

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)

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

Report submitted for period covering:			
January 1, 2008 through December 31, 2008			
Present legal name of respondent:			
Michigan Gas Utilities Corporation			
Present DBA name in Michigan if different from legal name:			
Address of principal place of business:			
899 South Telegraph Road, Monroe, MI 48161			
Utility representative to whom inquiries regarding this report may be directed:			
Name	Charles Cloninger	Title	President
Address	899 South Telegraph Road		
City	Monroe	State	MI Zip Code 48161
Telephone:	(734) 457-6115	E-Mail:	cacloninger@minnesotaenergyresources.com
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, 2009			
Annual reports to stockholders:			
[x] are published [] are not published			

Should you have any questions regarding this report, please contact:

Brian Ballinger, Financial Analysis Section Supervisor
(517) 241-6103 OR blballi@michigan.gov

Michigan Public Service commission
Regulated Energy Division
6545 Mercantile Way
PO Box 30221
Lansing, MI 48909



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
Michigan Gas Utilities Corporation:

We have audited the balance sheet — regulatory basis of Michigan Gas Utilities Corporation (the “Company”) as of December 31, 2008, and the related statements of income — regulatory basis; retained earnings — regulatory basis; and cash flows — regulatory basis for the year ended December 31, 2008 included on pages 110 through 123 of the accompanying Michigan Public Service Commission Form P-522. 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 and the auditing standards of the Public Company Accounting Oversight Board (United States). 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 1, these financial statements were prepared in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, 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, 2008, and the results of its operations and its cash flows for the year ended December 31, 2008, in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

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 Michigan Public Service Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

April 23, 2009

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

GENERAL INFORMATION

I. Purpose:

By authority conferred upon the Michigan Public Service Commission by 1919 PA 419, as amended, being MCL 460.51 et seq. And 1969 PA 306, as amended, being MCL 24.201 et seq., this form is a regulatory support requirement. It is designed to collect financial and operational information from public utilities, licensees and others subject to the jurisdiction of the Michigan Public Service Commission. This report is a nonconfidential public use form.

II. Who Must Submit:

Each major and nonmajor gas company, as classified by the Commission's Uniform System of Accounts must submit this form.

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

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

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

III. What and Where to Submit:

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

Michigan Public Service Commission
Licensing & Enforcement Division
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Retain one copy of this report for your files.

- (b) Submit immediately upon publication, one (1) copy of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analyst, or industry association. (Do not include monthly and quarterly reports. If reports to stockholders are not prepared, enter "NA" in column (c) on Page 5, the List of Schedules.) Mail these reports to:

Michigan Public Service Commission
Licensing & Enforcement Division
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission of the form, a letter or report prepared in conformity with current standards of reporting which will:
- (i) contain a paragraph attesting to the conformity, in all material aspects, of the schedules and pages listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

- (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications.)

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

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

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____ we have also reviewed schedules _____ of Form P-522 for the year filed with the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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

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

Michigan Public Service Commission
Licensing & Enforcement Division
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

IV. When to Submit

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

GENERAL INSTRUCTIONS

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

determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.

- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to respondent, either
- (a) Enter the words "NOT APPLICABLE" on the particular page(s), or
- (b) Omit the page(s) and enter "NA", "NONE", or "NOT APPLICABLE" in column (c) on the List of Schedules, pages 2, 3 and 4.
- V. Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. The copies, however, may be carbon copies or other similar means of reproduction provided the impressions are clear and readable.
- VI. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (See VIII, below).
- VII. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ().
- VIII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the identification and Attestation page, page 1. Mail dated resubmissions to:
- Michigan Public Service Commission
Licensing & Enforcement Division
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909
- IX. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and page number supplemented.
- X. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- XI. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XII. Report all gas volumes on a pressure base of 14.65 psia and a temperature base 60°F.
- XIII. Respondents may submit computer printed schedules (reduced to 8 1/2 x 11 inch size) instead of the preprinted schedules if they are in substantially the same format.


DEFINITIONS

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

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

MPSC FORM P-522

ANNUAL REPORT OF NATURAL GAS COMPANIES (Major and Nonmajor)

IDENTIFICATION		
01 Exact Legal Name of Respondent Michigan Gas Utilities Corporation	02 Year of Report Dec. 31, 2008	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, State, Zip) 899 S. Telegraph Road, Monroe, Michigan 48161		
05 Name of Contact Person Charles A. Cloninger	06 Title of Contact Person President	
07 Address of Contact Person (Street, City, State, Zip) 899 S. Telegraph Road, Monroe, Michigan 48161		
08 Telephone of Contact Person, Including Area Code: (734) 457-6115	09 This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) April 30, 2008
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including April 1 and including December 31 of the year of the report.		
01 Name Charles A. Cloninger	03 Signature 	04 Date Signed (Mo, Da, Yr) 4/27/09
02 Title President		

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
LIST OF SCHEDULES (Natural Gas Utility)			
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
General Information	101		
Control Over Respondent & Other Associated Companies	M 102		
Corporations Controlled by Respondent	103	None	
Officers and Employees	M 104		
Directors	105		
Security Holders and Voting Powers	M 106-107		
Important Changes During the Year	108-109		
Comparative Balance Sheet	M 110-113		
Statement of Income for the Year	M 114-117	Page 116 - None	
Statement of Retained Earnings for the Year	M 118-119		
Statement of Cash Flows	120-121		
Notes to Financial Statements	122-123		
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
Gas Plant in Service	M 204-212B		
Gas Plant Leased to Others	213	None	
Gas Plant Held for Future Use	214	None	
Production Properties Held for Future Use	215	None	
Construction Work in Progress - Gas	216		
Construction Overheads - Gas	217		
General Description of Construction Overhead Procedure	M 218		
Accumulated Provision for Depreciation of Gas Utility Plant	M 219		
Gas Stored	220		
Nonutility Property	221	None	
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221	None	
Investments	222-223	None	
Investment in Subsidiary Companies	224-225	None	
Gas Prepayments Under Purchase Agreements	226-227		
Advances for Gas Prior to Initial Deliveries or Commission Certification	229	None	
Prepayments	230		
Extraordinary Property Losses	230	None	
Unrecovered Plant and Regulatory Study Costs	230	None	
Preliminary Survey and Investigation Charges	231	None	
Other Regulatory Assets	232		
Miscellaneous Deferred Debits	233		
Accumulated Deferred Income Taxes (Account 190)	234-235		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
LIST OF SCHEDULES (Natural Gas Utility) (Continued)			
Title of Schedule	Reference Page No.	Remarks	
(a)	(b)	(c)	
BALANCE SHEET SUPPORTING SCHEDULES			
(Liabilities and Other Credits)			
Capital Stock	250-251		
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		
Other Paid-In Capital	253		
Discount on Capital Stock	254	None	
Capital Stock Expense	254	None	
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255	None	
Long-Term Debt	256-257		
Unamortized Debt Expense, Premium and Discount on Long-Term Debt	258-259	None	
Unamortized Loss and Gain on Reacquired Debt	260	None	
Notes Payable	260A	None	
Payables to Associated Companies	260B		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	M 261 A-B		
Calculation of Federal Income Tax	M 261 C-D		
Taxes Accrued, Prepaid and Charged During Year	262-263		
Investment Tax Credits Generated and Utilized	264-265	None	
Accumulated Deferred Investment Tax Credits	M 266-267	None	
Miscellaneous Current and Accrued Liabilities	M 268		
Other Deferred Credits	269		
Accumulated Deferred Income Taxes - Accelerated Amortization Property	272-273	None	
Accumulated Deferred Income Taxes - Other Property	274-275		
Accumulated Deferred Income Taxes - Other	M 276 A-B		
Other Regulatory Liabilities	278		
INCOME ACCOUNT SUPPORTING SCHEDULES			
Gas Operating Revenues	300-301		
Rates and Sales Section	M 305 A-C		
Off-System Sales - Natural Gas	M 310 A-B		
Revenue from Transportation of Gas of Others-Natural Gas	312-313		
Sales of Products Extracted from Natural Gas	315	None	
Revenues from Natural Gas Processed by Others	315	None	
Gas Operation and Maintenance Expenses	M 320-325		
Number of Gas Department Employees	325		
Exploration and Development Expenses	326	None	
Abandoned Leases	326	None	
Gas Purchases	M 327, 327A-B		
Exchange Gas Transactions	328-330	None	
Gas Used in Utility Operations - Credit	331		
Transmission and Compression of Gas by Others	332-333	None	
Other Gas Supply Expenses	334		
Miscellaneous General Expenses - Gas	M 335		
Depreciation, Depletion and Amortization of Gas Plant	336-338		
Income from Utility Plant Leased to Others	339	None	
Particulars Concerning Certain Income Deduction and Interest Charges	340		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
LIST OF SCHEDULES (Natural Gas Utility) (Continued)			
Title of Schedule	Reference Page No.	Remarks	
(a)	(b)	(c)	
COMMON SECTION			
Regulatory Commission Expenses	350-351		
Research, Development and Demonstration Activities	352-353	None	
Distribution of Salaries and Wages	354-355		
Charges for Outside Professional and Other Consultative Services	357		
GAS PLANT STATISTICAL DATA			
Natural Gas Reserves and Land Acreage	500-501	None	
Changes in Estimated Hydrocarbon Reserves and Costs, and Net Realizable Value	504-505	None	
Compressor Stations	508-509		
Gas and Oil Wells	510		
Gas Storage Projects	M 512-513		
Distribution and Transmission Lines	M 514		
Liquefied Petroleum Gas Operations	516-517	None	
Distribution System Peak Deliveries	M 518		
Auxiliary Peaking Facilities	519		
System Map	522		
Footnote Data	551		
Stockholders' Report	---		
MPSC SCHEDULES			
Reconciliation of Deferred Income Tax Expense	117 A-B		
Operating Loss Carryforward	117 C	None	
Notes & Accounts Receivable Summary for Balance Sheet	228 A		
Accumulated Provision for Uncollectible Accounts - Credit	228 A		
Receivables From Associated Companies	228 B		
Materials and Supplies	228 C		
Notes Payable	260 A	None	
Payables to Associated Companies	260 B		
Customer Advances for Construction	268		
Accumulated Deferred Income Taxes - Temporary	277	None	
Gas Operation and Maintenance Expenses (Nonmajor)	320N-324N	None	
Lease Rentals Charges	333A-333D	None	
Depreciation, Depletion and Amortization of Gas Plant (Nonmajor)	336 N	None	
Particulars Concerning Certain Other Income Accounts	341		
Gain or Loss on Disposition of Property	342 A-B	None	
Expenditures for Certain Civic, Political and Related Activities	343		
Common Utility Plant and Expenses	356	None	
Summary of Costs Billed to Associated Companies	358-359		
Summary of Costs Billed from Associated Companies	360-361		

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Diane Ford, Vice President - Corporate Controller Integrus Energy Group, Inc. 700 North Adams Street Green Bay, WI 54307</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>Delaware, September 16, 2005</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>N/A</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Retail sale and transportation of natural gas and administrative services.</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) Yes...Enter the date when such independent accountant was initially engaged: _____</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
CONTROL OVER RESPONDENT			
<p>1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for</p>		<p>whom trust was maintained, and purpose of the trust. If other companies are controlled by the organization which holds control over the respondent, list the names of such companies and the kind of business each is engaged in.</p> <p>2. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.</p>	
<p>Michigan Gas Utilities Corporation is a wholly owned subsidiary of Integrys Energy Group, Inc.</p> <p>The 2008 Annual Report and Form 10-K of Integrys Energy Group, Inc. are included.</p>			

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
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 date the change incumbency was made. 3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.	
Line No.	Title (a)	Name of Officer (b)	Salary for Year* (c)
1	Chief Executive Officer	Lawrence T. Borgard	\$ 1,347,260
2	President	Gary W. Erickson	313,860
3	Vice President	Charles F. Hauska	218,819
4	Vice President-Regulatory Affairs	James F. Schott	326,025
5	Secretary	Barth J. Wolf	1,201,871
6	Treasurer	Bradley A. Johnson	815,761
7	Assistant Secretary	Dane E. Allen	197,746
8			
9			
10			
11	*Included in 'Salary for Year' is Base Wages and other compensation**.		
12			
13	** Other compensation may include Elective Deferred		
14	Compensation, Above Market Earnings on Deferred		
15	Compensation, FAS123R*** Stock Expense, Bonuses,		
16	change in Pension Value and Company Contributions		
17	under the employee stock ownership Plan & Trust.		
18	*** FAS 123R Current Year Expense as Reported in the		
19	Form 10-K.		
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
DIRECTORS			
<p>1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
1 Lawrence T. Borgard - President & Chief Operating Officer	130 East Randolph Drive Chicago, IL 60601	6	\$ -
2 Gary W. Erickson - President	899 South Telegraph Road Monroe, MI 48161	6	-
3 Bradley A. Johnson - Treasurer	700 North Adams Street Green Bay, WI 54301	6	-
4 Thomas P. Mainz - Chairman	700 North Adams Street Green Bay, WI 54301	6	-
5 James F. Schott - Vice President Regulatory Affairs	700 North Adams Street Green Bay, WI 54301	5	-
<p><u>Footnote Data</u></p> <p>1</p> <p>2</p> <p>3</p>			

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
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 power. Integrys Energy Group, Inc. 130 East Randolph Drive Chicago, IL 60601</p> <p>1. (B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondent of each officer and director not included in the list of 10 largest security holders. N/A</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such securities. N/A</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. N/A</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 date. N/A</p>			
<p>1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:</p> <p>Stock books are not closed.</p>			
<p>2. State the total number of votes cast at the latest general proxy meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:</p> <p>Total: 100</p> <p>By Proxy: 0</p> <p style="text-align: right;">Meeting conducted by unanimous consent of shareholder dated May 14, 2008.</p>			
<p>3. Give the date and place of such meeting:</p> <p>Directors were elected May 14, 2008 via unanimous consent of the sole shareholder in lieu of an Annual Meeting.</p>			

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission		April 30, 2009		December 31, 2008	
SECURITY HOLDERS AND VOTING POWERS (Continued)							
Line	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES					
		Number of votes as of (date):					
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)		
4	TOTAL votes all voting securities		100				
5	TOTAL number of security holders		1				
6	TOTAL votes of security holders listed below		100				
	Integrus Energy Group, Inc.		100				
7	130 East Randolph Drive						
8	Chicago, IL 60601						
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							
# RESPONSE/NOTES TO INSTRUCTION # 2 Not Applicable. 3 Not Applicable. 4 Not Applicable.							

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
IMPORTANT CHANGES DURING THE YEAR			
<p>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.</p>			
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>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.</p> <p>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.</p> <p>11. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.</p> <p>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 attached to this page.</p>			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
IMPORTANT CHANGES DURING THE YEAR			
<p>1. None.</p> <p>2. None.</p> <p>3. None.</p> <p>4. Michigan Gas Utilities Corporation ("MGUC") had no material leases as of December 31, 2008.</p> <p>5. MGUC had no new major source of gas made available to it during 2008.</p> <p>6. None.</p> <p>7. None.</p> <p>8. MGUC's annual general wage increases for non-union exempt and non-exempt are being postponed until February 21, 2009.</p> <p>9. MGUC is involved in various legal proceedings which arise in the normal course of operations. The individual claims are not material to Integrys Energy Group, as a whole, and reserves have been provided on the balance sheet as appropriate.</p> <p>10. None.</p> <p>11. None.</p> <p>12. Not applicable.</p>			

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114, 118)	200-201	\$273,930,637	\$283,266,914
3	Construction Work in Progress (107)	200-201	753,773	254,196
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		274,684,409	283,521,110
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115, 119)	200-201	140,462,961	147,005,578
6	Net Utility Plant (Enter Total of line 4 less 5)	-	134,221,448	136,515,532
7	Nuclear Fuel (120.1-120.4, 120.6)	-	0	0
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	-	0	0
9	Net Nuclear Fuel (Enter Total of line 7 less 8)	-	0	0
10	Net Utility Plant (Enter Total of lines 6 and 9)	-	\$134,221,448	\$136,515,532
11	Utility Plant Adjustment (116)	122-123	0	0
12	Gas Stored Underground-Noncurrent (117-117.1)	220	3,601,761	3,601,761
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	\$0	\$0
15	(Less) Accum. Prov. for Depr. and Amort. (122)	221	0	0
16	Investments in Associated Companies (123)	222-223	0	0
17	Investment in Subsidiary Companies (123.1)	224-225	0	0
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	-	0	0
20	Other Investments (124)	222-223,229	0	0
21	Special Funds (125-128)	-	0	0
22	TOTAL Other Property and Investments (Total of lines 14-21)	-	\$0	\$0
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)	-	\$1,155,096	\$683,174
25	Special Deposits (132-134)	-	2,500	48,995
26	Working Funds (135)	-	4,850	4,850
27	Temporary Cash Investments (136)	222-223	0	0
28	Notes Receivable (141)	228A	0	0
29	Customer Accounts Receivable (142)	228A	18,331,764	25,772,020
30	Other Accounts Receivable (143, 148, 149)	228A	225,892	217,368
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	228A	2,135,501	2,245,556
32	Notes Receivable from Associated Companies (145)	228B	0	0
33	Accounts Receivable from Assoc. Companies (146 & 147)	228B	5,990,782	1,849
34	Fuel Stock (151)	228C	0	0
35	Fuel Stock Expense Undistributed (152)	228C	0	0
36	Residuals (Elec) and Extracted Products (Gas) (153)	228C	0	0
37	Plant Material and Operating Supplies (154)	228C	468,349	471,742
38	Merchandise (155)	228C	0	0
39	Other Material and Supplies (156)	228C	0	0
40	Nuclear Materials Held for Sale (157)	228C	0	0

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
41	Allowances (158.1 and 158.2)	---	0	0
42	(Less) Noncurrent Portion of Allowances	---	0	0
43	Stores Expense Undistributed (163)	228C	185,251	11,196
44	Gas Stored Underground-Current (164)	220	37,613,759	49,747,889
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220	0	0
46	Prepayments (165)	226, 230	214,317	443,401
47	Advances for Gas (166-167)	229	0	0
48	Interest and Dividends Receivable (171)	---	0	0
49	Rents Receivable (172)	---	0	0
50	Accrued Utility Revenues (173)	---	24,582,060	27,900,939
51	Miscellaneous Current and Accrued Assets (174)	---	1,242,854	7,434,876
52	Derivative Instrument Assets (175)		5,933	0
53	(Less) LT Portion of Derivative Inst. Assets (175)		0	0
54	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 53)		\$87,887,905	\$110,492,743
55	DEFERRED DEBITS			
56	Unamortized Debt Expense (181)	---	\$0	\$0
57	Extraordinary Property Losses (182.1)	230	0	0
58	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
59	Other Regulatory Assets (182.3)	232	28,781,732	39,523,284
60	Prelim. Survey and Invest. Charges (Electric) (183)	---	0	0
61	Prelim. Survey and Invest. Charges (Gas) (183.1,183.2)	231	0	0
62	Clearing Accounts (184)	---	0	12
63	Temporary Facilities (185)	---	0	0
64	Miscellaneous Deferred Debits (186)	233	160,809,648	154,410,361
65	Def. Losses from Disposition of Utility Plant (187)	---	0	0
66	Research, Devel, and Demonstration Expend. (188)	352-353	0	0
67	Unamortized Loss on Reacquired Debt (189)	---	0	0
68	Accumulated Deferred Income Taxes (190)	234-235	13,043,694	10,901,861
69	Unrecovered Purchased Gas Costs (191)	---	6,559,751	0
70	TOTAL Deferred Debits (Enter Total of lines 54 thru 69)		\$209,194,824	\$204,835,518
71	TOTAL Assets and other Debits (Enter Total of lines 10, 11, 12, 22, 54 and 70)		\$434,905,939	\$455,445,554

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	\$100	\$100
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	227,010,098	239,010,098
7	Other Paid-In Capital (208-211)	253	0	0
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)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	(2,587,377)	3,075,404
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)		\$224,422,821	\$242,085,602
15	LONG-TERM DEBT			
16	Bonds (221)	256-257	\$0	\$0
17	(Less) Reacquired Bonds (222)	256-257	0	0
18	Advances from Associated Companies (223)	256-257	84,000,000	84,000,000
19	Other Long-Term Debt (224)	256-257	0	0
20	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
21	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	258-259	0	0
22	TOTAL Long-Term Debt (Enter Total of lines 16 thru 21)		\$84,000,000	\$84,000,000
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)	---	\$0	\$0
25	Accumulated Provision for Property Insurance (228.1)	---	0	0
26	Accumulated Provision for Injuries and Damages (228.2)	---	0	0
27	Accumulated Provision for Pensions and Benefits (228.3)	---	756,627	8,937,570
28	Accumulated Miscellaneous Operating Provisions (228.4)	---	0	0
29	Accumulated Provision for Rate Refunds (229)	---	0	0
30	Asset Retirement Obligations (230)	---	120,199	126,670
31	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 thru 30)		\$876,826	\$9,064,240
32	CURRENT AND ACCRUED LIABILITIES			
33	Notes Payable (231)	260A	\$0	\$0
34	Accounts Payable (232)	---	27,709,109	24,753,791
35	Notes Payable to Associated Companies (233)	260B	32,025,000	27,050,000
36	Accounts Payable to Associated Companies (234)	260B	3,126,544	3,322,508
37	Customer Deposits (235)	---	960,325	650,209
38	Taxes Accrued (236)	262-263	1,820,347	4,178,705
39	Interest Accrued (237)	---	77,765	24,379
40	Dividends Declared (238)	---	0	0
41	Matured Long-Term Debt (239)	---	0	0

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009	December 31, 2008
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	
42	Matured Interest (240)	---	0	0	
43	Tax Collections Payable (241)	---	31,396	513,971	
44	Misc. Current and Accrued Liabilities (242)	268	3,699,387	1,877,709	
45	Obligations Under Capital Leases-Current (243)	---	0	0	
46	Federal Income Taxes Accrued for Prior Years (244)	---	0	0	
47	Michigan Single Business Taxes Accrued for Prior Years (244.1)	---	0	0	
48	Fed. Inc. Taxes Accrued for Prior Years-Adj. (245)	---	0	0	
49	Michigan Single Business Taxes Accrued for Prior Years-Adj. (245.1)	---	0	0	
50	TOTAL Current and Accrued Liabilities (Enter Total of lines 33 thru 49)		69,449,875	62,371,272	
51	DEFERRED CREDITS				
52	Customer Advances for Construction (252)	268	\$0	\$0	
53	Accumulated Deferred Investment Tax Credits (255)	266-267	0	0	
54	Deferred Gains from Disposition of Utility Plant (256)	---	0	0	
55	Other Deferred Credits (253)	269	26,235,707	28,734,331	
56	Other Regulatory Liabilities (254) excluding 254185	278	5,126,073	170,560	
57	Unamortized Gain on Reacquired Debt (257)	260	0	0	
58	Accumulated Deferred Income Taxes (281-283)	272-277	24,794,637	29,019,549	
59	TOTAL Deferred Credits (Enter Total of lines 52 thru 58)		\$56,156,418	\$57,924,440	
60	TOTAL Liabilities and Other Credits (Enter Total of lines 14, 22, 31, 50 and 59)		\$434,905,939	\$455,445,554	

