,940	33,898,988
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	1,800
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		38,723,412	33,952,260
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		719,657	822,647
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		1,850	1,850
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		5,729,833	5,468,716
41	Other Accounts Receivable (143)		15,158	23,893
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		32,000	32,000
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		48,157	514
45	Fuel Stock (151)	227	30,296	50,378
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	910,930	927,474
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0



**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)** (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	196,572	200,707
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		142,177	127,145
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		1,681,192	1,923,685
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		52,858	-3,829
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		9,496,680	9,511,180
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		0	0
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	11,976,219	12,198,351
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	799,360	533,204
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	4,722,887	2,876,853
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		17,498,466	15,608,408
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		109,750,594	102,439,910

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	702,629	702,629
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		1,720,498	1,720,498
7	Other Paid-In Capital (208-211)	253	10,094,432	9,702,339
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	41,330,138	38,631,574
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	444,850	444,850
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		53,402,847	50,312,190
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	8,500,000	9,500,000
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		8,500,000	9,500,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		6,156,414	11,231,239
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		6,156,414	11,231,239
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		1,737,996	1,134,765
39	Notes Payable to Associated Companies (233)		9,200,000	4,000,000
40	Accounts Payable to Associated Companies (234)		4,876,960	3,774,132
41	Customer Deposits (235)		123,099	160,402
42	Taxes Accrued (236)	262-263	-1,967,710	1,688,636
43	Interest Accrued (237)		69	981
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)** (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		0	0
48	Miscellaneous Current and Accrued Liabilities (242)		827,871	797,529
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		14,798,285	11,556,445
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		542,410	469,207
57	Accumulated Deferred Investment Tax Credits (255)	266-267	112,552	148,631
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	1,136,369	1,166,355
60	Other Regulatory Liabilities (254)	278	12,000	83,703
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		294,036	286,571
64	Accum. Deferred Income Taxes-Other (283)		24,795,681	17,685,569
65	Total Deferred Credits (lines 56 through 64)		26,893,048	19,840,036
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		109,750,594	102,439,910

**STATEMENT OF INCOME**

**Quarterly**

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

**Annual or Quarterly if applicable**

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	65,304,013	60,938,561		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	54,862,827	49,891,364		
5	Maintenance Expenses (402)	320-323	2,354,664	2,469,947		
6	Depreciation Expense (403)	336-337	3,075,561	2,938,639		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	411	411		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	1,601,700	1,601,466		
15	Income Taxes - Federal (409.1)	262-263	520,726	-1,169,644		
16	- Other (409.1)	262-263	256,964	-58,359		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	6,607,972	2,684,706		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	6,379,855	515,222		
19	Investment Tax Credit Adj. - Net (411.4)	266	-26,142	-31,044		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		62,874,828	57,812,264		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		2,429,185	3,126,297		

STATEMENT OF INCOME FOR THE YEAR (Continued)

- 9. Use page 122 for important notes regarding the statement of income for any account thereof.
- 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
- 12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
- 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
- 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
- 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
65,304,013	60,938,561					2
						3
54,862,827	49,891,364					4
2,354,664	2,469,947					5
3,075,561	2,938,639					6
						7
411	411					8
						9
						10
						11
						12
						13
1,601,700	1,601,466					14
520,726	-1,169,644					15
256,964	-58,359					16
6,607,972	2,684,706					17
6,379,855	515,222					18
-26,142	-31,044					19
						20
						21
						22
						23
						24
62,874,828	57,812,264					25
2,429,185	3,126,297					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		2,429,185	3,126,297		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)			-25		
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		4,811	4,754		
38	Allowance for Other Funds Used During Construction (419.1)					
39	Miscellaneous Nonoperating Income (421)		7,165,047	6,464,405		
40	Gain on Disposition of Property (421.1)			4,476		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		7,169,858	6,473,660		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		31,381	48,042		
46	Life Insurance (426.2)		100,525	100,359		
47	Penalties (426.3)					
48	Exp. for Certain Civic, Political & Related Activities (426.4)					
49	Other Deductions (426.5)			55		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		131,906	148,456		
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263	-1,287,882	1,222,733		
54	Income Taxes-Other (409.2)	262-263	2,667	75,473		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	17,903,250	12,937,353		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	12,821,515	11,916,230		
57	Investment Tax Credit Adj.-Net (411.5)		-9,937	-10,070		
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		3,786,583	2,309,259		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		3,251,369	4,015,945		
61	Interest Charges					
62	Interest on Long-Term Debt (427)			13,638		
63	Amort. of Debt Disc. and Expense (428)					
64	Amortization of Loss on Reaquired Debt (428.1)					
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		989,766	1,158,713		
68	Other Interest Expense (431)		9,883	11,043		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		17,659			
70	Net Interest Charges (Total of lines 62 thru 69)		981,990	1,183,394		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		4,698,564	5,958,848		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		4,698,564	5,958,848		

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		38,631,574	34,672,726
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		4,698,564	5,958,848
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31			-2,000,000	( 2,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-2,000,000	( 2,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		41,330,138	38,631,574
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		41,330,138	38,631,574
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			



**STATEMENT OF CASH FLOWS**

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	4,698,564	5,958,848
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	3,212,965	3,061,031
5	Amortization of		
6	Utility Plant and Non-Utility Plant	411	411
7			
8	Deferred Income Taxes (Net)	5,271,542	3,190,608
9	Investment Tax Credit Adjustment (Net)	-36,079	-41,114
10	Net (Increase) Decrease in Receivables	-57,531	-362,016
11	Net (Increase) Decrease in Inventory	40,761	-132,643
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-1,958,159	1,654,148
14	Net (Increase) Decrease in Other Regulatory Assets	165,445	-4,202,193
15	Net Increase (Decrease) in Other Regulatory Liabilities	-71,703	-114,000
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other: Net (Increase) Decrease in Prepayments	-15,033	43,209
19	Net (Increase) Decrease in Misc Deferred Debits/Credits	-296,142	4,179,970
20	Net Increase (Decrease) in Other Non-Current Liabilities	-5,074,826	4,053,963
21	Net (Increase) Decrease in Other Investments/Special Funds	-1,570,198	-1,531,005
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	4,310,017	15,759,217
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-3,877,350	-3,184,682
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction		
31	Other: Net Increase (Decrease) in Customer Advances	73,203	-91,546
32	Net (Increase) Decrease in Equity Investment-ATC	-3,200,953	-3,083,483
33	Net (Increase) Decrease in Non-Utility Property		3,710
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-7,005,100	-6,356,001
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
 (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
 (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
 (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-7,005,100	-6,356,001
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)	5,200,000	
67	Other (provide details in footnote):		
68	Net Increase (Decrease) in Other Paid-In-Capital	392,093	249,458
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	5,592,093	249,458
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-343,000
74	Preferred Stock		
75	Common Stock		
76	Other: Advances from Associated Companies	-1,000,000	-1,000,000
77			
78	Net Decrease in Short-Term Debt (c)		-6,200,000
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-2,000,000	-2,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	2,592,093	-9,293,542
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-102,990	109,674
87			
88	Cash and Cash Equivalents at Beginning of Period	824,497	714,823
89			
90	Cash and Cash Equivalents at End of period	721,507	824,497

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/19/2010	Year/Period of Report End of <u>2009/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

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SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/19/2010	2009/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

## A. ORGANIZATION

Edison Sault Electric Company (“Edison Sault”) is a separate wholly owned utility subsidiary of Wisconsin Energy Corporation (WEC) engaged in the generation, purchase, and sale of electric energy in the Eastern Upper Peninsula of Michigan. Customer receivables, electric sales, and resale revenues arise from operations of Edison Sault.

**Potential Sale of Edison Sault Electric** — In October 2009, WEC entered into an agreement to sell Edison Sault to Cloverland Electric Cooperative for approximately \$61.5 million. WEC will retain the membership interest in ATC currently held by Edison Sault. The sale is contingent upon certain conditions, including the approval by regulatory bodies. If the conditions are satisfied, the sale is expected to be completed in mid 2010.

## B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting records of Edison Sault are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) and the Michigan Public Service Commission (MPSC).

The accompanying financial statements have been prepared in accordance with the accounting requirements of the FERC as set forth in the Uniform System of Accounts and accounting releases, which differ from accounting principles generally accepted in the United States of America (GAAP). As required by FERC, Edison Sault classifies certain items in its Form 1 Comparative Balance Sheet (primarily the components of accumulated deferred income taxes, maturities of long-term debt, deferred debits, and deferred credits) in a manner different than that required by GAAP.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes** — Edison Sault follows the liability method in accounting for income taxes as prescribed by accounting guidance related to income taxes. This accounting guidance requires the recording of deferred assets and liabilities to recognize the expected future tax consequences of events that have been reflected in the financial statements or tax returns and the adjustment of deferred tax balances to reflect tax rate changes. Edison Sault is required to assess the likelihood that its deferred tax assets would expire before being realized.

Tax credits associated with regulated operations are deferred and amortized over the life of the assets. Edison Sault is included in WEC’s consolidated federal income tax return. WEC allocates federal tax expense or credits to Edison Sault based on its separate tax computation.

Investment tax credits related to regulated utility assets are recorded as a deferred credit in the balance sheets and amortized to income over the applicable service lives of related properties in accordance with regulatory treatment.

WEC allocates to Edison Sault the tax benefit of stock options exercised to the extent the option holder’s payroll cost was incurred by them. Edison Sault records the allocated tax benefit as an addition to paid-in capital.

Edison Sault recognizes interest and penalties accrued related to unrecognized tax benefits in Income Taxes, in its Statements of Income, as well as Regulatory Assets or Regulatory Liabilities in its Balance Sheets.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Edison Sault collects sales and use taxes from its customers and remits these taxes to governmental authorities. These taxes are recorded in its Statements of Income on a net basis.

**Inventory** — Inventory values are maintained on an average cost basis.

**Stock Options** — Employees of Edison Sault participate in the WEC stock-based compensation plan. The amounts reported represent the allocated costs related to options held by its employees.

WEC uses a binomial pricing model to estimate the fair value of stock options granted subsequent to that date. Historically, all stock options have been granted with an exercise price equal to the fair market value of the common stock on the date of grant and expire no later than 10 years from the grant date. The Company reports unearned stock-based compensation associated with non-vested restricted stock and performance share awards activity within Other Paid in Capital in its Comparative Balance Sheet.

**Associated Companies** — Managerial, financial, accounting, legal, data processing, and other services may be rendered between Edison Sault and associated companies. Edison Sault buys and sells electric energy from an affiliated utility, Wisconsin Electric Power Company (WEPCO). Edison Sault purchased from WEPCO energy in the amount of \$38.1 million and \$35 million during 2009 and 2008, respectively. At December 31, 2009 and 2008, Edison Sault owed a net accounts payable of \$4.9 million and \$3.8 million, respectively, to associated companies for services rendered.

**Other Investments** — Edison Sault has approximately a 3% interest in American Transmission Company (ATC), a regional transmission company established in 2000 under Wisconsin legislation. During 2009 and 2008, Edison Sault paid ATC approximately \$5.9 million and \$5.4 million, respectively, for transmission services. Edison Sault also provides a variety of operational, maintenance, and project management work for ATC, which ATC reimburses to Edison Sault at cost. In 2009, Edison Sault received approximately \$592,700 from ATC for services rendered. As of December 31, 2009, Edison Sault owed a net accounts payable of \$382,800 to ATC. Edison Sault reported other income from ATC in Account 421 in the amount of \$7.2 million in 2009 and \$6.3 million in 2008 representing its equity in the net income of ATC. Edison Sault made capital contributions to ATC in the amount of \$3.2 million and \$3.1 million in 2009 and 2008, respectively. Dividends received from ATC were \$5.7 million and \$4.8 million in 2009 and 2008, respectively. Edison Sault accounts for investments in ATC using the equity method.

Summary financial information as of December 31, 2009 and 2008, from the financial statements of ATC is as follows (millions in dollars):

	2009	2008
Operating revenues	\$ 522	\$ 467
Operating income	291	258
Net income	213	188
Current assets	51	51
Noncurrent assets	2,767	2,480
Current liabilities	286	252
Noncurrent liabilities	1,336	1,230

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Edison Sault Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Utility Regulation** — In accordance with accounting guidance for regulatory accounting, Edison Sault capitalizes as deferred regulatory assets costs which are expected to be recovered in future utility rates. Edison Sault also records as deferred regulatory liabilities amounts which are to be incurred or refunded in the future.

The following regulatory assets (liabilities) were reflected in the Balance Sheets as of December 31, 2009 and 2008 (thousands of dollars):

	2009	2008
Environmental matter regulatory liability	\$ (12)	\$ (76)
Pension regulatory assets	11,249	11,367
OPEB regulatory assets	753	781
Other — net	<u>(26)</u>	<u>42</u>
Total net regulatory assets	<u>\$11,964</u>	<u>\$12,114</u>

Edison Sault has concluded that substantially all of the unrecognized costs resulting from the recognition of the funded status of the pension and OPEB plans qualify as a regulatory asset.

As of January 1, 2002, Michigan retail customers of Edison Sault were allowed to remain with their regulated utility at regulated rates or choose an alternative electric supplier to provide power supply service. Edison Sault plans to maintain its generation capacity and distribution assets and provide regulated service as it has in the past. Edison Sault expects to continue providing distribution and customer service functions regardless of the customer's power supplier.

Competition and customer switching to alternative suppliers within Edison Sault's service territory has been limited. There has been minimal alternate supplier activity, reflecting the small market area, the company's competitive regulated power supply prices, and a lack of interest in general in the Upper Peninsula of Michigan as a market for alternative electric suppliers.

