

**MICHIGAN PUBLIC SERVICE COMMISSION**

**ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)**

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

Report submitted for year ending:	December 31, 2008
Present name of respondent:	Michigan Consolidated Gas Company
Present DBA name in Michigan if different from legal name:	N/A
Address of principal place of business:	One Energy Plaza Detroit, Michigan 48226-1279
Utility representative to whom inquiries regarding this report may be directed: Name: Peter B. Oleksiak Address: One Energy Plaza City: Detroit Telephone, Including Area Code: (313) 235-4000	Title: Vice President and Controller, and Chief Accounting Officer State: Michigan E-mail: Zip Code: 48226-1279
If the utility name has been changed during the past year: Prior Name: N/A Date of Change: N/A	
Two copies of the published annual report to stockholders: N/A  <input type="checkbox"/> were forwarded to the Commission <input type="checkbox"/> will be forwarded to the Commission	
Annual reports to stockholders: <input type="checkbox"/> are published	<input checked="" type="checkbox"/> 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](mailto:blballi@michigan.gov)

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

## INDEPENDENT AUDITORS' REPORT

### Michigan Consolidated Gas Company

We have audited the balance sheet—regulatory basis of Michigan Consolidated Gas Company (the “Company”) as of December 31, 2008, and the related statements of income—regulatory basis; retained earnings—regulatory basis; cash flows—regulatory basis, and accumulated other comprehensive income, comprehensive income, and hedging activities—regulatory basis for the year ended December 31, 2008, included on pages 110 through 123 (excluding pages 116, 117A and 117B) 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note B, item 6, 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 Michigan Consolidated Gas 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 Michigan Consolidated Gas 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*

March 20, 2009



## MPSC FORM P-522

## ANNUAL REPORT OF NATURAL GAS COMPANIES (MAJOR AND NONMAJOR)

IDENTIFICATION		
01 Exact Legal Name of Respondent Michigan Consolidated Gas Company		02 Year of Report December 31, 2008
03 Previous Name and Date of Change (If name changed during year)		
04 Address of Principal Office at End of Year (Street, City, St., Zip) One Energy Plaza Detroit, MI. 48226-1279		
05 Name of Contact Person Peter B. Oleksiak	06 Title of Contact Person Vice President and Controller, and Chief Accounting Officer	
07 Address of Contact Person (Street, City, St., Zip) One Energy Plaza Detroit, MI. 48226-1279		
08 Telephone of Contact Person, including Area Code: (313) 235-4000	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 12-31-08
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 January 1 to and including December 31 of the year of the report.		
01 Name Peter B. Oleksiak	03 Signature:  /s/ Peter B. Oleksiak	04 Date Signed: (Mo, Da, Yr) 4-29-09
02 Title Vice President and Controller, and Chief Accounting Officer		



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
LIST OF SCHEDULES (Natural Gas Company)			
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."			
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
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MICHIGAN CONSOLIDATED GAS COMPANY	AN ORIGINAL	December 31, 2008
<b>GENERAL INFORMATION</b>		
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of 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 style="text-align: center;"><b>Mr. Peter B. Oleksiak, Vice President and Controller, and Chief Accounting Officer</b>  <b>One Energy Plaza, Detroit, Michigan 48226-1279</b></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 style="text-align: center;"><b>Michigan - January 12, 1898</b></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 style="text-align: center;"><b>Not Applicable</b></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 style="text-align: center;"><b>Gas Utility - Michigan</b></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) <input type="checkbox"/> YES ...Enter the date when such independent accountant was initially engaged: _____.</p> <p>(2) <input checked="" type="checkbox"/> NO</p>		

## CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organization 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 a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.
2. List any entities which respondent did not control either directly or indirectly and which did not control respondent but which were associated companies at any time during the year.
3. If the above required information is available from the SEC 10-K Report Form filing, a specific reference 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.

MichCon Holdings, Inc. is the holding company of the respondent. The attached pages 102a - 102r detail the chain of ownership and control to the main parent company.

