

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.	BORROWER DESIGNATION Michigan Public Service Commission
	BORROWER NAME Michigan Public Service Commission
ENDING DATE 12/31/2007	MAY 02 2008

RECEIVED
Michigan Public Service Commission

CERTIFICATION

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

**REGULATED ENERGY
NEW AUTHORIZATION DIVISION**

A. NRECA uses rural electric system data for legislative regulatory and other purposes. May we provide this report from your system to NRECA?

NRECA YES NO

B. Will you authorize CFC to share your data with other cooperatives?

YES NO

Signature of Office Manager or Accountant: *Patrick Semmer* Date: *4/29/08*

Signature of Manager: *Mark T. ...* Date: *4/29/08*

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital	30,717,676	35,032,654	34,368,942	3,263,677
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	20,229,864	23,311,963	23,114,870	2,027,612
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	1,108,832	1,196,924	1,085,077	96,125
6. Distribution Expense - Maintenance	1,903,289	1,672,765	1,508,693	149,302
7. Consumer Accounts Expense	1,058,915	1,031,180	1,097,450	84,023
8. Customer Service and Informational Expense	744,883	757,574	802,663	64,991
9. Sales Expense	180,692	183,587	170,510	16,639
10. Administrative and General Expense	1,727,916	1,921,121	2,057,507	150,368
11. Total Operation & Maintenance Expense (2 thru 10)	26,954,392	30,075,115	29,836,770	2,589,060
12. Depreciation & Amortization Expense	1,911,446	1,944,809	1,978,300	164,256
13. Tax Expense - Property & Gross Receipts	525,834	736,901	744,000	54,901
14. Tax Expense - Other	76,479	111,013	135,000	(12,132)
15. Interest on Long-Term Debt	1,548,888	1,721,797	1,535,300	142,811
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	163,757	162,854	439,700	32,836
18. Other Deductions	(105,251)	(96,245)	(95,200)	(8,020)
19. Total Cost of Electric Service (11 thru 18)	31,075,545	34,656,243	34,573,870	2,953,712
20. Patronage Capital & Operating Margins (1 minus 19)	(357,869)	376,411	(204,928)	309,965
21. Non Operating Margins - Interest	49,759	53,777	42,000	4,625
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	689,109	177,880	0	177,883
24. Non Operating Margins - Other	129,044	36,160	0	(428)
25. Generation & Transmission Capital Credits	2,465,785	2,170,101	2,160,873	2,170,101
26. Other Capital Credits & Patronage Dividends	188,415	223,189	105,000	600
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	3,164,244	3,037,519	2,102,945	2,662,747

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	274	314	5. Miles Transmission	0	0
2. Services Retired	76	82	6. Miles Distribution		
3. Total Services in Place	27,113	27,335	Overhead	2,914	2,921
4. Idle Services (Exclude Seasonal)	1,804	1,935	7. Miles Distribution Underground	393	403
			8. Total Miles Energized (5+6+7)	3,307	3,323

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION M1026	
		YEAR ENDING	
		12/31/2007	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	72,369,615	28. Memberships	221,408
2. Construction Work in Progress	860,008	29. Patronage Capital	36,943,396
3. Total Utility Plant (1+2)	73,229,623	30. Operating Margins - Prior Years	1,409,229
4. Accum. Provision for Depreciation and Amort	20,973,721	31. Operating Margins - Current Year	376,411
5. Net Utility Plant (3-4)	52,255,902	32. Non-Operating Margins	2,855,089
6. Nonutility Property - Net	3,300	33. Other Margins & Equities	654,069
7. Investment in Subsidiary Companies	7,433,652	34. Total Margins & Equities (28 thru 33)	42,459,603
8. Invest. in Assoc. Org. - Patronage Capital	17,460,095	35. Long-Term Debt CFC (Net)	31,116,823
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,283,236	36. Long-Term Debt - Other (Net)	(1,568,691)
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	
12. Other Investments	0	37. Total Long-Term Debt (35+36)	29,548,131
13. Special Funds	1,312,822	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	27,493,105	39. Accumulated Operating Provisions - Asset Retirement Obligations	1,573,768
15. Cash-General Funds	1,110,290	40. Total Other Noncurrent Liabilities (38+39)	1,573,768
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	5,750,000
17. Special Deposits	0	42. Accounts Payable	2,686,456
18. Temporary Investments	191,117	43. Consumers Deposits	532,256
19. Notes Receivable - Net	125,150	44. Current Maturities Long-Term Debt	1,568,691
20. Accounts Receivable - Net Sales of Energy	5,097,957	45. Current Maturities Long-Term Debt-Economic Dev.	0
21. Accounts Receivable - Net Other	63,909	46. Current Maturities Capital Leases	0
22. Materials & Supplies - Electric and Other	1,136,238	47. Other Current & Accrued Liabilities	1,824,172
23. Prepayments	142,600	48. Total Current & Accrued Liabilities (41 thru 47)	12,361,575
24. Other Current & Accrued Assets	0	49. Deferred Credits	1,809,420
25. Total Current & Accrued Assets (15 thru 24)	7,867,260	50. Total Liabilities & Other Credits (34+37+40+48+49)	87,752,497
26. Deferred Debits	136,230		
27. Total Assets & Other Debits (5+14+25+26)	87,752,497		
		ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
		Balance Beginning of Year	5,776,710
		Amounts Received This Year (Net)	272,484
		TOTAL Contributions-In-Aid-Of-Construction	6,049,194
PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			
Refer to the audit report for notes to the financial statements			