**Rates and Regulatory Matters** — Beginning May 2002, and in accordance with an MPSC order, Edison Sault follows a Power Supply Cost Recovery (PSCR) clause. PSCR revenues and costs are subject to true-up hearings. As of December 31, 2009, Edison Sault had a net undercollection of approximately \$787,000 in PSCR revenues. As of December 31, 2008, there was an undercollection of approximately \$516,000. These amounts are recorded as a debit balance in Account 186 in the balance sheet and are allowed to be recovered by the MPSC from customers by inclusion of the balances in the following year's PSCR plan.

Due to low hydrogeneration conditions and increased purchased power costs, Edison Sault's PSCR costs were forecasted to increase substantially in 2008. In February 2008, the MPSC approved a deferral and recovery plan under which certain PSCR costs would be deferred and recovered under a three-year period ending December 2010. Hydro generation increased in 2008, which resulted in reductions in forecasted purchased power costs. In September 2008, Edison Sault filed with the MPSC a PSCR plan forecasted to fully recover accumulated PSCR costs during 2009, which is carried forward into 2010.

Edison Sault continually reviews the applicability of regulatory accounting and has determined that it is currently appropriate to continue this method.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

**Revenues** — Edison Sault records revenue monthly, as billed, on the basis of meter readings throughout the month and includes an estimate of unbilled revenue relative to power consumed from the meter reading date to the end of the month in the current month's revenue. Edison Sault's Statements of Financial Position include an estimated amount for revenues accrued but not billed as of year-end.

Beginning in May 2002, certain of Edison Sault's electric sales became subject to a PSCR clause, which permits Edison Sault to pass on to its customers any increases or decreases in the cost of purchased power and fuel used to generate electricity. Edison Sault records monthly an estimate of revenues expected to be collected or refunded to customers as a result of the PSCR clause. Such estimates are revised as actual costs become available. The PSCR process is subject to the jurisdiction of the MPSC.

Our two largest customers accounted for approximately 27% of total revenues in 2009 and 2008.

Edison Sault continually reviews its customers' creditworthiness and requests deposits or refunds based on that review.

**Utility Plant — Electric** — Utility plant is stated at original cost, including engineering, material, labor, supervision, other related items, and an allowance for funds used during construction.

Maintenance and repairs are charged to expense as incurred, while replacements and betterments are capitalized. Upon the sale or retirement of an asset, the original cost of the property retired, plus the cost of removal, less salvage, is charged to accumulated depreciation.

Edison Sault depreciates the original cost of property over its estimated useful life by the straight-line method at composite rates approved by the MPSC. Depreciation as a percent of average depreciable utility plant was approximately 3%. The Company reviews the recoverability of long lived assets when circumstances indicate that the carrying amount may not be recoverable. There were no impairment charges recorded for the years ended December 31, 2009 and 2008.

The regulated operations of Edison Sault collect removal costs in rates for certain assets that do not have associated legal asset retirement obligations. As of December 31, 2009, and 2008, Edison Sault estimated that it has approximately \$10.1 million and \$10 million of such asset retirement obligations, respectively which are recorded as additional accumulated depreciation.

**Cash and Cash Equivalents** — Cash and cash equivalents include marketable debt securities acquired three months or less from maturity. Edison Sault had no cash equivalents as of December 31, 2009 and 2008.

Edison Sault made cash payments for interest and taxes in the amounts of \$1 million and \$3 million, respectively, in 2009, and \$1.2 million and \$135,000, respectively, in 2008.

There were no significant noncash transactions in 2009 or 2008.

**New Accounting Pronouncements — Employers' Disclosures About Postretirement Benefit Plan Assets** — In December 2008, the Financial Accounting Standards Board (FASB) issued new accounting guidance for employer's disclosures about plan assets of defined benefit pension or other post-retirement plans. This new guidance resulted in expanded disclosures related to post-retirement benefit plan assets and was effective for fiscal years ending after December 15, 2009. Edison Sault adopted these provisions on December 31, 2009. This adoption had no impact on our financial condition, results of operations, or cash flows.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

**Subsequent Events** — In May 2009, the FASB issued new accounting guidance relating to management's assessment of subsequent events. This guidance clarifies that management must evaluate, as of each reporting period, events or transactions that occur after the balance sheet date through the date the financial statements are issued or are available to be issued, and was effective for interim and annual periods ending after June 15, 2009. We adopted these provisions effective December 31, 2009. This adoption had no financial impact on our financial condition, results of operations, or cash flows.

### C. LONG-TERM DEBT/BORROWING ARRANGEMENTS

As of December 31, 2009, the maturities and sinking fund requirements of Edison Sault's long-term debt were (thousands of dollars):

2010	\$1,000
2011	1,000
2012	<u>500</u>
Total	<u>\$2,500</u>

Edison Sault has in place an unsecured intercompany note from WEC with sinking fund and interest payments payable on a quarterly basis. The interest rate is a fixed rate of 6.9%. The note matures in June 2012, at which time the balance of the remaining principal amount of \$7 million is payable to WEC. As of December 31, 2009, Edison Sault has notes payable to WEC in the amount of \$9,500,000. Edison Sault may, at its option, prepay in whole or in part the unpaid balance of the note.

Edison Sault has a line of credit agreement with WEC. At December 31, 2009 Edison Sault has a balance of \$8.2 million which will be paid by December 31, 2010. The balance as of December 31, 2008 was \$3 million..

### D. LEASES AND POWER PURCHASE AGREEMENTS

Edison Sault's primary source of generation is its 30-megawatt hydroelectric-generating plant located on the St. Marys River in Sault Ste. Marie, Michigan. The water for this facility is leased under a contract with the United States Corps of Engineers with tenure to December 31, 2075. However, the Secretary of the Army has the right to terminate the contract subsequent to December 2050 by providing at least a five-year termination notice. No such notice can be given prior to December 31, 2045. Edison Sault pays for all water taken from the St. Marys River at predetermined rates with a minimum annual payment of \$200,000. Annual rentals under this contract were \$796,000 in 2009 and \$873,000 in 2008. The total flow of water taken out of Lake Superior, which in effect is the flow of water in the St. Marys River, is under the direction and control of the International Joint Commission, created by the Boundary Water Treaty of 1909 between the United States and Great Britain, now represented by Canada.

The International Joint Commission places limitations on the flow of water from Lake Superior that limits Edison Sault's amount of hydroelectric generation. Water elevation levels on Lake Superior have been below normal levels since 1998, resulting in decreased water release. During any limited flow months, it is necessary for Edison Sault to purchase additional power from other sources or increase the use of Edison Sault's diesel generation. Water elevation levels on Lake Superior in 2006 and 2007 approached or exceeded all-time recorded seasonal lows, resulting in less water available for hydroelectric operation. Water elevation levels on Lake Superior improved in the fall of 2007, but are still well below normal elevation levels. In 2008 and 2009, the water elevations improved over 2007 levels, but continue to be below normal.



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NOTES TO FINANCIAL STATEMENTS (Continued)			

Hydroelectric generation is also purchased by Edison Sault under contract from the United States Corps of Engineers' hydroelectric-generating plant located within the Soo Locks complex on the St. Marys River in Sault Ste. Marie, Michigan. This 17-megawatt contract has tenure to November 1, 2040, and cannot be terminated by the United States government prior to November 1, 2030. Payments under the contract in 2009 were \$1,798,316, with modifications to such payments for power outages and the cost of designated repairs in excess of the federal share of such costs. Annual payments are subject to re-negotiation every five years, and a re-negotiation increasing the payment to \$1,850,948 was approved in January 2009.

Commencing January 1, 2008, Edison Sault began purchasing all of its power supply requirements beyond its hydro and diesel generation from WEPCO under a formula-based rate. The cost of power from WEPCO was \$38.1 million in 2009 and \$35.3 million in 2008.

#### E. INCOME TAXES

The following table is a summary of income tax expense (benefit) for each of the years ended December 31, 2009 and 2008, (thousands of dollars):

	2009	2008
Current tax (benefit) expense	\$ (508)	\$ 70
Deferred income taxes — net	5,310	3,191
Investment tax credit — net	<u>(36)</u>	<u>(41)</u>
Total income tax expense	<u>\$4,766</u>	<u>\$3,220</u>

The provision for income taxes for each of the years ended December 31, 2009 and 2008, differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to income before income taxes as a result of the following items (thousands of dollars, except for percentages):

	2009		2008	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Expected tax at statutory federal tax rates	\$3,313	35.0 %	\$3,213	35.0 %
State income taxes — net of federal tax benefit	1,472	15.6	89	1.0
Investment tax credit restored	(36)	(0.4)	(41)	(0.4)
Domestic production activities deduction	(55)	(0.6)	(70)	(0.8)
Other — net	<u>72</u>	<u>0.8</u>	<u>29</u>	<u>0.3</u>
Total income tax expense	<u>\$4,766</u>	<u>50.4 %</u>	<u>\$3,220</u>	<u>35.1 %</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The components of deferred income taxes classified as current and non-current assets and liabilities as of December 31, 2009 and 2008, are as follows (thousands of dollars):

	2009	2008
Deferred tax assets:		
Current — uncollectible account expense	\$ 13	\$ 12
Total current deferred tax assets	<u>13</u>	<u>12</u>
Non-current:		
Property-owned and leased	1,745	1,485
Employee benefits and compensation	1,598	1,340
PSCR refunds	1,393	
Other	<u>(24)</u>	<u>40</u>
Total non-current deferred tax assets	<u>4,710</u>	<u>2,865</u>
Total deferred tax assets	<u>\$ 4,723</u>	<u>\$ 2,877</u>
Deferred tax liabilities		
Current:		
Property taxes	\$ 448	\$ 421
Other	<u>11</u>	<u></u>
Total current deferred tax liabilities	<u>459</u>	<u>421</u>
Non-current :		
EPA regulatory asset	(5)	(27)
Property-owned and leased	11,622	7,723
Property investment	9,544	7,264
Pension benefits	3,470	3,004
PSCR refunds	<u></u>	<u>(413)</u>
Total non-current deferred tax liabilities	<u>24,631</u>	<u>17,551</u>
Total deferred tax liabilities	<u>\$25,090</u>	<u>\$17,972</u>

Consistent with ratemaking treatment, deferred taxes are offset in the above table for temporary differences which have related regulatory assets or liabilities.

Edison Sault recognizes interest and penalties accrued related to unrecognized tax benefits as a component of income tax expense. As of December 31, 2009 and 2008, there were no unrecognized tax benefits. For the years ended December 31, 2009 and 2008, Edison Sault has recognized no accrued interest or penalties in the income statement. It also had no accrued interest or penalties in the balance sheets as of December 31, 2009 and 2008, respectively.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Edison Sault does not anticipate any significant increases in the total amounts of unrecognized tax benefits within the next 12 months.

Edison Sault's primary tax jurisdictions include federal and state of Wisconsin. Currently, the tax years of 2004 through 2009 are subject to federal and Wisconsin examination.

#### F. PENSION PLAN AND OTHER BENEFITS

Edison Sault and WEC provide defined benefit pension and other postretirement benefit plans (OPEB) to employees. The WEC Plan provides pension benefits to employees of WEC, Edison Sault, and other subsidiaries of WEC.

The assets, obligations, and the components of Edison Sault's pension costs are allocated to each of the participating companies as if each participating company had its own plan. The disclosures below are based on an allocation to Edison Sault of the amounts for WEC's pension plan.

Due to the regulatory nature of its business, Edison Sault has concluded that substantially all of the unrecognized costs resulting from the recognition of the funded status of the pension and OPEB qualify as a regulatory asset.