## I. NATURE OF BUSINESS OF CLAIMANTS AND EVERY SUBSIDIARY THEREOF

### Claimant: DTE Energy Company

DTE Energy Company ("Company" or "DTE") is a Michigan corporation. DTE owns, directly and indirectly, three utilities, The Detroit Edison Company ("Detroit Edison"), Michigan Consolidated Gas Company ("MichCon") and Citizens Gas Fuel Company ("Citizens"), and non-regulated subsidiaries engaged in energy marketing and trading, energy services, and various other electricity, coal and gas related businesses. The Company's address is One Energy Plaza, Detroit, Michigan 48226-1279.

### Claimant: DTE Enterprises, Inc.

DTE Enterprises, Inc. ("DTEE") owns, directly and indirectly, two utilities, MichCon and Citizens, and non-regulated subsidiaries primarily involved in natural gas production, gathering, processing, transmission, storage, distribution and marketing in the Midwest-to-Northeast corridor. DTEE is organized under the laws of the state of Michigan and has its principal executive offices at One Energy Plaza, Detroit, Michigan 48226-1279.

### Claimant: MichCon Holdings, Inc.

MichCon Holdings, Inc. is the holding company for MichCon and MichCon Enterprises, Inc. MichCon is a public utility engaged in the distribution and transmission of natural gas in the state of Michigan. MichCon's principal executive offices are located at One Energy Plaza, Detroit, Michigan 48226-1279. MichCon conducts substantially all of its business in the state of Michigan and is subject to the jurisdiction of the Michigan Public Service Commission ("MPSC") as to various phases of its operations, including gas sales rates, service, and accounting. MichCon Enterprises, Inc. (a non-regulated affiliate) was formed to engage in non-regulated activities.

#### 1. DTE Energy Company

- A. DTE Center Point, Inc. ("Center Point") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan, 48226. This is a wholly owned subsidiary of DTE Energy Company and is an inactive company.
- B. DTE Energy Corporate Services, LLC is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. This company is a wholly owned subsidiary of DTE Energy Company
- C. DTE Energy Resources, LLC ("DTE ER"), formerly DTE Energy Resources, Inc., is a Delaware company. DTE ER is a wholly owned subsidiary of the Company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE ER is engaged in energy services, electric generation, electric and gas marketing and trading and landfill gas projects.
  1. DTE Biomass Energy, Inc. ("DTE Biomass") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTE Biomass is a wholly owned subsidiary of DTE ER and is engaged in landfill gas projects
    - a. Adrian Energy Associates, LLC ("Adrian Energy") is a Michigan company with offices at 29261 Wall Street, Wixom, Michigan 48393. Adrian Energy is a 50% owned subsidiary of DTE Biomass and is engaged in the production of electricity from landfill gas.
    - b. Adrian Gas Producers, L.L.C. ("Adrian Gas") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Adrian Gas is a 50% owned subsidiary of DTE Biomass and is engaged in landfill gas projects. This entity merged with Adrian Energy Associates, LLC on November 3, 2008 with Adrian Energy Associates, LLC as the surviving entity.