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION				
		YEAR ENDING 12/31/2007				
PART E. CHANGES IN UTILITY PLANT						
ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE OF YEAR (e)	DEPRECIATION RATE % (f)
1. Land and Land Rights (360)	472,805	7,284	0	0	480,089	
2. Structures and improvements (361)	2,527,083	19,359	0	76,138	2,622,581	2.50%
3. Station Equipment (362)	0	0	0	0	0	0.00%
4. Storage Battery Equipment	0	0	0	0	0	0.00%
5. Poles, Towers, and Fixtures (364)	20,313,491	1,075,934	342,662	0	21,046,763	3.00%
6. Overhead Conductors and Devices (365)	13,997,816	1,680,852	238,846	0	15,439,822	2.30%
7. Underground Conduit (366)	141,930	19,060	7,310	0	153,679	2.70%
8. Underground Conductors and Devices (367)	7,026,220	436,723	110,686	0	7,352,257	2.40%
9. Line Transformers (368)	8,159,330	416,393	0	0	8,575,723	2.60%
10. Services (369)	7,443,507	351,329	110,784	0	7,684,053	3.10%
11. Meters (370)	2,712,212	516,538	106,370	0	3,122,380	2.90%
12. Installation on Consumer's Premises (371)	71,191	0	0	0	71,191	3.90%
13. Leased Property on Consumer's Premises (372)	570	0	0	0	570	3.60%
14. Street Lighting (373)	30,847	465	309	0	31,003	3.80%
15. SUBTOTAL: Distribution (1 thru 14)	62,897,001	4,523,938	916,967	76,138	66,580,109	
16. Land and Land Rights (See Line 26.)						
17. Structures and Improvements (See Line 26.)						
18. Office Furniture & Equipment (391)	978,855	36,438	90,959	0	924,333	12.73%
19. Transportation Equipment (392)	2,146,986	276,187	95,429	0	2,327,743	9.11%
20. Stores, Tools, Shop, Garage, and Laboratory Equipment (393, 394, 395)	233,756	4,304	7,804	4,314	234,570	19.24%
21. Power-Operated Equipment (396)	577,682	44,919	117,294	(4,314)	500,993	10.07%
22. Communication Equipment (397)	398,425	16,827	6,352	0	408,900	10.92%
23. Miscellaneous Equipment (398)	39,536	0	0	0	39,536	4.38%
24. Other Tangible Property (399)	0	0	0	0	0	0.00%
25. SUBTOTAL: General Plant (18 thru 24)	4,375,240	378,673	317,838	0	4,436,075	
26. Headquarters Plant (389 & 390)	1,087,870	39,697	884	(76,138)	1,050,545	
27. Intangibles (301, 302, 303)	264,234	38,652	0	0	302,886	
28. Land and Land Rights, Roads and Trails (350, 359)	0	0	0	0	0	
29. Structures and Improvements (352)	0	0	0	0	0	0.00%
30. Station Equipment (353)	0	0	0	0	0	0.00%
31. Towers and Fixtures and Poles and Fixtures (354, 355)	0	0	0	0	0	0.00%
32. Overhead, Conductors, and Devices (356)	0	0	0	0	0	0.00%
33. Underground Conduit (357)	0	0	0	0	0	0.00%
34. Underground Conductor & Devices (358)	0	0	0	0	0	0.00%
35. SUBTOTAL: Transmission Plant (28 thru 34)	0	0	0	0	0	
36. Production Plant - Steam (310-316)	0	0	0	0	0	
37. Production Plant - Nuclear (320-325)	0	0	0	0	0	
38. Production Plant - Hydro (330-336)	0	0	0	0	0	
39. Production Plant - Other (340-346)	0	0	0	0	0	
40. All Other Utility Plant (102, 104-106, 114, 118)	0	0	0	0	0	
41. SUBTOTAL: (15+25+26+27+35 thru 40)	68,624,345	4,980,960	1,235,689	0	72,369,615	
42. Construction Work in Progress (107)	479,159	380,849			860,008	
43. TOTAL UTILITY PLANT (41+42)	69,103,504	5,361,808	1,235,689	0	73,229,623	

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	YEAR ENDING 12/31/2007

PART F. ANALYSIS OF ACCUMULATED PROVISION FOR DEPRECIATION - TOTAL ELECTIC PLANT				
ITEM	DISTRIBUTION PLANT (a)	GENERAL PLANT (b)	TRANSMISSION PLANT (c)	OTHER PLANT (d)
1. Balance Beginning of Year	16,590,406	3,153,309	0	140,558
2. Additions - Depreciation Accruals Charged to:				
a. Depreciation Expense	1,722,779	226,931	0	42,649
b. Clearing Accounts and Others	0	256,684	0	0
c. Subtotal (a+b)	1,722,779	483,615	0	42,649
3. Less - Plant Retirements:				
a. Plant Retired	602,568	245,361	0	0
b. Removal Costs	362,777	0	0	0
c. Subtotal (a+b)	965,345	245,361	0	0
4. Plus Salvaged Materials	51,112	0	0	0
5. TOTAL (2c - 3c +4)	808,546	238,254	0	42,649
6. Other Adjustments - Debit or Credit	0	0	0	0
7. Balance End of Year (1+5+6)	17,398,952	3,391,563	0	183,206

AS OF 12/31/98 CFC NO LONGER REQUIRES SECTIONS "G", "N" AND "P" DATA
Those sections refer to data on, "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and Conservation Data" (P).

PART H. SERVICE INTERRUPTIONS					
ITEM	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	TOTAL (e)
	Power Supplier (a)	Extreme Storm (b)	Preattanged (c)	All Other (d)	
1. Present Year	0.68	0.63	0.13	4.24	5.68
2. Five-Year Average	1.15	8.71	0.07	3.35	13.28

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	77	4. Payroll - Expensed	2,753,216
2. Employee - Hours Worked - Regular Time	147,633	5. Payroll - Capitalized	853,848
3. Employee - Hours Worked - Overtime	6,553	6. Payroll - Other	897,249

PART J. PATRONAGE CAPITAL			PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE	
ITEM	THIS YEAR (a)	CUMULATIVE (b)		
1. General Retirement	499,884	4,619,003	1. Amount Due Over 60 Days: 88,293	
2. Special Retirements	0	303,979	2. Amount Written Off During Year:	
3. Total Retirements (1+2)	499,884	4,922,982		
4. Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	436,878		53,907	
5. Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	147,062			
6. Total Cash Received (4+5)	583,940			

PART L. KWH PURCHASED AND TOTAL COST						
NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	KWH PURCHASED (c)	TOTAL COST (d)	AVERAGE COST PER KWH (cents) (e)	INCLUDED IN TOTAL COST	
					FUEL COST ADJUSTMENT (f)	WHEELING & OTHER CHARGES (or Credits) (g)
1. Wolverine Power Supply		338,888,400	23,063,061	6.81	6,302,919	376,075
2.		0	0	0.00	0	0
3.		0	0	0.00	0	0
4.		0	0	0.00	0	0
5. TOTALS		338,888,400	23,063,061	6.81	6,302,919	376,075

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	YEAR ENDING 12/31/2007

PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.			\$0
2.			
3.			TOTAL \$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000.