(This page intentionally left blank)

Name of Respondent	This Report is:	Date of Report:	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, *Revenues and Expenses from Utility Plant Leased to Others*, in another utility column (l, k, m, o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, *Other Utility Operating Income*, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. 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 customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			12 Months Ended Current Year (c)	12 Months Ended Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	242,961,022	220,175,242
3	Operating Expenses			
4	Operation Expenses (401)	320-325	216,040,640	193,031,937
5	Maintenance Expenses (402)	320-325	1,952,371	2,430,620
6	Depreciation Expense (403)	336-338	7,181,295	7,042,139
7	Amort. & Depl. of Utility Plant (404-405)	336-338	127,693	116,340
8	Amort. of Utility Plant Acq. Adj. (406)	336-338	0	0
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs		0	0
10	Amort. of Conversion Expenses (407)		0	0
11	Regulatory Debits (407.3)		0	0
12	(Less) Regulatory Credits (407.4)		0	0
13	Taxes Other Than Income Taxes (408.1)	262-263	3,709,162	4,313,272
14	Income Taxes - Federal (409.1)	262-263	996,420	(9,923,213)
15	- Other (409.1)	262-263	270,137	0
16	Provision for Deferred Inc. Taxes (410.1)	234,272-276B	8,678,799	16,745,443
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-276B	6,651,723	4,365,892
18	Investment Tax Credit Adj. - Net (411.4)	234,272-276B	0	0
19	(Less) Gains from Disp. of Utility Plant (411.6)	266	0	0
20	Losses from Disp. of Utility Plant (411.7)		0	0
21	(Less) Gains from Disposition of Allowances (411.8)		0	0
22	Losses from Disposition of Allowances (411.9)		0	0
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		232,304,794	209,390,646
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		10,656,228	10,784,596

Name of Respondent	This Report is:	Date of Report:	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceedings affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. 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 approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	12 Months Ended Current Year (g)	12 Months Ended Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		242,961,022	220,175,242			2
						3
		216,047,420	193,031,937	(6,780)		4
		1,952,371	2,430,620			5
		7,181,295	7,042,139			6
		127,693	116,340			7
		0	0			8
		0	0			9
		0	0			10
		0	0			11
		0	0			12
		3,709,162	4,313,272			13
		994,190	(9,923,213)	2,230		14
		269,728	0	409		15
		8,678,799	16,745,443			16
		6,651,723	4,365,892			17
		0	0			18
		0	0			19
		0	0			20
		0	0			21
		0	0			22
0	0	232,308,935	209,390,646	(4,141)	0	23
0	0	10,652,087	10,784,596	4,141	0	24

Name of Respondent		This Report is:		Date of Report:		Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009		December 31, 2008	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
Line No.	Account (a)	(Ref.) Page No. (b)	12 Months Ended Current Year (c)	12 Months Ended Previous Year (d)			
25	Net Utility Operating Income (Carried forward from page 114)	-	10,656,228	10,784,596			
26	Other Income and Deductions						
27	Other Income						
28	Nonutility Operating Income						
29	Revenues From Merchandising, Jobbing and Contract Work (415)		304,312	120,211			
30	(Less) Costs & Exp of Merchandising, Job & Contract Work (416)		-	-			
31	Revenues From Nonutility Operations (417)		22,125	31,068			
32	(Less) Expenses of Nonutility Operations (417.1)		(56,803)	(96,419)			
33	Nonoperating Rental Income (418)		-	-			
34	Equity in Earnings of Subsidiary Companies (418.1)	119	-	-			
35	Interest and Dividend Income (419)		34,739	373,981			
36	Allowance for Other Funds Used During Construction (419.1)		-	-			
37	Miscellaneous Nonoperating Income (421)		11,170	(46,179)			
38	Gain on Disposition of Property (421.1)		-	-			
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		315,543	382,661			
40	Other Income Deductions						
41	Loss on Disposition of Property (421.2)		-	-			
42	Miscellaneous Amortization (425)	340	-	-			
43	Miscellaneous Income Deductions (426.1 426.5)	340	23,554	18,492			
44	TOTAL Other Income Deductions (Enter Total of lines 41 thru 43)		23,554	18,492			
45	Taxes Applic. to Other Income and Deductions						
46	Taxes Other Than Income Taxes (408.2)	262-263	1,857	3,025			
47	Income Taxes-Federal (409.2)	262-263	(3,568,592)	5,986,033			
48	Income Taxes-Other (409.2)	262-263	(653,823)	-			
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277	4,338,886	3,893,499			
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272-277	958	9,617,155			
51	Investment Tax Credit Adj. - Net (411.5)		-	-			
52	(Less) Investment Tax Credits (420)		-	-			
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 thru 52)		117,370	265,402			
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)		174,619	98,767			
55	Interest Charges						
56	Interest on Long-Term Debt (427)		-	-			
57	Amort. of Debt Disc. and Expense (428)	258-259	-	-			
58	Amortization of Loss on Reacquired Debt (428.1)		-	-			
59	(Less) Amort. of Premium on Debt-Credit (429)	258-259	-	-			
60	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		-	-			
61	Interest on Debt to Assoc. Companies (430)	340	5,744,961	5,370,986			
62	Other Interest Expense (431)	340	(576,895)	456,776			
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		0.00	-			
64	Net Interest Charges (Enter Total of 56 thru 63)		5,168,066	5,827,762			
65	Income Before Extraordinary Items (Enter Total of lines 25,54, and 64)		5,662,781	5,055,601			
66	Extraordinary Items						
67	Extraordinary Income (434)		-	-			
68	(Less) Extraordinary Deductions (435)		-	-			
69	Net Extraordinary Items (Enter Total of line 67 less line 68)		-	-			
70	Income Taxes-Federal and Other (409.3)	262-263	-	-			
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		-	-			
72	Net Income (Enter Total of lines 65 and 71)		5,662,781	5,055,601			

(This page intentionally left blank)

Name of Respondent	This Report is:	Date of Report:	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

RECONCILIATION OF DEFERRED INCOME TAX EXPENSE			
1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284. 2. The charges in the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on these pages.		In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on these pages, then provide the additional information requested in instruction #3, on a separate page.	
Line No.		Electric Utility	Gas Utility
1	Debits to Account 410 from:		
2	Account 190		4,073,758
3	Account 281		
4	Account 282		3,359,911
5	Account 283		1,245,130
6	Account 284		0
7	Reconciling Adjustments		0
8	TOTAL Account 410.1 (on pages 114-115 line 16)		8,678,799
9	TOTAL Account 410.2 (on page 117 line 49)		
10	Credits to Account 411 from:		
11	Account 190		(4,170,042)
12	Account 281		0
13	Account 282		(177,772)
14	Account 283		(2,303,909)
15	Account 284		0
16	Reconciling Adjustments		
17	Total Account 411.1 (on pages 114-15 line 17)		(6,651,723)
18	Total Account 411.2 (on page 117 line 50)		
19	Net ITC Adjustment:		
20	ITC Utilized for the Year DR		0
21	ITC Amortized for the Year CR		0
22	ITC Adjustments:		0
23	Adjust last year's estimate to actual per filed return		0
24	Other (specify)		0
25	Net Reconciling Adjustments Account 411.4*		0
26	Net Reconciling Adjustments Account 411.5		
27	Net Reconciling Adjustments Account 420		

Name of Respondent	This Report is:	Date of Report:	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

RECONCILIATION OF DEFERRED INCOME TAX EXPENSE (Continued)

3. (a) Provide a detail 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).

Other Utility	Total Utility	Other Income	Total Company	Line No.
	4,073,758	3,901,372	7,975,130	1
	0		0	2
	3,359,911	437,514	3,797,425	3
	1,245,130		1,245,130	4
	0		0	5
	0		0	6
	0		0	7
	8,678,799			8
		4,338,886		9
	(4,170,042)	(958)	(4,171,000)	10
	0		0	11
	(177,772)		(177,772)	12
	(2,303,909)		(2,303,909)	13
	0		0	14
	0		0	15
	(6,651,723)			16
		(958)		17
				18
	0		0	19
				20
				21
				22
				23
				24
	0			25
				26
				27

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

STATEMENT OF RETAINED EARNINGS FOR THE YEAR			
<p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first account 439 (Adjustments to Retained Earnings), reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit, items in that order.</p> <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the State and Federal income tax effect of items shown in account 439 (Adjustments to Retained Earnings)</p> <p>7. 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.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>			

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		(2,587,377)
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	TOTAL Credits to Retained Earnings (439)		
9	Debit:		
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		
14	Balance Transferred from Income (Account 433)		5,662,781
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	Dividends Declared-Preferred Stock (Account 437)		
23			
24			
25			
26			
27			
28	TOTAL Dividends Declared-Preferred Stock (Account 437)		

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2007	Year of Report December 31, 2008
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock (Account 438)			
30				
31				
32				
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)			
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings			
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		3,075,404	
APPROPRIATED RETAINED EARNINGS (Account 215)				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
38				
39				
40				
41				
42				
43	TOTAL Appropriated Retained Earnings (Account 215)			
APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)				
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
45	TOTAL Appropriated Retained Earnings (Account 215 & 215.1)			
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		3,075,404	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
47	Balance-Beginning of Year (Debit or Credit)			
48	Equity in Earnings for Year (Credit) (Account 418.1)			
49	(Less) Dividends Received (Debit)			
50	Other Changes (Explain)			
51	Balance-End of Year (Enter Total of lines 47 thru 50)			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

STATEMENT OF CASH FLOWS		
<p>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. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.</p> <p>2. Under "Other" specify significant amounts and group others.</p> <p>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.</p>		
Line No.	Description (See instructions for Explanation of Codes) (a)	Current Year to Date (b)
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)	
2	Net Income (Line 72 on page 117)	5,662,781
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	7,181,295
5	Amortization of Utility Plant	127,693
6	Amortization of (Specify) Other	-
7	Intangible Plant	-
8	Deferred Income Taxes (Net)	6,366,740
9	Investment Tax Credit Adjustment (Net)	
10	Net (Increase) Decrease in Receivables	(7,280,609)
11	Net (Increase) Decrease in Inventory	(11,963,469)
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	3,855,792
14	Net (Increase) Decrease in Other Regulatory Assets	1,592,942
15	Net (Increase) Decrease in Other Regulatory Liabilities	(1,814,000)
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other: (provide details in footnote)	(1,211,146)
19		
20		
21		
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	2,518,019
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant	(9,968,446)
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)	(9,968,446)
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	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			

STATEMENT OF CASH FLOWS (Continued)		
4. Investing Activities	5. Codes used:	
(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.	(a) Net proceeds or payments.	
(b) Do 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.	(b) Bonds, debentures and other long-term debt.	
	(c) Include commercial paper.	
	(d) Identify separately such items as investments, fixed assets, intangibles, etc.	
	6. Enter on Pages 122-123 clarifications and explanations.	
Line No.	Description (See instructions for Explanation of Codes) (a)	Current Year to Date (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: (provide details in footnote)	
54	Other: Acquisition	
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 54)	(9,968,446)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65	Equity Contribution From Parent	12,000,000
66	Redemption of Inter-Company Notes Payable	(4,975,000)
67	Net Increase in Short-Term Debt	
68	Other: (provide details in footnote)	
69	Changes in Loans on Executive Life Insurance	
70		
71	Cash Provided by Outside Sources (Total of lines 61 thru 69)	7,025,000
72		
73	Payments for Retirement of:	
74	Long Term Debt	
75	Preferred Stock	
76	Common Stock	
77	Other:	
78	Equity Adjustments to Parent	
79	Net Decrease in Short-Term Debt	
80		
81	Dividends on Preferred Stock	
82	Dividends on Common Stock	
83	Net Cash Provided by (Used in) Financing Activities	
84	(Total of lines 70 thru 81)	7,025,000
85		
86	Net Increase (Decrease) in Cash and Cash Equivalents	
87	(Total of lines 22, 57 and 83)	(425,427)
88		
89	Cash and Cash Equivalents at Beginning of Year	1,162,446
90		
91	Cash and Cash Equivalents at End of Year	737,019

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
Footnote Data			
Schedule Page: 110 Line No.: 30 Column (d)			
Other Accounts Receivable			
Non Service Accounts Receivable		210,488	
Other AR-Misc Liab Reclass		6,880	
			217,368
Schedule Page: 111 Line No.: 59 Column (d)			
Other Regulatory Assets			
1993 Reg Asset Retiree Health		124,203	
Reg Asset - FAS158		12,336,183	
Reg Asset - Purch Acctg EFF Benefits		26,972,273	
ARO Deprec/Accr Non-Rate Base		88,889	
Deferred Taxes		1,736	
			39,523,284
Schedule Page: 111 Line No.: 64 Column (d)			
Miscellaneous Deferred Debits			
Goodwill		122,705,360	
Tradename		5,218,000	
Def Deb-Area Expans Program		75,094	
Labor Load/Transp Capital Accl		27,495	
Def Debit-Work Orders		17,149	
Def Debit-Notes Receivable Lon		14,670	
Advances to Assoc Co-WPSC		-	
Reg Asset-Cleanup Gas-Expendit		26,352,593	
			154,410,361
Schedule Page: 113 Line No.: 55 Column (d)			
Other Deferred Credits			
Outstanding Checks Cancelled		1,648	
Gas Site Clean-up		24,520,000	
Def Comp Res Loan Program		132,818	
Advances from Associated Company - WPSC		4,079,865	
TOTAL			28,734,331
Schedule Page: 113 Line No.: 56 Column (d)			
Other Regulatory Liabilities			
FASB 158			170,560
Schedule Page: 120 Line No.: 18 Column (b)			
Other Operating			
Accrued Revenues		(3,318,879)	
Prepayments and Misc Current Assets		138,645	
Deferred Debits		1,777,343	
Pension and Post Retirement Liability		(277,923)	
Pension and Post Retirement Funding		(88,697)	
Other Long Term Liabilities		558,365	
TOTAL			(1,211,146)

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			

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 the 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 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 of other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, *Unamortized Loss on Reacquired Debt*, and 257, *Unamortized Gain on Reacquired Debt*, are not used, give an explanation, providing the rate treatment given these items. See general Instruction 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 attached hereto.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

MICHIGAN GAS UTILITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

The Notes to the Financial Statements that follow are as of and for the twelve-month period from January 1, 2008 to December 31, 2008.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **MPSC Form P-522 Presentation Compared to Generally Accepted Accounting Principles**--The accompanying financial statements have been prepared in accordance with the accounting requirements of the MPSC as set forth in the Uniform System of Accounts and accounting releases, which differs from generally accepted accounting principles ("GAAP"). As required by MPSC, Michigan Gas Utilities Corporation ("MGUC") classifies certain items in its 2008 Form P-522 in a manner different than the presentation in accordance with GAAP:

- Removal costs that do not have an associated legal obligation are recognized as a component of accumulated depreciation, whereas these costs are recognized for GAAP as a regulatory liability.
- Accumulated deferred income taxes are reported as deferred debits and deferred credits and are not netted into short-term or long-term classifications as required by GAAP.

(b) **Nature of Operations**--MGUC, a wholly-owned subsidiary of Integrys Energy Group, Inc., is a regulated gas utility that supplies and distributes natural gas to southern Michigan customers in and around Grand Haven, Otsego, Benton Harbor, Coldwater, and Monroe.

The term "utility" refers to the regulated activities of MGUC, while the term "nonutility" refers to the activities of MGUC that are not regulated.

(c) **Use of Estimates**--The preparation of financial statements in conformity with accounting requirements of the MPSC requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

(d) **Cash and Cash Equivalents**--All short-term investments with an original maturity of three months or less are considered to be cash equivalents. Cash received for income taxes for the twelve-month period ended December 31, 2008 was \$11 million and cash paid for interest totaled \$5.7 million.

The balance in cash and cash equivalents as of December 31, 2008 and 2007 consists of items shown below:

	2008	2007
Cash	\$683,174	\$1,155,096
Special Deposits	48,995	2,500
Working Funds	4,850	4,850
	<u>\$737,019</u>	<u>\$1,162,446</u>

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

- (e) **Revenue and Customer Receivables**--Revenues are recognized on the accrual basis and include estimated amounts for natural gas services rendered but not billed. There are no customers or industries that account for more than 10% of MGUC's revenues.

The MPSC has approved one-for-one recovery of prudently incurred natural gas costs for MGUC, subject to regulatory review. Fuel costs incurred in excess of (or less than) currently billable fuel costs are recognized as an increase (or decrease) in operating revenue. We are required to provide service and grant credit to customers within our service territories. We continually review customers' credit-worthiness and obtain or refund deposits accordingly. We are precluded from discontinuing service to residential customers during winter moratorium months. MGUC calculates a reserve for potential uncollectible customer receivables based on calculation which includes the aging of accounts receivables balances.

Certain customers are on "even-pay" plan, where they pay the same amount each month, based on estimated yearly usage; as a result, collections from customers, for which services have not been provided, are included in Accounts Payable.

- (f) **Gas Cost Recovery (GCR)**--Natural gas costs are recovered from customers pursuant to a Gas Cost Recovery Clause, as authorized by the provisions of the 1982 Public Act 304, in MGUC's Rules, Regulations and Rate Schedules, Rule B10, which is implemented by filing, in December of each year, an application with the MPSC requesting approval of maximum rates to be charged customers during the subsequent GCR period (April 1 through March 31) for natural gas costs expected to be incurred during that period. Until an order is received approving or rejecting the rates, the rates requested may be billed. An annual reconciliation is made of natural gas costs incurred during the preceding GCR period with natural gas cost recovery revenues collected during that period with provisions for rolling over-collections and under-collections into the next GCR period, together with interest on any such amounts. The over-collections and under-collections are recorded in Account 174 on the Comparative Balance Sheet. The Company has recorded an under-collection of \$7.0 million at December 31, 2008.

- (g) **Inventories**--Inventories consist of natural gas in storage and are valued at average cost. Natural gas purchased specifically for injection into MGUC's storage fields is priced at the delivery price of such purchases. Otherwise, natural gas injected into storage is priced at the average cost of natural gas purchased during the month of injection. Withdrawals of natural gas from storage fields are priced at the average cost of natural gas in storage.

Arrangement for storage of natural gas also exists with third parties. Such arrangements provide for spot and term purchases by MGUC of up to 7.981 Million Cubic Feet (Mcf) of natural gas each summer for storage with other utilities and on pipelines, as well as MGUC owned storage facilities for delivery during the following heating season. Under the arrangements, the cost of such natural gas, together with related storage and transportation service charges, is charged to natural gas in underground storage as the natural gas is purchased. As natural gas is withdrawn, it is priced at the average cost of natural gas in storage computed separately for each third party. Base gas stored underground is gas that is used to maintain the integrity of the storage field by maintaining pressure for working gas, and will only vary if the conditions of the storage field change. Base gas stored that was recorded by MGUC was \$3.6 million at December 31, 2008, and 2007.

- (h) **Risk Management Activities**--As part of our regular operations, MGUC may enter into contracts, including options, swaps, futures, forwards, and other contractual commitments, to manage market risks such as changes in commodity prices.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

MGUC accounts for its derivative contracts in accordance with SFAS No. 133, "*Accounting for Derivative Instruments and Hedging Activities*," as amended and interpreted. SFAS No. 133 establishes accounting and financial reporting standards for derivative instruments and requires, in part, that we recognize certain derivative instruments on the balance sheet as assets or liabilities at their fair value. The derivatives qualify for regulatory deferral subject to the provisions of SFAS No. 71, "*Accounting for the Effects of Certain Types of Regulation*," the derivatives are marked to fair value pursuant to SFAS No. 133 and are offset with a corresponding regulatory asset or liability. The Company has recorded a risk management asset of \$.01 million at December 31, 2007 as a derivative instrument asset. The company has no outstanding contracts at December 31, 2008.

- (i) **Property, Plant, and Equipment**--Utility plant is stated at the original cost of construction including an allowance for funds used during construction. The cost of renewals and betterments of units of property (as distinguished from minor items of property) is capitalized as an addition to the utility plant accounts. Except for land, no gain or loss is recognized in connection with ordinary retirements of utility property units. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses. The utility charges the cost of units of property retired, sold, or otherwise disposed of, less salvage, to accumulated depreciation. The cost of removal associated with the retirement is also charged to accumulated depreciation.

MGUC records straight-line depreciation expense over the estimated useful life of utility property and includes amounts for estimated removal and salvage. The annual utility composite depreciation rate was 2.67% for 2007 and 2008.

- (j) **Allowance for Funds Used During Construction**--MGUC uses an allowance for funds used during construction ("AFUDC") calculation which includes both a debt and an equity component as required by regulatory accounting. MGUC did not record AFUDC for the twelve-month periods ended December 31, 2008 and 2007 because there were no significant construction projects during the year.
- (k) **Asset Impairment**--MGUC reviews the recoverability of long-lived tangible and intangible assets in accordance with SFAS No. 144. This Statement requires review of assets when circumstances indicate that the carrying amount may not be recoverable. The carrying amount of assets held and used is not recoverable if it exceeds the undiscounted sum of cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is not recoverable, the impairment loss is measured as the excess of the asset's carrying value over its fair value. Impairment charges are recorded if the carrying value of such assets exceeds the future anticipated cash flows. There were no impairment charges for the twelve-month periods ended December 31, 2008 and 2007.
- (l) **Regulatory Assets and Liabilities**--MGUC is subject to the provisions of SFAS No. 71. Regulatory assets represent probable future revenue associated with certain incurred costs that will be recovered from customers through the ratemaking process. Regulatory liabilities represent amounts that are refundable in future customer rates. Based on a current evaluation of the various factors and conditions that are expected to impact future cost recovery, we believe that future recovery of our regulatory assets is probable. If, at any reporting date, a previously recorded regulatory asset is no longer probable of recovery, the regulatory asset is reduced to the amount considered probable of recovery with the reduction charged to current expense. For additional information, see Note 3, "*Regulatory Assets and Liabilities*."
- (m) **Goodwill and Other Intangible Assets**--In accordance with SFAS No. 142, "*Goodwill and Other Intangible Assets*," goodwill and other assets with indefinite lives are not amortized, but are subject to annual impairment tests. Impairment tests were performed at the time of acquisition for MGUC.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

Going forward, MGUC will perform annual impairment tests during the second quarter. The impairment tests are updated whenever events or changes in circumstances indicate that the assets might be impaired. Based upon the results of testing, no impairments were noted for the twelve-month periods ended December 31, 2008 and 2007. See Note 4, "*Goodwill and Other Intangible Assets*," for additional information.