- c. Bellefontaine Gas Producers, L.L.C. ("Bellefontaine Gas") is a Delaware company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Bellefontaine Gas is a 50% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- d. Bellefontaine Leachate Services, L.L.C. ("Bellefontaine Leachate") is a Delaware company with offices at 6910 Treeline Drive, Brecksville, Ohio 44141. Bellefontaine Leachate is a 50% owned subsidiary of DTE Biomass and is engaged in processing landfill leachate from landfill gas.
- e. Birmingham Gas Producers, L.L.C. ("Birmingham") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Birmingham is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- f. Davidson Gas Producers, LLC ("Davidson"), formerly Sampson Energy Producers, LLC, is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Davidson is a wholly owned subsidiary of DTE Biomass and is engaged in landfill projects.
- g. Denton Power, LLC (Denton) is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Denton is a wholly owned subsidiary of DTE Biomass and is engaged in landfill projects.
- h. DTE Arbor Gas Producers, Inc. ("DTE Arbor") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTE Arbor is a wholly owned subsidiary of DTE Biomass
- i. DTE Methane Resources, L.L.C. ("DTE Methane") is a Michigan company with offices at 425 S. Main St., Ann Arbor, Michigan 48104. DTE Methane is a wholly owned subsidiary, 50% by DTE Biomass and 50% by DTE Coal Services, and is engaged in coal mine methane projects.
- j. Enerdyne LTD, LLC is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Enerdyne LTD is 60% owned by DTE Biomass.
  - i. Lynchburg Transmission, LLC is a Virginia company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Lynchburg is 100% owned by Enerdyne LTD, LLC.
  - ii. Waverly Gas Producers, LLC is a Virginia company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Waverly is 100% owned by Enerdyne LTD, LLC.
- k. Enerdyne TEN, LLC is a Virginia company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Enerdyne TEN, LLC is 75.5% owned by DTE Biomass.
  - i. King George Gas Producers, LLC is a Virginia company with offices at 425 S. Main, Ann Arbor, Michigan 48104. King George is 100% owned by Enerdyne TEN, LLC.
- l. Escambia Gas Producers, Inc. ("Escambia"), formerly ESCA Gas Producers, Inc., is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Escambia is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- m. Fayetteville Gas Producers, L.L.C. ("Fayetteville"), formerly Fayetteville Gas Company, L.L.C. is a North Carolina company with offices located at 425 S. Main, Ann Arbor, Michigan 48104. Fayetteville is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- n. Hillside Gas Producers, L.L.C. ("Hillside") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Hillside is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects. Hillside was dissolved August 6, 2008.

- o. Iredell Landfill Gas, LLC ("Iredell Gas") is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Iredell Gas is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects. Iredell Gas merged into Iredell Transmission LLC on December 31, 2008 with Iredell Transmission, LLC as the surviving entity.
- p. Iredell Transmission, LLC ("Iredell Trans") is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Iredell is 100% owned by DTE Biomass and is engaged in landfill gas projects.
- q. Kiefer Landfill Generating II, LLC ("Keifer") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Kiefer is a 10% owned subsidiary of DTE Biomass and is engaged in landfill projects.
- r. Lynchburg Gas Producers, LLC ("Lynchburg:") is a North Carolina company with offices at 425 S. main, Ann Arbor, Michigan, 48104. Lynchburg is a 75.5% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- s. Middle Peninsula Gas Producers, LLC is a Virginia company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Middle Peninsula is a 75.5% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- t. Montgomery Gas Producers, L.L.C. ("Montgomery") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Montgomery is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- u. Oklahoma Gas Producers, L.L.C. ("Oklahoma") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Oklahoma is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- v. Orlando Gas Producers, Inc. ("Orlando") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Orlando is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- w. Phoenix Gas Producers, L.L.C. ("Phoenix") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Phoenix is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- x. Pinnacle Gas Producers, L.L.C. ("Pinnacle") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Pinnacle is a wholly owned subsidiary of DTE Biomass and is engaged in a landfill gas-to-energy project.
- y. Polk Gas Producers, L.L.C. ("Polk") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Polk is a 99% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- z. Raleigh Steam Producers, LLC ("Raleigh"), formerly Enerdyne IV, LLC, is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Raleigh is a 50% owned subsidiary of DTE Biomass and is engaged in production of steam from landfill gas.
- aa. RES Power, Inc. ("RESP") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. RESP is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.