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	31,116,823	1,648,221	1,510,042	3,158,264	
2.		0	0	0	0	
3.		0	0	0	0	
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
10.	TOTAL (Sum of 1 thru 9)	\$31,116,823	\$1,648,221	\$1,510,042	\$3,158,264	

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		YEAR ENDING 12/31/2007					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	22,301	22,293	22,289	22,282	22,291	22,285
	b. KWH Sold	19,451,779	18,750,527	17,359,968	15,698,277	15,414,242	18,516,541
	c. Revenue	2,075,489	2,038,575	1,988,169	1,733,756	1,758,645	2,060,709
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	223	220	219	224	229	232
	b. KWH Sold	12,974	6,553	5,774	11,536	29,416	719,940
	c. Revenue	6,267	4,252	4,284	6,081	15,459	108,616
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,631	2,633	2,638	2,640	2,651	2,662
	b. KWH Sold	3,763,752	3,674,046	3,299,794	3,225,779	3,516,869	4,597,288
	c. Revenue	415,735	410,896	400,615	369,045	410,106	511,903
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	4	4	4	4	4	4
	b. KWH Sold	3,753,105	3,378,461	3,600,852	3,592,481	3,793,150	4,005,241
	c. Revenue	253,264	237,088	270,302	243,908	269,579	285,403
6. Public Street & Highway Lighting	a. No. Consumers Served	27	28	28	28	28	28
	b. KWH Sold	10,291	10,255	10,861	10,861	10,861	10,950
	c. Revenue	1,600	1,624	4,050	1,696	425	1,738
7. Other Sales to Public Authority	a. No. Consumers Served	132	132	131	131	132	132
	b. KWH Sold	454,307	462,108	426,881	391,134	407,132	499,260
	c. Revenue	46,055	46,578	46,111	40,927	45,319	54,619
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		25,318	25,310	25,309	25,309	25,335	25,343
11. TOTAL KWH Sold (lines 1b thru 9b)		27,446,208	26,281,950	24,704,130	22,930,068	23,171,670	28,349,220
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		2,798,411	2,739,013	2,713,531	2,395,413	2,499,533	3,022,989
13. Other Electric Revenue		17,068	52,163	27,932	29,373	28,820	27,782
14. KWH - Own Use		0	0	0	0	0	0
15. TOTAL KWH Purchased		29,335,200	28,097,400	26,389,800	24,486,000	24,732,600	30,306,000
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		1,904,146	1,879,882	1,883,793	1,605,106	1,695,330	2,058,768
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>		56,514	60,015	55,449	51,558	59,608	75,962

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						
		YEAR ENDING						12/31/2007
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Column a thru l) (m)
1	a	22,315	22,297	22,297	22,317	22,334	22,320	22,311
	b	18,654,563	18,730,560	15,472,401	15,913,712	16,794,655	21,326,625	212,083,850
	c	2,115,004	2,328,192	1,904,906	1,840,853	1,932,488	2,370,138	24,146,924
2	a	0	0	0	0	0	0	0
	b	0	0	0	0	0	0	0
	c	0	0	0	0	0	0	0
3	a	232	235	239	239	239	239	231
	b	3,027,359	3,122,691	1,155,052	324,792	10,916	108,359	8,535,362
	c	344,558	382,462	167,514	58,867	20,123	14,720	1,133,202
4	a	2,670	2,668	2,673	2,683	2,692	2,694	2,663
	b	4,390,080	4,696,134	3,500,395	4,242,176	4,911,429	5,057,483	48,875,225
	c	494,069	541,925	431,962	478,962	556,083	539,986	5,561,287
5	a	4	4	4	4	4	4	4
	b	3,844,503	4,009,070	3,601,445	3,735,506	3,720,786	3,709,576	44,744,176
	c	282,884	329,152	276,871	267,612	269,898	264,680	3,250,642
6	a	28	28	28	28	28	28	28
	b	10,918	10,918	10,918	10,918	10,918	11,390	130,059
	c	1,756	1,886	1,839	1,763	1,771	1,870	22,021
7	a	132	131	132	133	132	132	132
	b	384,102	13,382	334,465	508,485	454,743	484,704	4,820,703
	c	41,799	39,424	40,883	53,426	53,001	49,609	557,751
8	a	0	0	0	0	0	0	0
	b	0	0	0	0	0	0	0
	c	0	0	0	0	0	0	0
9	a	0	0	0	0	0	0	0
	b	0	0	0	0	0	0	0
	c	0	0	0	0	0	0	0
10		25,381	25,363	25,373	25,404	25,429	25,417	25,368
11		30,311,525	30,582,755	24,074,676	24,735,589	25,903,447	30,698,137	319,189,375
12		3,280,069	3,623,042	2,823,975	2,701,483	2,833,364	3,241,003	34,671,827
13		26,341	28,440	27,169	27,969	45,096	22,674	360,828
14		0	0	0	0	0	0	0
15		32,403,000	32,682,000	25,705,200	26,410,800	27,677,400	30,663,000	338,888,400
16		0	0	0	0	0	0	0
17		2,262,865	2,512,069	1,868,780	1,757,013	1,856,599	2,027,612	23,311,963
18		0	0	0	0	0	0	0
19		81,172	81,983	65,525	61,888	57,882	62,455	81,983