- (n) **Asset Retirement Obligations**--SFAS No. 143, "*Accounting for Asset Retirement Obligations*," requires companies to recognize, at fair value, legal obligations associated with the retirement of tangible long-lived assets that resulted from the acquisition, construction or development, and/or normal operation of the assets. The asset retirement obligations are accreted using a credit-adjusted risk-free interest rate commensurate with the expected settlement dates of the asset retirement obligations. The associated retirement costs are capitalized as part of the related long-lived assets and are depreciated over the useful lives of the assets.

MGUC recognizes Interpretation No. 47, "*Accounting for Conditional Asset Retirement Obligations*," which clarifies that conditional asset retirement obligations are within the scope of SFAS No. 143. Therefore, a liability must be recorded for these obligations as long as the fair value can be reasonably estimated, even if the timing or method of settling the obligation is unknown. Asset retirement obligations included within the scope of Interpretation No. 47 are calculated and recorded utilizing the methodology in SFAS No. 143. See Note 8, "*Asset Retirement Obligations*," for additional information regarding SFAS 143 and Interpretation No. 47.

- (o) **Income Taxes**--We account for income taxes using the liability method as prescribed by SFAS No. 109, "*Accounting for Income Taxes*." Under this method, deferred income taxes have been recorded using currently enacted tax rates for the differences between the tax basis of assets and liabilities and the basis reported in the financial statements. Due to the effects of regulation on MGUC, certain adjustments made to defer income taxes are, in turn, recorded as regulatory assets or liabilities.

Investment tax credits, used to reduce federal income taxes payable, are deferred for financial reporting purposes, and amortized over the useful lives of the property to which they relate.

Integrus Energy Group files a consolidated United States income tax return that includes domestic subsidiaries of which its ownership is 80% or more. Integrus Energy Group and its consolidated subsidiaries are parties to a tax allocation arrangement under which each entity determines its income tax provision on a stand-alone basis. In several states, combined or consolidated filing is required for certain members of the Integrus Energy Group doing business in that state. The tax allocation arrangement equitably allocates the state taxes associated with these combined or consolidated filings.

Integrus Energy Group and its subsidiaries have routinely been subject to examination by various taxing jurisdictions, including the Internal Revenue Service (IRS) and other state and local taxing jurisdictions. At any given time, there might be several of these audits open covering multiple tax years. Management has not been informed by any taxing jurisdictions of any material adjustment to any filed or proposed tax position as a result of on-going examinations that would impact MGUC.

- (p) **Taxes Other Than Income**--MGUC presents revenue net of pass-through taxes on the Statements of Income. The company accounts for the Michigan Single Business Tax as tax other than income taxes.
- (q) **Guarantees**--FASB Interpretation No. 45, "*Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others*," requires that the guarantor

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

recognize, at the inception of the guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. See Note 10, "Guarantees," for additional information on Interpretation No. 45.

- (r) **New Accounting Pronouncements**--In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations." SFAS No. 141(R) provides greater consistency in the accounting for and financial reporting of business combinations. Among other changes, the standard will require the following: (1) all assets acquired and liabilities assumed must be recognized at the transaction date, including those related to contractual contingencies; (2) transaction costs and restructuring costs that the acquirer expects, but is not obligated, to incur are to be expensed; (3) changes to deferred tax benefits as a result of the business combination must be recognized immediately in income from continuing operations or equity, depending on the circumstances; and, (4) in a bargain purchase, a gain is to be recorded instead of writing down fixed assets. Certain new disclosure requirements will enable the evaluation of the nature and financial effect of the business combination. SFAS No. 141(R) is effective for business combinations consummated after January 1, 2009. Also effective January 1, 2009, any adjustments to uncertain tax positions from business combinations consummated prior to January 1, 2009, will no longer be recorded as an adjustment to goodwill, but will be reported in income.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133." SFAS No. 161 requires enhanced disclosures about (1) how and why an entity uses derivative instruments, (2) how derivative instruments and related hedged items are accounted for under SFAS No. 133, as amended, and (3) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for Integrys Energy Group for the reporting period ending March 31, 2009, and will result in expanded disclosures for derivative instruments.

FSP No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets," was issued in December 2008. This FSP amends SFAS No. 132(R), "Employers' Disclosures about Pensions and Other Postretirement Benefits," and requires additional disclosures about plan assets. These disclosures include: a description of investment policies and strategies, disclosures of the fair value of each major category of plan assets, information about the fair value measurements of plan assets, and disclosures about significant concentrations of risk in plan assets. This FSP is effective for Integrys Energy Group for the reporting period ending December 31, 2009, and will result in expanded disclosures related to postretirement benefit plan assets.

NOTE 2--FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash, accounts receivable, accounts payable and short-term debt: The carrying amount approximates fair value due to the short maturity of these investments and obligations.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The estimated fair values of our financial instruments as of December 31, 2008 and December 31, 2007 were:

(Millions)	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and Cash Equivalents	\$ 0.7	\$ 0.7	\$ 1.2	\$ 1.2
Accounts Receivable	23.7	23.7	22.4	22.4
Accounts Payable	28.6	28.6	30.9	30.9
Short Term Debt	27.1	27.1	32.0	32.0
Long Term Debt	84.0	78.5	84.0	84.2

NOTE 3--REGULATORY ASSETS AND LIABILITIES

The following regulatory assets and liabilities are reflected in the Balance Sheet as of December 31, 2008 and December 31, 2007:

(Millions)	2008	2007
Regulatory Assets		
Pension and Post-Retirement Benefit Related Items	\$12.3	\$ 0.0
Pension and Post-Retirement Purchase Accounting Asset	27.0	28.5
Environmental Remediation Costs (Net of Insurance Recoveries)	26.4	27.8
Other	0.2	0.2
Total Regulatory Assets	\$65.9	\$56.5
Regulatory Liabilities		
Other Regulatory Liabilities	\$ 0.2	\$ 5.1
Total Regulatory Liabilities	\$ 0.2	\$ 5.1

Included in Pension and post-retirement benefit related items is FAS 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." Included in Pension and post-retirement purchase account asset are the unrecognized losses at the purchase date of April 1, 2006 of MGUC that is related to the pension and post-retirement liabilities. MGUC expects to recover its regulatory assets and return our regulatory liabilities through rates charged to customers based on specific ratemaking decisions or precedent for each item over periods specified by the regulators or over the normal operating period of the assets and liabilities to which they relate. Based on prior and current rate treatment for carrying costs of regulatory assets, we believe it is probable that MGUC will continue to recover from customers the regulatory assets described above.

See Note 9, "Commitments and Contingencies," and Note 11, "Employee Benefit Plans," for more information on some of the more significant regulatory assets and liabilities listed in the above table.

NOTE 4--GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill recorded by MGUC was \$122.7 million at December 31, 2008 related to the acquisition of the natural gas distribution operations in Michigan in April 2006. In conjunction with the acquisition of the

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

natural gas distribution operations, a \$5.2 million indefinite lived intangible asset was recorded related to the MGUC trade name. Goodwill and Intangible assets are recorded on the balance sheet in account 186.

NOTE 5--SHORT-TERM DEBT

All short-term borrowings are from Integrys Energy Group and bear interest at Integrys Energy Group's weighted average borrowing rate on short-term loans. Short-term borrowings from Integrys Energy Group were as follows (in millions):

	2008	2007
Maximum amount of short-term borrowings outstanding during the twelve-months ended December 31	\$38.8	\$34.9
Average amount of short-term borrowing outstanding during the twelve-months ended December 31	\$15.9	\$7.9
Weighted average interest rate on short-term borrowings for the twelve-months ended December 31	4.80%	5.24%
Weighted average interest rate on short-term borrowings at December 31	6.02%	4.88%
Short-term borrowings from Integrys Energy Group at December 31	\$27.1	\$32.0

NOTE 6--LONG-TERM DEBT

Pursuant to a credit line agreement entered into on April 1, 2006 with Integrys Energy Group, MGUC acquired long-term debts as presented in the table below:

At December 31 (Millions)				2008	2007
Integrys Energy Group Notes					
<u>Term</u>	<u>Interest Rate</u>	<u>Year Due</u>	<u>Description</u>		
7 Year	5.72%	2013	Senior Note	28.0	28.0
10 Year	5.76%	2016	Senior Note	28.0	28.0
15 Year	5.98%	2021	Senior Note	28.0	28.0
Total Long-Term Debt				\$84.0	\$84.0

Interest is paid semi-annually for the three notes issued. There are no covenants associated with these obligations.

A schedule of all principal debt payment amounts is as follows:

Year ending December 31 (Millions)	
2008	\$ -
2009	-
2010	-
2011	-
2012	-
Later Years	84.0
Total Payments	\$84.0

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

NOTE 7--ASSET RETIREMENT OBLIGATIONS

Under the provisions of SFAS No. 143, "Accounting for Asset Retirement Obligations," and Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations," MGUC has recorded liabilities for legal obligations associated with the retirement of tangible long-lived assets. MGUC identified asset retirement obligations primarily related to asbestos abatement at office buildings and service centers. In accordance with SFAS No. 71, MGUC established regulatory assets and liabilities to record the differences between ongoing expense recognition under SFAS No. 143 and Interpretation No. 47, and the rate-making practices for retirement costs authorized by the MPSC. At December 31, 2008, asset retirement obligations had a balance of \$.1 million. Accretion expense was \$.01 million for the twelve-month period ended December 31, 2008.

NOTE 8--INCOME TAXES

The principal components of our deferred tax assets and liabilities recognized in the balance sheet as of December 31, 2008 and 2007 are as follows:

(Millions)	2008	2007
Deferred Tax Assets:		
Employee Benefits	\$ 3.0	\$ 2.4
Plant Related	3.6	7.2
Other	4.3	3.4
Total Deferred Tax Assets	10.9	13.0
Deferred Tax Liabilities:		
Regulatory Deferrals	\$23.5	\$12.4
Plant Related	5.6	11.5
Other	(0.1)	.9
Total Deferred Tax Liabilities	\$29.0	\$24.8

Consistent with ratemaking treatment, certain temporary differences, in which the offsetting amount is recorded as a regulatory assets or liability, are presented net in the table above.

The following table presents a reconciliation of federal income taxes (which are calculated by multiplying the statutory federal income tax rate by book income before federal income tax) to the provision for income taxes reported in the Statement of Income for the twelve-month period ended December 31, 2008.

Name of Respondent	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

(Millions, except for percentages)	2008		2007	
	Rate	Amount	Rate	Amount
Statutory Federal Income Tax	35.0%	\$ 3.2	35.0%	\$ 2.6
State Income Taxes, Net	3.8%	.3		
Other Differences, Net	(1.1%)	(0.1)		
Effective Income Tax	37.7%	\$ 3.4	35.0%	\$ 2.6
Current Provision – Federal		\$(2.6)		\$(4.1)
Current Provision – State		(0.4)		
Total Current Provision		(3.0)		(4.1)
Deferred Provision		6.4		6.7
Total Income Tax Expense		\$ 3.4		\$ 2.6

Effective January 1, 2008, the Michigan Single Business Tax was replaced by a new Michigan Business Tax ("MBT"). There are two components of the new MBT, the business income tax and the modified gross receipts tax. These taxes are considered income taxes instead of a tax other than income tax like the Michigan Single Business Tax.

As the related temporary differences reverse, MGUC is prospectively refunding taxes to customers for which deferred taxes were recorded in prior years at rates different than current rates. The regulatory asset for these refunds and other regulatory tax effects totaled approximately \$2K as of December 31, 2008.

NOTE 9--COMMITMENTS AND CONTINGENCIES

Commodity and Purchase Order Commitments

MGUC routinely enters into long-term purchase and sale commitments that have various quantity requirements and durations. MGUC has obligations related to natural gas contracts totaling \$223.1 million, substantially all of which end by 2019.

Environmental

Manufactured Gas Plant Remediation

MGUC is responsible for the environmental impacts at 11 former manufactured gas plant sites. Contaminated soil has been removed from eight of the sites. Future investigations are needed at many of the sites to evaluate on-site, off-site, and sediment impacts.

MGUC has estimated future investigation and remediation costs of approximately \$24.5 million as of December 31, 2008, these costs are included as Other Deferred Credits in Account 253. The MPSC has historically authorized recovery of these costs. An environmental liability and related regulatory asset were recorded at the date of acquisition to reflect the expected investigation and clean-up costs relating to these sites and the expected recovery of these costs in future rates.

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

As these 11 sites are integrated into the corporate gas plant site management program, cost estimates may change. MGUC will also evaluate the feasibility of transferring the sites into the EPA Superfund Alternatives Program.

NOTE 10--GUARANTEES

Corporate guarantees in the amount of \$100 million have been authorized by Integrys Energy Group's Board of Directors to support MGUC. Integrys Energy Group on behalf of MGUC had \$81.9 million of outstanding guarantees related to natural gas supply at December 31, 2008.

NOTE 11--EMPLOYEE BENEFIT PLANS

The Company participates in one noncontributory, qualified retirement plan of Integrys Energy Group. On December 31, 2008, the qualified pension plan, the Wisconsin Public Service Corporation ("WPSC") Retirement Plan, was merged into the Integrys Energy Group Retirement Plan. The merger had no effect on the level of plan benefits provided to participants or the management of plan assets. Prior to the plan merger, WPSC, a subsidiary of Integrys Energy Group, served as plan sponsor for the WPSC Retirement Plan, and reflected the liabilities associated with this plan on its Balance Sheet. Integrys Business Support, LLC ("IBS") serves as the plan sponsor for the Integrys Energy Group Retirement Plan. Prior to the change in plan sponsor, the Company had accounted for its participation in the WPSC Retirement Plan as a multiemployer plan. Accordingly, WPSC allocated to the Company its share of periodic pension cost. The Company did not report any plan assets or liabilities on its balance sheet, but recognized within long-term payable to affiliates, a long-term liability for the expense allocated from WPSC less the amounts paid. The Company accounts for its participation in the pension plan sponsored by IBS as a multiple employer plan. Therefore, as of December 31, 2008, the Company's Balance Sheet reflects the liabilities associated with past and current employees of the Company and its share of the plan assets. Under affiliate agreements, the Company is responsible for its share of plan obligations and is entitled to its share of plan assets; accordingly, the Company accounts for its share of the IBS plan as its own plan.

The Company also maintains an unfunded, legacy non-qualified Supplemental Employee Retirement Plan (SERP). The liabilities for this plan are recorded on the Company's Balance Sheet.

The Company participates in other postretirement benefit plans sponsored by WPSC. The Company accounts for its participation in these plans as a multiemployer plan. Accordingly, the Company does not reflect any plan assets or liabilities on its balance sheet, but has recognized within Miscellaneous Deferred Credits, a long-term liability of \$4.1 million and a Miscellaneous Deferred Debit, a long-term asset of \$5.0 million as of December 31, 2008, and 2007, respectively, for the expense allocated from WPSC less the amounts paid. The Company's share of other postretirement benefit costs was \$0.2 million in 2008 and \$ 0.2 million in 2007. Due to the regulated nature of the business, the Company has recorded a regulatory asset of \$4.1 million as of December 31, 2008, and a regulatory liability of \$2.1 million in 2007, respectively, for its other post retirement costs.

In addition, Integrys Energy Group offers medical, dental, and life insurance benefits to the Company's employees and their dependents. The Company expenses the allocated costs of benefits for active employees as incurred and benefits for retirees are funded through irrevocable trusts, as allowed for income tax purposes.

The costs of pension and other postretirement benefits are expensed over the period during which the employee renders service. Actuarial calculations are preformed (based upon specific employees and their related years of service) in order to calculate the Company's benefit cost. The transition obligation

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

for postretirement benefits is being recognized over a 20-year period beginning in 1993. Integrys Energy Group uses a December 31 measurement date for all of its plans.

The Company follows SFAS No. 158, *“Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106, and 132(R).”* SFAS No. 158 requires employers to recognize a defined benefit postretirement plan’s funded status on the balance sheet, and recognize changes in the plan’s funded status in the year in which the changes occur. The Company records changes in the funded status to regulatory asset or liability accounts, pursuant to SFAS No. 71.

In accordance with purchase accounting rules, the Company established an opening balance sheet liability as of the April 1, 2006 sale close date, equal to the difference between plan liabilities and assets transferred from Aquila, Inc. using the same discount rate assumption (5.65%) chosen by Integrys Energy Group at the December 31, 2005 disclosure date which was also used for calculating net periodic benefit cost in 2006. The Company also established a regulatory asset equal to the difference between the opening balance sheet liabilities for all benefit plans of the Company and what was on the balance sheet of Aquila, Inc. on the date of the sale. The Regulatory Assets related to the acquisition were \$27.0 million in 2008, \$28.5 million in 2007, and \$30.1 million for the nine month period ended December 31, 2006, these are recorded in Account 182.3 on the Comparative Balance Sheet. The Company’s share of pension costs / (credits) was \$(0.1) in 2008, \$(0.2) million in 2007, and \$0.3 million for the nine month period ended December 31, 2006. The Company’s share of other postretirement benefit costs / (credits) was \$(0.2) million in 2008, \$(0.2) million in 2007, and \$0.6 million for the nine month period ended December 31, 2006.

During the third quarter of 2007, Integrys Energy Group made a series of changes to certain of its retirement benefit plans, which affected the Company. Specifically, the changes included:

- Closure of the defined benefit pension plans to non-union new hires, effective January 1, 2008;
- A freeze in defined benefit pension service accruals for non-union employees, effective January 1, 2013;
- A freeze in compensation amounts used for determining defined benefit pension amounts for non-union employees, effective January 1, 2018;

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The following tables provide a reconciliation of the changes in the pension plans' benefit obligations and fair value of assets during 2008 and 2007.

<i>(Millions)</i>	Pension	
	2008	2007
Reconciliation of Benefit Obligation		
Obligation at January 1	\$ 0.8	\$ 0.9
Service Cost	0.7	-
Interest Cost	2.1	-
Transfer In	32.0	-
Actuarial (Gain) Loss – Net	-	-
Benefit Payments	(1.7)	(0.1)
Obligation at December 31	\$33.9	\$ 0.8
Reconciliation of Fair Value of Plan Assets		
Fair Value of Plan Assets at January 1	\$ -	\$ -
Transfer In	34.7	-
Actual Return on Plan Assets	(8.2)	0.1
Employer Contributions	0.1	(0.1)
Benefit Payments	(1.7)	-
Fair Value of Plan Assets at December 31	\$24.9	\$ -

Amounts recognized in the Company's Balance Sheet at December 31, 2008 related to the pension plans and SERP, and at December 31, 2007 related to the SERP consisted of:

<i>(Millions)</i>	Pension	
	2008	2007
Current Liabilities	\$0.1	\$0.1
Noncurrent Liabilities	8.9	0.7
Net Liabilities Recognized	\$9.0	\$0.8

The accumulated benefit obligation for all defined benefit pension plans was \$30,897,901 and \$845,325 at December 31, 2008, and 2007, respectively. Information for pension plans with an accumulated benefit obligation in excess of plan assets is presented in the following table.

<i>(Millions)</i>	December 31,	
	2008	2007
Projected Benefit Obligation	\$33.9	\$0.8
Accumulated Benefit Obligation	30.9	0.8
Fair Value of Plan Assets	24.9	-

The following table shows the amounts that have not yet been recognized in the Company's net periodic benefit cost as of December 31, 2008 and 2007:

<i>(Millions)</i>	Pension	
	2008	2007
Regulatory Asset/(Liability)		
Net Actuarial Loss/(Gain)	\$8.1	\$(0.1)

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The estimated net gain for defined benefit pension plans that will be amortized as a component of net periodic benefit cost during 2009 is \$5,600.

The following table presents the components of the net periodic benefit cost for the pension plans and SERP for 2008 and only for the SERP for 2007:

	Pension	
	2008	2007
Net Periodic Cost (Benefit)		
Service Cost	\$ 0.7	\$-
Interest Cost	2.1	-
Expected Return on Plan Assets	(2.9)	-
Amortization of (Gain)/Loss	-	-
Net Periodic Cost (Benefit)	<u>\$(0.1)</u>	<u>\$-</u>

Assumptions

The weighted average assumptions used at December 31 in the accounting for the Integrys Energy Group pension plans are as follows:

	Pension	
	2008	2007
Discount Rate for Benefit Obligations	6.45%	6.40%
Discount Rate for Net Periodic Cost (Benefit)	6.40%	5.87%
Expected Rate on Assets	8.50%	8.50%
Rate of Compensation Increase	4.27%	5.50%

The Company establishes its expected return on asset assumption based on consideration of historical and projected asset class returns. For each asset class, the expected return is calculated as the weighted-average of the historical and projected returns, as determined by an independent source. This amount is then compared to the historical investment performance of the trust holding the plan assets, as well as a group of peer companies for reasonableness.

Pension Plan Assets

The target allocations of the plan assets at December 31, 2008 and the weighted-average asset allocations of the plans at December 31, 2008, are as follows:

	Pension Assets	
Asset category	Target Allocation 2008	Percentage of Plan Assets at December 31, 2008
Equity Securities	64%	56%
Debt Securities	33%	40%
Real Estate	3%	4%
Total	100%	100%

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(2) <input type="checkbox"/> A Resubmission	April 30, 2009	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The Board of Directors of Integrys Energy Group has established the Employee Benefits Administrator Committee (the "Committee"), which consists of Integrys Energy Group employees, to manage the operations and administration of all benefit plans and related trusts. The Committee periodically reviews the asset allocation, and the portfolio is rebalanced when necessary.

Cash Flows Related to Pension Plans

The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company expects to contribute \$88,530 to pension plans in 2009.

The following table shows the payments, reflecting expected future service, which the Company expects to make for the pension benefits.