The following table presents details about our pension and OPEB plans (thousands of dollars):

	2009	2008	2009	2008
Change in benefit obligation:				
Benefit obligation at January 1	\$18,997	\$19,085	\$2,942	\$2,869
Service cost	274	104	30	33
Interest cost	1,222	1,176	173	174
Plan amendments		115		
Actuarial loss (gain)	1,165	(244)	(13)	(15)
Gross benefits paid	<u>(2,371)</u>	<u>(1,239)</u>	<u>(125)</u>	<u>(119)</u>
Benefit obligation at December 31	<u>19,287</u>	<u>18,997</u>	<u>3,007</u>	<u>2,942</u>
Change in plan assets:				
Fair value at January 1	10,504	14,610		
Actual return (loss) on plan assets	2,318	(3,609)		
Employer contributions	5,507	742	125	119
Gross benefits paid	<u>(2,371)</u>	<u>(1,239)</u>	<u>(125)</u>	<u>(119)</u>
Fair value at December 31	<u>15,958</u>	<u>10,504</u>	<u>-</u>	<u>-</u>
Net liability	<u>\$ 3,329</u>	<u>\$ 8,493</u>	<u>\$3,007</u>	<u>\$2,942</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Amounts recognized in the WEC's Consolidated Balance Sheets as of December 31, 2009 and 2008, related to the funded status of the benefit plans consisted of (thousands of dollars):

	Pension		OPEB	
	2009	2008	2009	2008
Miscellaneous current and accrued liabilities	\$ 57	\$ 57	\$ 234	\$ 234
Accumulated provision for pensions and benefits	<u>3,272</u>	<u>8,436</u>	<u>2,773</u>	<u>2,708</u>
Net liability	<u>\$3,329</u>	<u>\$8,493</u>	<u>\$3,007</u>	<u>\$2,942</u>

The following table shows the estimated amounts that will be amortized as a component of net periodic benefit costs during 2010 (thousands of dollars):

	Pension	OPEB
Actuarial loss	\$534	\$ 44
Prior service cost (credit)	<u>67</u>	<u>(19)</u>
Total	<u>\$601</u>	<u>\$ 25</u>

The following table shows the amounts that have not yet been recognized in our net periodic benefit cost as of December 31, 2009 and 2008, and are recorded as a regulatory asset in our balance sheets (thousands of dollars):

	Pension Benefits		OPEB Benefits	
	2009	2008	2009	2008
Net actuarial loss	\$10,881	\$10,912	\$ 868	\$ 915
Prior service cost (credit)	<u>368</u>	<u>455</u>	<u>(115)</u>	<u>(134)</u>
Total	<u>\$11,249</u>	<u>\$11,367</u>	<u>\$ 753</u>	<u>\$ 781</u>

As of December 31, 2009 and 2008, information for pension plans with an accumulated benefit obligation in excess of the fair value of plan assets is as follows (thousands of dollars):

	Pension Benefits		OPEB Benefits	
	2009	2008	2009	2008
Projected benefit obligation	\$19,287	\$18,997	\$ -	\$ -
Accumulated benefit obligation	19,012	18,612	3,007	2,942
Fair value of assets	15,958	10,504		

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The components of net periodic pension and other postretirement benefit costs as well as the weighted-average assumptions used in accounting for the plans include the following (dollars in thousands):

	Pension Benefits		OPEB Benefits	
	2009	2008	2009	2008
Net periodic benefit cost:				
Service cost	\$ 274	\$ 104	\$ 30	\$ 33
Interest cost	1,222	1,176	173	175
Expected return on plan assets	(1,500)	(1,239)		
Amortization of:				
Prior service cost	87	88	(19)	(19)
Actuarial loss	<u>378</u>	<u>370</u>	<u>35</u>	<u>63</u>
Net periodic benefit cost	<u>\$ 461</u>	<u>\$ 499</u>	<u>\$ 219</u>	<u>\$ 252</u>
Weighted-average assumptions used to determine net cost for year ended December 31:				
Discount rate	6.50 %	6.05 %	6.50 %	6.10 %
Expected return on plan assets	8.25	8.50	8.25	8.50
Rate of compensation increase	4.00	4.5 to 5%	NA	NA
Weighted-average assumptions used to determine benefit obligations at December 31:				
Discount rate	6.05 %	6.50 %	5.75 %	6.50 %
Rate of compensation increase	4.00	4.00	NA	NA
Assumed health care cost trend rates at December 31:				
Health care cost trend rate assumed for next year (Pre-65/Post-65)			7.50 %	7.5%/9.00%
Rate that the cost trend rate gradually adjusts to			5.00	5.00
Year that the rate reaches the rate it is assumed to remain at			2015	2014

Included in the above table for pension benefits are costs related to the management and bargaining unit pension plans and the Supplemental Executive Retirement Plan (SERP).

Edison Sault's management and bargaining unit employees are covered under WEC's pension plan, whose assets, the majority of which are equity securities, are held by pension trusts. Other pension plan assets include corporate and government bonds and real estate.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/19/2010	2009/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Edison Sault has an unfunded, nonqualified SERP that provides benefits which were integrated with its Management Pension Plan.

**OPEB Benefit Plans** — Edison Sault accrues postretirement benefits (such as health care benefits) during the years an employee provides services.

A one-percentage-point change in assumed health care cost trend rates would have the following effects (thousands of dollars):

	Increase	Decrease
Effect on:		
Postretirement benefit obligation	<u>\$ 89</u>	<u>\$ (79)</u>
Total of service and interest components	<u>\$ 10</u>	<u>\$ (8)</u>

**Plan Assets** — Current pension trust assets and amounts which are expected to be contributed to the trusts in the future will be adequate to meet pension payment obligations to current and future retirees.

The Investment Trust Policy Committee (“Committee”) oversees investment matters related to all of our funded benefit plans. The Committee works with external actuaries and investment consultants on an ongoing basis to establish and monitor investment strategies and target asset allocations. Forecasted cash flows for plan liabilities are regularly updated based on annual valuation results. Target allocations are determined utilizing projected benefit payment cash flows and risk analyses of appropriate investments. They are intended to reduce risk, provide long-term financial stability for the plans, and maintain funded levels which meet long-term plan obligations while preserving sufficient liquidity for near-term benefit payments.

Our current pension plan asset allocation is 45% equity investments and 55% fixed-income investments. Equity securities include investments in large-cap, mid-cap, and small-cap companies primarily located in the United States. Fixed-income securities include corporate bonds of companies from diversified industries, mortgage and other asset-backed securities, commercial paper, and U.S. Treasuries.

The Company reports our plan assets at fair value. Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company primarily applies the market approach for recurring fair value measurements and attempts to utilize the best available information. Accordingly, Edison Sault also utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. We are able to classify fair value balances based on the observability of those inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report 2009/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

*Level 1* — Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Instruments in this category consist of financial instruments, such as exchange-traded derivatives, cash equivalents, and restricted cash investments.

*Level 2* — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Instruments in this category include non-exchange-traded derivatives, such as over-the-counter forwards and options.

*Level 3* — Pricing inputs include significant inputs that are generally less observable from objective sources. The inputs in the determination of fair value require significant management judgment or estimation. At each balance sheet date, we perform an analysis of all instruments subject to fair value reporting and include in Level 3 all instruments whose fair value is based on significant unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

The following table summarizes the fair value of our share of Pension Trust assets as of December 31, 2009, by asset category within the fair value hierarchy (thousands of dollars):

<b>Asset Category — Pension</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 166	\$ -	\$ -	\$ 166
Equities:				
U.S. equity	2,854	3,358		6,212
International equity	912	525		1,437
Fixed income:				
Short, intermediate, and long-term bonds (a)				
U.S. bonds	6,981			6,981
International bonds	678			678
Commercial paper (b)	484			484
Total	<u>\$12,075</u>	<u>\$3,883</u>	<u>\$ -</u>	<u>\$ 15,958</u>

(a) This category represents investment-grade bonds of U.S. and foreign issuers denominated in U.S. dollars from diverse industries.

(b) This category represents investment in commercial paper issued by WEC.

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report 2009/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

In January 2009, the Committee that oversees the investment of the pension assets authorized the Trustee of Wisconsin Energy's pension plan to invest in the commercial paper of Wisconsin Energy. As of December 31, 2009, the Pension Trust and OPEB plan assets included our share of approximately \$484,000 of commercial paper issued by Wisconsin Energy, which represents less than 10% of total assets of the plan.

Cash Flows:

Employer Contributions (000's)	Pension Benefits	OPEB Benefits
2010 (expected)	<u>\$ 56</u>	<u>\$ -</u>

In January 2009, Edison Sault contributed approximately \$5.5 million to our qualified pension plans. Edison Sault contributed approximately \$0.7 million to our qualified pension plans during 2008.

The following table identifies our expected benefit payments over the next ten years (thousands of dollars):

Year	Pension	OPEB Benefits
2010	\$1,524	\$ 234
2011	1,863	243
2012	2,746	266
2013	1,673	262
2014	1,729	241
2015–2019	8,951	1,198

**Savings Plan** — Edison Sault participates in a savings plan sponsored by WEC, which allows employees to contribute a portion of their pretax and/or after-tax income in accordance with guidelines specified in the plan. In 2009, Edison Sault matched 100% of employee contributions up to 1% of the employee's annual compensation and matched 50% of contributions from 2% up to 7% of the employee's annual compensation. Matching contributions charged to expense amounted to \$189,000 and \$190,000 during 2009 and 2008, respectively.

#### G. COMMITMENTS AND CONTINGENCIES

**St. Ignace Division Remediation Project** — A decommissioned diesel-generating site located at the St. Ignace Division's service center is currently being remediated for diesel fuel. The Michigan Department of Natural Resources and Environmental (DNRE) is working with Edison Sault at the site. The cost of monitoring and remediation was \$30,000 in 2009 and \$47,000 in 2008. At this time, we cannot reasonably estimate future monitoring and remediation expenses.



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report 2009/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Manistique Division Generating Site** — The diesel-generating site located at the Manistique Division's service center has been inspected by the DNRE for diesel spillage. The result of the inspection found that there is minimal surface contamination in and around the diesel tanks. Edison Sault has a reserve of \$50,000 as of December 31, 2009 for this site for potential future costs.

#### H. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 15, 2010, the date the financial statements were available to be issued.

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	94,501,779	94,501,779
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	94,501,779	94,501,779
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	538,624	538,624
12	Acquisition Adjustments	-18,560	-18,560
13	Total Utility Plant (8 thru 12)	95,021,843	95,021,843
14	Accum Prov for Depr, Amort, & Depl	50,989,807	50,989,807
15	Net Utility Plant (13 less 14)	44,032,036	44,032,036
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	51,013,065	51,013,065
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	12,872	12,872
22	Total In Service (18 thru 21)	51,025,937	51,025,937
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	51,025,937	51,025,937

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. 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 distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	565	
3	(302) Franchises and Consents	16,582	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	17,147	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)		
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights	63,532	
28	(331) Structures and Improvements	858,984	
29	(332) Reservoirs, Dams, and Waterways	4,926,608	752,744
30	(333) Water Wheels, Turbines, and Generators	3,784,517	125,793
31	(334) Accessory Electric Equipment	6,039,899	33,146
32	(335) Misc. Power PLant Equipment	227,313	
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	15,900,853	911,683
36	D. Other Production Plant		
37	(340) Land and Land Rights	77	
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories	74,559	
40	(343) Prime Movers		
41	(344) Generators	451,521	
42	(345) Accessory Electric Equipment	65,326	
43	(346) Misc. Power Plant Equipment	9,491	
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	600,974	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	16,501,827	911,683

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. 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, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. 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 requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, 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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			565	2
			16,582	3
				4
			17,147	5
				6
				7
				8
				9
				10
				11
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				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
			63,532	27
4,467			854,517	28
			5,679,352	29
73,334			3,836,976	30
			6,073,045	31
			227,313	32
				33
				34
77,801			16,734,735	35
				36
			77	37
				38
			74,559	39
				40
			451,521	41
			65,326	42
			9,491	43
				44
			600,974	45
77,801			17,335,709	46

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights		
49	(352) Structures and Improvements		
50	(353) Station Equipment		
51	(354) Towers and Fixtures		
52	(355) Poles and Fixtures		
53	(356) Overhead Conductors and Devices		
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)		
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	74,747	
61	(361) Structures and Improvements	52,473	
62	(362) Station Equipment	8,024,079	217,764
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	11,859,193	242,652
65	(365) Overhead Conductors and Devices	9,367,832	338,846
66	(366) Underground Conduit	90,533	
67	(367) Underground Conductors and Devices	12,971,177	544,776
68	(368) Line Transformers	13,018,628	432,591
69	(369) Services	5,690,006	193,351
70	(370) Meters	3,944,800	165,805
71	(371) Installations on Customer Premises	400,259	9,820
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	726,771	-3,247
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	66,220,498	2,142,358
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	36,565	
87	(390) Structures and Improvements	1,541,597	34,272
88	(391) Office Furniture and Equipment	1,118,039	479,529
89	(392) Transportation Equipment	944,048	48,654
90	(393) Stores Equipment	101,909	
91	(394) Tools, Shop and Garage Equipment	1,526,217	68,551
92	(395) Laboratory Equipment	124,779	
93	(396) Power Operated Equipment	2,566,519	392,735
94	(397) Communication Equipment	444,222	23,099
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	8,403,895	1,046,840
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	8,403,895	1,046,840
100	TOTAL (Accounts 101 and 106)	91,143,367	4,100,881
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	91,143,367	4,100,881

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
				48
				49
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				57
				58
				59
			74,747	60
			52,473	61
118,737			8,123,106	62
				63
13,849			12,087,996	64
37,669			9,669,009	65
			90,533	66
37,510			13,478,443	67
29,467			13,421,752	68
1,164			5,882,193	69
93,779			4,016,826	70
5,032			405,047	71
				72
3,392			720,132	73
				74
340,599			68,022,257	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			36,565	86
			1,575,869	87
1,797			1,595,771	88
27,488			965,214	89
			101,909	90
86,598			1,508,170	91
			124,779	92
208,186			2,751,068	93
			467,321	94
				95
324,069			9,126,666	96
				97
				98
324,069			9,126,666	99
742,469			94,501,779	100
				101
				102
				103
742,469			94,501,779	104

**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (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 Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Minor Projects	33,956
2	Substation Improvements	436,750
3	Replace Urd Cables-Mackinac Island	17,834
4	Rewind Generators/Protective Relays-Hydro Plant	19,861
5	Voltage Conversion	30,223
6		
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43	TOTAL	538,624

**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

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 electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 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 progress at year end in the appropriate functional classifications.
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)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	48,510,139	48,510,139		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	3,075,561	3,075,561		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	144,276	144,276		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	3,219,837	3,219,837		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	742,468	742,468		
13	Cost of Removal	-25,557	-25,557		
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	716,911	716,911		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	51,013,065	51,013,065		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional	10,738,552	10,738,552		
23	Hydraulic Production-Pumped Storage				
24	Other Production	552,491	552,491		
25	Transmission				
26	Distribution	36,026,497	36,026,497		
27	Regional Transmission and Market Operation				
28	General	3,695,525	3,695,525		
29	TOTAL (Enter Total of lines 20 thru 28)	51,013,065	51,013,065		



**MATERIALS AND SUPPLIES**

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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	50,378	30,296	Generation
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	834,727	819,837	
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	92,747	91,093	Distribution
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	927,474	910,930	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	200,707	196,572	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	1,178,559	1,137,798	