- i. Riverview Energy Systems ("Riverview") is a Michigan partnership with offices at 29261 Wall Street, Wixom, Michigan 48393. Riverview is a 50% owned subsidiary of RESP and is engaged in the production of electricity from landfill gas.
- bb. Riverview Gas Producers, Inc. ("Riverview") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Riverview is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- cc. Roxana Gas Producers, Inc. ("Roxana") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Roxana is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- dd. Sacramento Gas Producers, L.L.C. ("Sacramento") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Sacramento is a 50% owned subsidiary of DTE Biomass and is engaged in landfill gas projects. Sacramento was sold on January 1, 2008.
- ee. Salem Energy Systems, LLC ("Salem") is a North Carolina company with offices at 29261 Wall Street, Wixom, Michigan 48393. Salem is 50% owned by DTE Biomass and is engaged in the production of electricity from landfill gas.
- ff. Salt Lake Energy Systems, L.L.C. ("Salt Lake") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Salt Lake is a 50% owned subsidiary of DTE Biomass and is engaged in a landfill gas-to-energy project.
- gg. Sonoma Energy Systems, Inc. ("Sonoma") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Sonoma is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects. Sonoma was dissolved June 5, 2008.
- hh. St. Louis Gas Producers, L.L.C. ("St. Louis") is a Delaware company with offices at 425 S. Main, Ann Arbor, Michigan 48104. St. Louis is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects. St. Louis was dissolved June 16, 2008.
- ii. Sunshine Gas Producers, LLC is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Sunshine Gas is a 50% owned subsidiary of DTE Biomass and is engaged in landfill projects.
- jj. Wake Gas Producers, L.L.C. ("Wake") is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Wake is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- kk. Westside Gas Producers, L.L.C. ("Westside") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Westside is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- ll. Wichita Gas Producers, L.L.C. ("Wichita"), formerly BES/LES Gas Producers I, L.L.C., is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Wichita is a 90% owned subsidiary of DTE Biomass and is engaged in acquiring rights to, developing, collecting and selling landfill gas and related constituent products.
- mmm. Winston Gas Producers, L.L.C. ("Winston") is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Winston is a 99% owned subsidiary of DTE Biomass and is engaged in landfill gas projects. Winston was merged into Salem Energy Systems, LLC on December 31, 2008 with Salem Energy Systems, LLC as the surviving entity.

2. DTE Coal Services, Inc. ("DTE Coal") is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Coal is a wholly owned subsidiary of DTE ER and is engaged in selling and transporting coal to third parties.
  - a. Cornhusker Railways, LLC ("Cornhusker") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Cornhusker is a wholly owned subsidiary of DTE Coal Services, Inc. and is a common carrier short-line railroad.
  - b. DTE Carbon, LLC ("Carbon"), is a Delaware entity with offices at 414 S. Main, Ann Arbor, Michigan, 48104. Carbon is a wholly owned subsidiary of DTE Coal and is engaged in the buying, selling or trading greenhouse gas related credits and other related instruments
  - c. DTE Chicago Fuels Terminal, LLC ("Chicago Fuels"), formerly DTE South Chicago Terminal LLC, is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. This company is a wholly owned subsidiary of DTE Coal and is engaged in coal cleaning and processing.
    - i. Red Building, LLC ("Red Building") is an Illinois company with offices at 414 S. Main, Ann Arbor, Michigan 48104 that is engaged in real estate. Red Building is owned 40% by Chicago Fuels.
  - d. DTE Osage, LLC ("Osage") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Osage is a wholly owned subsidiary of DTE Coal and is engaged in coal cleaning and processing. Osage was dissolved on November 14, 2008.
  - e. DTE Peptec, Inc. ("DTE Peptec") is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Peptec is involved in coal preparation and cleaning activities. DTE Peptec is a wholly owned subsidiary of DTE Coal.
    - i. DTE Dickerson, L.L.C. ("DTE Dickerson") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Dickerson is involved in coal preparation and cleaning activities. DTE Dickerson is a wholly owned subsidiary of DTE Peptec.
    - ii. Peptec, Inc. ("Peptec") is a Pennsylvania corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. Peptec is a wholly owned subsidiary of DTE Peptec.
  - f. DTE Rail Services, Inc. ("DTE Rail"), formerly DTE CS Rail Services, Inc., is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Rail is a wholly owned subsidiary of DTE Coal and is engaged in rail car repair and maintenance.
  - g. DTECS Limited Partnership is a Michigan limited partnership with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTECS Limited Partnership is a wholly owned subsidiary of DTE Coal, which holds a limited partnership interest, and is engaged in the acquisition, storage and reselling of coal. The partnership was cancelled/dissolved December 8, 2008.
  - h. Venture Energy, LLC is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Venture Energy LLC is owned 50% by DTE Coal and holds marketing and service agreements.
3. DTE Energy Services, Inc. ("DTE ES"), formerly Edison Energy Services, Inc., is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE ES is a wholly owned subsidiary of DTE ER and is engaged in energy services activities.
  - a. Belle River Fuels Company, LLC ("Belle River") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Belle River is a wholly owned subsidiary of DTE ES and is

engaged in directly or indirectly, developing, financing, constructing, owning and operating an energy facility or energy-related facility.