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (All investments refer to your most recent CFC Loan Agreement) Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.		BORROWER DESIGNATION		
		BORROWER NAME		
		MONTH ENDING 12/31/07		
7a - PART 1 - INVESTMENTS				
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)	
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS				
5 See Attached Notes	7,465,346	18,533,755	177,883	
6	0	0	0	
7	0	0	0	
8	0	0	0	
Subtotal (Line 5 thru 8)	7,465,346	18,533,755	177,883	
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS				
9	0	0	0	
10	0	0	0	
11	0	0	0	
12	0	0	0	
Subtotal (Line 9 thru 12)	0	0	0	
4. OTHER INVESTMENTS				
13	0	0	0	
14	0	0	0	
15	0	0	0	
16	0	0	0	
Subtotal (Line 13 thru 16)	0	0	0	
5. SPECIAL FUNDS				
17 Cash-Restricted Funds	1,312,822	0	0	
18	0	0	0	
19	0	0	0	
20	0	0	0	
Subtotal (Line 17 thru 20)	1,312,822	0	0	
6. CASH - GENERAL				
21 Portland Federal Credit Union Accounts	1,010,290	100,000	0	
22	0	0	0	
23	0	0	0	
24	0	0	0	
Subtotal (Line 21 thru 24)	1,010,290	100,000	0	
7. SPECIAL DEPOSITS				
25	0	0	0	
26	0	0	0	
27	0	0	0	
28	0	0	0	
Subtotal (Line 25 thru 28)	0	0	0	
8. TEMPORARY INVESTMENTS				
29 Cash-Money Market Account	191,117	0	0	
30	0	0	0	
31	0	0	0	
32	0	0	0	
Subtotal (Line 29 thru 32)	191,117	0	0	
9. ACCOUNT & NOTES RECEIVABLE - NET				
33 Accounts Receivable-Subsidiary	23,038	0	0	
34 NRUFC Int Receivable-CTC's	0	8,195	0	
35 Other Receivables	27,581	0	0	
36	0	0	0	
Subtotal (Line 33 thru 36)	50,618	8,195	0	
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
37	0	0	0	
38	0	0	0	
39	0	0	0	
40	0	0	0	
Subtotal (Line 37 thru 40)	0	0	0	
Total	10,030,193	18,641,949	177,883	

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION	BORROWER DESIGNATION
(All investments refer to your most recent CFC Loan Agreement)	BORROWER NAME

Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar. **MONTH ENDING** 12/31/2007

7a - PART II. LOAN GUARANTEES

Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1	None		0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0

7a - PART III. LOANS

Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1	Notes Receivables - Water Heaters	Various	202,212	125,150	0
2	Employees, Officers & Directors	Various	6,683	5,096	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			208,895	130,246	0

7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES

1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)			10,160,439
2	LARGER OF (a) OR (b)			21,229,802
	a.	15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)		10,984,443
	b.	50 percent of Total Equity (CFC Form 7, Part C, Line 34)		21,229,802

--	--	--

Part F.

Line 2.a. does not equal Part A., Line 12.b. because of amortization of insurance gain due to replacement of property lost in a fire on Jan. 13, 2004. This resulted in a reduction of \$47,550 to depreciation expense for 2005. The balance of this gain is shown as a liability in Part B., Line 49 "Deferred Credits".

Depreciation per Part F., Line 2.a.	1,992,359
Amortization of insurance gain	<u>(47,550)</u>
Depreciation per Part A., Line 12.b.	<u>1,944,809</u>

7a-Part 1-Investments

2. Investments in Associated Organizatons

	Description	Included	Excluded	Income
1	CFC Patronage		433,773	
2	Tri-Co Services-50,000 shrs common stock	50,000		
3	Tri-Co Services Subsidiary Investrment	1,451,925		
4	Tri-Co Services Subsidiary Equity	5,753,844		177,883
5	United Service Alliance-Subsidiary	500		
6	NRUCFC Capital Term Cerificates		1,235,250	
7	NRUCFC Membership		1,000	
8	Cooperative Response Center-Membership	9,356		
9	Michigan Electric Coop Assoc, Building	34,477		
10	Michigan Electric Coop Assoc, Membership	1,000		
11	National Rural Telecom Coop-Patronage	553		
12	Natonal Cooperative Service Corp-Membership	100		
13	Wolverine Power Supply Coop-Patronage		16,852,108	
14	National Information Solutions Coop-Patronage	60,577		
15	Rural Electric Supply Coop-Patronage	35,911		
16	Co-Bank-Investment		1,000	
17	Co-Bank Patronage		10,624	
18	Federated Rural Insurance Coop-Stock	20,000		
19	Federated Rural Insurance Coop-Patronage	47,102		
Total		7,465,346	18,533,755	177,883

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

We have added 92 new ratios to the existing 53 ratios calculated from the data entered on your Form 7. These preliminary ratios can be used to evaluate your system's performance and used as an error checking device. MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs – Patronage Capital" must be entered as a part of the calculation for MDSC.