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Adjust Accumulated Deferred Taxes related to plant	46,413		285	46,413	
2	in service for prior flow-through items.					
3						
4	Deferred Regulatory Asset-OPEB FAS 158	781,118	867,981	926	896,323	752,776
5						
6						
7	Deferred Regulatory Asset-Pension	11,366,991	12,576,411	926	12,694,337	11,249,065
8						
9	Other Regulatory Assets-FAS 133 FTR	3,829	1,551,270	175	1,607,957	-52,858
10						
11	Other Regulatory Asset-Energy Opt Surcharge		326,664	908	299,428	27,236
12						
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44	TOTAL	12,198,351	15,322,326		15,544,458	11,976,219

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Power Supply Cost Recovery Sys	515,661	5,329,388		5,058,105	786,944
2						
3	Officer Stock Plan	15,852			5,049	10,803
4						
5						
6						
7						
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44						
45						
46						
47	Misc. Work in Progress	1,691				1,613
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	533,204				799,360

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	CIAC	1,476,444	1,731,560
3	Bad Debt Reserve	11,559	12,735
4	Benefit Plans	1,094,641	1,329,579
5	SFAS 109	8,103	
6			
7	Other: See Attached Footnote	40,966	1,390,734
8	TOTAL Electric (Enter Total of lines 2 thru 7)	2,631,713	4,464,608
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Deferred Comp - Earnings	245,140	258,279
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	2,876,853	4,722,887

Notes

CAPITAL STOCKS (Account 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock (Held by Parent)	3,000,000	1.00	
2				
3				
4	Total_Com	3,000,000		
5				
6				
7	Cumulative Preferred	160,000	25.00	
8				
9				
10	Total_Pre	160,000		
11				
12				
13				
14				
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42				

CAPITAL STOCKS (Account 201 and 204) (Continued)

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

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
702,629	702,629	28,700	444,850			1
						2
						3
702,629	702,629	28,700	444,850			4
						5
						6
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						42

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Recquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 209 - Reduction in Par Value of Capital Stock	
2	Shareholders at the May 5, 1987 annual meeting amended the Restated Ar	
3	Incorporation to increase the number of authorized common shares of co	
4	from 800,000 shares to 3,000,000 shares and decreased the par value fr	
5	to \$1 per share (668,005 shares @ 4.00). Account 209	2,672,020
6		
7	Account 211 - Miscellaneous Paid-In-Capital	
8	Amount received by ESELCO as its share of the final cash balance of it	
9	holding company (American States Utilities Corp.) which was dissolved	1,956
10		
11	Amount received from Baltimore Natl. Bank covering the final settlemen	
12	the American States Utilities Corp. Plan for dissolution-Civil Action	
13	of the U.S. District Court for the District of Nebraska, passed March	6,432
14		
15	Cancellation of 789.4 shares of ESELCO common stock which represented	
16	stock held by the Baltimore Natl. Bank since the time of dissolution i	3,947
17		
18	Amount transferred from Earned Surplus to Capital Surplus in accordanc	
19	MPSC Order No. D-500-55-2 covering an amount equal to \$4.10 per share	
20	20,593 shares of common stock issued in payment of a 10% stock dividen	
21	on December 6, 1955, paid on 1-25-56.	84,432
22		
23	Amount transferred from Retained Earnings in connection with the 5% st	
24	declared 03-02-81 and issued 07-15-81 as approved by the MPSC in Case	
25	shares issued @ \$9.25. \$5.00 Common Stock and \$4.25 miscellaneous pa	90,487
26		
27	Amount transferred from Retained Earnings in connection with the 5% st	
28	declared 03-10-83 and issued 07-15-83 as approved by the MPSC in Case	
29	shares issued @ \$12.25. \$5.00 Common Stock and \$7.25 miscellaneous p	179,270
30		
31	Amount transferred from Retained Earnings in connection with the 5% st	
32	declared 03-15-84 and issued 07-15-84 as approved by the MPSC in Case	
33	shares issued @ \$13.25. \$5.00 Common Stock and \$8.25 miscellaneous pa	221,810
34		
35	Amount transferred from Retained Earnings in connection with the 5% st	
36	declared 03-14-85 and issued 07-15-85 as approved by the MPSC in Case	
37	shares issued @ \$15.00. \$5.00 Common Stock and \$10.00 miscellaneous p	285,440
38		
39	SUBTOTAL	3,545,794
40	TOTAL	10,094,432

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 211 - Miscellaneous Paid-In Capital (continued)	
2		
3	Amount transferred from Retained Earnings in connection with the 5% st	
4	declared 03-13-86 and issued 07-15-86 as approved by the MPSC in Case	
5	shares issued @ \$21.75. \$5.00 Common Stock and \$16.75 miscellaneous p	502,868
6		
7	Amount transferred from Retained Earnings in connection with the 3% st	
8	declared 03-03-88 and issued 07-15-88 as approved by the MPSC in Case	
9	shares issued @ \$22.75. \$1.00 Common Stock and \$21.75 miscellaneous p	410,532
10		
11	Paid in capital recieved from Parent, ESELCO, INC., during 1989	857,515
12	Paid in capital received from Parent, ESELCO, INC., during 1990	416,309
13	Paid in capital received from Parent, ESELCO, INC., during 1993	1,580,000
14	Paid in capital received from Parent, ESELCO, INC., during 1994	517,605
15	Issuance of Restricted Stock from Parent, ESELCO, INC., during 1996	878,220
16	Federal and State taxes on N.Q. Stock Options 2003 & 2004	31,634
17	Federal Taxes on N.Q. Stock Options 2005	37,402
18	Federal Taxes on N.Q. Stock Options 2006	296,611
19	Record Stock Options at Fair Value 2006	115,840
20	Federal Taxes on NQ Stock Options 2007	92,160
21	Record Stock Options at 2007 Fair Market Value	170,391
22	Federal Taxes on NQ Stock Options 2008	41,886
23	Record Stock Options at FMV 2008	207,572
24	Federal Taxes on NQ Stock Options 2009	190,158
25	Record Stock Options at FMV 2009	201,935
26	Subtotal	6,548,638
27		
28	Account 209     \$ 2,672,020	
29	Account 211     7,422,412	
30		
31	\$10,094,432	
32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	10,094,432



LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 223 - Long Term Debt		
2			
3	Wisconsin Energy Corporation 6.886%	20,000,000	
4			
5			
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7			
8			
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32			
33	TOTAL	20,000,000	

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

- 10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
- 11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
- 12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
- 13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
- 14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
- 15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
- 16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
06/01/02	05/31/12			8,500,000	679,993	3
						4
						5
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				8,500,000	679,993	33

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

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	4,698,564
2		
3		
4	Taxable Income Not Reported on Books	
5	See Note for Reconciliation of Reported Net Income with Taxable Income	437,328
6	for Federal Income Taxes	
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	See Note for Reconciliation of Reported Net Income with Taxable Income	5,602,910
11	for Federal Income Taxes	
12		
13		
14	Income Recorded on Books Not Included in Return	
15	See Note for Reconciliation of Reported Net Income with Taxable Income	7,740,926
16	for Federal Income Taxes	
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	See Note for Reconciliation of Reported Net Income with Taxable Income	9,235,099
21	for Federal Income Taxes	
22		
23		
24		
25		
26		
27	Federal Tax Net Income	-6,237,223
28	Show Computation of Tax:	
29	See Note for Reconciliation of Reported Net Income with Taxable Income	-2,183,028
30	for Federal Income Taxes	
31		
32	Adjustments to Prior Year's Taxes	1,415,872
33	Net Tax Accrual	-767,156
34		
35		
36		
37		
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41		
42		
43		
44		

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

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

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL					
2	Federal Income Tax	1,249,546		-767,156	2,806,969	-28,480
3	FICA	9,680		391,252	389,117	
4	Unemployment			5,202	5,202	
5	SUBTOTAL	1,259,226		-370,702	3,201,288	-28,480
6						
7	STATE OF MICHIGAN					
8	Business Taxes (SBT &	-24,123		204,508	-25,897	-154,668
9	Unemployment			5,376	5,376	
10						
11	SUBTOTAL	-24,123		209,884	-20,521	-154,668
12	LOCAL PROPERTY TAXES	541,909		1,621,486	1,621,319	
13						
14	STATE OF WISCONSIN					
15	Franchise Tax	-83,769		54,407	160,881	-25,862
16						
17	STATE OF MINNESOTA					
18	Franchise Tax	-4,607		716		-160
19						
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21						
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41	TOTAL	1,688,636		1,515,791	4,962,967	-209,170

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
-2,353,059		520,726			-1,287,882	2
11,815					391,252	3
					5,202	4
-2,341,244		520,726			-891,428	5
						6
						7
51,614		174,950			29,558	8
					5,376	9
		-19,786				10
51,614		155,164			34,934	11
542,076		1,621,486				12
						13
						14
-216,105		81,378			-26,971	15
						16
						17
-4,051		636			80	18
						19
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						40
-1,967,710		2,379,390			-883,385	41

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%	33			411.4	5	
3	4%						
4	7%						
5	10%	102,569			411.4	26,137	
6							
7		46,029			411.5	9,937	
8	TOTAL	148,631				36,079	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
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46							
47							
48							

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

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
28			2
			3
			4
76,432			5
			6
36,092			7
112,552			8
			9
			10
			11
			12
			13
			14
			15
			16
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			30
			31
			32
			33
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			39
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			44
			45
			46
			47
			48

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Directors Deferred Comp.					
2	Fees	90,926	131	33,918	17,500	74,508
3	Earnings	678,643	131	146,818	112,364	644,189
4	Policy Loans	396,786			20,886	417,672
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
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39						
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41						
42						
43						
44						
45						
46						
47	TOTAL	1,166,355		180,736	150,750	1,136,369



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

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

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1  (c)	Amounts Credited to Account 411.1  (d)
1	Account 282			
2	Electric	114,312		12,117
3	Gas			
4	ATC Property	172,259	17,790	269
5	TOTAL (Enter Total of lines 2 thru 4)	286,571	17,790	12,386
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	286,571	17,790	12,386
10	Classification of TOTAL			
11	Federal Income Tax	278,204		19,468
12	State Income Tax	8,367	17,790	-7,082
13	Local Income Tax			

NOTES

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

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						102,195	2
							3
						189,780	4
						291,975	5
32,167	30,106					2,061	6
							7
							8
32,167	30,106					294,036	9
							10
						258,736	11
32,167	30,106					35,300	12
							13

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Property Taxes	421,011	56,596	32,996
4	ACRS	7,562,594	2,163,093	155,026
5	EPA Costs	-27,309	46,901	24,368
6	Prior Plant in Service Flow Th	46,413		
7	ATC Property	7,091,943		
8	Other: See Attached Footnote	2,590,917	2,520,762	3,352,627
9	TOTAL Electric (Total of lines 3 thru 8)	17,685,569	4,787,352	3,565,017
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	17,685,569	4,787,352	3,565,017
20	Classification of TOTAL			
21	Federal Income Tax	17,224,996	3,061,237	2,912,654
22	State Income Tax	460,573	1,726,115	652,363
23	Local Income Tax			

NOTES

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

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.  
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
						444,611	1
						9,570,661	2
						-4,776	3
			46,413				4
8,288,160	3,390,715					11,989,388	5
6,216,026	6,887,558		186,209		1,894,486	2,795,797	6
14,504,186	10,278,273		232,622		1,894,486	24,795,681	7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
14,504,186	10,278,273		232,622		1,894,486	24,795,681	19
							20
4,521,196	796,945		46,413		1,491,228	22,542,645	21
9,982,990	9,481,328		186,209		403,258	2,253,036	22
							23

NOTES (Continued)

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Rate Adjustment on Accum. Deferred Taxes on the	2,431	191	2,431		
2	Balance Sheet at rates other than 35%					
3						
4	Deferred Taxes on Unamortized ITC	5,672	191	5,672		
5						
6	EPA Cleanup	75,600	925	63,600		12,000
7						
8						
9						
10						
11						
12						
13						
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37						
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39						
40						
41	TOTAL	83,703		71,703		12,000

**ELECTRIC OPERATING REVENUES (Account 400)**

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	15,851,095	14,614,400
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	21,505,081	20,859,430
5	Large (or Ind.) (See Instr. 4)	14,457,527	13,329,320
6	(444) Public Street and Highway Lighting	337,684	320,657
7	(445) Other Sales to Public Authorities	682,123	540,012
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	52,833,510	49,663,819
11	(447) Sales for Resale	12,184,044	11,015,541
12	TOTAL Sales of Electricity	65,017,554	60,679,360
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	65,017,554	60,679,360
15	Other Operating Revenues		
16	(450) Forfeited Discounts	169,015	152,492
17	(451) Miscellaneous Service Revenues	28,991	17,980
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	88,453	88,729
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues		
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	286,459	259,201
27	TOTAL Electric Operating Revenues	65,304,013	60,938,561

**ELECTRIC OPERATING REVENUES (Account 400)**

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
173,614	171,067	19,068	18,972	2
				3
228,419	236,540	3,688	3,681	4
208,004	211,280	5	5	5
2,460	2,460	38	38	6
50,384	51,598	3	3	7
				8
				9
662,881	672,945	22,802	22,699	10
185,896	190,030	1	1	11
848,777	862,975	22,803	22,700	12
				13
848,777	862,975	22,803	22,700	14

Line 12, column (b) includes \$ -242,493 of unbilled revenues.