<i>(Millions)</i>	Pension
2009	\$ 2.8
2010	2.9
2011	3.1
2012	3.5
2013	3.4
2014 - 2018	16.3

Defined Contribution Benefit Plans

Integrys Energy Group maintains a 401(k) Savings Plan for substantially all full-time employees. Prior to 2008, employees generally could contribute from 1% to 50% of their base compensation to individual accounts within the 401(k) Savings Plan. The Company matches 100% of the employees' contributions up to 6% of eligible compensation. The following changes became effective January 1, 2008: 1) Employees can contribute up to 50% of their base compensation; 2) There is a 100% employer match contributed to the Wisconsin Public Service Corporation Employee Stock Ownership Plan for all eligible administrative employees on the first 5% contributed by the employee to their respective 401(k) account; and, 3) An employer retirement contribution based on age and service was added for administrative employees hired after January 1, 2008, and becomes effective for all administrative employees beginning January 1, 2013. The Company also offers a discretionary profit-sharing contribution to eligible employees based on a percentage of base pay. The Company's share of the total costs was \$0.7 million for 2008 and \$0.8 million for 2007.

NOTE 12--COMMON STOCK

Common Stock of MGUC consists of Common Stock without par value, \$1 stated value, authorized 1,000 shares, issued and outstanding – 100 shares. The Common Stock balance was \$100 at December 31, 2008. All shares of the Company's common stock are owned by Integrys Energy Group.

NOTE 13--RELATED PARTY TRANSACTIONS

MGU routinely engages in inter-company transactions with its parent and affiliate companies.

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The following table shows inter-company balances as of December 31, 2008 and 2007:

<i>(Millions)</i>	2008	2007
Accounts Receivable from Associated Companies	0.0	5.9
Miscellaneous Deferred Debits	0.0	5.0
Advances from Associated Companies	84.0	84.0
Notes Payable from Associated Companies	27.1	32.0
Accounts Payable from Associated Companies	3.3	3.1
Other Deferred Credits	4.1	0.0

MGUC also provides and receives administrative and support services, to and from its parent, Integrys Energy Group, and other subsidiaries of Integrys Energy Group. All such transactions are settled through cross-charges and inter-company billings, as reflected in the balances in the above table. Interest expense for the twelve months ended December 31, 2008 and 2007, includes \$5.7 million and \$5.4 million, respectively, on debts from associate companies.

IBS serves as plan sponsor and administrator for the qualified retirement plan and WPSC serves as plan sponsor and administrator for the other post retirement benefits. Pursuant to the foregoing, and consistent with an affiliated interest agreement filed with the MPSC on April 12, 2006, as part of a revised compliance plan in Case No. U-12134, the associated liabilities for MGUC's pension liability of \$6.0 million, and post retirement health liability of \$14.2 million were transferred from MGUC's balance sheet to the WPSC's balance sheet. With the plan sponsor change from WPSC to IBS on December 31, 2008, \$8.3 million of pension liabilities were transferred from WPSC's Balance sheet back to MGUC.

Please see Note 5, "Short-Term Debt," Note 6, "Long-Term Debt," and Note 11, "Employee Benefit Plans," for additional disclosures on related party transactions.

(This page intentionally left blank)

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified) Includes ARO	283,266,914		
4	Property Under Capital Leases	0		
5	Plant Purchased or Sold	0		
6	Completed Construction not Classified			
7	Experimental Plant Unclassified	0		
8	TOTAL (Enter Total of lines 3 thru 7)	283,266,914		
9	Leased to Others	0		
10	Held for Future Use	0		
11	Construction Work in Progress	254,196		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	283,521,110		
14	Accum. Prov. for Depr., Amort., & Depl.	147,005,578		
15	Net Utility Plant (Enter Total of line 13 less 14)	136,515,532		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation (108000,108200,254185)	145,632,727		
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights	0		
20	Amort. of Underground Storage Land and Land Rights	0		
21	Amort. of Other Utility Plant (111000)	1,372,851		
22	TOTAL In Service (Enter Total of lines 18 thru 21)	147,005,578		
23	Leased to Others			
24	Depreciation	0		
25	Amortization and Depletion	0		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0		
27	Held for Future Use			
28	Depreciation	0		
29	Amortization	0		
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)	0		
31	Abandonment of Leases (Natural Gas)	0		
32	Amort. of Plant Acquisition Adj.			
33	TOTAL Accumulated provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	147,005,578		

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo,Da,Yr) April 30, 2009	December 31, 2008
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas	Other (Specify)	Other (Specify)	Other (Specify)	Common	Line No.
(d)	(e)	(f)	(g)	(h)	
					1
					2
283,266,914					3
					4
					5
					6
					7
283,266,914					8
					9
					10
254,196					11
					12
283,521,110					13
147,005,578					14
136,515,532					15
					16
					17
145,632,727					18
					19
					20
1,372,851					21
147,005,578					22
					23
					24
					25
0					26
					27
					28
					29
0					30
					31
					32
147,005,578					33

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			

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

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

for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior year's tentative account distributions of these amounts.

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		1. Intangible Plant		
2	301	Organization		
3	302	Franchises and Consents	22,656	-
4	303	Miscellaneous Intangible Plant	359,309	-
5		TOTAL Intangible Plant	381,965	-
6		2. Production Plant		
7		Manufactured Gas Production Plant		
8	304.1	Land	-	
9	304.2	Land Rights	-	
10	305	Structures and Improvements	-	
11	306	Boiler Plant Equipment	-	
12	307	Other Power Equipment	-	
13	308	Coke Ovens	-	
14	309	Producer Gas Equipment	-	
15	310	Water Gas Generating Equipment	-	
16	311	Liquefied Petroleum Gas Equipment	-	
17	312	Oil Gas Generating Equipment	-	
18	313	Generating Equipment-Other Processes	-	
19	314	Coal, Coke and Ash Handling Equipment	-	
20	315	Catalytic Cracking Equipment	-	
21	316	Other Reforming Equipment	-	
22	317	Purification Equipment	-	
23	318	Residual Refining Equipment	-	
24	319	Gas Mixing Equipment	-	
25	320	Other Equipment	-	
26		TOTAL Manufactured Gas Production Plant	-	-

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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

Careful observation of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					1
			-	301	2
-	-	-	22,656	302	3
-	-	-	359,309	303	4
-	-	-	381,965		5
					6
					7
			-	304.1	8
			-	304.2	9
			-	305	10
			-	306	11
			-	307	12
			-	308	13
			-	309	14
			-	310	15
			-	311	16
			-	312	17
			-	313	18
			-	314	19
			-	315	20
			-	316	21
			-	317	22
			-	318	23
			-	319	24
			-	320	25
-	-	-	-		26

Name of Respondent Michigan Gas Utilities		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
27		Natural Gas Production & Gathering Plant		
28	325.1	Producing Lands	-	-
29	325.2	Producing Leaseholds	-	-
30	325.3	Gas Rights	-	
31	325.4	Rights-of-Way	16,869	
32	325.5	Other Land	18,223	
33	325.6	Other Land Rights	-	
34	326	Gas Well Structures	-	
35	327	Field Compressor Station Structures	-	
36	328	Field Measuring and Regulating Station Structures	-	
37	329	Other Structures	87,403	-
38	330	Producing Gas Wells-Well Construction	-	
39	331	Producing Gas Wells-Well Equipment	5,150	-
40	332	Field Lines	41,943	-
41	333	Field Compressor Station Equipment	115,824	-
42	334	Field Measuring and Regulating Station Equipment	2,051	-
43	335	Drilling and Cleaning Equipment	-	
44	336	Purification Equipment	22,055	-
45	337	Other Equipment	9,961	-
46	338	Unsuccessful Exploration & Development Costs	-	
47		TOTAL Production and Gathering Plant	319,479	-
48		Products Extraction Plant		
49	340.1	Land	-	
50	340.2	Land Rights	-	
51	341	Structures and Improvements	-	
52	342	Extraction and Refining Equipment	-	
53	343	Pipe Lines	-	
54	344	Extracted Products Storage Equipment	-	
55	345	Compressor Equipment	-	
56	346	Gas Measuring and Regulating Equipment	-	
57	347	Other Equipment	-	
58		TOTAL Products Extraction Plant	-	-
59		TOTAL Natural Gas Production Plant	319,479	-
60		SNG Production Plant (Submit Supplemental Statement)	-	
61		TOTAL Production Plant	319,479	-
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land	13,312	-

Name of Respondent Michigan Gas Utilities	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					27
-	-	-	-	325.1	28
-	-	-	-	325.2	29
			-	325.3	30
			16,869	325.4	31
			18,223	325.5	32
			-	325.6	33
			-	326	34
			-	327	35
			-	328	36
-	-	-	87,403	329	37
			-	330	38
-	-	-	5,150	331	39
-	-	-	41,943	332	40
-	-	-	115,824	333	41
-	-	-	2,051	334	42
			-	335	43
-	-	-	22,055	336	44
-	-	-	9,961	337	45
			-	338	46
-	-	-	319,479		47
					48
			-	340.1	49
			-	340.2	50
			-	341	51
			-	342	52
			-	343	53
			-	344	54
			-	345	55
			-	346	56
			-	347	57
-	-	-	-		58
-	-	-	319,479		59
			-		60
-	-	-	319,479		61
					62
					63
-	-	-	13,312	350.1	64

Name of Respondent Michigan Gas Utilities		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
65	350.2	Rights-of-Way	2,455	-
66	351	Structures and Improvements	281,823	-
67	352	Wells	-	-
68	352.1	Storage Leaseholds and Rights	-	-
69	352.2	Reservoirs	95,267	-
70	352.3	Non-recoverable Natural Gas	1,033,000	-
71	352.4	Gas URG-Storage Wells	2,474,618	173
72	352.5	Gas URG-Storage Leasehold & Rght	1,666,932	-
73	353	Lines	897,299	-
74	354	Compressor Station Equipment	2,946,856	72,065
75	355	Measuring and Regulating Equipment	676,304	-
76	356	Purification Equipment	943,944	130,990
77	357	Other Equipment	18,767	(173)
78	358	Gas in Underground Storage-Noncurrent		
79		TOTAL Underground Storage-Noncurrent	11,050,577	203,055
80		Other Storage Plant		
81	360.1	Land	-	
82	360.2	Land Rights	-	
83	361	Structures and Improvements	-	
84	362	Gas Holders	-	
85	363	Purification Equipment	-	
86	363.1	Liquefaction Equipment	-	
87	363.2	Vaporizing Equipment	-	
88	363.3	Compressor Equipment	-	
89	363.4	Measuring and Regulating Equipment	-	
90	363.5	Other Equipment	-	
91		TOTAL Other Storage Plant	-	-
92		Base Load Liquefied NG Terminating and Processing Plant		
93	364.1	Land	-	
94	364.1a	Land Rights	-	
95	364.2	Structures and Improvements	-	
96	364.3	LNG Processing Terminal Equipment	-	
97	364.4	LNG Transportation Equipment	-	
98	364.5	Measuring and Regulating Equipment	-	
99	364.6	Compressor Station Equipment	-	
100	364.7	Communication Equipment	-	
101	364.8	Other Equipment	-	
102		TOTAL Base Load LNG Terminating and Processing Plant	-	-
103				
104		TOTAL Natural Gas Storage and Processing Plant	11,050,577	203,055

Name of Respondent Michigan Gas Utilities	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
-	-	-	2,455	350.2	65
-	-	-	281,823	351	66
-	-	-	-	352	67
-	-	-	-	352.1	68
-	-	-	95,267	352.2	69
-	-	-	1,033,000	352.3	70
-	-	-	2,474,791	352.4	71
-	-	-	1,666,932	352.5	72
-	-	-	897,299	353	73
-	-	-	3,018,921	354	74
-	-	-	676,304	355	75
-	-	-	1,074,934	356	76
-	-	-	18,594	357	77
			-	358	78
-	-	-	11,253,632		79
					80
			-	360.1	81
			-	360.2	82
			-	361	83
			-	362	84
			-	363	85
			-	363.1	86
			-	363.2	87
			-	363.3	88
			-	363.4	89
			-	363.5	90
-	-	-	-		91
					92
			-	364.1	93
			-	364.1a	94
			-	364.2	95
			-	364.3	96
			-	364.4	97
			-	364.5	98
			-	364.6	99
			-	364.7	100
			-	364.8	101
-	-	-	-		102
					103
-	-	-	11,253,632		104

Name of Respondent Michigan Gas Utilities		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
105		4. Transmission Plant		
106	365.1	Land	31,394	-
107	365.2	Land Rights	726,824	-
108	365.3	Rights-of-Way	-	-
109	366	Structures and Improvements	42,154	7,200
110	367	Mains	31,781,265	38,598
111	368	Compressor Station Equipment		
112	369	Measuring and Regulating Station Equipment	6,228,999	-
113	370	Communication Equipment		
114	371	Other Equipment		
115		TOTAL Transmission Plant	38,810,636	45,798
116		5. Distribution Plant		
117	374.1	Land	81,375	-
118	374.2	Land Rights	51,888	127,271
119	375	Structures and Improvements	334,831	-
120	376	Mains	100,089,050	4,217,351
121	377	Compressor Station Equipment		
122	378	Measuring and Regulating Station Equip.-General	4,094,425	138,960
123	379	Measuring and Regulating Station Equip.-City Gate	-	230,440
124	380	Services	54,310,588	2,645,262
125	381	Meters	29,600,024	1,073,983
126	382	Meter Installations		
127	383	House Regulators	13,548,959	151,259
128	384	House Regulator Installations		
129	385	Industrial Measuring and Regulating Station Equip.	508,209	39,449
130	386	Other Property on Customer's Premises		
131	387	Other Equipment		
132		TOTAL Distribution Plant	202,619,349	8,623,975
133		6. General Plant		
134	389.1	Land	1,251,451	-
135	389.2	Land Rights	-	-
136	390	Structures and Improvements	10,238,643	218,381
137	391	Office Furniture and Equipment	534,813	-
138	391.1	Computers and Computer Related Equipment	1,107,774	22,905
139	392	Transportation Equipment	2,275,422	1,030,108
140	393	Stores Equipment	72,693	-
141	394	Tools, Shop and Garage Equipment	1,796,116	56,648
142	395	Laboratory Equipment	283,338	17,239

Name of Respondent Michigan Gas Utilities	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					105
-	-	-	31,394	365.1	106
-	-	-	726,824	365.2	107
-	-	-	-	365.3	108
-	-	-	49,354	366	109
(9,064)	(8,483)	-	31,802,316	367	110
			-	368	111
-	-	-	6,228,999	369	112
			-	370	113
			-	371	114
(9,064)	(8,483)	-	38,838,887		115
					116
-	-	-	81,375	374.1	117
-	-	-	179,159	374.2	118
-	-	-	334,831	375	119
(124,616)	8,483	-	104,190,268	376	120
			-	377	121
(18,071)	-	-	4,215,314	378	122
-	-	-	230,440	379	123
(99,984)	-	-	56,855,866	380	124
(258,698)	-	-	30,415,309	381	125
			-	382	126
(36,334)	-	-	13,663,884	383	127
			-	384	128
-	-	-	547,658	385	129
			-	386	130
			-	387	131
(537,703)	8,483	-	210,714,104		132
					133
-	-	-	1,251,451	389.1	134
-	-	-	-	389.2	135
(254,264)	-	-	10,202,760	390	136
-	-	-	534,813	391	137
(2,042)	-	-	1,128,637	391.1	138
(125,520)	-	-	3,180,010	392	139
-	-	-	72,693	393	140
(137,235)	-	-	1,715,529	394	141
-	-	-	300,577	395	142

Name of Respondent Michigan Gas Utilities		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
143	396	Power Operated Equipment	1,028,430	183,998
144	397	Communication Equipment	2,033,869	-
145	398	Miscellaneous Equipment	16,420	-
146		SUBTOTAL (Lines 134 thru 145)	20,638,969	1,529,279
147	399	Other Tangible Property	109,660	-
148		TOTAL General Plant	20,748,629	1,529,279
149		TOTAL (Accounts 101 and 106)	273,930,635	10,402,107
150	101.1	Property Under Capital Leases		
151	102	Gas Plant Purchased (See Instruction 8)		
152	(Less)	Gas Plant Sold (See Instruction 8)		
153	102			
154	103	Experimental Gas Plant Unclassified		
155		TOTAL GAS PLANT IN SERVICE	273,930,635	10,402,107

Name of Respondent Michigan Gas Utilities	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
-	-	-	1,212,428	396	143
-	-	-	2,033,869	397	144
-	-	-	16,420	398	145
(519,061)	-	-	21,649,187		146
-	-	-	109,660	399	147
(519,061)	-	-	21,758,847		148
(1,065,828)	-	-	283,266,914		149
			-	101.1	150
			-	102	151
			-	(Less)	152
				102	153
			-	103	154
(1,065,828)	-	-	283,266,914		155

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107).		Development, and Demonstration (see Account 107 of the Uniform System of Accounts).		
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		3. Minor projects (less than \$500,000) may be grouped.		
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)	
1	Projects with Balances Less Than \$500,000	254,196	25,925	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	TOTAL	254,196	25,925	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
CONSTRUCTION OVERHEADS - GAS				
<p>1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.</p> <p>2. On page 218 furnish information concerning construction overheads.</p> <p>3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page</p>		<p>218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.</p> <p>4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.</p>		
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)	
1	Local Engineering	378,828	9,527,125	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46	TOTAL	378,828	9,527,125	

Name of Respondent	This Report is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

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

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the U.S. of A.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Administrative and General Transferred Credit

1. (a) Overheads capitalized consist of administrative, engineering, and clerical salaries and related expenses charged to Accounts 920 and 921, Administrative and General Expenses, property taxes, and an applicable portion of the injuries and damages insurance, which are incurred in connection with construction matters.

(b) The amount charged to construction work in progress is based on a study made to determine the portion of such expenses properly charged to construction.

(c) Overheads are charged directly to individual work orders. A monthly overhead distribution is made to each individual work order on the basis of current charges to the total of all individual work order current charges.

(d) Generally, there is no difference made in percentages for different types of construction.

(e) Overheads are indirectly assigned.

Employees' Pensions and Benefits Capitalized

(f) Employees' Pensions and Benefits Capitalized is based on direct charges to construction payroll. Such amounts are distributed monthly to construction work orders on the basis of total direct construction payroll charges during the month. The total charges incurred for pensions and benefits are distributed over total company payroll.

Construction Overhead - Personnel

(g) Total charges to this account represent payroll, personnel expenses, and transportation expenses incurred by personnel, other than regular construction crews in connection with construction activities, which for practical reasons are not chargeable direct to a specific construction work order. The total charges for each month are distributed to construction work orders on the basis of total direct company payroll charges and contract labor charges during the month.

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
ACCUMULATED PROVISION FOR DEPRECIATION OF GAS 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 gas plant in service, pages 204-211, column (d), excluding retirements of non-depreciable property. 3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.			If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in 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)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	139,217,803	139,217,803	0	0
2	Depreciation Prov. for Year, Charged to	0			
3	(403) Depreciation Expense	7,181,295	7,181,295	0	0
4	(403.1) Deprec. and Deplet. Expense	0			
5	(413) Exp. of Gas Plt. Leas. to Others	0			
6	Transportation Expenses-Clearing	337,975	337,975	0	0
7	Other Clearing Accounts	0			
8	Other Accounts (Specify):	0			
9	ARO Depreciation Expense 182375	16,038	16,038	0	0
10	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 9)	7,535,308	7,535,308	0	0
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	1,065,830	1,065,830	0	0
13	Cost of Removal	302,046	302,046	0	0
14	Salvage (Credit)	247,492	247,492	0	0
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	1,120,384	1,120,384	0	0
16	Other Debit or Credit Items (Describe):	0			
17	1. True up entries-Donation				
18	2. Transfers & Reclassification	0			
19	Balance End of Year (Enter Total of lines 1, 10, 15, & 17)	145,632,727	145,632,727	0	0
Section B. Balances at End of Year According to Functional Classifications					
20	Production - Manufactured Gas	0			
21	Production and Gathering - Natural Gas	250,761	250,761	0	0
22	Products Extraction - Natural Gas	0			
23	Underground Gas Storage	4,810,751	4,810,751		
24	Other Storage Plant	0			
25	Base Load LNG Terminating & Proc. Plt.	0			
26	Transmission	25,195,135	25,195,135		
27	Distribution	109,042,617	109,042,617		
28	General	6,333,463	6,333,463		
29	TOTAL (Enter total of lines 20 thru 28)	145,632,727	145,632,727	0	0

Name of Respondent	This Report Is:	Date of Report	Year of Report			
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008			
GAS STORED (ACCOUNT 117, 164.1, 164.2 AND 164.3)						
<p>1. If during the year adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited.</p> <p>2. Give in a footnote a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.</p> <p>3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year.</p> <p>4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year.</p> <p>5. Report pressure base of gas volumes as 14.65 psia at 60°F.</p>						
Line No.	Description	Noncurrent (Account 117)	Current (Account 164.1)	LNG (Account 164.2)	LNG (Account 164.3)	Total
	(a)	(b)	(c)	(d)	(e)	(f)
1	Balance at Beginning of Year	3,601,761	\$37,613,759			\$41,215,520
2	Gas Delivered to Storage (contra Account)		81,664,834			81,664,834
3	Gas Withdrawn from Storage (contra Account)		(69,530,704)			(69,530,704)
4	Other Debits or Credits (Net)					-
5	Balance at End of Year	3,601,761	\$49,747,889			\$53,349,650
6	Mcf		5,396,090			5,396,090
7	Amount Per Mcf		\$9.22			\$9.89
8						

(This page intentionally left blank)

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2009	December 31, 2008
GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS					
1. Report below the information called for concerning gas prepayments as defined in the text of Account 165, <i>Prepayments</i> . (Report advances on page 229.)				purpose, state in a footnote gas volume and dollar amount, period when such prepayment was incurred, and accounting disposition of prepayment amount. Give a concise explanation of circumstances causing forfeiture or other disposition of the prepayment.	
2. If any prepayment at beginning of year (or incurred during year) was cancelled, forfeited, or ap					
Line No.	Name of Vendor (Designate associated companies with an asterisk) (a)	Seller FERC Rate Schedule No. (b)	BALANCE BEGINNING OF YEAR		
			Mcf (14.73 psia at 60°F) (c)	Amount (d)	
1	ANR Pipeline			4,000	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42	TOTAL		0	4,000	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS (Continued)			
3. If for any reason a take or pay situation is in controversy, list in the columns below the amount of those prepayment claims which have not been paid, together with footnote notation that the amount is in controversy (and any explanation the respondent chooses to make).		4. If any prepayment was determined other than by reference to amounts per Mcf or demand-commodity factors, furnish in a footnote a concise explanation of basis of computation.	
BALANCE END OF YEAR		PREPAYMENTS IN CURRENT YEAR	
Mcf (14.73 psia at 60°F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at 60°F) (h)
			Percent of Year's required take (i)
			Make-up Period expiration date (j)
			Line No.
			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
			41
0	-		0
			42

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
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)	0	0	
2	Customer Accounts Receivable (Account 142)	18,331,764	25,772,020	
3	Other Accounts Receivable (Account 143) * (Disclose any capital stock subscriptions received)	225,892	217,638	
4	TOTAL	18,557,656	25,989,658	
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144) **	2,135,501	2,245,556	
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	16,422,155	23,744,102	
7				
8				
9	* Accounts Receivable From Employees			
10	** Michigan's Portion of Account 144			
11				
12				
13				
14				

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)						
1. Report below the information called for concerning this accumulated provision.						
2. Explain any important adjustments of subaccounts.						
3. Entries with respect to officers and employees shall not include items for utility services.						
Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	2,135,501				2,135,501
2	Prov. for uncollectibles for current	3,152,148				3,152,148
3	Account written off (less)	3,042,093				3,042,093
4	Coll. of accounts written off					0
5	Adjustments (explain): To reserve based on modified black motor formula					0
6	Balance end of year	2,245,556	0	0	0	2,245,556
7						
8						
9						
10						
11						

Name of Respondent		This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009	December 31, 2008	

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>						
<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.</p> <p>"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.</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	Account 146:					
2	<u>Integrus Energy Group, Inc.</u>					
3	Accounts Receivable	2,489	6,004,574	6,007,063	0	
4	<u>Upper Peninsula Power Company</u>					
5	Accounts Receivable	208	7,994	7,601	601	
6	<u>Wisconsin Public Service Corporation</u>					
7	Accounts Receivable	27,468	233,128	260,468	128	
8	<u>Minnesota Energy Resources Corporation</u>					
9	Accounts Receivable	12,752	73,924	86,461	215	
10	<u>The Peoples Gas Light and Coke Company</u>					
11	Accounts Receivable	0	2,310	2,144	166	
12	<u>Integrus Business Support, LLC</u>					
13	Accounts Receivable	0	1,104,772	1,104,033	739	
14						
15	Account 147:					
16	<u>Wisconsin Public Service Corporation</u>	5,947,865	7,177,248	13,125,113	0	
17						
18						
19						
20						
21	TOTAL	5,990,782	14,603,950	20,592,883	1,849	

NOTE:

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			

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. Nonmajor companies may report total on line 4.