ITEM DESCRIPTION	ENTER DATA	RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE
Invest In Assoc Org - Pat Cap (for 2006)	15,669,276	1	Average Total Consumers Served	25,368.00
Billed Debt Services (2007)	3,158,264	2	Total KWH Sold (1,000)	319,189.00
Total KWH Sold (for 2006)	287,522,018	3	Total Utility Plant (1,000)	73,229.62
Avg. Total Number of Consumers (for 2006)	25,215	4	Total Number of Employees (Full Time Only)	77.00
Total Utility Plant (for 2006)	69,103,504	5	Total Miles of Line	3,323.00
Total Margins and Equities (for 2005)	33,414,325	6	TIER (estimated)	2.76
Total Margins and Equities (for 2006)	36,143,145	7	TIER (2 of 3 year High Average)	3.17
Total Long-Term Debt (for 2005)	29,144,373	8	OTIER	1.56
Total Long-Term Debt (for 2006)	27,627,340	9	OTIER (2 of 3 year High Average)	1.36
Total Margins and Equities (for 2002)	26,210,732	10	MDSC (estimated)	1.49
Total Long-Term Debt (for 2002)	22,453,380	11	MDSC (2 of 3 year High Average)	1.37
Current Maturities Long-Term Debt - Economic Development (2006)	18,500	12	Debt Service Coverage - DSC (estimated)	2.12
Current Maturities Long-Term Debt (2006)	1,499,525	13	DSC (2 of 3 year High Average)	2.24
TIER (2005)	3.29	14	ODSC	1.47
TIER (2006)	3.04	15	ODSC (2 of 3 year High Average)	1.35
TIER (2007)	2.76	16	Equity As A % of Assets	48.39
		17	Distribution Equity (excludes equity in Assoc Org's Patronage Capital)	35.57
OTIER (2005)	1.16	18	Equity As A % of Total Capitalization	58.97
OTIER (2006)	1.15	19	Long-Term Debt As A % of Total Assets	33.67
OTIER (2007)	1.56	20	Long-Term Debt Per KWH Sold (Mills)	92.57
		21	Long-Term Debt Per Consumer (\$)	1,164.80
MDSC (2005)	1.25	22	Non-Government Debt As % of Total Long-Term Debt	100.00
MDSC (2006)	1.24	23	Blended Interest Rate (%)	5.71
MDSC (2007)	1.49	24	Annual Capital Credits Retired Per Total Equity (%)	1.18
		25	Long-Term Interest As A % of Revenue	4.91
DSC (2005)	2.27	26	Cumulative Patronage Capital Retired As A % of Total Patronage Capital	10.39
DSC (2006)	2.20	27	Rate of Return on Equity (%)	7.15
DSC (2007)	2.12	28	Rate of Return on Total Capitalization (%)	6.61
		29	Current Ratio	0.64
ODSC (2005)	1.24	30	General Funds Per TUP (%)	3.57
ODSC (2006)	1.22	31	Plant Revenue Ratio (PPR) One Year	6.25
ODSC (2007)	1.47	32	Investment in Subsidiaries to Total Assets (%)	8.47
2% of Total Margins & Equity	849,192.06	33	Total Operating Revenue per KWH Sold (Mills)	109.76
Total Long-Term Leases	-	34	Total Operating Revenue per TUP Investment (Cents)	47.84
1/3 of the Lease portion	(283,064.02)	35	Total Operating Revenue Per Consumer (\$)	1,381.01
Pat Cap (Cash) portion	602,472.05	36	Electric Revenue per KWH Sold (Mills)	108.62
		37	Electric Revenue per Consumer (\$)	1,366.78
		38	Residential Revenue per KWH Sold (Mills)	113.86
		39	Non-Residential Revenue per KWH Sold (Mills)	98.27
		40	Seasonal Revenue per KWH Sold (Mills)	#DIV/0!

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

We have added 92 new ratios to the existing 53 ratios calculated from the data entered on your Form 7. These preliminary ratios can be used to evaluate your system's performance and used as an error checking device. MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs -- Patronage Capital" must be entered as a part of the calculation for MDSC.

RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE	RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE
41	Irrigation Revenue per KWH Sold (Mills)	132.77	81	Consumer Accounting Expenses per Consumer (\$)	40.65
42	Small Commercial Revenue per KWH Sold (Mills)	113.79	82	Customer Sales and Service Per Total KWH Sold (Mills)	2.95
43	Large Commercial Revenue Per KWH Sold (Mills)	72.45	83	Consumer Sales and Service per Consumer (\$)	37.10
44	Sale for Resale Revenue per KWH Sold (Mills)	#DIV/0!	84	A & G Expenses per Total KWH Sold (Mills)	6.02
45	Street & Highway Lighting Revenue per KWH Sold (Mills)	169.31	85	A & G Expenses per Consumer (\$)	75.73
46	Other Sales to Public Authorities Revenue Per KWH Sold (Mills)	115.70	86	Total Controllable Expenses per Total KWH Sold (Mills)	21.19
47	Operating Margins per KWH Sold (Mills)	1.18	87	Total Controllable Expenses per Consumer (\$)	266.61
48	Operating Margins per Consumer \$	14.84	88	Power Cost per KWH Purchased (Mills)	68.79
49	Non-Operating Margins per KWH Sold (Mills)	0.84	89	Power Cost per Total KWH Sold (Mills)	73.03
50	Non-Operating Margins per Consumer \$	10.56	90	Power Cost As A % of Revenue	66.54
51	Total Margins Less Allocations per KWH Sold (Mills)	2.02	91	Long-Term Interest Cost per Total KWH Sold (Mills)	5.39
52	Total Margins Less Allocations per Consumer \$	25.40	92	Long-Term Interest Cost As A % of TUP	2.35
53	Income (Loss) from Equity Investments per Consumer \$	7.01	93	Long-Term Interest Cost per Consumer (\$)	67.87
54	Associated Organization's Capital Credits Per KWH Sold (Mills)	7.50	94	Depreciation Expense per Total KWH Sold (Mills)	6.09
55	Associated Organization's Capital Credits Per Consumer (\$)	94.34	95	Depreciation Expense As A % of TUP	2.66
56	Total Margins per KWH Sold (Mills)	9.52	96	Depreciation Expense per Consumer (\$)	76.67
57	Total Margins per Consumer \$	119.74	97	Accumulative Depreciation As A % of Plant in Service	28.98
58	A/R Over 60 Days As A % of Operating Revenue	0.25	98	Total Tax Expense per Total KWH Sold (Mills)	2.66
59	Amount Write-Off As A % of Operating Revenue	0.15	99	Total Tax Expense As A % of TUP	1.16
60	Total MWH Sold per Mile of Line	96.05	100	Total Tax Expense per Consumer (\$)	33.43
61	Average Residential KWH Usage per Month	792.17	101	Total Fixed Expenses per Total KWH Sold (Mills)	87.39
62	Average Seasonal KWH Usage per Month	#DIV/0!	102	Total Fixed Expenses per Consumer (\$)	1,099.56
63	Average Irrigation KWH Usage per Month	3,079.13	103	Total Operating Expenses per Total KWH Sold (Mills)	21.19
64	Average Small Commercial KWH Usage per Month	1,529.74	104	Total Operating Expenses per Consumer	266.61
65	Average Large Commercial KWH Usage per Month	932,170.33	105	Total Cost of Service (Minus Power Costs) per Total KWH Sold (Mills)	35.54
66	Average Street & Highway Lighting KWH Usage per Month	394.12	106	Total Cost of Electric Service per Total KWH Sold (Mills)	108.58
67	Average Sales for Resale KWH Usage per Month	#DIV/0!	107	Total Cost of Electric Service per Consumer (\$)	1,366.17
68	Average Sales to Public Authorities KWH Usage per Month	3,043.37	108	Average Wage Rate per Hour (\$)	29.21
69	Residential KWH Sold per Total KWH Sold (%)	66.44	109	Total Wages per Total KWH Sold (Mills)	14.11
70	Seasonal KWH Sold per Total KWH Sold (%)	-	110	Total Wages per Consumer (\$)	177.56
71	Irrigation KWH Sold per Total KWH Sold (%)	2.67	111	Overtime Hours/Total Hours (%)	4.25
72	Small Commercial KWH Sold per Total KWH Sold (%)	15.31	112	Capitalized Payroll/Total Payroll (%)	18.96
73	Large Commercial KWH Sold per Total KWH Sold (%)	14.02	113	Average Consumers per Employee	329.45
74	Street & Highway Lighting KWH Sold per Total KWH Sold (%)	0.04	114	Annual Growth in KWH Sold (%)	11.01
75	Sales for Resale KWH Sold per Total KWH Sold (%)	-	115	Annual Growth in Number of Consumers (%)	0.60
76	Sales to Public Authorities KWH Sold per Total KWH Sold (%)	1.51	116	Annual Growth in TUP Dollars (%)	5.97
77	O & M Expenses per Total KWH Sold (Mills)	8.99	117	Const W.L.P. to Plant Additions (%)	17.27
78	O & M Expenses per Dollars of TUP (Mills)	39.19	118	Net New Services to Total Services (%)	0.85
79	O & M Expenses per Consumer (\$)	113.12	119	Annual Growth in Total Capitalization (%)	12.92
80	Consumer Accounting Expenses per Total KWH Sold (Mills)	3.23	120	2 Yr. Compound Growth in Total Capitalization (%)	7.29