Line 12, column (d) includes -2,160 MWH relating to unbilled revenues

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	440 Residential					
2	R-1 - Residential	173,343	15,780,125	19,068	9,091	0.0910
3	O/L - Protective Lights	1,237	174,838			0.1413
4	Total	174,580	15,954,963	19,068	9,156	0.0914
5						
6	442 Commercial & Industrial					
7	G-1 - General Service	101,908	10,430,587	3,598	28,324	0.1024
8	L/G - Large General	120,405	10,538,954	90	1,337,833	0.0875
9	H/A - Heating & Air Conditionig	7,299	674,165			0.0924
10	Industrial	208,005	14,457,527	5	41,601,000	0.0695
11						
12						
13						
14	Total	437,617	36,101,233	3,693	118,499	0.0825
15						
16	444 Street Lighting	2,462	337,684	38	64,789	0.1372
17	Total	2,462	337,684	38	64,789	0.1372
18						
19	445 Other Public Authorities					
20	Cloverland Electric Coop	46,383	539,495	1	46,383,000	0.0116
21	Other Public Authorities	4,001	142,628	3	1,333,667	0.0356
22	Total	50,384	682,123	4	12,596,000	0.0135
23						
24						
25	Unbilled Revenue					
26	R-1 - Residential	-967	-103,868			0.1074
27	G-1 - General Service	-1,193	-138,625			0.1162
28	Total	-2,160	-242,493			0.1123
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	665,043	53,076,003	22,803	29,165	0.0798
42	Total Unbilled Rev.(See Instr. 6)	-2,160	-242,493	0	0	0.1123
43	TOTAL	662,883	52,833,510	22,803	29,070	0.0797



SALES FOR RESALE (Account 447)

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

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

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Cloverland Electric Coop	RQ	FERC 10			
2	Cloverland Electric Coop	RQ	FERC 15	11.8		
3						
4						
5						
6						
7						
8						
9	*1-g Alloc. of Edison Hydro Generation					
10	*2-j Transmission, Ancillary, and Losses					
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

SALES FOR RESALE (Account 447) (Continued)

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

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

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

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

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

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts.

Footnote any demand not stated on a megawatt basis and explain.

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

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
46,739		1,493,370		1,493,370	1
139,157	2,668,596	6,081,180	1,940,898	10,690,674	2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
185,896	2,668,596	7,574,550	1,940,898	12,184,044	
0	0	0	0	0	
<b>185,896</b>	<b>2,668,596</b>	<b>7,574,550</b>	<b>1,940,898</b>	<b>12,184,044</b>	

**ELECTRIC 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. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures		
17	(512) Maintenance of Boiler Plant		
18	(513) Maintenance of Electric Plant		
19	(514) Maintenance of Miscellaneous Steam Plant		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)		
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering	20,333	20,995
45	(536) Water for Power	796,498	872,671
46	(537) Hydraulic Expenses	53,221	71,458
47	(538) Electric Expenses	177,634	165,532
48	(539) Miscellaneous Hydraulic Power Generation Expenses	152,709	143,303
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,200,395	1,273,959
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	51,699	52,925
54	(542) Maintenance of Structures	116,666	160,217
55	(543) Maintenance of Reservoirs, Dams, and Waterways	97,735	81,707
56	(544) Maintenance of Electric Plant	368,994	372,925
57	(545) Maintenance of Miscellaneous Hydraulic Plant	33,125	22,414
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	668,219	690,188
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	1,868,614	1,964,147

**ELECTRIC 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)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	44,521	41,333
63	(547) Fuel	439,215	219,596
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses	20,016	22,715
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)	503,752	283,644
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	18,535	17,061
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant	95,283	51,371
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	113,818	68,432
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	617,570	352,076
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	41,579,907	37,678,547
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	41,579,907	37,678,547
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	44,066,091	39,994,770
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering		
84	(561) Load Dispatching		
85	(561.1) Load Dispatch-Reliability		
86	(561.2) Load Dispatch-Monitor and Operate Transmission System		
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses		
94	(563) Overhead Lines Expenses		
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	5,934,028	5,377,442
97	(566) Miscellaneous Transmission Expenses		
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	5,934,028	5,377,442
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures		
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment		
108	(571) Maintenance of Overhead Lines		
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of lines 101 thru 110)		
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	5,934,028	5,377,442

**ELECTRIC 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)
113	<b>3. REGIONAL MARKET EXPENSES</b>		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	<b>Maintenance</b>		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	<b>4. DISTRIBUTION EXPENSES</b>		
133	Operation		
134	(580) Operation Supervision and Engineering	110,713	121,682
135	(581) Load Dispatching	139,704	138,385
136	(582) Station Expenses	158,308	108,297
137	(583) Overhead Line Expenses	26,114	73,400
138	(584) Underground Line Expenses	8,713	3,549
139	(585) Street Lighting and Signal System Expenses	94,471	119,213
140	(586) Meter Expenses	84,509	114,073
141	(587) Customer Installations Expenses	38,312	39,322
142	(588) Miscellaneous Expenses	83,815	93,866
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	744,659	811,787
145	<b>Maintenance</b>		
146	(590) Maintenance Supervision and Engineering	109,221	100,384
147	(591) Maintenance of Structures	451	2,053
148	(592) Maintenance of Station Equipment	62,213	66,465
149	(593) Maintenance of Overhead Lines	1,119,686	1,235,499
150	(594) Maintenance of Underground Lines	207,168	241,136
151	(595) Maintenance of Line Transformers	28,499	31,834
152	(596) Maintenance of Street Lighting and Signal Systems	493	525
153	(597) Maintenance of Meters	5,743	5,589
154	(598) Maintenance of Miscellaneous Distribution Plant		236
155	TOTAL Maintenance (Total of lines 146 thru 154)	1,533,474	1,683,721
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	2,278,133	2,495,508
157	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
158	Operation		
159	(901) Supervision	93,679	91,344
160	(902) Meter Reading Expenses	293,081	295,196
161	(903) Customer Records and Collection Expenses	715,952	642,781
162	(904) Uncollectible Accounts	101,581	172,981
163	(905) Miscellaneous Customer Accounts Expenses	78,039	94,445
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	1,282,332	1,296,747

**ELECTRIC 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)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	4,832	4,593
168	(908) Customer Assistance Expenses	262,899	16,581
169	(909) Informational and Instructional Expenses	2,717	7,105
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	<b>TOTAL Customer Service and Information Expenses (Total 167 thru 170)</b>	<b>270,448</b>	<b>28,279</b>
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	<b>TOTAL Sales Expenses (Enter Total of lines 174 thru 177)</b>		
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	1,140,594	1,121,082
182	(921) Office Supplies and Expenses	223,235	239,762
183	(Less) (922) Administrative Expenses Transferred-Credit	610,622	586,842
184	(923) Outside Services Employed	536,858	405,640
185	(924) Property Insurance	48,439	85,966
186	(925) Injuries and Damages	123,708	12,802
187	(926) Employee Pensions and Benefits	1,939,422	1,947,595
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	139,243	118,662
190	(929) (Less) Duplicate Charges-Cr.	253,504	266,746
191	(930.1) General Advertising Expenses	6,560	10,638
192	(930.2) Miscellaneous General Expenses	50,590	49,860
193	(931) Rents	2,783	2,539
194	<b>TOTAL Operation (Enter Total of lines 181 thru 193)</b>	<b>3,347,306</b>	<b>3,140,958</b>
195	Maintenance		
196	(935) Maintenance of General Plant	39,153	27,607
197	<b>TOTAL Administrative &amp; General Expenses (Total of lines 194 and 196)</b>	<b>3,386,459</b>	<b>3,168,565</b>
198	<b>TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)</b>	<b>57,217,491</b>	<b>52,361,311</b>

PURCHASED POWER (Account 555)  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Cloverland Electric Coop	RQ		NA	NA	NA
2						
3						
4	U.S. Corps. of Engineers	LU		NA	NA	NA
5						
6						
7						
8	Wisconsin Electric Pwr. Co. *	LF	FERC Volume 9	67	86	86
9	*Service Agreement extends through					
10	December 31, 2017					
11						
12						
13						
14						
	Total					

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

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

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
7,050				1,692,020		1,692,020	1
							2
							3
158,721				1,798,316		1,798,316	4
							5
							6
							7
581,442			15,151,710	22,806,712	131,149	38,089,571	8
							9
							10
							11
							12
							13
							14
747,213			15,151,710	26,297,048	131,149	41,579,907	



**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)**  
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	American Trans.Co./MISO						5,934,028	5,934,028
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL						5,934,028	5,934,028

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	44,700
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Society of Military Engineers	700
7	Chamber of Commerce	4,190
8	Operation Action UP	1,000
9		
10		
11		
12		
13		
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43		
44		
45		
46	TOTAL	50,590

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)  
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.  
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.  
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.  
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			411		411
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	655,521				655,521
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	8,716				8,716
7	Transmission Plant					
8	Distribution Plant	2,168,366				2,168,366
9	Regional Transmission and Market Operation					
10	General Plant	242,958				242,958
11	Common Plant-Electric					
12	TOTAL	3,075,561		411		3,075,972

B. Basis for Amortization Charges

(This area is intentionally left blank for providing the basis for amortization charges.)

REGULATORY COMMISSION EXPENSES

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

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	MICHIGAN PUBLIC SERVICE COMMISSION				
2	U-15414 2008 PSCR Plan		1,406	1,406	
3	U-15674 2009 PSCR Plan		1,961	1,961	
4	U-15003 2007 PSCR Reconciliation Plan		214	214	
5	U-14851 Billing Rules Waiver		270	270	
6	U-16044 PSCR Plan		5,452	5,452	
7	U-15807 RPS & Energy Optimization		3,699	3,699	
8	Amicus Brief		7,203	7,203	
9	Fuel Diversity		245	245	
10	Revised Cloverland Contract		1,782	1,782	
11	Miscellaneous Matters		4,322	4,322	
12	U-16035 Base Rate Case		12,865	12,865	
13	U-15414-R 2008 PSCR Recon		2,761	2,761	
14	Renewable Energy		2,758	2,758	
15	New Customer		11,449	11,449	
16					
17	MPSC Assessment	82,856		82,856	
18					
19					
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21					
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45					
46	TOTAL	82,856	56,387	139,243	

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
		1,406					2
		1,961					3
		214					4
		270					5
		5,452					6
		3,699					7
		7,203					8
		245					9
		1,782					10
		4,322					11
		12,865					12
		2,761					13
		2,758					14
		11,449					15
							16
		82,856					17
							18
							19
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		139,243					46

Name of Respondent  
Edison Sault Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
04/19/2010

Year/Period of Report  
End of 2009/Q4

DISTRIBUTION OF SALARIES AND WAGES

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	239,708		
4	Transmission			
5	Regional Market			
6	Distribution	480,423		
7	Customer Accounts	768,841		
8	Customer Service and Informational	8,878		
9	Sales			
10	Administrative and General	1,454,152		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	2,952,002		
12	Maintenance			
13	Production	465,681		
14	Transmission			
15	Regional Market			
16	Distribution	797,148		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	1,262,829		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	705,389		
21	Transmission (Enter Total of lines 4 and 14)			
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	1,277,571		
24	Customer Accounts (Transcribe from line 7)	768,841		
25	Customer Service and Informational (Transcribe from line 8)	8,878		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	1,454,152		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	4,214,831	305,854	4,520,685
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru 47)			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	4,214,831	305,854	4,520,685
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	409,748	1,604	411,352
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	409,748	1,604	411,352
72	Plant Removal (By Utility Departments)			
73	Electric Plant	33,767		33,767
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	33,767		33,767
77	Other Accounts (Specify, provide details in footnote):			
78	Merchandise & Jobbing	293,746	50	293,796
79	Accrued Vacation	-14,065		-14,065
80	Temporary Facilities	41		41
81	Stores	89,739	-89,739	
82	Clearing Accounts	151,813	-151,813	
83	Accrued Expenses	65,956	-65,956	
84	Transfer to Subsidiaries	2,317		2,317
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	589,547	-307,458	282,089
96	TOTAL SALARIES AND WAGES	5,247,893		5,247,893

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch						
2	Reactive Supply and Voltage						
3	Regulation and Frequency Response		See Footno				
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)						



Name of Respondent  
Edison Sault Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
04/19/2010

Year/Period of Report  
End of 2009/Q4

ELECTRIC ENERGY ACCOUNT

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

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	662,881
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	185,896
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional	144,910	25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	2,086
7	Other	3,341	27	Total Energy Losses	44,601
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	895,464
9	Net Generation (Enter Total of lines 3 through 8)	148,251			
10	Purchases	747,213			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	895,464			

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report End of <u>2009/Q4</u>
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**MONTHLY PEAKS AND OUTPUT**

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM: EDISON SAULT ELECTRIC COMPANY

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	88,042		146	14	1900
30	February	76,086		143	4	2000
31	March	77,290		134	13	900
32	April	70,402		115	22	900
33	May	69,546		124	13	1000
34	June	69,435		129	24	1400
35	July	71,693		117	7	1100
36	August	71,037		119	17	1300
37	September	67,308		119	30	2100
38	October	78,579		132	23	1400
39	November	71,626		126	11	900
40	December	84,420		138	9	1800
41	TOTAL	895,464				