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

Line No.	Account (a)	Balance Beginning of Year Conv. Amts 4/1/06 (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	258,738	309,011	Gas Operations
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	209,611	162,731	Gas Operations
10	Assigned to - Other			
11	TOTAL Account 154 <i>(Enter Total of lines 5 thru 10)</i>	468,349	471,742	Gas Operations
12	Merchandise (Account 155)			
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157)			
	<i>(Not applicable to Gas Utilities)</i>			
15	Stores Expense Undistributed (Account 163)	185,251	11,196	
16	Electric			
17	Gas			
18	Other			
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	653,600	482,938	

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2009		December 31, 2008	
PREPAYMENTS (Account 165)							
1. Report below the particulars (details) on each prepayment.				2. Report all payments for undelivered gas on line 5 and complete pages 226 to 227 showing particulars (details) for gas prepayments.			
Line No.	Nature of Prepayment (a)					Balance at End of Year (In Dollars) (b)	
1	Prepaid Insurance					221,589	
2	Prepaid Rents					0	
3	Prepaid Taxes (pages 262-263)					221,812	
4	Prepaid Interest on Commercial Paper					0	
5	Gas Prepayments (pages 226-227)					0	
6	Miscellaneous Prepayments: Licenses					0	
7	TOTAL					443,401	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)							
Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9	TOTAL	0	0		0	0	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
10	NONE						
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	TOTAL	0	0		0	0	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

OTHER REGULATORY ASSETS (Account 182.3)					
1. Report below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts.)			3. Minor items (amounts less than \$50,000) may be grouped by classes.		
2. For regulatory assets being amortized, show period of amortization in column (a).			4. Give the number and name of the account(s) where each amount is recorded.		

Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1	Regulatory Asset - Retiree Health (FAS 106)	222,585	926.1	98,382	124,203
2	Clean-Up Gas Insurance Recovery	684,724	182.3	684,724	0
3	Regulatory Asset - Purch Acctg Eff Benefits	31,272,200	926.1	4,299,928	26,972,272
4	ARO Depreciation/Accretion - Non-Rate Base	91,428	108.2	2,538	88,890
5	Environmental Clean-Up Costs	2,421,084	182.3	2,421,084	0
6	Regulatory Asset-FAS 158	12,362,584	186.6	26,401	12,336,183
7	Regulatory Asset - Deferred Taxes	3,472	254.4	1,736	1,736
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	TOTAL	47,058,077		7,534,793	39,523,284

NOTE: All amounts are recorded in Account 182.3.

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) April 30, 2009	Year of Report December 31, 2008			
Michigan Gas Utilities Corp						
MISCELLANEOUS DEFERRED 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 items (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.						
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	Accruals to Subsidiaries	400	12,757	Various	13,157	0
2	Goodwill	122,705,361	0	Various	0	122,705,361
3	Tradename	5,218,000	0	186060	0	5,218,000
4	Deferred Debit-Area Expans Program	93,763	12,649	143550	31,319	75,093
5	Deferred Debit-Work Orders	10,134	37,382	Various	30,367	17,149
6	Deferred Debit-Notes Receivable Lon	14,743	14,493	235000	14,566	14,670
7	Advances to Associated Companies-WPSC	4,959,907	217,544	254190	5,177,451	0
8	Labor Load/Transp Capital Accrl	38,374	502,769	Various	513,648	27,495
9	Regulatory Asset - Clean-Up Gas Expenditures	27,768,966	0	253.3	1,416,373	26,352,593
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	Misc. Work in Progress					
39	TOTAL	160,809,648	797,594		7,196,881	154,410,361

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL Electric <i>(Enter Total of lines 2 thru 7)</i>			
9	Gas			
10	Accumulated Deferred Income Taxes			
11	Plant	1,145,101	309,617	542,850
12	Other Than Plant	(5,862,456)	3,764,141	3,627,192
13	Other Than Plant (FAS 109)	(2)	0	0
14				
15	Other			
16	TOTAL Gas <i>(Enter Total of lines 10 thru 15)</i>	(4,717,357)	4,073,758	4,170,042
17	Other (Specify) Non-Utility	(8,326,337)	0	0
18	TOTAL (Account 190 <i>(Enter Total of lines 8, 16 & 17)</i>)	(13,043,694)	4,073,758	4,170,042
19	Classification of Total:			
20	Federal Income Tax	(12,257,816)	3,642,703	3,750,812
21	State Income Tax	(785,878)	431,055	419,230
22	Local Income Tax			

NOTES

In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages as required. and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.
4. In the space provided below, identify by amount

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
					0	0	10
0	0				(1,585,680)	(673,812)	11
0	0	(A)			(1,590,764)	(7,316,271)	12
0	0				(665)	(667)	13
							14
							15
0	0	0	0	0	(3,177,109)	(7,990,750)	16
3,901,372	0				1,513,854	(2,911,111)	17
3,901,372	0	0	0	0	(1,663,255)	(10,901,861)	18
							19
3,901,372	0	0	0	0	(234)	(8,464,787)	20
0	0	0	0	0	(1,663,021)	(2,437,074)	21
							22

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

CAPITAL STOCK (Accounts 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outline in column (a) is available from the SEC 10-K Report Form filing, a specific reference

to report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Account 201 - Common Stock			
2				
3	Total Common Stock			
4				
5	Account 204 - Preferred Stock			
6				
7	Total Preferred Stock			
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				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

CAPITAL STOCK (Accounts 201 and 204) (Continued)						
3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued. 4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.				5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year. 6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledge and purposes of pledge.		

OUTSTANDING PER BALANCE SHEET		HELD BY RESPONDENT				
(Total amount outstanding without reduction for amounts held by respondents.)		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	Line No.
Shares (e)	Amount (f)					
	(100)					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

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
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)			
<p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed</p> <p>under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of the year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p>			
Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	Account 207 - Premium on Capital Stock	76,657,967	239,010,098
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	TOTAL	76,657,967	239,010,098

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)			
<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208)—State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (Account 209)—State amount and give brief explanation of the</p>		<p>capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) 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.</p> <p>(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.</p>	
Line No.	Item (a)	Amount (b)	
1	Account 211 - Division Equity		
2			
3	Balance Beginning of Year	\$ -	
4			
5	Net Income	5,662,781	
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	TOTAL	\$ 5,662,781	

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
LONG-TERM DEBT (Accounts 221, 222, 223 and 224)			
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, <i>Reacquired Bonds</i>, 223, <i>Advances from Associated Companies</i>, and 224, <i>Other Long-Term Debt</i>.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>			
Line No.	Class and Series of Obligation, Coupon Rate (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 - Advances from Affiliates		
2	Long-Term N/P Assoc Co-Integrays Energy Group, Inc.	84,000,000	
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25	TOTAL	84,000,000	0

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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)			
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
				0	0	25

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 30, 2009		Year of Report December 31, 2008	
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	Account 233:						
2	<u>Integrus Energy Group, Inc.</u>						
3	Short term loan to MGU						
4	Loan 1/1-1/31/2008 Rate 3.65%	32,025,000		12,450,000	44,475,000		
5	Repay 1/30/2008		19,400,000		(19,400,000)	97,412	
6	Loan 2/1-2/29/2008 Rate 3.53%			17,675,000	17,675,000		
7	Repay 2/28/2008		20,410,000		(20,410,000)	52,234	
8	Loan 3/1-3/31/2008 Rate 3.32%			16,000,000	16,000,000		
9	Repay 3/31/2008		25,025,000		(25,025,000)	34,323	
10	Loan 4/1-4/30/2008 Rate 3.15%			3,150,000	3,150,000		
11	Repay 4/30/2008		16,465,000		(16,465,000)	6,149	
12	Loan 5/1-5/31/2008 Rate 2.9%			2,775,000	2,775,000		
13	Repay 5/31/2008		1,560,000		(1,560,000)	584	
14	Loan 6/1-6/30/2008 Rate 3.2%			10,240,000	10,240,000		
15	Repay 6/30/2008		2,705,000		(2,705,000)	4,838	
16	Loan 7/1-7/31/2008 Rate 2.88%			18,600,000	18,600,000		
17	Repay 7/31/2008		7,240,000		(7,240,000)	21,463	
18	Loan 8/1-8/31/2008 Rate 2.89%			19,945,000	19,945,000		
19	Repay 8/31/2008		20,770,000		(20,770,000)	47,321	
20	Loan 9/1-9/30/2008 Rate 5.66%			13,340,000	13,340,000		
21	Repay 9/30/2008		6,940,000		(6,940,000)	57,958	
22	Loan 10/1-10/31/2008 Rate 6.1%			12,480,000	12,480,000		
23	Repay 10/31/2008		5,835,000		(5,835,000)	124,004	
24	Loan 11/1-11/30/2008 Rate 6.2%			11,815,000	11,815,000		
25	Repay 11/31/2008		6,455,000		(6,455,000)	163,694	
26	Loan 12/1-12/31/2008 Rate 6.02%			7,040,000	7,040,000		
27	Repay 12/31/2008		17,680,000		(17,680,000)	178,281	
28	Total of Account 233	32,025,000	150,485,000	145,510,000	27,050,000	788,261	
29							
30							

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2009		December 31, 2008	
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	Account 234:						
2	<u>Wisconsin Public Service Corporation</u>						
3	Accounts Payable	1,176,138	2,355,371	1,229,323	50,090		
4	Inventory Payable	0	8,010	8,010	0		
5	Annual Incentive Plan Payable	2,169	2,870	3,149	2,448		
6	Total	1,178,307	2,366,251	1,240,482	52,538		
7	<u>Integrus Energy Group, Inc.</u>						
8	Accounts Payable	1,851,857	15,231,534	14,825,170	1,445,493		
9	Annual Incentive Plan Payable	4,047	4,047	0	0		
10	Total	1,855,904	15,235,581	14,825,170	1,445,493		
11	<u>Upper Peninsula Power Company</u>						
12	Accounts Payable	36,233	355,227	358,290	39,296		
13	Annual Incentive Plan Payable	28,437	36,073	32,473	24,837		
14	Total	64,670	391,300	390,763	64,133		
15	<u>Minnesota Energy Resources Corporation</u>						
16	Accounts Payable	21,831	213,674	194,685	2,842		
17	Annual Incentive Plan Payable	5,832	6,378	546	0		
18	Total	27,663	220,052	195,231	2,842		
19	<u>The Peoples Gas Light & Coke Company</u>						
20	Accounts Payable	0	6,402	6,569	167		
21	Total	0	6,402	6,569	167		
22	<u>Integrus Business Support, LLC</u>						
23	Accounts Payable	0	22,850,598	24,600,466	1,749,868		
24	Annual Incentive Plan Payable	0	4,914	12,382	7,468		
25	Total	0	22,855,512	24,612,848	1,757,336		
26							
27	Total of Account 234	3,126,544	41,075,098	41,271,063	3,322,509		
28							
29							
30	Total of Accounts 233 and 234	35,151,544	191,560,098	186,781,063	30,372,509	788,261	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

**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 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.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	\$5,662,781
2	Reconciling items for the Year:	
3		
4	Federal and State Taxes	3,409,146
5	Investment Tax Credit	0
6		
7	Deductions Recorded on Books Not Deducted for Return:	
8	Schedule M-1 Adjustments	
9	Benefits Accrued	(711,848)
10	Deferred Compensation	(3,732)
11	Incentives Accrued	120,389
12	Bad Debts	110,055
13	Meals & Entertainment	23,047
14	Depreciation	(18,922,730)
15	State Tax	383,687
16	Environment Cleanup	(397,627)
17	Regulatory Assets (NC)	1,594,678
18	Vacation Payable	139,104
19	Regulatory Assets (CUR)	(433,541)
20	Deferred Income & Deductions	(117,499)
21	Lobbying	8,279
22	Taxes Other	(238,688)
23	Penalties	1,323
24		
25		
26		
27		
28		
29		
30	Note: Reversal of 2006 MPSC adjustment.	
31		
32		
33		
34		
35		
36		
38		
39		
40	Federal Tax Net Income	(\$9,373,176)
41	Show Computation of Tax:	
42	Federal Tax @ 35 %	(3,280,612)
43		
44		
45		
46		(3,280,612)
48	Federal Tax Provision:	
49	Page 114, Line 14, Account 409.1	996,420
50	Page 117, Line 47, Account 409.2	(3,568,592)
51		(2,572,172)
		(\$2,572,172)

(This page intentionally left blank)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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

Line. No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236)	Prepaid Taxes (Incl. in Account 165)
		(b)	(c)
1	INCOME TAXES:		
2	Federal Income		
3	Prior Year		(5,947,865)
4	2008		-
5			
6			
7	OTHER TAXES:		
8	Employer's Portion of FICA & HTAX	28,837	
9	Unemployment Compensation	10	
10	MI Single Business Tax	144,500	
11	Unauthorized Insurance Tax	10,200	
12	Property Taxes	1,633,230	
13	MI Severance Tax	3,571	
14	Franchise Taxes	-	
15	Billed Payroll Tax	-	
16			
17			
18	TOTAL	\$1,820,348	(\$5,947,865)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Departments (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5				
6				
7				
8		618,784		
9		90,959		
10		(238,688)		
11		11,174		
12		2,935,573		
13		1,550		
14		-		
15		289,810		
16				
17				
18	TOTAL	\$3,709,162		\$0

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

that the total tax for each State and subdivision can readily be ascertained.

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

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. 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. Show in columns (i) and (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
			-	-	1
			-	99,364	2
708,440	(5,337,462)	1,327	-	2,401,388	3
(3,280,612)	(5,682,000)	-	-	-	4
			-	-	5
			-	-	6
			-	-	7
618,784	597,928	-	49,693	-	8
90,959	87,213	-	3,756	-	9
(238,688)	(94,188)	-	-	-	10
11,174	15,191	-	6,183	-	11
2,935,573	2,954,255	-	1,614,548	-	12
1,550	1,348	-	3,773	-	13
-	-	-	-	-	14
289,810	289,810	-	-	-	15
			-	-	16
			-	-	17
1,136,990	(\$7,167,905)	\$1,327	\$1,677,953	\$2,500,752	18

DISTRIBUTION OF TAXES CHARGE (Show utility department where applicable and account charged.)

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
			\$0	18

Total Expense

\$3,709,162

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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	Current & Accrued Liability - 401K Serv Acc	11,969
2	ESOP-Company Contribution	23,230
3	Incur But Not Reported - Workers Comp	721
4	Current Pension Obligation	88,530
5	Current & Accrued Liability-Vacation Pay Accrued	867,202
6	Health Care/Life Accrual	103,026
7	Misc Liability - Legal & Audit	45,000
8	Goal Sharing	403,556
9	Accrued Gas Imbalance	0
10	MGU Accrued Other	874
11	Accrued Energy Aid Assistance	5,837
12	Accrued Energy Aid Assistance-Company Match	3,001
13	Profit Sharing Accrual	208,557
14	Exchange Gas MichCon	116,206
15		
16		
17		
18		
19		
20		
21		
22	TOTAL	1,877,709

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List Advances by Department (a)	Balance End of Year (b)
23	Gas	0
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	0

Name of Respondent		This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009	December 31, 2008	
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 (less than \$10,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year of Report (f)
			Contra Account (c)	Amount (d)		
1	Deferred Credit-Outst Checks Cancelled	1,303	142	13	358	1,648
2	Deferred Credit-Unearned Rev MGU	(223,903)	804.20	1,959,176	2,183,079	0
3	Deferred Credit-Gas Site Cleanup	26,334,000	182	1,814,000	0	24,520,000
4	Deferred Cr-Def Comp Res Loan Program	124,307	926	0	8,511	132,818
5	Advances from Assoc Co-WPSC	0	182	0	4,079,865	4,079,865
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48	TOTAL	26,235,707		3,773,189	6,271,813	28,734,331

Name of Respondent	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	April 30, 2009	December 31, 2008

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

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

Line No.	Account Subdivisions (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			
3	Gas	2,411,113	3,359,911	177,772
4	Other (Define)			
5	TOTAL (Enter Total of lines 2 thru 4)	2,411,113	3,359,911	177,772
6	Other (Specify)			
7	Plant (FAS 109)			
8	Non-Utility			
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	2,411,113	3,359,911	177,772
10	Classification of TOTAL			
11	Federal Income Tax	2,411,113	2,990,333	159,940
12	State Income Tax		369,578	17,832
13	Local Income Tax			

NOTES

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009		December 31, 2008	
ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282)(Continued)							
income and deductions. 3. Use separate pages 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			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
0	0	190/282	0	190/282	389,714	5,203,538	3
							4
			0		389,714	5,203,538	5
							6
		254/190	2,403	254/190		2,403	7
437,514	959	190/283	1	190/283		436,556	8
437,514	959		2,404		389,714	5,642,497	9
							10
0	0		838		276,768	4,965,576	11
437,514	959		1,566		112,946	676,921	12
							13
NOTES (Continued)							

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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	Electric			
2	Plant			
3	Other Than Plant			
4	Other Than Plant (FAS 109)			
5				
6	Other			
7	TOTAL Electric (Total of lines 2 thru 6)	0	0	0
8	Gas			
9	Plant			
10	Other Than Plant	22,383,526	1,245,130	2,303,909
11	Other Than Plant (FAS 109)	(2)		
12				
13	Other			
14	TOTAL Gas (Total of lines 9 thru 13)	22,383,524	1,245,130	2,303,909
15	Other (Specify)			
16	TOTAL (Account 283) (Enter total of lines 7, 14 and 15)	22,383,524	1,245,130	2,303,909
17	Classification of TOTAL			
18	Federal Income Tax	21,597,646	1,119,577	1,970,432
19	State Income Tax	785,878	125,553	333,477
20	Local Income Tax			

NOTES

Name of Respondent	This Report is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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

3. Provide in the space below, the order authorizing the use of the account for each line item. Include amounts relating to insignificant items listed under Other.

4. Fill in all columns for all items as appropriate.
5. Use separate pages 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			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
						0	2
						0	3
						0	4
							5
						0	6
0	0		0		0	0	7
							8
0	0				0	0	9
		190	2,052,304	190	0	23,377,051	10
		254/190		254/190	2	0	11
							12
							13
0	0	0	2,052,304	0	2	23,377,051	14
							15
0	0	0	2,052,304	0	2	23,377,051	16
							17
0	0		276,773		0	21,023,564	18
0	0		1,775,533		0	2,353,487	19
						0	23

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

OTHER REGULATORY LIABILITIES

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	DEBITS		Credits (d)	Balance at End of Year (e)
		Account Credited (b)	Amount (c)		
1	Derivatives	254150	5,933	0	0
2	FASB 158	254190	13,380,632	8,431,056	170,560
3	Deferred Taxes	254400	7,314	7,310	0
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	TOTAL		13,393,879	8,438,366	170,560

NOTE: All amounts are recorded in Account 254.

(This page intentionally left blank)

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS OPERATING REVENUES (Account 400)			Geographic Basis	
1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total. 2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas. 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. Report quantities of natural gas sold in Mcf (14.73 psia at 60°F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf. 5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously		
Line No.	Title of Account (a)	OPERATING REVENUES		
		Amount for Year (b)	Amount for Previous Year (c)	
1	GAS SERVICE REVENUES			
2	480 Residential Sales	167,183,667	139,215,743	
3	481 Commercial & Industrial Sales			
4	Small (or Comm.) (See Instr. 6)	61,816,219	52,717,915	
5	Large (or Ind.) (See Instr. 6)	5,809,469	4,613,405	
6	482 Other Sales to Public Authorities	0	0	
7	484 Interdepartmental Sales	0	0	
8	TOTAL Sales to Ultimate Consumers	234,809,355	196,547,063	
9	483 Sales for Resale	0	0	
10	TOTAL Nat. Gas Service Revenues	234,809,355	196,547,063	
11	Revenues from Manufactured Gas			
12	TOTAL Gas Service Revenues	234,809,355	196,547,063	
13	OTHER OPERATING REVENUES			
14	485 Intracompany Transfers	0	0	
15	487 Forfeited Discounts	927,354	540,572	
16	488 Misc. Service Revenues	205,857	127,290	
17	489 Rev. from Trans. of Gas of Others	7,601,933	7,774,541	
18	490 Sales of Prod. Ext. from Nat. Gas	0	0	
19	491 Rev. from Nat. Gas Proc. by Others	0	0	
20	492 Incidental Gasoline and Oil Sales	0	0	
21	493 Rent from Gas Property	3,350	3,000	
22	494 Interdepartmental Rents	0	0	
23	495 Other Gas Revenues	(586,827)	15,182,775	
24	TOTAL Other Operating Revenues	8,151,667	23,628,178	
25	TOTAL Gas Operating Revenues	242,961,022	220,175,241	
26	(Less) 496 Provision for Rate Refunds			
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	242,961,022		
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	228,999,886		
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	5,809,469		
30	Sales for Resale			
31	Other Sales to Pub. Auth. (Local Dist. Only)			
32	Interdepartmental Sales			
33	TOTAL (Same as Line 10, Columns (b) and (d))	234,809,355		

Name of Respondent Michigan Gas Utilities Corp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008	
GAS OPERATING REVENUES (Account 400) (Continued)			Geographic Basis	
<p>reported figures, explain any inconsistencies in a footnote.</p> <p>6. <i>Commercial and Industrial Sales</i>, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)</p> <p>7. See pages 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.</p>				
MCF OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
14,406,726	13,871,097	150,905	151,179	2
				3
5,258,510	5,241,148	13,166	13,308	4
867,275	915,940	291	293	5
				6
				7
20,532,511	20,028,185	164,362	164,780	8
				9
20,532,511	20,028,185	164,362	164,780	10
NOTES				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				29
				30
				31
				32
				33

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			

RATE AND SALES SECTION

DEFINITIONS OF CLASSES OF SERVICE AND INSTRUCTIONS PERTAINING TO STATEMENTS ON SALES DATA

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

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

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

MCF's Sold (indicate which one by crossing out the one that does not apply). Give net figures, exclusive of respondent's own use and losses.