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

We have added 92 new ratios to the existing 53 ratios calculated from the data entered on your Form 7. These preliminary ratios can be used to evaluate your system's performance and used as an error checking device. MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs – Patronage Capital" must be entered as a part of the calculation for MDSC.

RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE
121	5 Yr Compound Growth in Total Capitalization (%)	8.15
122	TUP Investment per Total KWH Sold (Cents)	22.94
123	TUP Investment per Consumer (\$)	2,886.75
124	TUP Investment per Mile of Line (\$)	22,035.94
125	Average Consumers per Mile	7.63
126	Distribution Plant per Total KWH Sold (Mills)	208.59
127	Distribution Plant per Consumer (\$)	2,624.62
128	Distribution Plant per Employee (\$)	864,676.74
129	General Plant per Total KWH Sold (Mills)	13.90
130	General Plant per Consumer (\$)	174.87
131	General Plant per Employee (\$)	57,611.36
132	Headquarters Plant per Total KWH Sold (Mills)	3.29
133	Headquarters Plant per Consumer (\$)	41.41
134	Headquarters Plant per Employee (\$)	13,643.44
135	Transmission Plant per Total KWH Sold (Mills)	-
136	Transmission Plant per Consumer (\$)	-
137	Transmission Plant per Employee (\$)	-
138	Idle Services to Total Service (%)	7.08
139	Line Loss (%)	5.81
140	System Avg Interruption Duration Index (SAIDI) - Power Supplier	0.68
141	System Avg Interruption Duration Index (SAIDI) - Extreme Storm	0.63
142	System Avg Interruption Duration Index (SAIDI) - Prearranged	0.13
143	System Avg Interruption Duration Index (SAIDI) - All Other	4.24
144	System Avg Interruption Duration Index (SAIDI) - Total	5.68
145	Avg Service Availability Index (ASAI) - Total (%)	99.94

MICHIGAN PUBLIC SERVICE COMMISSION **RECEIVED**
 Michigan Public Service Commission
ADDITIONAL SCHEDULES FOR AN ELECTRIC UTILITY COOPERATIVE

MAY 02 2008

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

**REGULATED ENERGY
 DIVISION**

Report submitted for year ending:	
December 31, 2007	
Present name of respondent:	
HomeWorks Tri-County Electric Cooperative	
Address of principal place of business:	
7973 E Grand River Avenue; Portland MI 48875	
Utility representative to whom inquires regarding this report may be directed:	
Name:	Patrick Simmer
Title:	Accounting Supervisor
Address: 7973 E Grand River Avenue	
City:	Portland
State:	MI
Zip:	48875
Direct Telephone, include Area Code: 517-647-1287	
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
[x]	will be forwarded to the Commission
on or about April 30, 2008	
Annual reports to stockholders:	
[x]	are published
[]	are not published

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

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

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

Name of Respondent	This Report Is:	Date of Report	Year of Report
HomeWorks Tri-County Electric	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 4/30/2008	December 31, 2007

IMPORTANT CHANGES DURING THE YEAR

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

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

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2008	Year of Report December 31, 2007
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STATEMENT OF CASH FLOWS

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

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

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

Line No.	Description (See instructions for Explanation of Codes) SEE ATTACHED STATEMENT OF CASH FLOWS	Amounts (b)
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)	
2	Net Income (Line 72 (c) on page 117)	
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	
5	Amortization of (Specify)	
6	Intangible Plant	
7		
8	Deferred Income Taxes (Net)	
9	Investment Tax Credit Adjustment (Net)	
10	Net (Increase) Decrease in Receivables	
11	Net (Increase) Decrease in Inventory	
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net (Increase) Decrease in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other:	
19		
20		
21		
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/30/2008	Year of Report December 31, 2007
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STATEMENT OF CASH FLOWS (Continued)