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: Edison Sault Hydro (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)	Run-of-River	
2	Plant Construction type (Conventional or Outdoor)	Conventional	
3	Year Originally Constructed	1901	
4	Year Last Unit was Installed	1916	
5	Total installed cap (Gen name plate Rating in MW)	40.71	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	28	0
7	Plant Hours Connect to Load	8,760	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	30	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	11	0
12	Net Generation, Exclusive of Plant Use - Kwh	144,909,882	0
13	Cost of Plant		
14	Land and Land Rights	63,532	0
15	Structures and Improvements	854,517	0
16	Reservoirs, Dams, and Waterways	5,679,352	0
17	Equipment Costs	10,137,334	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	16,734,735	0
21	Cost per KW of Installed Capacity (line 20 / 5)	411.0718	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	20,333	0
24	Water for Power	796,498	0
25	Hydraulic Expenses	53,221	0
26	Electric Expenses	177,634	0
27	Misc Hydraulic Power Generation Expenses	152,709	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	51,699	0
30	Maintenance of Structures	116,666	0
31	Maintenance of Reservoirs, Dams, and Waterways	97,735	0
32	Maintenance of Electric Plant	368,994	0
33	Maintenance of Misc Hydraulic Plant	33,125	0
34	Total Production Expenses (total 23 thru 33)	1,868,614	0
35	Expenses per net KWh	0.0129	0.0000

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	INTERNAL COMBUSTION					
2						
3						
4	Manistique	1960	4.80	5.0	3,341	600,974
5						
6						
7						
8						
9						
10						
11						
12						
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14						
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Name of Respondent  
Edison Sault Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
04/19/2010

Year/Period of Report  
End of 2009/Q4

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
						3
120,195	64,537	439,215	113,818	oil		4
						5
						6
						7
						8
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						10
						11
						12
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Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report End of 2009/Q4
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Evergreen	Distribution	69.00	13.00	
2	Valley	Distribution	69.00	13.00	
3	Manistique	Distribution	69.00	13.00	
4	East Portage (Sault)	Distribution	69.00	13.00	
5	Straits Sub (St. Ignace)	Distribution	69.00	13.00	
6	St. Ignace	Distribution	69.00	13.00	
7	Three Mile Road (Sault)	Distribution	69.00	13.00	
8	Glen Jenks	Distribution	69.00	13.00	
9	Rexton	Distribution	69.00	4.00	
10	7 Substations at Various Locations:	Distribution	69.00	13.00	
11	Curtis, Trout Lake, Tone Road, Pine Grove				
12	Rockview, Kinross-1, Kinross-2				
13					
14	East Portage (Sault)	Generation/Transmiss	69.00	4.00	
15	Magazine St. (Sault)	Generation/Transmiss	69.00	13.00	
16	Manistique	Generation/Transmiss	69.00	4.00	
17					
18					
19					
20					
21					
22					
23	Note: All substations are unattended				
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total		897.00	142.00	

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report End of 2009/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

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

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
10	1		None			1
10	1	4	None			2
10	1		None			3
15	1		None			4
10	1		None			5
15	1		None			6
10	1		None			7
10	1	1	None			8
.4	2	1	None			9
23	10	10	None			10
						11
						12
						13
30	2		None			14
10	1		None			15
8	1		None			16
						17
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						21
						22
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						38
						39
161.4	24	16				40

**TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES**

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	<b>Non-power Goods or Services Provided by Affiliated</b>			
2	Interest Expense	WEC	430	989,766
3	Audit Charges	WEC	923	87,319
4	Employee Benefits	WEC	926	145,487
5	Administrative Services	WEC	Various	172,037
6	Dividends	WEC	438	2,000,000
7				
8				
9	Tree Trimming Services	NTS	593	270,189
10				
11				
12	Hydro Plant Operations	We Energies	581 & 538	147,764
13	Insurance Charges	We Energies	924 & 925	167,726
14	Administrative Services	We Energies	Various	211,439
15				
16				
17				
18				
19				
20	<b>Non-power Goods or Services Provided for Affiliate</b>			
21	Employee Benefits	WEC	926	402,950
22				
23				
24				
25				
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Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report 2009/Q4
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 68 Column: b**

Stock Options

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/19/2010	2009/Q4
FOOTNOTE DATA			

**Schedule Page: 234 Line No.: 7 Column: b**

EDISON SAULT ELECTRIC COMPANY

Accumulated Deferred Income Taxes (Account 190)

Line 7: Other

Account	Balance at Beginning of Year	Balance at End of Year
Miscellaneous Expenses	40,966	1,660,298
PSCR Refunds	0	1,382,427
Non-Operating	0	(1,651,991)
<b>Total Line 7</b>	<b>40,966</b>	<b>1,390,734</b>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/19/2010	2009/Q4
FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 29 Column: b**  
**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME**  
**FOR FEDERAL INCOME TAXES**

Particulars (a)	Amount
Net Income for the Year	4,698,564
Reconciling items for the year:	
Taxable Income Not Reported on Books:	
CIAC Customer	73,203
Advances	
Contributions in Aid of Construction - Tax	187,196
Wisconsin Franchise Tax Accrued	176,929
Total	437,328
Deductions Recorded on Books Not Deducted for Return:	
Provision for Deferred Taxes (Federal and State)	5,309,852
Deferred Compensation - Executive Deferred Benefit Plans	66,295
Stock Options Expense	120,391
Section 263A Capitalizations	3,294
Medical/Dental Expense - VEBA FAS 106	95,078
Meals and Entertainment Expense Disallowed	8,000
Total	5,602,910
Income Recorded on Books Not Included in Return:	
Federal and State Income Taxes (Current)	507,525
Partnership Income/Loss - Books	7,193,783
Officers' Life Insurance Cash Surrender Value	3,539
Investment Tax Credit - Net	36,079
Total	7,740,926
Deductions on Return not Charged Against Book Income:	
Tax Depreciation in Excess of Book Depreciation	1,740,471
Pension Accrual - FASB 87	5,137,493
Deferred Compensation - Directors	16,418
Deferred Compensation - Directors Implicit Earnings	34,453
Prior Year Expense Recorded on Books - EPA Clean-up	63,600
Real Estate Tax - Excess Accrual	32,777
PSCR Refunds	271,283
Section 199 Domestic Production Deduction	158,000
ATC - Federal Taxable Income	1,723,884
Energy Optimization	27,236
Prepaid Insurance	8,882
State Tax Deduction - Return to Provision True-up	20,030
State Income Tax	572
Refunds	
Total	9,235,099
Federal Tax Net Income	(6,237,223)
Tax @ 35%	(2,183,028)
Adjustment to Prior Year's Taxes	1,415,872
Net Tax Accrual	(767,156)

Edison Sault Electric Company is a member of a consolidated group of companies/members filing a consolidated federal income tax return for the period ended 12/31/09 with its ultimate parent: Wisconsin Energy Corporation. The tax liability of each company/member of the consolidated tax return is as if separate returns were filed by each of the individual companies/members.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/19/2010	2009/Q4
FOOTNOTE DATA			

**Schedule Page: 262 Line No.: 2 Column: a**

Tax rates effective for the year 2009

Federal Income Tax Rate 35%

**Schedule Page: 262 Line No.: 15 Column: a**

Tax rates effective for year 2009

Wisconsin State Franchise Tax Rate-Statutory	7.9%
Apportioned Wisconsin State Franchise Tax Rate	7.5424%

A single factor Wisconsin Apportionment Rate of 95.4740% was applied for 2009.

Name of Respondent Edison Sault Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/19/2010	Year/Period of Report 2009/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 8 Column: a

**Edison Sault  
Electric Company  
Accumulated Deferred Income Taxes - Other  
(Acct. 283)**

Line 8 - Other

Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
		Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
Pension - Federal	2,910,598	1,889,409	1,771,286
Pension - State	93,365	563,347	241,614
PSCR Refunds - Federal	(400,208)	629	1,091,649
PSCR Refunds - State	(12,838)	56,322	247,862
Energy Optimization - Federal	0	9,723	190
Energy Optimization - State	0	1,332	26
Non-Operating - State	0		
<b>Total Line 8</b>	<b>2,590,917</b>	<b>2,520,762</b>	<b>3,352,627</b>

Account (a)	CHANGES DURING YEAR		ADJUSTMENTS	
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits	
			Account Credited (g)	Amount (h)
Pension - Federal				0
Pension - State				0
PSCR Refunds - Federal			190	0
PSCR Refunds - State			190	13,431
Energy Optimization - Federal				0
Energy Optimization - State				0
Non-Operating - State	6,216,026	6,887,558	190	172,778
<b>Total Line 8</b>	<b>6,216,026</b>	<b>6,887,558</b>		<b>186,209</b>

Account (a)	ADJUSTMENTS		Balance at End of Year (k)
	Credits		
	Account Debited (i)	Amount (j)	
Pension - Federal			3,028,721
Pension - State			415,098
PSCR Refunds - Federal	190	1,491,228	0
PSCR Refunds - State	190	217,809	0
Energy Optimization - Federal			9,533
Energy Optimization - State			1,306
Non-Operating - State	190	185,449	(658,861)
<b>Total Line 8</b>		<b>1,894,486</b>	<b>2,795,797</b>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/19/2010	2009/Q4
FOOTNOTE DATA			

**Schedule Page: 332 Line No.: 1 Column: a**

1a--Edison Sault Electric Company is a partial owner of ATC. These charges are a combination of both ATC and MISO (Midwest Independent System Operator) charges.

1g--Charges for network transmission services and associated ancillary services. Transmission charges of purchased power suppliers have been included in account 555.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/19/2010	2009/Q4
FOOTNOTE DATA			

**Schedule Page: 398 Line No.: 3 Column: c**

Ancillary services are included in purchased power expenses & are not seperately identified.

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**LIST OF SCHEDULES (Electric Utility) (Continued)**

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
<b>MPSC SCHEDULES</b>		
Security Holders and Voting Powers	M 106 - 107	107 NA
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Plant Acquisition Adjustments and Accumulated Provision for Amortization of Plant Acquisition Adjustments	215	NA
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Accumulated Provision for Uncollectible Accounts – Credit	226 A	
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Deferred Losses from Disposition of Utility Plant	235 A – B	NA
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SECURITY HOLDERS AND VOTING POWERS	
<p>1.(A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>(B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondents of each officer and director not included in the list of 10 largest security holders.</p>	<p>2. If any security other than stock carries voting rights, explain in a footnote statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>

  

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:	3. Give the date and place of such meeting:
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Line No.	Name (Title) and Address of Security Holder  (a)	VOTING SECURITIES			
		Number of votes as of (date): December 31, 2004			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	673,929	673,929		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below	673,929	673,929		
7	Wisconsin Energy Corporation (Parent)	673,929	673,929		
8					
9					
10					
11					
12					
13					
14					
15					
16					
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28					

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2010	Dec. 31, 2009

RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

- Report on this page the charges to accounts 410, 411, and 420 reported in the contra accounts 190, 281, 282, 283, and 284.
- The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals on this page. In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on this page, then provide the additional information requested in instruction #3, on a separate page.
- (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on this page.  
  
(b) Identify all contra accounts (other than accounts 190 and 281-284).  
  
(c) Identify the company's regulatory authority to utilize a contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Line No.		ELECTRIC UTILITY	GAS UTILITY
1	Debits to Account 410 from:		
2	Account 190	1,802,830	
3	Account 281	-	
4	Account 282	17,790	
5	Account 283	4,787,352	
6	Account 284		
7	Reconciling Adjustments		
8	TOTAL Account 410.1 (on pages 114-115, line 14)	\$ 6,607,972	\$ -
9	TOTAL Account 410.2 (on page 117, line 45)		
10	Credits to Account 411 from:		
11	Account 190	2,802,452	
12	Account 281	0	
13	Account 282	12,386	
14	Account 283	3,565,017	
15	Account 284		
16	Reconciling Adjustments		
17	TOTAL Account 411.1 (on pages 114-115, line 15)	\$ 6,379,855	\$ -
18	TOTAL Account 411.2 (on page 117, line 46)		
19	Net ITC Adjustment		
20	ITC Utilized for the Year - Debits		
21	ITC Amortized for the Year - Credits	26,142	
22	ITC Adjustments:		
23	Adjust last year's estimate to actual per filed return	-	
24	Other (specify)	-	
25	Net Reconciling Adjustments Account 411.4 (on pages 114-115, line 16)	\$ 26,142	\$ -
26	Net Reconciling Adjustments Account 411.5 (on page 117, line 47)		
27	Net Reconciling Adjustments Account 420 (on page 117, line 48)		

Name of Respondent	This Report Is:	Date of Report	Year of Report
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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE (Continued)

OTHER UTILITY	TOTAL UTILITY	OTHER INCOME	TOTAL COMPANY	Line No.
	1,802,830	3,366,897	5,169,727	1
	17,790	32,167	49,957	2
	4,787,352	14,504,186	19,291,538	3
				4
				5
				6
				7
\$ -	\$ 6,607,972			8
		\$ 17,903,250		9
	2,802,452	2,513,136	5,315,588	10
	12,386	30,106	42,492	11
	3,565,017	10,278,273	13,843,290	12
				13
				14
				15
				16
\$ -	\$ 6,379,855			17
		\$ 12,821,515		18
	26,142	9,937	\$ 36,079	19
				20
				21
				22
				23
				24
\$ -	\$ 26,142	\$ -		25
		\$ 9,937		26
		\$ -		27



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CONTSTRUCTION OVERHEADS - ELECTRIC

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for the 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.	Item (a)	Amount (b)
1	Administrative and General Overheads	
2	Salaries and Office Supplies	529,188
3	Injuries and Damages	25,300
4	Employee Benefits	305,300
5	Pensions	70,900
6	Outside Services	1,300
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
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19		
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39		
40	TOTAL	931,988

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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE			
<p>1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.</p> <p>2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.</p>			
<p><b>A &amp; G SALARIES AND EXPENSES:</b> Employees whose time is charged to A &amp; G accounts annually review the amount of time applicable to construction. This is the amount that is applied to construction work orders. In addition, the ratio of this time to total A &amp; G payroll is applied to A &amp; G expenses to determine the amount of A &amp; G expenses to be applied to construction work orders.</p> <p><b>OUTSIDE SERVICES:</b> Applicable to charges associated with the pension and thrift savings plan which are payroll related. The amount applied is based on the ratio of construction payroll to total payroll.</p> <p><b>INJURIES AND DAMAGES AND EMPLOYEE BENEFITS</b> In order to charge construction with liability hospitalization, and life insurance as well as funded pension cost the ratio of construction payroll to total payroll is applied to these accounts and charged to construction work orders.</p> <p><b>ALLOWANCE FOR FUNDS:</b> Charged to all projects that exceed \$ 50,000 and where on-site construction is required for a period of six months or more.</p>			

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2010	Year of Report December 31, 2009
NONUTILITY PROPERTY (Account 121)				
<p>1. Give a brief description and state the location of non utility property included in Account 121.</p> <p>2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.</p> <p>3. Furnish particulars (details) concerning sales, purchases or transfers of Nonutility Property during the year.</p> <p>4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.</p> <p>5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, (line 44), or (2) other nonutility property (line 45).</p>				
Line No.	Description and Location (a)	Balance at Beg. of Year (b)	Purch., Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	138 kv Right of Way (Per 1976 FPC Audit)	7,159		7,159
2	10 Small Land Parcels	3,656		3,656
3	Land Parcel - St. Ignace	1,653		1,653
4	Easement - Sault Division	1,400		1,400
5	Minor Land Parcels	268		268
6	Dafter Land Parcels	37,336		37,336
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34	TOTAL	\$51,472	--	\$51,472

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)		
Report below the information called for concerning depreciation and amortization of nonutility property		
Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	-
2	Accruals for Year, Charged to:	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6	(425) Amortization Expense NonUtility Property	-
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	-
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	-
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	-
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	-

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INVESTMENTS (Accounts 123, 124, 136)

- Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
- Provide a subheading for each account and list thereunder the information called for:
  - Investment in Securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
  - Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account.