- b. CBC 1, L.L.C. ("CBC") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. CBC is a wholly owned subsidiary of DTE ES and is a holding company.
- c. DTE Backup Generation Equipment Leasing, L.L.C. ("Backup Generation Equipment Leasing") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Backup Generation Equipment Leasing is a wholly owned subsidiary of DTE ES, and is engaged in the equipment leasing business.
- d. DTE Coke Holdings, LLC, ("Coke Holdings") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Coke Holdings is a wholly owned subsidiary of DTE ES and is a holding company.
  - i. Shenango Incorporated, ("Shenango") formerly known as Shenango Acquisition Corporation is a Pennsylvania corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. Shenango is a wholly owned subsidiary of Coke Holdings and operates a coke battery facility.
    - 1. Neville Coke, LLC ("Neville") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Neville is owned 1% by Shenango. Neville is engaged in coke supply.
- e. DTE Coke Operations, LLC ("DTE Coke") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Coke is a wholly owned subsidiary of DTE ES and is involved in synthetic fuel activities.
- f. DTE Dearborn, LLC ("Dearborn"), formerly DLM Energy, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Dearborn is a wholly owned subsidiary of DTE ES and is engaged in the development and operation of a compressed air facility.
- g. DTE East China, LLC ("East China"), formerly Woodward Energy, L.L.C., is a Michigan company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. East China is a wholly owned subsidiary of DTE ES and is engaged in electricity generation.
- h. DTE East China Operations, LLC ("East China Operations") is a Delaware company, with offices at 414 S. Main, Ann Arbor, Michigan 48104. East China Operations is a wholly owned subsidiary of DTE ES, and is engaged in the operation and maintenance of an electric generation facility.
- i. DTE Energy Center Operations, LLC ("DTE Energy Cent Oper") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Energy Cent Oper is a wholly owned subsidiary of DTE ES and is involved in the operation of Energy Center.
- j. DTE ES Finance, LLC ("ES Finance") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. ES Finance is a wholly owned subsidiary of DTE ES and is involved in financing and investing activities.
- i. DTE Crete Operations, LLC ("Crete Operations") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Crete Operations is a wholly owned subsidiary of ES Finance and operates and maintains electric generating facilities
- k. DTE ES Holdings No. 1, LLC ("ES Holdings") is a Delaware company with offices at 414 S. Main Street, Ann Arbor Michigan 48104. ES Holdings is a wholly owned subsidiary of DTE ES and is a holding company.