<p>4. Investing Activities</p> <p>(a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123.</p> <p>(b) Don not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.</p>	<p>5. Codes used:</p> <p>(a) Net proceeds or payments.</p> <p>(b) Bonds, debentures and other long-term debt.</p> <p>(c) Include commercial paper.</p> <p>(d) Identify separately such items as investments, fixed assets, intangibles, etc. 6.</p> <p>Enter on pages 122-123 clarifications and explanations.</p>
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Line No.	Description (See instructions for Explanation of Codes) (a)	Amount (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in Allowances Held for Speculation	
52	Net Increase (Decrease) in Payables and Accrued Expenses	
53	Other:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	
87		
88	Cash and Cash Equivalents at Beginning of Year	
89		
90	Cash and Cash Equivalents at End of Year	

TRI-COUNTY ELECTRIC COOPERATIVE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u> (Restated)
OPERATING ACTIVITIES		
Net margins	\$ 3,037,519	\$ 2,425,590
Adjustments to reconcile net margins to net cash from operating activities		
Depreciation	2,249,141	2,198,181
(Gain) loss on disposition of electric plant	(26,250)	(19,262)
Income from subsidiary	(177,880)	49,545
Noncash patronage capital allocations	(2,392,691)	(2,653,600)
Deferred gain from insurance proceeds	(142,649)	(47,550)
Post-retirement and pension benefits	60,947	61,001
Changes in assets and liabilities		
Accounts receivable	(207,789)	(508,625)
Refunds payable to customers	12,212	1,424,047
Notes receivable	(18,800)	(15,370)
Prepaid expenses	70,923	(15,099)
Interest receivable	(95)	215
Deferred debits	(62,297)	(70,330)
Accounts payable	34,560	(392,675)
Customer deposits	(13,764)	68,982
Accrued expenses and taxes	18,954	(549,077)
Deferred credits	(49,282)	57,151
NET CASH FROM OPERATING ACTIVITIES	<u>2,392,759</u>	<u>2,013,124</u>
INVESTING ACTIVITIES		
Additions to, and costs of retirements of, utility plant	(5,165,998)	(4,038,325)
Proceeds from sale of general plant	49,082	19,262
Cash received from other property and investments	636,503	657,830
Cash invested in other property and investments	(37,500)	(76,251)
Return of paid in capital from subsidiary	120,000	120,000
Decrease (increase) in materials and supplies	(239,084)	27,163
NET CASH USED FOR INVESTING ACTIVITIES	<u>(4,636,997)</u>	<u>(3,290,321)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	3,500,000	-
Principle payments on long-term debt	(1,527,491)	(1,508,007)
Net borrowings (repayment) of line of credit	1,525,000	3,225,000
Patronage capital retired	(499,884)	(449,997)
Memberships issued, net	11,795	14,573
NET CASH FROM FINANCING ACTIVITIES	<u>3,009,420</u>	<u>1,281,569</u>

(continued on next page)

STATEMENTS OF CASH FLOWS - Page 2

	<u>2007</u>	<u>2006</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	765,182	4,372
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,849,046</u>	<u>1,844,674</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,614,228</u>	<u>\$ 1,849,046</u>
Cash and cash equivalents	\$ 1,301,406	\$ 526,070
Restricted cash	<u>1,312,822</u>	<u>1,322,976</u>
	<u>\$ 2,614,228</u>	<u>\$ 1,849,046</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 1,714,626</u>	<u>\$ 1,592,245</u>

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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NONUTILITY PROPERTY (Account 121)

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

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1				
2	Vacant Lot at Canadian Lakes	3,300	0	3,300
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL	3,300	0	3,300

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

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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INVESTMENTS (Accounts 123, 124, 136)

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

Line No.	Description of Investment (a)	Book Cost at Beginning of Year <i>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)</i> (b)		Purchases or Additions During Year (c)
		Original Cost	Book Value	
1	See Attached Schedule			
2				
3				
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Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)

listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.

3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.

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

6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).

Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (f)		Revenues for Year (g)	Gain or Loss from Improvement Disposed of (h)	Line No.
		Original Cost	Book Value			
Part of page 222 (see attached)						1
						2
						3
						4
						5
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2007 Tri County Electric Cooperative
1.1.123.1 to 1.3.123.22
Investment Accounts

Account	Description	See Below	Balance @ 12/31/06	Income/Loss Equity Inv	Investment	Cap Credits	GA T	Other Cap Credits	Revenue Acct Chgd	CC Allocation Adjustment	Cash Received	Balance @ 12/31/07
			Form 7 Line 23	Form 7 Line 25	Form 7 Line 25	Form 7 Line 25	Form 7 Line 25	Form 7 Line 25	Form 7 Line 25	Form 7 Line 25	Form 7 Line 25	Form 7 Line 25
1.1.123.10	CFC Patronage	A	395,788.45									433,773.17
1.1.123.11	Tri-Co Services		3,608,744.33	3,944,909.87	(120,000.00)			175,063.53	1,20,424.	(2.25)	137,078.81	7,433,651.95
1.1.123.12	United Services Alliance - MBSP	C	500.00									500.00
1.1.123.22	CFC CTC'S	A	1,224,904.92		37,500.00						27,155.05	1,235,249.87
1.2.123.22	CFC Memberships	C	1,000.00									1,000.00
1.3.123.22	CFC Memberships/Patronage	C	3,103.11				7,904.46		1,20,424.		1,651.23	9,356.34
1.1.123.23	MEGA Building and Property	C	34,477.00									34,477.00
1.2.123.23	MECA Memberships	C	1,000.00									1,000.00
1.1.123.24	NRTC	C	519.00				34.21					553.21
1.2.123.24	National Coop Service Corp MBSP	C	100.00									100.00
1.1.123.30	Wolverine Capital Credits	B	15,118,884.37			2,170,101.32			1,20,423.		436,977.64	16,852,108.05
1.1.123.31	NISC - National Information Solutions Cooperative	B	60,121.26				566.15		1,20,424.		110.21	60,577.20
1.1.123.40	RESCO Capital Credits	B	34,453.00				9,585.00		1,20,424.	(0.41)	8,107.00	35,910.59
1.1.123.50	Co-Bank Membership	C	1,000.00									1,000.00
1.1.123.51	Co-Bank	C	640.41					19,966.44	1,20,424.		9,983.22	10,623.63
1.1.123.60	Federated Rural Electric	B	59,388.01					10,090.00	1,20,424.		2,376.00	67,102.01
Totals			20,544,623.86	3,944,909.87	(82,500.00)	2,170,101.32	223,189.79	223,187.13	2,204,224.00	(2.56)	623,339.15	26,176,983.02