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

AB. Residential Service. This class includes all sales of gas for residential uses such as cooking, refrigeration, water heating, space heating and other domestic uses.

A. Residential Service. This class includes all sales of gas for residential use except space heating.

B. Residential Space Heating. This class includes all sales of gas for space heating including gas for other residential uses only when measured through the same meter.

CD. Commercial Service. This class includes service rendered primarily to commercial establishments such as restaurants, hotels, clubs, hospitals, recognized rooming and boarding houses (but not individual tenants therein), garages, churches, warehouses

C. Commercial Service. This class includes all sales of gas for commercial use except space heating.

D. Commercial Space Heating. This class includes all sales of gas for space heating including gas for other commercial uses only when measured through the same meter.

E. Industrial Service. This class includes service rendered primarily to manufacturing and industrial establishments where gas is used principally for large power, heating and metallurgical purposes.

F. Public Service and Highway Lighting. Covers service rendered to municipalities or other governmental units for the purpose of lighting streets, highways, parks and other public places.

G. Other Sales to Public Authorities. Covers service rendered to municipalities or other governmental units for lighting, heating, cooking, water heating and other general uses.

H. Interdepartmental Sales. This class includes gas supplied by the gas department to other departments of the utility when the charges therefor are at tariff or other specific rates.

I. Other Sales. This class includes all service to ultimate consumers not included in the foregoing described classifications.

*** A - I. Total Sales to Ultimate Consumers.** This is the total of the foregoing described classifications.

J. Sales to Other Gas Utilities for Resale. This class includes all sales of gas to other gas utilities or to public authorities for resale to ultimate consumers.

K. Other Gas Revenues. Revenues derived from operations of the respondent other than sales of gas. They include rent from gas property, interdepartmental rents, customers' forfeited discounts and penalties, services of customers' installations and miscellaneous gas revenues, such as fees and charges for changing, connecting and disconnecting service, profit on sales of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' gas (sold under rates filed by such others), management or supervision fees, sale of steam (except where the respondent furnishes steam-heating service) and rentals from leased property on customers' premises.

*** A - K. Total Gas Operating Revenues.** The total of all the foregoing accounts.

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

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

Michigan Only

6285-A. SALES DATA FOR THE YEAR

Line No.	Class of Service (a)	Average Number of Customers per month (b)	Gas Sold Mcf (c)	Revenue (Show to nearest dollar) (d)	AVERAGES		
					Mcf * Per Customer (e)	Revenue per Customer (f)	Revenue per Mcf (f)
1	AB. Residential service	150,252	14,458,006	167,177,299	96.23	1,112.65	\$ 11.56
2	A. Residential service	3,936	298,259	3,650,975	75.78	927.59	\$ 12.24
3	B. Residential space heating service	146,316	14,159,747	163,526,324	96.78	1,117.62	\$ 11.55
4	CD. Commercial service	13,215	5,703,860	61,763,049	431.62	4,673.71	\$ 10.83
5	C. Commercial service, except space heating	0	0	0			
6	D. Commercial space heating	13,215	5,703,860	61,763,049	431.62	4,673.71	\$ 10.83
7	E. Industrial service	56	553,769	5,802,967	9,888.73	103,624.41	\$ 10.48
8	F. Public street & highway lighting	0	2,475	65,638	-	-	\$ -
9	G. Other Sales to public authorities						
10	H. Interdepartmental sales						
11	I. Other sales						
12	A-I Total sales to ultimate customers	163,523	20,718,110	234,808,953	126.70	1,435.94	\$ 11.33
13	J. Sales to other gas utilities for resale						
14	A-J. TOTAL SALES OF GAS	163,523	20,718,110	234,808,953	126.70	1,435.94	\$ 11.33
15	K. Other gas revenues			8,152,068			
16	A-K TOTAL GAS OPERATING REVENUE	163,523	20,718,110	\$ 242,961,021	126.70	1,485.79	N/A **
<p>* Report Mcf on a pressure base of 14.65 psia dry and a temperature base of 60 degrees Fahrenheit. Give two decimals.</p> <p>** Not calculated because Transportation Revenue included in other gas revenues will distort the results.</p>							

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 20, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			

SALES DATA BY RATE SCHEDULES FOR THE YEAR

- Report below the distribution of customers, sales and revenue for the year by individual rate schedules. (See definitions on first page of this section.)
- Column (a) - List all rate schedules by identification number or symbol. Where the same rate schedule designation applies to different rates in different zones, cities or districts, list separately data for each such area in which the schedule is available.
- Column (b) - Give the type of service to which the rate schedule is applicable, i.e. cooking, space heating, commercial heating, commercial cooking, etc.
- Column (c) - Using the classifications shown in Schedule 625-A, column (a), indicate the class or classes of customers served under each rate schedule, e.g., (A) for Residential Service, (B) Heating Service, etc.
- Column (d) - Give the average number of customers billed under each rate schedule during the year. The total of this column will approximate the total number of ultimate customers, line 12, Schedule 624-A.
- Columns (e) and (f) - For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule. The totals of these columns should equal the totals shown on line 12, Schedule 625-A. If the utility sells gas to ultimate customers under special contracts, the totals for such sales should be entered on a line on this page in order to make the totals of columns (e) and (f) check with those entered on line 12, Schedule 625-A.
- When a rate schedule was not in effect during the entire year, indicate in a footnote the period in which it is effective.

Line No.	Rate Schedule Designation (a)	Type of Service to which Schedule is applicable (b)	Class of Service (c)	Avg. No. of Customers per month (d)	Mcf Sold (e)	Revenue (Show to nearest dollar) (f)
1	Residential	General & Heating	A & B	150,252	14,458,006	167,177,299
2	General	Heating & Cooling	C & D	13,215	5,703,860	61,763,049
3	Optional	Industrial	E	56	553,769	5,802,967
4	Other	Street Lighting	F	0	2,475	65,638
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total Company			163,523	20,718,110	234,808,953

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	(Mo, Da, Yr) May 20, 2009	December 31, 2008

625-B. CUSTOMER CHOICE SALES DATA BY RATE SCHEDULES

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

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

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

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

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

6. Columns (e) and (f) - For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule. The totals of these columns should equal the totals shown on line 12, Schedule 625-A. If the utility sells gas to ultimate customers under special contracts, the totals for such sales should be entered on a line on this page in order to make the totals of columns (e) and (f) check with those entered on line 12, Schedule 625-A.

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

Line No.	Rate Schedule Designation (a)	Type of Service to which Schedule is applicable (b)	Class of Service (c)	Average Number of Customers per Month (d)	Mcf sold (e)	Revenue (Show to nearest dollar) (f)
1	Residential	General & Heating	A & B	67	24,819	41,763
2	General	Heating & Cooling	C & D	104	180,585	306,298
3	Optional	Industrial	E	0	0	0
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	TOTALS			171	205,404	348,061

Name of Respondent		This Report Is:		Date of Report	Year of Report
		(1) <input checked="" type="checkbox"/> An Original		(Mo, Da, Yr)	
Michigan Gas Utilities Corp		(2) <input type="checkbox"/> A Resubmission		April 30, 2009	December 31, 2008
OFF-SYSTEM SALES - NATURAL GAS					
Report particulars (details) concerning off-system sales. Off-system sales include all sales other than MPSC approved rate schedule sales.					
Line No.	Name (a)	Point of Delivery (City or town and State) (b)	Account (c)	Dekatherms of Gas Sold (d)	
1	Anadarko Energy Services Company	Acadia, LA		12,000	
2	Conoco Phillips Company	Seward, KS		18,000	
3	Eagle Energy Partners I, L.P.	Seward, KS		30,000	
4	Eagle Energy Partners I, L.P.	Seward, KS		10,000	
5	BP Canada	Macomb, MI		175,000	
6	DTE Energy Trading, Inc.	Benton Harbor, MI		21,000	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent	This Report Is:	Date of Report	Year of Report			
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008			
OFF-SYSTEM SALES - NATURAL GAS (Continued)						
Revenue for Year (See Instr. 5) (e)	Average Revenue per Dekatherms (f)	Peak Day Delivery to Customers			Line No.	
			Mcf			
			Noncoin- cidental (h)	Coin- cidental (i)		
\$93,240	\$7.77				1	
131,940	\$7.33				2	
198,975	\$6.63				3	
68,950	\$6.90				4	
1,548,750	\$8.85				5	
220,500	\$10.50				6	
	\$0.00				7	
	\$0.00				8	
	\$0.00				9	
	\$0.00				10	
	\$0.00				11	
	\$0.00				12	
	\$0.00				13	
	\$0.00				14	
	\$0.00				15	
	\$0.00				16	
	\$0.00				17	
	\$0.00				18	
	\$0.00				19	
\$2,262,355					20	

Name of Respondent Michigan Gas Utilities Corp.		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 20, 2009	Year of Report December 31, 2008
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS--NATURAL GAS (Account 489)				
<p>1. Report below particulars (details) concerning revenue from transportation or compression (by respondent) of natural gas for others. Subdivide revenue between transportation or compression for interstate pipeline companies and others.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas. Designate with an asterisk, however, if gas is transported or compressed is other than natural gas.</p>		<p>3. Enter the average number of customers per company and/or by rate schedule.</p> <p>4. In column (a) include the names of companies from which revenues were derived, points of receipt and delivery, and names of companies from which gas was received and to which delivered. Specify the Commission order or regulation authorizing such transaction. Separate out the various customers, volumes and revenues by individual rate schedule.</p>		
Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk) (a)	Distance Transported (in miles) (b)*		
1				
2	Mac Steel - Transportation of Gas	Various		
3	Point of Receipt - Monroe			
4	Point of Delivery - Monroe			
5	Gas Received from ANR, Delivered to Mac Steel			
6	IMCO - Transportation of Gas	Various		
7	Point of Receipt - Coldwater			
8	Point of Delivery - Coldwater			
9	Gas Received from ANR, Delivered to IMCO			
10	Other - Transportation of Gas, individually less than 500,000 Mcf	Various		
11	Various Points of Receipt and Delivery			
12	Various Companies from which Gas was Received and to which Delivered			
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
TOTAL				

*(B) Distance transported (in miles) from origin is not available because we buy it delivered and from different suppliers.

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 20, 2009	Year of Report December 31, 2008		
Michigan Gas Utilities Corp.					
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS--NATURAL GAS (Account 489) (Continued)					
5. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipe line system. 6. Enter Mcf at 14.65 psia at 60°F. 7. Minor items (less than 1,000,000 mcf) may be grouped.			"Note: For transportation provided under Part 284 of Title 18 of the Code of Federal Regulations, report only grand totals for all transportation in columns (b) through (g) for the following regulation sections to be listed in column (a): 284.102, 284.122, 284.222, 284.223(a), 284.233(b), and 284.224. Details for each transportation are reported in separate annual reports required under Part 284 of the Commission's regulations."		
Mcf of Gas Received (c)*	Mcf of Gas Delivered (d)*	Revenue (e)	Average Revenue per Mcf of Gas Delivered (in cents) (f)	FERC Tariff Rate Schedule Designation (g)	Line No.
1,050,702	1,050,702	320,072	0.30		1
					2
					3
					4
					5
826,172	826,172	280,299	0.34		6
					7
					8
					9
8,513,981	8,513,981	6,653,902	0.78		10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
10,390,855	10,390,855	\$ 7,254,273	\$0.70		

*(C&D) Reported in Sales Base Pressure
 MPSC FORM P-522 (Rev. 12-08)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production	231,611	130,307
3	Manufactured Gas Production (<i>Submit Supplemental Statement</i>)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Wells Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses	0	243,881
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses	188,583	250,134
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (<i>Enter Total of lines 7 thru 17</i>)	188,583	494,015
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (<i>Enter Total of lines 20 thru 28</i>)	0	0
30	TOTAL Natural Gas Production and Gathering (<i>Total of lines 18 and 29</i>)	188,583	494,015
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility-Credit		
46	783 Rents		
47	TOTAL Operation (<i>Enter Total of lines 33 thru 46</i>)	0	0

NOTE: Page 320, Line 2, Column c. Write-off of gas plant site clean-up monitoring costs.

Name of Respondent 0		This Report Is: <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
	B2. Products Extraction (Continued)			
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0	
	D. Other Gas Supply Expenses			
66	Operation			
67	800 Natural Gas Well Head Purchases	1,592,057	1,455,757	
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			
69	801 Natural Gas Field Line Purchases			
70	802 Natural Gas Gasoline Plant Outlet Purchases			
71	803 Natural Gas Transmission Line Purchases			
72	804 Natural Gas City Gate Purchases	197,651,772	163,221,631	
73	804.1 Liquefied Natural Gas Purchases			
74	805 Other Gas Purchases		0	
75	(Less) 805.1 Purchased Gas Cost Adjustments			
76				
77	TOTAL Purchased Gas (Enter Total of lines 67 to 75)	199,243,829	164,677,388	
78	806 Exchange Gas			
79	Purchased Gas Expenses			
80	807.1 Well Expenses-Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expenses			
84	807.5 Other Purchased Gas Expenses			
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	0	0	
86	808.1 Gas Withdrawn from Storage-Debit	69,602,801	62,977,505	
87	(Less) 808.2 Gas Delivered to Storage-Credit	(81,544,564)	(60,532,279)	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit			
90	Gas Used in Utility Operations-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	0	0	
92	811 Gas Used for Products Extraction-Credit			
93	812 Gas Used for Other Utility Operations-Credit	(783,251)	(436,820)	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	(783,251)	(436,820)	
95	813 Other Gas Supply Expenses	99,864	4,510	
96	TOTAL Other Gas Supply Exp (Total of lines 77, 78, 85, 86 thru 89, 94, 95)	186,618,679	166,690,304	
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)	187,038,873	167,314,627	

Name of Respondent 0		This Report Is: <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	107,372	48,894	
102	815 Maps and Records			
103	816 Wells Expenses	11,181	19,629	
104	817 Line Expense	10,065	24,639	
105	818 Compressor Station Expenses	7,729	14,356	
106	819 Compressor Station Fuel and Power	367,753	0	
107	820 Measuring and Regulating Station Expenses	15,037	17,902	
108	821 Purification Expenses	8,024	7,515	
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses	92,347	65,466	
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Enter Total of lines 101 thru 113)	619,508	198,401	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	5,367	23,005	
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells	19,548	90,634	
119	833 Maintenance of Lines	27,612	24,874	
120	834 Maintenance of Compressor Station Equipment	30,851	44,175	
121	835 Maintenance of Measuring and Regulating Station Equipment	2,257	4,413	
122	836 Maintenance of Purification Equipment	5,980	5,144	
123	837 Maintenance of Other Equipment	10,078	2,837	
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	101,693	195,081	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	721,201	393,482	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel	22,644	0	
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 thru 133)	22,644	0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	22,644	0	

Name of Respondent 0		This Report Is: <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)	0	0	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	0	0	
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)	743,845	393,482	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	0	109	
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses	21,652	62,939	
187	857 Measuring and Regulating Station Expenses	230,056	26,515	
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operation (Enter Total of lines 180 thru 190)	251,708	89,563	

Name of Respondent Michigan Gas Utilities		This Report Is: <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains	58,622	42,678	
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Reg. Station Equipment	80,606	60,959	
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment	22,784	20,057	
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	162,012	123,693	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	413,720	213,256	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	910,252	1,276,539	
205	871 Distribution Load Dispatching	357,047	262,972	
206	872 Compressor Station Labor and Expenses			
207	873 Compressor Station Fuel and Power			
208	874 Mains and Services Expenses	850,558	907,408	
209	875 Measuring and Regulating Station Expenses-General			
210	876 Measuring and Regulating Station Expenses-Industrial			
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	12,880	9,193	
212	878 Meter and House Regulator Expenses	983,684	1,053,503	
213	879 Customer Installations Expenses	611,839	603,633	
214	880 Other Expenses	1,708,892	2,168,973	
215	881 Rents	18,010	13,424	
216	TOTAL Operation (Enter Total of lines 204 thru 215)	5,453,162	6,295,644	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	39,621	44,719	
219	886 Maintenance of Structures and Improvements			
220	887 Maintenance of Mains	710,302	681,252	
221	888 Maintenance of Compressor Station Equipment			
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	37,796	78,329	
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial			
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	76,845	91,897	
225	892 Maintenance of Services	222,041	568,609	
226	893 Maintenance of Meters and House Regulators	306,556	334,331	
227	894 Maintenance of Other Equipment	295,600	197,834	
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	1,688,761	1,996,971	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	7,141,923	8,292,615	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	250,617	2,146	
233	902 Meter Reading Expenses	1,814,960	2,080,379	
234	903 Customer Records and Collection Expenses	4,501,550	4,280,341	
235	904 Uncollectible Accounts	3,240,858	3,339,759	
236	905 Miscellaneous Customer Accounts Expenses	310,947	313,338	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	10,118,932	10,015,964	

Name of Respondent Michigan Gas Utilities		This Report Is: <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	18,514	22,311	
241	908 Customer Assistance Expenses	248,014	367,265	
242	909 Informational and Instructional Expenses	229,750	235,066	
243	910 Miscellaneous Customer Service and Informational Expenses	4,251	14,106	
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	500,529	638,747	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision			
248	912 Demonstrating and Selling Expenses	14		
249	913 Advertising Expenses			
250	916 Miscellaneous Sales Expenses			
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	14	0	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	3,880,261	2,120,650	
255	921 Office Supplies and Expenses	1,678,480	1,909,666	
256	(Less) (922) Administrative Expenses Transferred-Cr.	0	0	
257	923 Outside Services Employed	815,944	439,335	
258	924 Property Insurance	51,461	52,283	
259	925 Injuries and Damages	410,917	404,670	
260	926 Employee Pensions and Benefits	3,843,057	3,015,800	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	408,523	312,382	
263	(Less) (929) Duplicate Charges-Cr.	0	0	
264	930.1 General Advertising Expenses	21,615	10,705	
265	930.2 Miscellaneous General Expenses	639,794	205,559	
266	931 Rents	285,218	7,941	
267	TOTAL Operation (Enter Total of lines 254 thru 266)	12,035,270	8,478,990	
268	Maintenance			
269	935 Maintenance of General Plant	(96)	114,875	
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	12,035,174	8,593,865	
271	TOTAL Gas O. and M. Exp (Lines 97, 177, 201, 229, 237, 244, 251, and 270)	217,993,010	195,462,557	
NUMBER OF GAS DEPARTMENT EMPLOYEES				
<p>1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.</p> <p>2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.</p> <p>3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.</p>				
1. Payroll Period Ended (Date)		12/26/2008		
2. Total Regular Full-Time Employees		165 *		
3. Total Part-Time and Temporary Employees		3		
4. Total Employees		168		
*Does not include: Gary Erickson or five IBS employees				

(This page intentionally left blank)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 and 805)			
<p>1. Report particulars of gas purchases during the year in the manner prescribed below.</p> <p>2. Provide subheadings and totals for prescribed accounts as follows:</p> <p>800 Natural Gas Well Head Purchases. 801 Natural Gas Field Line Purchases. 802 Natural Gas Gasoline Plant Outlet Purchases. 803 Natural Gas Transmission Line Purchases. 803.1 Off-System Gas Purchases. 804 Natural Gas City Gate Purchases. 804.1 Liquefied Natural Gas Purchases. 805 Other Gas Purchases.</p> <p>Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (h) and (i) and should agree with the books of account, or any differences reconciled.</p> <p>In some cases, two or more lines will be required to report a purchase, as when it is charged to more than one account.</p> <p>3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect the sellers at each price are to be listed separately.</p> <p>4. Purchases of less than 100,000 Mcf per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (b). Only Columns (a), (b), (h), (i), and (j) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.</p>		<p>5. Column instructions are as follows:</p> <p><u>Column (b)</u> - Report the names of all sellers. Abbreviations may be used where necessary.</p> <p><u>Column (c)</u> - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchase from gasoline outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.</p> <p><u>Columns (d) and (e)</u> - Designate the state and county where the gas is received. Where gas is received in more than one county, use the name of the county having the largest volume and by footnote list the other counties involved.</p> <p><u>Column (f)</u> - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract, show the date of the original contract and the date of the renegotiated contract on the following line in brackets. If new acreage is dedicated by ratification of an existing contract show the date of the ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56(f)(2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.</p> <p>If the purchase was permanently discontinued during the reporting year, so indicate by an asterisk (*) in Column (f).</p> <p><u>Column (g)</u> - Show for each purchase the approximate Btu per cubic foot.</p> <p><u>Column (h)</u> - State the volume of purchased gas as measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid for in prior years.</p> <p><u>Column (i)</u> - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (h).</p> <p><u>Column (j)</u> - State the average cost per Mcf to the nearest hundredth of a cent. [Column (i) divided by Column (h) multiplied by 100].</p>	