- l. DTE ES Operations, LLC ("ES Oper"), formerly DTE La Paloma Operations, LLC, is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. ES Oper is a wholly owned subsidiary of DTE ES and is engaged in the operation and maintenance of electric generation facilities.
- m. DTE Georgetown Holdings, Inc. ("Georgetown Holdings") is a Delaware corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. Georgetown Holdings is a wholly owned subsidiary of DTE ES, and is a holding company. Georgetown Holding was dissolved April 30, 2008.
- n. DTE Hillman, LLC ("Hillman") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Hillman is a wholly owned subsidiary of DTE ES.
  - i. Cactus DTE, S. de R.L. de C.V. ("Cactus") is a company in Mexico with offices at 414 S. Main, Ann Arbor, Michigan 48104. Cactus is 99% owned by Hillman and 1% owned by DTE ES.
- o. DTE Lake Road Operations, LLC ("Lake Road") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Lake Road is a wholly owned subsidiary of DTE ES and is engaged in the operation and maintenance of an electric generation facility.
- p. DTE Mobile Operations, LLC ("DTE Mobile"), formerly DTE Carneys Point, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Mobile is a wholly owned subsidiary of DTE ES and is involved in the operation of Mobile Energy.
- q. DTE On-Site Energy, LLC ("On-Site") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE On-Site is a wholly owned subsidiary of DTE ES and is involved in on-site energy projects.
  - i. EIUC Holdings, LLC, ("EIUC Holdings") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. EIUC Holdings is a wholly owned subsidiary of On-Site and is a holding company for EIUC.
    1. Energy & Industrial Utilities Company, LLC, ("EIUC") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. EIUC is wholly owned by EIUC Holdings, LLC and is a holding company.
      - a) DTE Burns Harbor Holdings, LLC ("Burns Harbor Holdings") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Burns Harbor Holdings is a wholly owned subsidiary of EIUC.
        - i. DTE Burns Harbor, L.L.C. ("DTE Burns Harbor") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Burns Harbor is 51% owned by Burns Harbor Holdings and operates a coke battery facility.
      - b) DTE Defiance, LLC, formerly Defiance Energy, LLC, is an Ohio company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Defiance is a wholly owned subsidiary of EIUC and is engaged in the development and operation of a compressed air facility.
      - c) DTE Heritage, LLC ("DTE Heritage") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Heritage is a wholly owned subsidiary of EIUC and is engaged in the ownership and operation of an internal electric distribution system of electricity.

- d) DTE Indiana Harbor Holdings, LLC ("DTE Indiana Harbor") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Indiana Harbor is a wholly owned subsidiary of EIUC.
  - i. Indiana Harbor Coke Company LP ("Indiana Harbor Coke Company") is a Delaware limited partnership with offices at 414 S. Main, Ann Arbor, Michigan 48104. Indiana Harbor Coke Company is 5% owned by Indiana Harbor Holdings, LLC.
- e) DTE Lordstown, LLC ("Lordstown"), formerly Lordstown Energy, LLC, is an Ohio company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Lordstown is a wholly owned subsidiary of EIUC and is engaged in the development and operation of a compressed air facility.
- f) DTE Moraine, L.L.C. ("Moraine") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Moraine is a wholly owned subsidiary of EIUC and is engaged in the development and operation of a compressed air facility.
- g) DTE Northwind, L.L.C. ("Northwind") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Northwind is a wholly owned subsidiary of EIUC and operates a chilled water plant.
- h) DTE PCI Enterprises Company, LLC ("DTE PCI") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE PCI is a wholly owned subsidiary of EIUC and operates a pulverized coal facility.
- i) DTE Pittsburgh, LLC ("Pittsburgh") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Pittsburgh is a wholly owned subsidiary of EIUC.
- j) DTE Pontiac North, LLC ("Pontiac"), formerly DTE Wickliffe, LLC ("Wickliffe"), is a Michigan company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Pontiac is a wholly owned subsidiary of EIUC.
- k) DTE Sparrows Point, L.L.C. ("Sparrows Point") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Sparrows Point is a wholly owned subsidiary of EIUC and is engaged in the operation of a pulverized coal injection plant.
- l) DTE Tonawanda, LLC ("Tonawanda") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Tonawanda is a wholly owned subsidiary of EIUC and is engaged in wastewater treatment and supply of chilled water.
- m) EES Coke Battery, L.L.C. ("EES") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. EES is 99.5% owned by EIUC and .5% by CBC and is engaged in coke supply.
- n) EIUC Finance Corporation ("EIUC Finance") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. EIUC Finance is a wholly owned subsidiary of EIUC. EIUC Finance was dissolved on January 29, 2009.
- o) Metro Energy, LLC is a Michigan company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Metro Energy, LLC is a wholly owned subsidiary of EIUC and provides energy related services.