A - Confirmation available on line
 B - Confirmation Letter Enclosed
 C - Under \$50,000 - No Confirmation Requested

NOTE: Account 1.1.123.24 shows \$34,211 payment, which is an adjustment to show the 1997 patronage allocation

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

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

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

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	AR Other-TriCo Services	(112,006)	4,883,669	4,748,626	23,038	0
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25	TOTAL	(112,006)	4,883,669	4,748,626	23,038	0

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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ALLOWANCES

- | | |
|--|--|
| <p>1. Report below the details called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first</p> | <p>eligible for use; the current year;s allowances in columns (b)-(c), allowances for the three succeeding years in column(d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.</p> |
|--|--|

Line No.	Allowance Inventory (a)	Current Year		20__	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance - Beginning of Year	N/A			
2-4	Acquired During Year: Issued (Less Withheld Allow.)				
5	Returned by EPA				
6-8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16-18	Relinquished During Year: Charges to Acct. 509				
19	Other:				
20					
21-22	Cost of Sales/Transfers:				
23					
24					
25					
26					
27					
28	Total				
29	Balance - End of Year				
30-32	Sales:				
	Net Sales Proceeds (Assoc Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld				
36	Balance - Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance - End of Year				
41-43	Sales:				
	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent HomeWorks Tri-County Electric	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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ALLOWANCES (Continued)

6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales or auction of the withheld allowances.

7. Report on lines 8-14 the names of vendors/transfersors of allowances acquired and identify associated companies (See "associated co." under "Definitions" in Uniform System of Accounts).

8. Report on lines 22-27 the names of purchasers/transfersors of allowances disposed of and identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.

20__		20__		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								1
N/A								2-4
								5
								6-8
								9
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								41-43
								44
								45
								46

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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LONG-TERM DEBT (Accounts 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 <i>(For new issue, give Commission Authorization numbers and dates)</i> (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)
1	HomeWorks Tri-County Electric has no advances or long term debt from Associated Companies. Attached is the Part 0 of the Form 7a which shows the long term debt balances for HomeWorks Tri-County which are not related to Associated Companies.		
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22			
23			
24			
25	TOTAL		

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)

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

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
					0	1
						2
						3
						4
						5
						6
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						24
					0	25

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	YEAR ENDING 12/31/2007

PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.			\$0
2.			
3.			TOTAL \$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000.

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	31,116,823	1,648,221	1,510,042	3,158,264	
2.		0	0	0	0	
3.		0	0	0	0	
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
10.	TOTAL (Sum of 1 thru 9)	\$31,116,823	\$1,648,221	\$1,510,042	\$3,158,264	

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.
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.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

**See definition on page 226B*

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	N/A					
2						
3						
4						
5						
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9						
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23						
	TOTAL					

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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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 members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	N/A	TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
5	Net income for the year (page 117 line 68)	
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	
8		
9	Total pre-tax income	
10		
11	Add: Taxable income not reported on books:	
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return	
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	
24		
25		
26	Federal taxable income for the year	

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

3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2
4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.

Utility	Other	Line No.
N/A		1
		2
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.
2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2	Various Equipment (25)	199,510		38,974.95	
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Gain	199,510		38,974.95	

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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
18	Loss on disposition of property:				
19	Various Equipment (5)	53,062			12,725.14
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss	53,062			12725.14

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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account

426.4, Expenditures for Certain civic, Political and Related Activities.)
(a) Name and address of person or organization rendering services,
(b) description of services received during year and project or case to which services relate,
(c) basis of charges,
(d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.
3. Designate with an asterisk associated companies.

Line No.	Name / Address	Service	Basis of Charges	Acct #	Amount
1	Michigan Electric Cooperative	Legal. Advertising,	Varies	908	176,135
2	Association	Legislative Services,		921	
3	2859 W Jolly Rd	Training		580	
4	Okemos MI 48864-3547			583	
5				930.1	
6					
7	Eide Bailly	Audit/Accounting	Contract Pricing	923	27,300
8	4310 17th Ave	Services			
9	PO Box 2545				
10	Fargo, ND 58108-2545				
11					
12	Law Offices of Dykema Gossett	Legal Services	Hourly Fee	923	62,761
13	800 Michigan National Tower				
14	Lansing MI 48933				
15					
16	Utility Systems Engineering	Construction Research,	Hourly Fee	107.2	75,871
17	76001 Paragon Rd; Suite 101	Engineering, Valuation		580	
18	Centerville, OH 45459			183	
19				186	
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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	Tri-Co Services	100%	Administrative,	1.20.454.	123,954
2			Expense Reimbursement		
3			Contract Employees		
4			Office/Facilities Rent		
5					
6					
7					
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TOTAL					

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/08	Year of Report December 31, 2007
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

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

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
						2
						3
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company. services provided (administrative and general expenses, dividends declared, etc.).
2. In column (b) describe the affiliation (percentage ownership, etc.).
3. In column (c) describe the nature of the goods and
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	N/A				
2					
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TOTAL					

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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

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

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
						2
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