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
GAS PURCHASES (Accounts 800, 801, 802, 803, 804, and 805) (Continued)				
Line No.	Account Number (a)	Name of Seller * (Designate Associated Companies) (b)	Name of Producing Field or Gasoline Plant (c)	State (d)
1	800			
2	804			
3	805			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13		<u>* Natural Gas Suppliers to Michigan Gas Utilities Corporation</u>		
14		Anadarko Energy Services		
15		BP Canada Energy Marketing Co		
16		Cargill, Incorporated		
17		CenterPoint Energy Services		
18		Chevron Natural Gas		
19		ConocoPhillips Company		
20		DTE Energy Trading, Inc.		
21		Eagle Energy Partners I, L.P.		
22		Nexen Marketing U.S.A. Inc.		
23		Occidental Energy Marketing		
24		ONEOK Energy Services		
25		PPM Energy, Inc.		
26		Sequent Energy Management, LLC		
27		Tenaska Marketing Ventures		
28				
29		<u>* Natural Gas Local Production Suppliers to Michigan Gas Utilities Corporation</u>		
30		Calhoun Energy, LLC		
31		Christian Oil Company		
32		Matrix Exploration & Development		
33		Miller Exploration Company		
34		Scenic View Dairy, LLC		
35		West Bay Exploration		
36		West Hopkins Petroleum Company		
37				
38				
39				
40				
41				
42				
43				
44				
45				

Name of Respondent		This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009	December 31, 2008	
GAS PURCHASES (Accounts 800, 801, 802, 803, 804, and 805) (Continued)						
County (e)	Date of Contract (f)		Gas ** Purchased-Mcf (14.73 psia 60 F) (h)	Cost of Gas (i)	Cost Per Mcf (cents) (j)	Line No.
			156,917	1,592,057	1,014.59	1
			21,769,094	189,316,398	869.66	2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45

** Volumes are reported in MMBtu.
MPSC FORM P-522 (Rev. 1-01)

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009		December 31, 2008	
GAS USED IN UTILITY OPERATIONS-CREDIT (Accounts 810, 811, 812)							
1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.				4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Mcf of gas used, omitting entries in columns (d) and (e).			
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.				5. Report pressure base of measurement of gas volumes at 14.73 psia at 60°F.			
3. If the reported Mcf for any use is an estimated quantity, state such fact in a footnote.							
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			Mcf of Gas Used (c)	Amount of Credit (d)	Amount per Mcf (In Cents) (e)	Mcf of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel-Cr	819	37,189	367,753	988.88		
2	811 Gas used for Products Extraction-Cr						
3	Gas Shrinkage and Other Usage in Respdnt's Own Proc.						
4	Gas Shrinkage, Etc. for Respdnt's Gas Processed by Others						
5	812 Gas used for Other Util. Oprs-Cr (Rpt sep. for each prin. use. Group minor uses)						
6	812.1 Gas used in Util. Oprs-Cr (Nonmajor only)						
7							
8	Operation of Buildings/Reg Station	Various	32,285	415,498	1,286.97		
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	TOTAL		69,474	783,251	1,127.40		

Name of Respondent Michigan Gas Utilities Corp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
OTHER GAS SUPPLY EXPENSES (Account 813)			
Report other gas supply expenses by descriptive titles which clearly indicate the nature of such expenses. Show maintenance expenses separately. Indicate the functional classification and purpose of property to which any expenses relate.			
Line No.	Description (a)	Amount (in dollars) (b)	
1	Coordinate Gas Supply Resource	4,275	
2	Gas Supply Services	95,589	
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50	TOTAL	99,864	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)				
1	Industry association dues			84,435
2	Experimental and general research expenses			
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent			9,989
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)			
5	Intercompany Cost Allocation			545,369
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49	TOTAL			639,793

(This page intentionally left blank)

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) April 30, 2009	Year of Report December 31, 2008	
Michigan Gas Utilities Corp				
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2 404.3, 405) (Except Amortization of Acquisition Adjustments)				
<p>1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.</p> <p>2. Report all available information called for in Section B for the report year 1971, 1974 and every fifth year thereafter. Report only annual changes in the intervals</p> <p>between the report years (1971, 1974 and every fifth year thereafter). Report in column (b) all depreciable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate at the bottom of Section B the</p>				
Section A. Summary of Depreciation, Depletion, and Amortization Charges				
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant (404xxx)			
2	Production plant, manufactured gas			
3	Production and gathering plant, natural gas	19,827		
4	Products extraction plant			
5	Underground gas storage plant	327,892		60,176
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant	920,242		
9	Distribution plant	5,210,357		
10	General plant	702,977		
11	Common plant-gas			
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	7,181,295	-	60,176

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) April 30, 2009	Year of Report December 31, 2008	
Michigan Gas Utilities Corp				
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2 404.3, 405) (Except Amortization of Acquisition Adjustments) (Continued)				
<p>manner in which column (b) balance are obtained. If average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine</p>		<p>depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves. 3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section B the amounts and nature of the provisions and the plant items to which related.</p>		
Section A. Summary of Depreciation, Depletion, and Amortization Charges				
Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405),(404200) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
	67,517	67,517	Intangible plant	1
		0	Production plant, manufactured gas	2
		19,827	Production and gathering plant, natural gas	3
		0	Products extraction plant	4
		388,068	Underground gas storage plant	5
		0	Other storage plant	6
		0	Base load LNG terminating and processing plant	7
		920,242	Transmission plant	8
		5,210,357	Distribution plant	9
		702,977	General plant	10
		0	Common plant-gas	11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
-	67,517	7,308,988	TOTAL	25

Name of Respondent Michigan Gas Utilities Corp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)			
Section B. Factors Used in Estimated Depreciation Charges			
Line No.	Functional Classification (a)	Depreciation Plant Base (Thousands) (b)	Applied Depr. Rate(s) (Percent) (c)
1	Intangible Plant	382	17.676%
2	Production Plant	319	6.206%
3	Storage Plant	11,120	3.490%
4	Transmission Plant	38,805	2.371%
5	Distribution Plant	205,511	2.535%
6	General Plant	17,127	4.104%
7			
8			
9			
10			
<p>Notes to Depreciation, Depletion and Amortization of Gas Plant</p> <p>Column (b) balances were obtained using a twelve month average from January 2008 through December 2008.</p>			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
<p>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.</p> <p>(a) <i>Miscellaneous Amortization</i> (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.</p> <p>(b) <i>Miscellaneous Income Deductions</i> -- 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</p> <p>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 <u>grouped by classes within the above accounts.</u></p> <p>(c) <i>Interest on Debt to Associated Companies</i> (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.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>		
Line No.	Item (a)	Amount (b)
1	Miscellaneous Amortization (425)	0
2	Total - 425	0
3		
4	Donations (426.1)	
5	Co Match of Energy Aid Assistance	11,883
6	Total - 426.1	11,883
7		
8	Penalties (426.3)	1,323
9	Total - 426.3	1,323
10		
11	Expenditures for Certain Civic, Political and Related Activities (426.4)	10,348
12	Total - 426.4	10,348
13		
14	Interest on Debt to Assoc Companies (430)	
15	Int Debt - Integrys Energy Group Short Term	788,261
16	Int Debt - Integrys Energy Group Long Term	4,956,700
17	Total - 430	5,744,961
18		
19	Other Interest Expense (431)	
20	Interest on Customer Deposits	57,728
21	GCR Interest Adjustment	(637,111)
22	Misc	2,489
23	Total - 431	(576,894)
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		5,191,621

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS			
<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. Merchandising, Jobbing, and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.</p> <p>3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes. 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. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration date 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 leases on a basis other than that of a fixed annual rental, state the method of determining 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. Equity in earnings of subsidiary companies (Account 418.1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.</p> <p>6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.</p> <p>7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.</p>			
Line No.	Item (a)	Amount (b)	
1	Account 415 - Revenue from Contract Work	304,312	
2			
3	Account 417 - Revenues from Non-Utility Operations		
4	Revenue	21,477	
5	Operating Expenses	(56,803)	
6	Non Tar Revenue	648	
7			
8	Account 419 - Interest & Dividend Income	34,739	
9			
10	Account 421 - Misc Non-Operating Income	11,170	
11			
12			
13	Total Other Income	315,543	
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES

(Account 426.4)

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.

2. Advertising expenditures in this Account shall be classified according to subheadings, as follows:
(a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in

reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.

3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.

4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.

5. Minor amount may be grouped by classes if the number of items so grouped is shown.

NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

Line No.	Item (a)	Amount (b)
1		
2	Labor	\$ 8,854
3	Consulting Expenses	1,258
4	Miscellaneous Expense	236
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	TOTAL	10,348

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008	
REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or			cases in which such a body was a party. 2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous 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 Expenses for current year (b) + (c) (d)	Deferred at Beginning of Year (e)
1	Dept. of Labor & Economic Growth				
2	2008/2009 Public Utility Assessment,				
3	First Quarter	90,238		90,238	
4					
5					
6	Dept. of Labor & Economic Growth				
7	2008/2009 Public Utility Assessment,				
8	Second Quarter	57,589		57,589	
9					
10					
11	Dept. of Labor & Economic Growth				
12	2008/2009 Public Utility Assessment,				
13	Third Quarter	73,803		73,803	
14					
15					
16	Dept. of Labor & Economic Growth				
17	2008/2009 Public Utility Assessment,				
18	Fourth Quarter	73,803		73,803	
19					
20					
21	Dept. of Labor & Economic Growth				
22	2008 Public Utility Assessment	23,765		23,765	
23					
24					
25	2008 Rate Case		79,038	79,038	
26					
27	Other		10,287	10,287	
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44	TOTAL	319,198	89,325	408,523	0

Name of Respondent			This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corp			(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2009		December 31, 2008	
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				Line No.
CHARGED CURRENTLY TO			Deferred	Contra Account	Amount	Deferred at End of Year		
Department	Account No.	Amount						
(f)	(g)	(h)	(i)	(j)	(k)	(l)		
							1	
							2	
	928000	90,238					3	
							4	
							5	
							6	
							7	
	928000	57,589					8	
							9	
							10	
							11	
							12	
	928000	73,803					13	
							14	
							15	
							16	
							17	
	928000	73,803					18	
							19	
							20	
							21	
	928000	23,765					22	
							23	
							24	
	928000	79,038					25	
							26	
	928000	10,287					27	
	92800F						28	
	92800M						29	
							30	
							31	
							32	
							33	
							34	
							35	
							36	
							37	
							38	
							39	
							40	
							41	
							42	
							43	
		408,523	0		0	0	44	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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	Direct Payroll Distribution	Allocation of Payroll Charged for Clearing Accounts	Total
	(a)	(b)	(c)	(d)
1	ELECTRIC			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Enter Total of lines 3 thru 9)	0		
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)	0		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	0		
19	Transmission (Enter Total of lines 4 and 13)	0		
20	Distribution (Enter Total of lines 5 and 14)	0		
21	Customer Accounts (Transcribe from line 6)	0		
22	Customer Svc. And Informational (Transcribe from line 7)	0		
23	Sales (Transcribe from line 8)	0		
24	Administrative and General (Enter Total of lines 9 & 15)	0		
25	TOTAL Oper. And Maint. (Total of lines 18 thru 24)	0		
26	GAS			
27	Operation			
28	Production-Manufactured Gas			
29	Production-Nat. Gas (Including Expl. And Dev.)			
30	Other Gas Supply	10,524		
31	Storage, LNG Terminating and Processing	48,104		
32	Transmission	14,390		
33	Distribution	3,261,359		
34	Customer Accounts	2,117,988		
35	Customer Service and Informational	214,998		
36	Sales	0		
37	Administrative and General	1,178,482		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	6,845,845		

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) April 30, 2009	Year of Report December 31, 2008	
Michigan Gas Utilities Corp				
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and		columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.		
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	GAS (Continued)			
39	Maintenance			
40	Production-Manufactured Gas	0		
41	Production-Natural Gas	0		
42	Other Gas Supply	0		
43	Storage, LNG Terminating and Processing	8,451		
44	Transmission	115,027		
45	Distribution	1,083,764		
46	Administrative and General	(254)		
47	TOTAL Maint. (Enter Total of lines 40 thru 46)	1,206,988		
48	Total Operation and Maintenance	8,052,833		
49	Production-Manufactured Gas (Total of lines 28 and 40)	0		
50	Production-Nat. Gas (Including Expl. & Dev.) (Total of lines 29 and 41)	0		
51	Other Gas Supply (Enter Total of lines 30 and 42)	10,524		
52	Storage, LNG Terminating and Processing (Total of lines 31 and 43)	56,555		
53	Transmission (Lines 32 and 44)	129,417		
54	Distribution (Lines 33 and 45)	4,345,123		
55	Customer Accounts (Line 34)	2,117,988		
56	Customer Service and Informational (Line 35)	214,998		
57	Sales (Line 36)	0		
58	Administrative and General (Lines 37 and 46)	1,178,228		
59	TOTAL Operation & Maint. (total of lines 49 thru 58)	8,052,833	360,536	8,413,369
60	OTHER UTILITY DEPARTMENTS			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59 & 61)	8,052,833	360,536	8,413,369
63	UTILITY PLANT			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	1,814,318	402,600	2,216,918
67	Other			0
68	TOTAL Construction (Total of lines 65 thru 67)	1,814,318	402,600	2,216,918
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	0	0	0
74	Other Accounts (Specify)			
	Misc.	249,460	(249,460)	0
75	Clearing Accounts	297,197	(599,284)	(302,087)
76	Co-Tenant	0	0	0
	Other Accounts	62,479	110,706	173,185
77	TOTAL Other Accounts	609,136	(738,038)	(128,902)
78	TOTAL SALARIES AND WAGES	10,476,287	25,098	10,501,385

(This page intentionally left blank)

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008	
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 \$50,000, 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	Vertex Business Services	Customer Billing	Contract fees and additional	107	\$ 8,905
2	10511 Airport Road		fees related to new information	880	\$ 158,787
3	Scottsbluff, NE 69631		requests	903	\$ 3,154,757
4				905	\$ 211,775
5				921	\$ 15,770
6			Accruals/Reversals	Various	\$ 301,058
7					\$ 3,851,052
8					
9	Deloitte & Touche LLP	Auditors	Billable hours	923	\$ 92,977
10	555 East Wells Street Suite 1400				
11	Milwaukee, WI 53202-3824				
12					
13	Kent Power	Construction	By project	107	\$ 2,404,520
14	90 Spring Street			878	\$ 5,220
15	Kent City, MI 49330			885	\$ 19
16				887	\$ 30,021
17				892	\$ 1,076
18				893	\$ 725
19					\$ 2,441,581
20					
21	Miller, Canfield, Paddock & Stone PLC	Legal	Billable hours/printing	923	\$ 163,336
22	One Michigan Avenue, Suite 900			928	\$ 67,213
23	Lansing, MI 48933				\$ 230,549
24					
25	Pescador LLC	Env. Consulting	Billable hours	182337	\$ 207,887
26	36 Highview Road				
27	Traverse City, MI 49686				
28					
29	RL Coolsaet Construction Co	Construction	By project	107	\$ 439,537
30	P. O. Box 279				
31	Taylor, MI 48180				
32					
33					
34					
35					
36	TOTAL				\$ 7,263,583

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company.			services provided (administrative and general expenses, dividends declared, etc.).		
2. In column (b) describe the affiliation (percentage ownership, etc.).			4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.		
3. In column (c) describe the nature of the goods and					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Integrus Energy Group, Inc.	Parent Company	Labor & Labor Loadings	610047	43
2		(MGU is a wholly-	Invoices & Expenses Accounts	Various	42,531
3		owned subsidiary of	Other	Various	
4		Integrus Energy Group, Inc.)			
5					
6	Wisconsin Public Services	In Common Control With	Labor & Labor Loadings	Various	212
7	Corporation		Invoices & Expenses Accounts	921000	13
8			Other	921000	154,700
9					
10					
11	Upper Peninsula Power Co.	In Common Control With	Invoices & Expenses Accounts	Various	3,871
12					
13					
14	Minnesota Energy Resources	In Common Control With	Labor & Labor Loadings	804 & 870	45,092
15			Invoices & Expenses Accounts	Various	7,591
16			Materials & Supplies	878 & 887	303
17			Other	Various	(1,906)
18			Usage Based	878 & 887	91
19					
20					
21	Integrus Business Support	In Common Control With	Labor & Labor Loadings	Various	120,447
22			Invoices & Expenses Accounts	Various	9,979
23			Other	Various	399,829
24					
25					
26	The Peoples Gas Light &	In Common Control With	Labor & Labor Loadings	879000	0
27	Coke Company		Invoices & Expenses Accounts	879000	0
28			Materials & Supplies	879000	242
29			Other	879000	15
30			Usage Based	879000	73
31					
32					
33	North Shore Gas Company	In Common Control With	Labor & Labor Loadings		181
34					
35					

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008

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.
			0	43	(1)	1
			0	42,531	(4)	2
		Various	5,962,000	5,962,000	(2)	3
				6,004,574		4
						5
		184020	343	555	(1)	6
		Various	6,950	6,963	(4)	7
		Various	15,124	169,824	(2)	8
				177,342		9
						10
		184301	477	4,348	(4)	11
				4,348		12
						13
		184020	3	45,095	(1)	14
		146047	20	7,611	(4)	15
		107000	1,458	1,761	(1)	16
		Various	66	(1,840)	(2)	17
		107000	411	502	(4)	18
			Total	53,129		19
						20
		Various	7,288	127,735	(4)	21
		107000	533,047	543,026	(1)	22
		Various	235	400,064	(4)	23
			Total	1,070,825		24
						25
		146053 & 184	245	245	(1)	26
		184	1,421	1,421	(4)	27
				242	(1)	28
				15	(2)	29
				73	(4)	30
				1,996		31
						32
				181	(1)	33
						34
			Total	7,312,395		35

- (1) Fully Loaded Cost
(2) Market
(3) Tariff
(4) Actual Cost
(5) Contract

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008	
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company.			services provided (administrative and general expenses, dividends declared, etc.).		
2. In column (b) describe the affiliation (percentage ownership, etc.).			4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.		
3. In column (c) describe the nature of the goods and					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Integrus Energy Group, Inc.	Parent Company owns	Labor and Labor Loading	920	21,755
2		100% of Michigan Gas	Invoices and Expenses	Various	393,070
3		Utility Corp.	Other	Various	2,548,997
4			Usage Based	921, 930	13,823
5					
6					
7	Wisconsin Public Service Corporation	In Common Control With	Labor and Labor Loading	Various	81,043
8			Invoices and Expenses	Various	158,248
9			Materials & Supplies	Various	87,687
10			Other	Various	459,776
11			Usage Based	Various	13,922
12			Direct Support	871000	14,971
13					
14					
15	Upper Peninsula Power Company	In Common Control With	Labor and Labor Loading	426, 920, 930	266,544
16			Invoices and Expenses	Various	102,663
17			Other	920, 930	7,548
18					
19					
20	Minnesota Energy Resources	In Common Control With	Labor and Labor Loading	870, 926	5,575
21			Invoices and Expenses	Various	13,623
22			Other		0
23					
24					
25	North Shore Gas Company	In Common Control With	Labor and Labor Loading		0
26			Invoices and Expenses		0
27			Materials & Supplies		0
28					
29					
30	Peoples Gas Light & Coke Co	In Common Control With	Labor and Labor Loading	Various	(1,357)
31			Invoices and Expenses	Various	829
32					
33					
34	Integrus Energy Services	In Common Control With	Labor and Labor Loading	920	496
35					
36					
37	Integrus Business Support, LLC	In Common Control With	Labor and Labor Loading	Various	4,767,095
38			Invoices and Expenses	Various	1,972,997
39			Other	Various	3,009,128
40			Usage Based	Various	24,948
41					
42					
43	Peoples Energy Corporation	In Common Control With	Invoices and Expenses	921	2,125
44					
45					
46					

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corp		(1) [X] An Original (2) [] A Resubmission		(Mo, Da, Yr) April 30, 2009		December 31, 2008	
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)							
5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.				reported.			
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which				7. In column (j) report the total.			
				8. In column (k) indicate the pricing method (cost, per contract terms, etc.)			
Account Number	Amount Classified to Non-Operating Income	Account Number	Amount Classified to Balance Sheet	Total	Pricing Method	Line No.	
(f)	(g)	(h)	(i)	(j)	(k)		
			0	21,755	(1)	1	
		Various	117,255	510,325	(4)	2	
			0	2,548,997	(2)	3	
		182	63	13,886	(4)	4	
			Total	3,094,963		5	
						6	
		184	581	81,624	(1)	7	
		Various	12,907	171,155	(4)	8	
		Various	71,222	158,909	(1)	9	
		Various	(59,983)	399,793	(2)	10	
		Various	11,476	25,398	(4)	11	
			0	14,971	(4)	12	
			Total	851,850		13	
						14	
			0	266,544	(1)	15	
			0	102,663	(4)	16	
			0	7,548	(2)	17	
			Total	376,755		18	
						19	
		Various	0	5,575	(1)	20	
		146	146	13,769	(4)	21	
		Various	5,599	5,599	(2)	22	
			Total	24,943		23	
						24	
		184	31	31	(1)	25	
		184	30	30	(4)	26	
		163	73	73	(1)	27	
				134		28	
						29	
		184	396	(961)	(1)	30	
		Various	5,182	6,011	(4)	31	
				5,050		32	
						33	
			0	496	(1)	34	
				496		35	
						36	
		Various	263,030	5,030,125	(1)	37	
		Various	1,097,018	3,070,015	(4)	38	
		Various	28,771	3,037,899	(2)	39	
		182	37	24,985	(4)	40	
				11,163,024		41	
						42	
			0	2,125	(4)	43	
				2,125		44	
						45	
			Total	15,519,341		46	

- (1) Fully Loaded Cost
(2) Market
(3) Tariff
(4) Actual Cost
(5) Contract

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
COMPRESSOR STATIONS			
1. Report below particulars (details) concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.		2. For column (a), indicate the production areas where such stations are used. Relatively small field compressor stations may be grouped by production areas. Show the number of stations grouped. Designate any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership.	
Line No.	Name of Station and Location	Number of Employees	Plant Cost
	(a)	(b)	(c)
1	Underground Storage Compressor Stations 4 Total	3	3,018,921
2			
3	Gathering System Compressor Stations 1 Total	3	115,824
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 30, 2009		Year of Report December 31, 2008			
GAS AND OIL WELLS									
<p>1. Report below the particulars (details) concerning gas and oil wells of the respondent which are either producing or capable of production.</p> <p>2. Report the required information alphabetically by states. List wells located offshore separately.</p> <p>3. For column (a), under separate headings, list gas wells first, oil wells second, and combination wells third. Combination wells are wells producing or capable of production from one or more oil reservoirs and also from one or more gas reservoirs. Enter totals for each of the headings</p>				<p>(gas wells, oil wells, combination wells). Designate any wells not operated during the past year, and in a footnote state whether the book cost of such wells, or any portion thereof, has been retired in the books of account, or what disposition of the wells and their book cost is contemplated.</p> <p>4. In column (f), report wells reclassified during the year as oil wells, gas wells, or combination wells. Show additions in black and deductions enclosed in parentheses. The total additions equal the total deductions.</p>					
Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			REDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Successful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)	Wells Reclassified (f)	Wells Abandoned (g)	Wells Sold (h)	
1	Olivet, MI	2							
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
GAS STORAGE PROJECTS			
1. Report particulars (details) for total gas storage projects.		3. Give particulars (details) of any gas stored for the benefit of another company under a gas exchange arrangement or on basis of purchase and resale to other company. Designate with an asterisk if other company is an associated company.	
2. Total storage plant (column b) should agree with amounts reported by the respondent in Acct's 350.1 to 364.8 inclusive (pages 206-207).			
Line No.	Item (a)	Total Amount (b)	
1	Natural Gas Storage Plant		
2	Land and Land Rights	15,767	
3	Structures and Improvements	281,823	
4	Storage Wells and Holders	5,269,991	
5	Storage Lines	897,299	
6	Other Storage Equipment	4,788,753	
7	TOTAL (Enter Total of Lines 2 Thru 6)	11,253,633	
8	Storage Expenses		
9	Operation	619,508	
10	Maintenance	101,693	
11	Rents		
12	TOTAL (Enter Total of Lines 9 Thru 11)	721,201	
13	Storage Operations (In Mcf @ 14.65 Psia)		
14	Gas Delivered to Storage		
15	January	146,349	
16	February	(36,585)	
17	March	214,195	
18	April	876,001	
19	May	1,265,721	
20	June	1,252,141	
21	July	1,280,245	
22	August	1,039,558	
23	September	1,069,412	
24	October	619,891	
25	November	164,754	
26	December	109,880	
27	TOTAL (Enter Total of Lines 15 Thru 26)	8,001,562	
28	Gas Withdrawn from Storage		
29	January	1,462,872	
30	February	1,830,258	
31	March	1,048,236	
32	April	212,873	
33	May	118,282	
34	June	34,203	
35	July	39,466	
36	August	46,553	
37	September	60,778	
38	October	272,582	
39	November	1,174,086	
40	December	1,854,820	
41	TOTAL (Enter Total of Lines 29 Thru 40)	8,155,009	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
GAS STORAGE PROJECTS (Continued)				
Line No.	Item (a)			Total Amount (b)
	Storage Operations (In Mcf)			
42	Top or Working Gas End of Year (1)			5,012,000
43	Cushion Gas (Including Native Gas) (2)			3,368,000
44	Total Gas in Reservoir (Enter Total of Line 42 and Line 43) (1)			8,380,000
45	Certificated Storage Capacity (2)			7,272,000
46	Number of Injection - Withdrawal Wells (2)			14
47	Number of Observation Wells (2)			6
48	Maximum Day's Withdrawal from Storage (2)			31,865
49	Date of Maximum Days' Withdrawal (2)			01/03/08
50	LNG Terminal Companies (In Mcf)			
51	Number of Tanks			
52	Capacity of Tanks			
53	LNG Volumes			
54	a) Received at "Ship Rail"			
55	b) Transferred to Tanks			
56	c) Withdrawn from Tanks			
57	d) "Boil Off" Vaporization Loss			
58	e) Converted to Mcf at Tailgate of Terminal			

(1) Includes both MGU owned storage fields and gas stored for MGU by Washington 10 Storage Corp., Consumer's Energy Company, and ANR Pipeline Company, all under storage contract.