- r. DTE PetCoke, LLC ("Pet Coke"), formerly DTE Utility Services, LLC, is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Pet Coke is wholly owned subsidiary of DTE ES, and is engaged in the supply of petroleum coke.
- s. DTE Pulp & Paper Holdings, Inc. ("DTE Pulp"), formerly DTE Mobile, LLC is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. DTE Pulp is a wholly owned subsidiary of DTE ES and is a holding company.
  - i. MESC Capital, LLC ("MESC Cap"), formerly DTE Capital, LLC is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. MESC Cap is 50% owned by DTE Pulp and is involved in financing and investing activities.
    - 1. Mobile Energy Services Company, LLC ("Mobile Energy") is an Alabama company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Mobile Energy is a wholly owned subsidiary of MESC Cap and owns and operates the energy and recovery complex and related facilities located at the pulp and tissue mill in Mobile, Alabama.
  - ii. DTE Open-Loop Biomass, LLC is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. It is wholly owned by DTE Pulp and Paper Holdings and is engaged in the operation of a black liquor recovery boiler.
- t. DTE Stoneman, LLC ("Stoneman") is a Wisconsin company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Stoneman is a wholly owned subsidiary of DTE ES and is engaged in biomass energy projects.
- u. DTE Synfuels, L.L.C. ("Synfuels") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Synfuels is a wholly owned subsidiary of DTE ES and is a holding company for synfuel projects. Synfuels was cancelled/dissolved January 9, 2009.
  - i. DTE Buckeye Operations, LLC ("Buckeye Operations") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Buckeye Operations is a wholly owned subsidiary of Synfuels and is engaged in synthetic fuel machine operations. Buckeye Operations was cancelled/dissolved July 25, 2008.
  - ii. DTE IndyCoke Operations, LLC ("IndyCokeOper") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. IndyCokeOper is a wholly owned subsidiary of Synfuels and is engaged in synthetic fuel machine operations. IndyCokeOper was cancelled/dissolved July 25, 2008.
  - iii. DTE Smith Branch Operations, LLC ("Smith Branch Operations") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Smith Branch Operations is a wholly owned subsidiary of Synfuels and is engaged in the operation of synthetic fuel facilities. Smith Branch Operations was cancelled/dissolved July 25, 2008.
  - iv. DTE Synfuel Operations, LLC ("Synfuel Operations") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Synfuel Operations is a wholly owned subsidiary of Synfuels and provides labor and management services to operate synthetic fuel manufacturing facilities. Synfuel Operations was cancelled/dissolved July 25, 2008.
  - v. DTE Synfuel Partners, LLC ("Synfuel Partners") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Synfuel Partners is a wholly owned subsidiary of Synfuels and is a holding company for numerous synthetic fuel manufacturing facilities. Synfuel Partners was cancelled/dissolved January 9, 2009.

1. DTE Belews Creek, LLC ("Belews Creek"), formerly CRC No. 3, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Belews Creek is 1% owned by Synfuels Partners and is engaged in synfuel projects. Belews Creek was cancelled/dissolved December 1, 2008.
2. DTE Buckeye, LLC ("Buckeye") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Buckeye is 1% owned by Synfuel Partners, and is engaged in synfuel projects. Buckeye was cancelled/dissolved December 1, 2008.
3. DTE Clover, LLC ("Clover"), formerly CRC No. 6, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Clover is 5% owned by Synfuel Partners, and is engaged in synfuel projects. Clover was cancelled/dissolved December 1, 2008.
4. DTE IndyCoke, LLC ("IndyCoke"), formerly CRC No. 1, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. IndyCoke is 1% owned by Synfuel Partners, and is engaged in synfuel projects. IndyCoke was cancelled/dissolved December 2, 2008.
5. DTE River Hill, L.L.C. ("Riverhill") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Riverhill is 46% owned by Synfuels and 5% owned by Synfuel Partners, and is engaged in synfuel projects. Riverhill was cancelled/dissolved December 1, 2008.
6. DTE Smith Branch, LLC ("Smith Branch"), formerly CRC No. 5, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Smith Branch is 1% owned by Synfuel Partners, and is engaged in synfuel projects. Smith Branch was cancelled/dissolved December 1, 2008.
  - a) DTE Pineville, LLC ("DTE Pine") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Pine is a wholly owned subsidiary of DTE Smith Branch and is engaged in synfuel projects. DTE Pine was cancelled/dissolved December 1, 2008.
    - i. DTE Red Mountain, L.L.C. ("Red Mountain") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Red Mountain is 25.14% owned by DTE ES Holdings No. 1, 48.7% owned by DTE Pine, 2.57% owned by Synfuel Partners and 23.6% owned by Synfuels and is engaged in synfuel projects. Red Mountain was cancelled/dissolved December 1, 2008.
7. DTE Utah Synfuels, LLC ("Utah Synfuels"), formerly DTE Kentucky, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Utah Synfuels is 1% owned by Synfuel Partners, and is engaged in synfuel projects. Utah Synfuels was cancelled/dissolved December 1, 2008.
- v. DTE Utility Services Holdings, LLC ("Utility Serv") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Utility Serv is a wholly owned subsidiary of DTE ES.
  - i. DTE Energy Center, LLC ("Energy Center") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Energy Center is 50% owned by Utility Serv and is involved in providing utility and energy conservation services.