Line No.	Description of Investment  (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.)  (b)	Purchases or Additions During Year  (c)
1	Account 124		
2			
3	Cash Surrender Value of Life	732,350	49,026
4	Insurance Policies		
5			
6			
7	ATC - Other Investments	33,166,638	10,431,809
8			
9	TOTAL	33,898,988	10,480,835
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
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21			
22			
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28			
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30			
31			
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41			
42	TOTAL	33,898,988	10,480,835

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2010	Year of Report December 31, 2009		
INVESTMENTS (Accounts 123, 124, 136) (Continued)					
<p>Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.</p> <p>3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</p>					
Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (f)	Revenues for Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
0		781,376			1
					2
					3
					4
					5
5,707,883		37,890,564			6
					7
5,707,883		38,671,940			8
					9
					10
					11
					12
					13
					14
					15
					16
					17
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					19
					20
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					25
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					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40
					41
5,707,883	0	38,671,940	0	0	42

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2010	Year of Report December 31, 2009
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**NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET**

Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).

Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)	\$ 5,468,716	\$ 5,729,833
3	Other Accounts Receivable (Account 143)* (Disclose any capital stock subscriptions received)	23,893	15,158
4	TOTAL	\$ 5,492,609	\$ 5,744,991
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	32,000	32,000
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	\$5,460,609	\$ 5,712,991
7			
8	*Account 143-Receivables from Directors, Officers, and Employees	\$ 23,893	\$ 15,158
9			
10			
11			
12			
13			
14			

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

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

Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	\$ 32,000				\$ 32,000
2	Prov for uncollectibles for current year	172,981				172,981
3	Accounts written off	(245,108)				(245,108)
4	Coll. Of accounts written off					
5	Adjustments (explain): Recoveries -----	72,127				72,127
6	Balance end of year	\$ 32,000				\$ 32,000
7						
8						
9						
10						
11						

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2010	Dec. 31, 2009

**RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145,146)**

1. Report particulars of notes and accounts receivable from associated companies* at end of year.	4. If any note was received in satisfaction of an open account, state the period covered by such open account.
2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.	5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.
3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.	6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

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

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Account 146					
2	Northern Tree Service	514	14,246	11,979	2,781	--
3	Wisconsin Energy Corporation	--	554,926	509,550	45,376	
4						
5						
6						
7						
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32						
33						
34	<b>TOTAL</b>	<b>514</b>	<b>569,172</b>	<b>521,529</b>	<b>48,157</b>	<b>--</b>

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PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)				
<p>1. Report below the information called for concerning production fuel and oil stock.</p> <p>2. Show quantities in tons of 2000 lb. Barrels (42 gals.) or Mcf., whichever unit of quantity is applicable.</p> <p>3. Each kind of coal or oil should be shown separately.</p> <p>4. If the respondent obtained any of its fuel from its own coal mines or oil or gas lands or leases or from affiliated companies, a statement should be submitted showing the quantity of such fuel so obtained, the quantity used and quantity on hand, and cost of the fuel classified as to the nature of the costs and expenses incurred with appropriate adjustment for the inventories at beginning and end of year.</p>				
Line No.	Item (a)	Total Cost (b)	KINDS OF FUEL AND OIL	
			Quantity (c)	Cost (d)
1	On hand beginning of year	50,378	438	50,378
2	Received during year	419,133	5,917	419,133
3	TOTAL	469,511	6,355	469,511
4				
5	Used during year (specify department)			
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17	Diesel Fuel Used	439,215	6,202	439,215
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37	Sold or transferred			
38				
39	TOTAL DISPOSED OF	439,215	6,202	439,215
40	BALANCE END OF YEAR	30,296	153	30,296



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CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON  
CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK  
(Accounts 202 & 205, 203 & 206, 207, 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, *Common Stock Subscribed*, and Account 205, *Preferred Stock Subscribed*, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed.
- under Account 203, *Common Stock Liability for Conversion*, or Account 206, *Preferred Stock Liability for Conversion*, at the end of the year.
4. For Premium on Account 207, *Capital Stock*, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	<b>Account 207-Premium on Capital Stock</b>		
2			
3	Premium on Common Stock issued in connection with		
4	conversion of 12,000 shares of 4-3/4% convertible		
5	Preferred Stock on April 24, 1963.	17,391	213,040
6			
7	Premium on Common Stock issued in connection with		
8	conversion of 5,000 shares of 4-3/4% convertible		
9	Preferred Stock on December 8, 1964.	7,246	88,770
10			
11	Premium on Common Stock issued in connection with		
12	conversion of 14,000 shares of 5-3/4% convertible		
13	Preferred Stock on December 8, 1964.	16,666	266,670
14			
15	Premium on Common Stock issued in connection with		
16	conversion of 1,000 shares of 4-3/4% convertible		
17	Preferred Stock on April 13, 1966.	1,449	17,755
18			
19	Premium on Common Stock issued in connection with		
20	conversion of 6,000 shares of 4-3/4% convertible		
21	Preferred Stock on April 24, 1973.	12,500	87,500
22			
23	Premium on Common Stock issued in connection with		
24	conversion of 14,000 shares of 5-3/4% convertible		
25	Preferred Stock on July 31, 1985.	28,700	\$ 206,500
26			
27	Premium on Common Stock issued in connection with		
28	the Dividend Reinvestment and Common Stock Purchase		
29	Plan during:		
30	1980	4,993	24,390
31	1981	20,545	86,129
32	1982	23,142	102,403
33	1983	28,231	188,440
34	1984	14,504	119,856
35	1988	15,749	319,045
36			
37			
38			
39			
40	<b>TOTAL</b>	191,116	1,720,498

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2010	Year of Report December 31, 2009												
SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR															
<p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p> <p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p>															
<table border="0" style="width: 100%;"> <tr> <td colspan="4">Retire Long-Term Debt:</td> </tr> <tr> <td style="width: 40%;">Dr. 223 Long-Term Debt (6.886%)</td> <td style="width: 20%; text-align: right;">1,000,000</td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>Cr. 131 Cash</td> <td></td> <td></td> <td style="text-align: right;">1,000,000</td> </tr> </table>				Retire Long-Term Debt:				Dr. 223 Long-Term Debt (6.886%)	1,000,000			Cr. 131 Cash			1,000,000
Retire Long-Term Debt:															
Dr. 223 Long-Term Debt (6.886%)	1,000,000														
Cr. 131 Cash			1,000,000												

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2010	Dec. 31, 2009

**PAYABLES TO ASSOCIATED COMPANIES\* (Accounts 233,234)**

- |  |   |
|--|---|
| <p>1. Report particulars of notes and accounts payable to associated companies at end of year.</p> <p>2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.</p> <p>3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.</p> | <p>4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.</p> <p>5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.</p> <p>* See definition on page 226B</p> |
|--|---|

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2						
3	WEC (Parent Company)					
4						
6	Long-Term Notes Payable					
7	(Interest Rate 6.886%)	9,500,000	1,000,000	--	8,500,000	309,773
9						
10	Long-Term Notes Payable					
11	Current Portion	1,000,000	--	--	1,000,000	--
12						
13	Short-Term Notes Payable					
14	Daily Negotiated Rate	3,000,000	6,600,000	11,800,000	8,200,000	679,993
15	<b>TOTAL Accounts 223, 231 &amp; 233</b>	<b>\$ 13,500,000</b>	<b>\$ 7,600,000</b>	<b>\$11,800,000</b>	<b>\$ 17,700,000</b>	<b>\$ 989,766</b>
16						
17						
18						
19	WEC (Parent Company):					
20	Intercompany Transactions	54,153	458,994	404,843	2	
21	Interest Short-Term Notes	17,567	297,815	309,773	29,525	
22	Interest Long-Term Notes	180,761	697,208	679,993	163,546	
23	Dividend Payable	--	2,000,000	2,000,000	--	
24	Total	252,481	3,454,017	3,394,609	193,073	
25						
26	Northern Tree Svc. (Sub of Parent):					
27	Intercompany Transactions	--	--	--	--	
28	Services	9,911	280,100	270,189	--	
29	Total	9,911	280,100	270,189	--	
30						
31	Wisconsin Electric (Sub.of Parent):					
32	Purchased Power Costs	3,309,231	36,962,153	38,091,273	4,438,351	
33	Transmission of Electricity by Other	90,467	592,617	538,110	35,960	
34	Intercompany Transactions	112,042	429,395	526,929	209,576	
35	Construction	--	--	--	--	
36	Total	3,511,740	37,984,165	39,156,312	4,683,887	
37						
38	<b>TOTAL ACCOUNT 234</b>	<b>3,774,132</b>	<b>41,718,282</b>	<b>42,821,110</b>	<b>4,876,960</b>	
39						
40						
41						
42	<b>TOTAL</b>	<b>\$ 17,274,132</b>	<b>\$ 49,318,282</b>	<b>\$54,621,110</b>	<b>\$ 22,576,960</b>	<b>\$ 989,766</b>

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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)			
1. Give description and amount of other current and accrued liabilities as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Accrued Professional Fees	102,000	
2	Various Payroll Deduction Plans	381,603	
3	Unclaimed Property	3,475	
4	Special A & G Projects	50,000	
5	Current Pension Liabililty	56,306	
6	Current OPEB Liability	234,487	
7			
8			
9			
10			
11			
12			
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14			
15			
16			
17			
18			
19			
20	TOTAL	827,871	

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)			
Line No.	List advances by department (a)	Balance End of Year (b)	
21	Electric:		
22	Residential	306,391	
23	Commercial	236,019	
24			
25			
26			
27			
28			
29			
30			
31			
32			
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35			
36			
37			
38			
39			
40	TOTAL	542,410	

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<b>PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS (415, 416, 417, 417.1, 418, 418.1, 419, 421)</b>			
<p>1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.</p> <p>2. <b>Merchandising, Jobbing and Contract Work (Accounts 415 and 416)</b> - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.</p> <p>3. <b>Nonutility Operations (Accounts 417 and 417.1)</b> - Describe each nonutility operations and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.</p> <p>4. <b>Nonoperating Rental Income (Account 418)</b> - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income, before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.</p> <p>5. <b>Equity in earnings of subsidiary companies (Account 418.1)</b> - Report the utility's equity in the earnings or losses of each subsidiary company for the year.</p> <p>6. <b>Interest and Dividend Income (Account 419)</b> - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.</p> <p>7. <b>Miscellaneous Nonoperating Income (Account 421)</b> - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.</p>			
Line No.	Item (a)	Amount (b)	
1			
2	Account 419 - Interest and Dividend Income	4,811	
3			
4	Account 421 - Other Income		
5	American Transmission Company	7,201,632	
6	Miscellaneous-Other Income	(7,849)	
7			
8			
9			
10			
11			
12			
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15			
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39			
40	TOTAL	7,198,594	

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**CUSTOMER CHOICE ELECTRIC OPERATING REVENUES**

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

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Customer Choice Sales of Electricity		
2	Residential Sales		
3	Commercial and Industrial Sales		
4	Small (or Commercial)	N/A	
5	Large (or Industrial)		
6		** Please refer to Footnote B, Utility Regulation	
7			
8			
9			
10			
11			
12	TOTAL Customer Choice Sales		
13			
14			
15	TOTAL Sales of Electricity		
16			
17			
18	TOTAL Revenue Net of Provision for Refunds		
19	Other Operating Revenues		
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30	TOTAL Other Operating Revenues		
31			
32	TOTAL Electric Operating Revenues		

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**CUSTOMER CHOICE SALES OF ELECTRICITY BY RATE SCHEDULES**

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

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1	N/A  ** Please Refer to Footnote B, Utility Regulation					
2						
3						
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42						
43						
44	Total Billed					
45	Total Unbilled Rev. (See Instr. 6)					
46	TOTAL					