(2) Includes only MGU owned storage fields.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2009	December 31, 2008
DISTRIBUTION AND TRANSMISSION LINES			
<p>1. Report below by States the total miles of pipe lines operated by respondent at end of year.</p> <p>2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.</p> <p>3. Report separately any line that was not operated during the past year. Enter in a footnote the particulars (details) and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book cost are contemplated.</p> <p>4. Report the number of miles of pipe to one decimal point.</p>			
Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to 0.1) (b)	
1	DISTRIBUTION		
2	Benton Harbor <=1"	6.3	
3	2"	575.2	
4	3"	8.7	
5	4"	317.9	
6	6"	46.7	
7	8"	24.7	
8	10"	0.0	
9	12"	4.7	
10			
11	Grand Haven <=1"	4.5	
12	2"	289.0	
13	3"	3.0	
14	4"	142.9	
15	6"	16.1	
16	8"	8.9	
17	12"	11.0	
18			
19	Otsego <=1"	2.2	
20	2"	227.0	
21	3"	1.5	
22	4"	201.4	
23	6"	24.7	
24	8"	6.2	
25	12"	0.1	
26			
27	Coldwater & Partello <=1"	1.8	
28	2"	371.3	
29	3"	5.1	
30	4"	261.2	
31	6"	26.3	
32	8"	61.6	
	10"	0.0	
33			
34	Monroe <=1"	5.1	
35	2"	468.1	
36	3"	10.4	
37	4"	359.0	
38	6"	93.8	
39	8"	23.6	
40	10"	18.6	
41	12"	3.4	
42			
43	All lines are located in the state of Michigan		
44	TOTAL	3,632.0	

Name of Respondent Michigan Gas Utilities Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2007
DISTRIBUTION AND TRANSMISSION LINES			
<p>1. Report below by States the total miles of pipe lines operated by respondent at end of year.</p> <p>2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.</p> <p>3. Report separately any line that was not operated during the past year. Enter in a footnote the particulars (details) and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book cost are contemplated.</p> <p>4. Report the number of miles of pipe to one decimal point.</p>			
Line No.	Designation (Identification) of Line or Group of Lines (a)		Total Miles of Pipe (to 0.1) (b)
1	TRANSMISSION		
2	Grand Haven	8"	0.5
3			
4	Otsego	4"	0.0
5		6"	7.7
6		8"	13.3
7			
8	Coldwater	4"	0.1
9		6"	21.3
10		8"	1.8
11		10"	23.6
12			
13	Monroe	10"	11.2
14		12"	32.3
15			
16	Partello	<=1"	0.2
17		2"	0.2
18		3"	0.5
19		4"	9.8
20		6"	8.1
21		8"	15.6
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	All lines are located in the state of Michigan		
44	TOTAL		146.2

Name of Respondent Michigan Gas Utilities Corp		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 30, 2009	Year of Report December 31, 2008
DISTRIBUTION SYSTEM PEAK DELIVERIES					
1. Report below the total distribution system deliveries of gas, excluding deliveries to storage, for the periods of system peak deliveries indicated below during the calendar year.					
2. Report Mcf on a pressure base of 14.73 psia at 60°F.					
Line No.	Item (a)	Day/Month (b)	Amount of Mcf (c)	Curtailments on Day/Month Indicated (d)	
Section A. Three Highest Days of System Peak Deliveries					
1	Date of Highest Day's Deliveries	02/10/08		No	
2	Deliveries to Customers Subject to MPSC Rate Schedules		246,813		
3	Deliveries to Others		0		
4	TOTAL		246,813		
5	Date of Second Highest Day's Deliveries	01/30/08		No	
6	Deliveries to Customers Subject to MPSC Rate Schedules		224,918		
7	Deliveries to Others		0		
8	TOTAL		224,918		
9	Date of Third Highest Day's Deliveries	12/21/08		No	
10	Deliveries to Customers Subject to MPSC Rate Schedules		222,460		
11	Deliveries to Others		0		
12	TOTAL		222,460		
Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)					
13	Dates of Three Consecutive Days Highest System Peak Deliveries	02/10/08		No	
		02/11/08		No	
		02/12/08		No	
14	Deliveries to Customers Subject to MPSC Rate Schedules		677,909		
15	Deliveries to Others		0		
16	TOTAL		677,909		
17	Supplies from Line Pack		0		
18	Supplies from Underground Storage (Note 1)		344,004		
19	Supplies from Other Peaking Facilities		0		
Section C. Highest Month's System Deliveries					
20	Month of Highest Month's System Deliveries	February		No	
21	Deliveries to Customers Subject to MPSC Rate Schedules		4,886,547		
22	Deliveries to Others		0		
23	TOTAL		4,886,547		

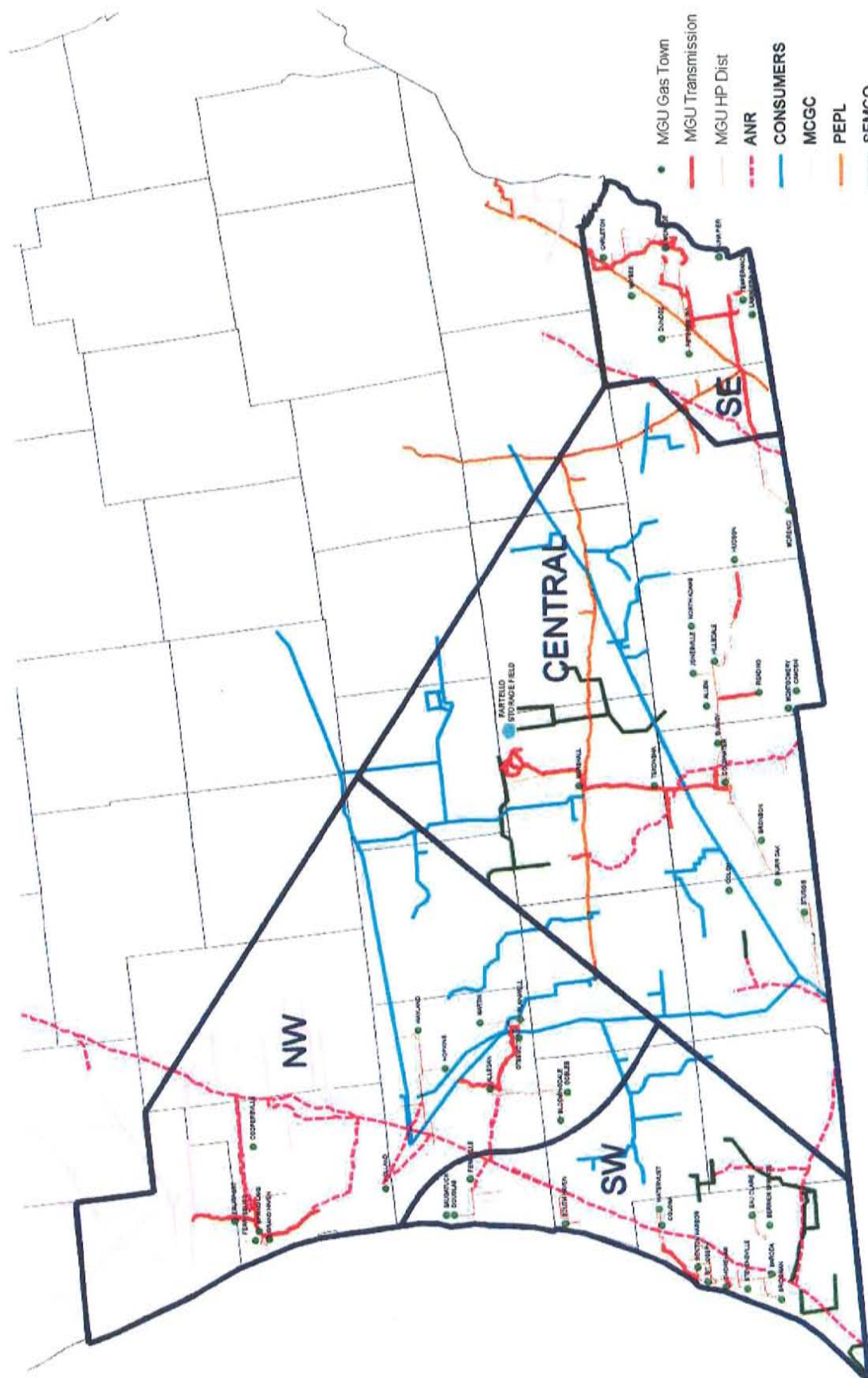
Note 1: Line 18 reflects storage volumes delivered at the citygate.

Name of Respondent		This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corp		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2009	December 31, 2008	
AUXILIARY PEAKING FACILITIES						
<p>1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.</p> <p>2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted.</p> <p>For other facilities, report the rated maximum daily delivery capacities.</p> <p>3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.</p>						
	Location of Facility	Type of Facility	Maximum Daily Delivery Capacity of Facility, Mcf at 14.73 psia at 60°F	Cost of Facility (In dollars)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
	(a)	(b)	(c)	(d)	Yes (e)	No (f)
1	Partello/Anderson/Mymachod-	Underground Storage	15,000 - 28,000	6,981,774		
2	Calhoun County, MI					
3	Cortright/Cambell -	Underground Storage	12,000 - 20,000	882,921		
4	Calhoun County, MI					
5	Lee 3/3A -	Underground Storage	17,500 - 30,000	3,490,868		
6	Calhoun & Eaton Counties, MI					
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						

NOTE: The daily deliverability of MGU owned storage is less than the combined total of the three reservoirs due to pipeline constraints.

(This page intentionally left blank)

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) April 30, 2009	Year of Report December 31, 2008
Michigan Gas Utilities Corp			
SYSTEM MAPS			
<p>1. Furnish 5 copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.</p> <p>2. Indicate the following information on the maps:</p> <p>(a) Transmission lines - colored in red, if they are not otherwise clearly indicated.</p> <p>(b) Principal pipeline arteries of gathering systems.</p> <p>(c) Sizes of pipe in principal pipelines shown on map.</p> <p>(d) Normal directions of gas flow - indicated by arrows.</p> <p>(e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas.</p> <p>(f) Locations of compressor stations, products extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc.</p> <p>(g) Important main line interconnections with other natural gas companies, indicating in each case whether gas is received or delivered and name of connecting company.</p> <p>(h) Principal communities in which respondent renders local distribution service.</p> <p>3. In addition, show on each map: graphic scale to which map is drawn; date as of which the map represents the facts it purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.</p> <p>4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.</p>			
See Page 522A			



(This page intentionally left blank)

INDEX

<u>Schedule</u>	<u>Page No.</u>
Abandoned leases.....	326
Accrued and prepaid taxes.....	262-263
Accounts receivable	228A
Accumulated Deferred Income Taxes	234-235, 272-5, 276A-B, 277
Accumulated provisions for depreciation of	
common utility plant.....	356
utility plant.....	219
utility plant (summary)	200-201
Advances	
for gas.....	229
from associated companies.....	256-257
from customers for construction	268
to associated companies.....	222-223
Amortization	
miscellaneous.....	340
of nonutility property	221
of other gas plant in service	336-338
and depletion of production natural gas land and land rights	336-338
Appropriations of Retained Earnings.....	118-119
Assets, miscellaneous current & accrued	268
Associated Companies	
advances from.....	256-257
advances to	222-223
control over respondent.....	102
corporations controlled by respondent.....	103
interest on debt to.....	256-257
investment in	222-223
payables to	260B
receivables from	228B
service contracts charges.....	357
summary of costs billed to.....	358-359
summary of costs billed from.....	360-361
Attestation.....	1
Balance Sheet	
comparative.....	110-113
notes to.....	122-123
Bonds	256-257
Calculation of Federal Income Taxes.....	261C-D
Capital Stock	250-251
discount	254
expenses	254
installments received	252
liability for conversion	252
premiums	252
reacquired.....	250-251
subscribed	252
Cash flows, statement of	120-121
Changes	
important during year.....	108-109
Charges for outside professional and other consultative services.....	357
Civic activities, expenditures for	343
Compressor stations.....	508-509

INDEX

<u>Schedule</u>	<u>Page No.</u>
Construction	
overheads, gas	217
overhead procedures, general description of	218
work in progress – common utility plant	356
work in progress – gas	216
work in progress – other utility departments	200-201
Consultative services, charges for	357
Control	
corporation controlled by respondent	103
over respondent	102
security holders and voting power	106-107
Corporation	
controlled by respondent	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii
Current and accrued liabilities, miscellaneous	268
Deferred	
credits, other	269
debts, miscellaneous	233
income taxes, accumulated – accelerated amortization property	272-273
income taxes, accumulated – other property	274-275
income taxes, accumulated – other	276A-B
income taxes, accumulated – pollution control facilities	234-235
income taxes, accumulated – temporary	277
regulatory expenses	350-351
Definitions, this report form	iii-iv
Demonstration and development, research	352-353
Depletion	
amortization and depreciation of gas plant	336-338
and amortization of producing natural gas land and land rights	336-338
Depreciation and amortization	
of common utility plant	356
of gas plant	219, 336-338
Directors	105
Discount on capital stock	254
Discount – premium on long-term debt	256-257
Disposition of property, gain or loss	342A-B
Distribution Lines	514
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Exchange Gas Transactions	328-330
Expenses	
gas operation and maintenance	320-325
gas operation and maintenance (nonmajor)	320N-324N
gas operation and maintenance, summary	325
unamortized debt	256-257
Exploration and development expenses	326
Extraordinary property losses	230
Filing requirements, this report form	i-ii
Footnote Data	551

INDEX

<u>Schedule</u>	<u>Page No.</u>
Gains	
on disposition of property	342A-B
unamortized, on reacquired debt.....	260
Gas	
advances	229
exchanged, natural	328-330
production and gathering statistics, natural	506
purchases, natural and other.....	327
reserves, land acreage, natural gas	500-501
stored underground	220
used in utility operations, credit.....	331
plant in service.....	202-212B
General description of construction overhead procedure	218
General information	101
General instructions.....	ii-iii
Identification	101
Important changes during year.....	108-109
Income	
deductions – details.....	256-259, 340
from utility plant leased to others.....	339
statement of, by departments.....	114-117
statement of, for the year (see also revenues).....	114-117
Incorporation information.....	101
Installments received on capital stock.....	252
Interest	
charges, on debt to associated companies	340
charges, other.....	340
charges, paid on long-term debt, advances, etc.	256-257
received from investments, advances, etc.	222-223
Investment tax credits, accumulated deferred	266-267
Investment tax credits generated and utilized	264-265
Investments	
in associated companies	222-223
nonutility property	221
other	222-223
securities disposed of during year.....	222-223
subsidiary companies.....	224-225
temporary cash.....	222-223
Law, excerpts applicable to this report form.....	i-iv
Legal proceedings during year	108-109
Leases	
income from utility plant leased to others.....	339
lease rentals charged	333A-D
Liabilities, miscellaneous current & accrued	268
Liquefied petroleum gas operation	516-517
List of schedules, this report form	2-4
Long-term debt	256-257
Losses – Extraordinary property	230
Losses	
on disposition of property	342A-B
operating, carryforward	117C
unamortized, on reacquired debt.....	260
Management and engineering contracts	357
Map, system	522

INDEX

<u>Schedule</u>	<u>Page No.</u>
Materials and supplies.....	228C
Miscellaneous general expenses	335
Nonutility property.....	221
Notes	
payable	260A
payable, advances from associated companies	256-257
receivable	228A
to balance sheet	122-123
to statement of cash flow	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Number of Gas Department Employees	325
Officers and officers' salaries	104
Oil and gas wells, number of	510
Operating	
expenses – gas	320-325
expenses – gas (summary)	325
loss carryforward	117C
revenues – gas	300-301
Operation and maintenance expense (nonmajor)	320N-324N
Other	
donations received from stockholders	253
gains on resale or cancellations of reacquired capital stock	253
income accounts	341
miscellaneous paid-in capital	253
other supplies expense	334
paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Outside services, charges for	357
Overhead, construction – gas	217
Payables, to associated companies	260B
Peak, deliveries, distribution system, Mcf	518
Peaking facilities, auxiliary	519
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	217-218
	336-338
	500-519
Plant – gas	
accumulated provision for depreciation	219
construction work in progress	216
held for future use	214
in service	204-212B
leased to others	213

INDEX

<u>Schedule</u>	<u>Page No.</u>
Plant – utility	
and accumulated provisions (summary).....	200-201
leased to others, income from	339
Political activities, expenditures for	343
Pollution control facilities, accumulated deferred income taxes	234-235
Preliminary survey and investigation charges	231
Premium and discount on long-term debt	256-257
Premium on capital stock	252
Prepaid gas purchases under purchase agreements	226-227
Prepaid taxes	262-263
Prepayments	230
Production	
properties held for future use	215
Professional services, charges for	357
Property – losses, extraordinary	230
Purchased gas	327, 327A-B
Reacquired	
capital stock.....	250-251
debt, unamortized loss and gain on	260
long-term debt	256-257
Receivables	
from associated companies	228B
notes and accounts	228A
Receivers' certificates.....	256-257
Reconciliation of deferred income tax expense	117A-B
Reconciliation of reported net income with taxable income	
for Federal income taxes	261A-B
Regulatory Assets, Other	232
Regulatory Commission Expenses Deferred	233, 350-351
Regulatory Commission Expenses For Year	350-351
Regulatory Liabilities, Other	278
Rent	
from lease of utility plant.....	339
lease rentals charged	333A-D
Research, development and demonstration activities.....	352-353
Reserves	
changes in estimated hydrocarbon	504-505
natural gas land acreage	500-501
Retained Earnings	
amortization reserve, Federal.....	119
appropriated	118-119
statement of, for year.....	118-119
unappropriated	118-119
Revenues	
from natural gas processed by others	315
from transportation of gas of others	312-313
gas operating.....	300-301
Salaries and wages	
directors fees	105
distribution of	354-355
officers'	104

INDEX

<u>Schedule</u>	<u>Page No.</u>
Sales	
gasoline – extracted from natural gas	315
natural gas – for resale	310A-B
products extracted from natural gas	315
Schedules, this report form	2-4
Securities	
disposed of during year	222-223
holders and voting powers	106-107
investment in associated companies	222-223
investment, others	222-223
investment, temporary cash	222-223
issued or assumed during year	255
refunded or retired during year	255
registered on a national exchange	250-251, 256-257
Service contract charges	357
Statement of cash flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Stock liability for conversion	252
Storage of natural gas, underground	512-513
Supplies – materials and	228C
Survey and investigation, preliminary charges	231
System map	522
Taxes	
accrued and prepaid	262-263
accumulated deferred income – temporary	277
calculation of, federal	261C-D
charged during year	262-263
on income, deferred and accumulated	234-235, 272-275
reconciliation of deferred income tax expense	276A-B
reconciliation of net income with taxable income	117A-B
reconciliation of net income with taxable income	261A-B
Temporary cash investments	222-223
Transmission	
and compression of gas by others	332-333
lines	514
Transportation of gas of others – revenues	312-313
Unamortized	
debt discount	258-259
debt expense	258-259
loss and gain on reacquired debt	260
premium on debt	258-259
Uncollectible accounts, provision for	228A
Underground	
storage of natural gas, expense, operating data, plant	512-513
gas, stored	220
Unrecovered Plant and Regulatory Study Costs	230
Wells, gas and oil, number of	510