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SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)					
<p>1. Report particulars concerning sales included in Accounts 446 and 448.</p> <p>2. For Sales to Railroads and Railways, Account 446, give name of railroad or railway in addition to other required information. If contract covers several points of delivery and small amounts of electricity are delivered at each point, such sales may be grouped.</p> <p>3. For Interdepartmental Sales, Account 448, give name of other department and basis of charge to other department in addition to other required information.</p> <p>4. Designate associated companies.</p> <p>5. Provide subheading and total for each account.</p>					
Line No.	Item (a)	Point of Delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kwh (in cents) (e)
1 2 3 4 5 6 7 8 9 10 11 12 13 14				N/A	
RENT FROM ELECTRIC PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 454, 455)					
<p>1. Report particulars concerning rents received included in Accounts 454 and 455.</p> <p>2. Minor rents may be grouped by classes.</p> <p>3. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 or 455.</p> <p>4. Designate if lessee is an associated company.</p> <p>5. Provide a subheading and total for each account.</p>					
Line No.	Name of Lessee or Department (a)	Description of Property (b)		Amount of Revenue for Year (c)	
16 17 18 19 20 21 22 23 24 25 26 27 28 29	Various Pole Attachments			88,453	
				\$ 88,453	



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SALES OF WATER AND WATER POWER (Account 453)				
<p>1. Report below the information called for concerning revenues derived during the year from sales to others of water or water power.</p> <p>2. In column (c) show the name of the power development of the respondent supplying the water or water power sold.</p> <p>3. Designate associated companies.</p>				
Line No.	Name of Purchaser (a)	Purpose for Which Water Was Used (b)	Power Plant Development Supplying Water or Water Power (c)	Amount of Revenue for Year (d)
1			N/A	
2				
3				
4				
5				
6				
7				
8				
9				
10	Total			-
MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)				
<p>1. Report particulars concerning miscellaneous service revenues and other electric revenues derived from electric utility operations during year. Report separately in this schedule the total revenues from operation of fish and wildlife and recreation facilities, regardless of whether such facilities are operated by company or by contract concessionaires. Provide a subheading and total for each account. For Account 456, list first revenues realized through Research and Development ventures, see Account 456.</p> <p>2. Designate associated companies.</p> <p>3. Minor items may be grouped by classes.</p>				
Line No.	Name of Company and Description of Service (a)	Amount of Revenue for Year (b)		
11	Reconnect Fees	25,453		
12	Net Income from Temporary Facilities Charges	3,538		
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Total	28,991		

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2010	Year of Report December 31, 2009
LEASE RENTALS CHARGED				
<p>1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.</p> <p>2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000 the data called for in columns a, b (<i>description only</i>), f, g, and j.</p> <p>3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.</p> <p>4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.</p> <p>5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (<i>description only</i>), f, g, and j, unless the lessee has the option to purchase the property.</p> <p>6. In column (a) report the name of the lessor. List lessors which are associated companies * (describing association) first, followed by non-associated lessors.</p> <p>7. In column (b) for each leasing arrangement, report in order, classified by generating station, transmission line, distribution system, large substation, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:</p>				
A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES				
Line No.	Name of Lessor  (a)	Basic Details of Lease  (b)	Terminal Dates of Lease, Primary (P) or Renewal (R)  (c)	
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40	United States of America	Lease of any surplus water available to the United States in the St. Marys River, Sault Ste. Marie, Michigan, which is not required for the operations of facilities owned by the United States	12/31/2075	

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/2010		Year of Report December 31, 2009		
LEASE RENTALS CHARGED (Continued)								
<p>Description of the property, whether lease is a sale and leaseback, whether lease 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, which ever occurs first.</p> <p>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.</p> <p>9. Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancellable leases will not be cancelled when estimating the remaining charges.</p> <p>* See definition on page 226(B).</p>								
A. LEASE RENTALS CHARGED TO ELECTRIC OPERATING EXPENSES								
Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)	Line No.
		Current Year		Accumulated to Date				
		Lessor (f)	Other (g)	Lessor (h)	Other (i)			
N/A	None	796,498		18,444,735		200,000 min per yr	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40	

Name of Respondent Edison Sault Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2010	Year of Report December 31, 2009
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**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS**

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

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

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

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

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

Line No.	Item (a)	Amount (b)
1	ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS	
2		
3	DONATIONS-426.1	
4		
5	United Way	12,950
6	Miscellaneous (Under \$ 1,000)	10,248
7	Chippewa County Fair	2,725
8	Mackinac Straits Hospital	1,250
9	Sault Tribe	1,000
10		
11		
12	OTHER DEDUCTIONS-426.1	
13		
14	Sport Teams	3208
15		
16	Total 426.1	31,381
17		
18		
19	PSCR Refund Interest-426.2	28,735
20	Life Insurance-426.3	75,925
21	Life Insurance/Loan Insurance-426.6	24,600
22		
23		
24		
25	TOTAL ACCOUNT 426	160,641
26		
27		
28	ACCOUNT 430	
29	Interest WEC Short-Term Debt (4.390% to 5.794%)	309,773
30	Interest WEC Long-Term Debt (6.886%)	679,993
31		
32	TOTAL ACCOUNT 430	989,766
33		
34	ACCOUNT 431	
35	Cust Dep Interest (Residential 7%, Commercial 7%)	9,883
36		
37	TOTAL ACCOUNT 431	9,883
38		
39		
40		
41		
42		
43		
44		
45		

Name of Respondent Edison Sault Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2010	Year of Report December 31, 2009
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.)</p> <p>(a) Name and address of person or organization rendering services,  (b) description of services received during year and project or case to which services relate,  (c) basis of charges,  (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>				
Line No.	Paid to (Name and Address) (a)	Description of Service Rendered (b)	Account Charged (c)	Amount (d)
1	Dykema Gossett PLLC	Legal Services	928	44,986
2	Chicago, IL 60674			
3				
4	David Tarsi, LLC	Engineering Services	101 & 925	30,502
5	Iron River, MI 49935			
6				
7	Open Systems International	Engineering Services	101	146,759
8	Minneapolis, MN 55447-1286			
9				
10	Trimedia Consultants	Engineering Services	923	43,428
11	Marquette, MI 49855			
12				
13				
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35				
36	TOTAL			\$ 265,675

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2010	Dec. 31, 2009

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Northern Tree Service, Inc.	Sub of Parent	Administrative & General:		
2			Overheads	923,926	\$ 2,800
3	Northern Tree Service, Inc.	Sub of Parent	Labor Charges	920	3,393
4	Northern Tree Service, Inc.	Sub of Parent	Communication Charges	932	3,790
5	Northern Tree Service, Inc.	Sub of Parent	Transportation Charges	925	624
6	Northern Tree Service, Inc.	Sub of Parent	Misc O & M Expense	932	2,929
7					
8					
9					
10			Subtotal		13,536
11					
12					
13					
14					
15					
16	Wisconsin Energy Corporation	Parent Company	Employee Benefits		
17					
18					
19					
20					
21					
22			Total		13,536
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
TOTAL					\$ 13,536

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2010	Dec. 31, 2009

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the accounts in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the accounts in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				\$ 2,800	Cost	1
				3,393	Cost	2
				3,790	Cost	3
				624	Cost	4
				2,929	Cost	5
						6
						7
						8
				13,536	Total	9
						10
						11
						12
						13
						14
		234	402,950	402,950		15
						16
						17
						18
						19
						20
			402,950	416,486	Total	21
						22
						23
						24
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	\$0		\$805,900	\$416,486		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(MO, Da, Yr) 04/30/2010	Dec. 31, 2009

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Wisconsin Energy Corporation	Parent Company	Short-Term/Long-Term Debt Transactions		-
2			Interest on Above Notes		
3			Dividend to Parent		
4					
5					
6			Allocation of Charges	923 & 926	404,843
7					
8			<b>Total</b>		\$ 404,843
9					
10	Northern Tree Service, Inc.	Sub Of Parent	Tree Trimming Services	593	270,189
11					
12			Radio Tower Rent	583 & 903	4,200
13					
14			<b>Total</b>	\$ 274,389	
15					
16	Wisconsin Electric	Sub Of Parent	Allocation Costs	Various O & M Expenses	526,929
17					
18			Purchased Power Costs	555	38,091,273
19					
20			Trans Elec of Others	565	538,110
21			<b>Total</b>	\$ 39,156,312	
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
<b>TOTAL</b>					\$ 39,835,544



Name of Respondent	This Report Is:	Date of Report	Year of Report
Edison Sault Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/30/2010	Dec. 31, 2009

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the accounts in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the accounts in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
		233	11,800,000	11,800,000	Cost	1
430	989,766			989,766	Cost	2
			2,000,000	2,000,000	Cost	3
				404,843	Cost	4
					Cost	5
					Cost	6
					Cost	7
	\$ 989,766		\$ 13,800,000	\$ 15,194,609	Total	8
				270,189	Cost	9
				4,200	Cost	10
					Cost	11
	\$ -		\$ -	\$ 274,389	Total	12
					Cost	13
					Cost	14
					Cost	15
					Cost	16
					Cost	17
					Cost	18
				38,091,273	Cost	19
					Cost	20
				538,110	Cost	21
					Cost	22
	\$ -		\$ -	\$ 39,156,312	Total	23
					Cost	24
					Cost	25
					Cost	26
					Cost	27
					Cost	28
					Cost	29
					Cost	30
					Cost	31
					Cost	32
					Cost	33
					Cost	34
					Cost	35
					Cost	36
					Cost	37
	\$ 989,766		\$ 13,800,000	\$ 54,625,310		

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HYDROELECTRIC GENERATING PLANTS

- Report on this page Hyrdo plants of 10,000 Kw (name plate rating) or more of installed capacity.
- Report the information called for concerning generating plants and equipment at year end. Show associated prime movers and generators on the same line.
- Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.
- Designate any plant or portion thereof for which the responsibility is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.
- Designate any plant or portion thereof leased to another company, and give name of lessee, date and term of lease and annual rent, and how determined. Specify whether lessee is an associated company.
- Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

Line No.	Name of Plant	Location	Name of Stream	Water Wheels <i>(In column (e), indicate whether horizontal or vertical. Also indicate type of runner--Francis (F), fixed propeller (FP, automatically adjustable propeller (AP), Impulse (I). Designate reversible type units by appropriate footnote.)</i>			
				Attended or Unattended	Type of Unit	Year Installed	Gross Static Head with Pond Full
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Edison Sault Electric Company	Sault Ste. Marie, Michigan	St. Marys River	Attended	F - Horiz.	1901 - 1920	18.0
2				Attended	F - Horiz.	1915	18.0
3				Attended	F - Horiz.	1916	18.0
4				Attended	F - Horiz.	1916	18.0
5				Attended	F - Horiz.	1916	18.0
6				Attended	F - Horiz.	1916	18.0
7			Total AC Units				
8							
9							
10							
11							
12							
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Name of Respondent Edison Sault Electric Company			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission				Date of Report (Mo, Da, Yr) 04/30/2010		Year of Report December 31, 2009		
HYDROELECTRIC GENERATING PLANTS (Continued)											
<p>1. Report on this page Hyrdo plants of 10,000 Kw (name plate rating) or more of installed capacity.</p> <p>2. Report the information called for concerning generating plants and equipment at year end. Show associated prime movers and generators on the same line.</p> <p>3. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.</p> <p>4. Designate any plant or portion thereof for which the responsibility is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.</p> <p>5. Designate any plant or portion thereof leased to another company, and give name of lessee, date and term of lease and annual rent, and how determined. Specify whether lessee is an associated company.</p> <p>6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.</p>											
Water Wheels (Continued)			Generators							Total Installed Generating Capacity  (Name Plate Ratings in MW)	Line No.
Design Head	RPM	Maximum Hp. Capacity of Unit at Design Head	Year Insalled	Voltage	Phase	Frequency or d.c.	Name Plate Rating of Unit (in MW)	No. of Units in Plant			
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)		
18.0	180	600	1963	4,400	3	60	0.585	38	22.23	1	
18.0	180	675	1963	4,400	3	60	0.585	6	3.51	2	
18.0	180	725	1963	4,400	3	60	0.585	10	5.85	3	
18.0	180	725	1916	4,000	3	60	0.480	4	1.92	4	
18.0	180	750	1916	4,000	3	60	0.480	11	5.28	5	
18.0	180	750	1916	4,400	3	60	0.480	4	1.92	6	
								73	40.71	7	
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Name of Respondent Edison Sault Electric Co.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2010	Year of Report Dec. 31, 2009
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**ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS**

1. Report below the information called for concerning distribution watt-hour meters and line transformers. or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent. If 500 or more meters or line transformers are held other than

2. Include watt-hour demand distribution meters, but not external demand meters. by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

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

Line No.	Item (a)	Number of Watt-Hour Meters (b)	LINE TRANSFORMERS	
			Number (c)	Total Capacity (In MVA) (d)
1	Number at Beginning of Year	23,955	10,034	414,775
2	Additions During Year			
3	Purchases	249	111	7,660
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	249	111	7,660
6	Reductions During Year			
7	Retirements	174	40	2,355
8	Associated with Utility Plant Sold			
9	TOTAL Reductions (Enter Total of lines 7 and 8)	174	40	2,355
10	Number at End of Year (Lines 1 + 5 - 9)	24,030	10,105	420,080
11	In Stock	509	592	48,092
12	Locked Meters on Customers' Premises	71		
13	Inactive Transformers on System			
14	In Customers' Use	23,421	9,482	371,100
15	In Company's Use	29	31	888
16	TOTAL End of Year (Enter Total of lines 11 to 15. This line should equal line 10.)	24,030	10,105	420,080