- w. DTE Woodland, LLC ("Woodland") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Woodland is a wholly owned subsidiary of DTE ES and is engaged in biomass energy projects.
  - i. Woodland Biomass Power Ltd. is a Delaware Limited Partnership company in which Woodland is the General Partner, with offices at 414 S. Main, Ann Arbor, Michigan 48104. This company is a wholly owned subsidiary of Woodland.
- 4. DTE Energy Trading, Inc. ("DTE Energy Trading"), formerly Huron Energy Services, Inc., is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Energy Trading is a wholly owned subsidiary of DTE ER. DTE Energy Trading is engaged in wholesale and retail energy marketing.
- 5. DTE Generation, Inc. ("DTE Generation") is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan, 48104. DTE Generation is a wholly owned subsidiary of DTE ER and is a holding company.
  - a. DTE River Rouge, No. 1, LLC ("DTE River") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan, 48104. DTE River is a wholly owned subsidiary of DTE Generation and is involved in a project at River Rouge Power Plant.
- D. DTE Energy Trust I ("DTE I") is a Delaware statutory trust with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE I issued the 7.8% Trust Preferred Securities and trust common securities, purchased DTE Energy debt securities, fully and unconditionally guaranteed by DTE Energy Company.
- E. DTE Energy Trust II ("DTE II") is a Delaware statutory trust with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE II may offer from time to time trust preferred securities.
- F. DTE Energy Trust III ("DTE III") is a Delaware statutory trust with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE III may offer from time to time trust preferred securities.
- G. DTE Energy Ventures, Inc. ("DTE Ventures"), formerly Edison Development Corporation, is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE Ventures is a wholly owned subsidiary of DTE and is engaged in business development.
  - 1. DTE Solar Company of California ("Solar") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Solar is a wholly owned subsidiary of DTE Ventures. Solar is engaged in solar photovoltaic leasing.
  - 2. Plug Power Inc. ("Plug") is a New York corporation with offices at 468 Albany-Shaker Road, Latham, New York 12110. Plug is involved with fuel cell technology. DTE Ventures and DTE Energy hold a combined interest of 9.4% in Plug with DTE Ventures the majority holder.
- H. DTE Enterprises, Inc. ("DTEE") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Except where otherwise indicated, DTEE owns, directly or indirectly, all of the outstanding common stock of MichCon Holdings, Inc., Citizens Gas Fuel Company ("Citizens"), and MCN Energy Enterprises LLC ("MCNEE").
  - 1. Citizens Gas Fuel Company ("Citizens"), a Michigan corporation, is a public utility engaged in the distribution of natural gas in Michigan. Citizens' principal executive offices are located at 127 N. Main Street, Adrian, Michigan 49221. Citizens is a wholly owned subsidiary of DTE Enterprises, Inc.
  - 2. MichCon Holdings, Inc., a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279, is the holding company for Michigan Consolidated Gas Company ("MichCon"), a Michigan corporation, and MichCon Enterprises, Inc.



- a. MichCon Enterprises, Inc., a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. (a non-regulated affiliate) was formed to engage in non-regulated activities. It is a wholly owned subsidiary of MichCon Holdings, Inc.
  - i. MichCon Fuel Services Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It markets natural gas as a vehicular fuel and markets energy to residential and commercial customers through a transportation brokerage pilot program. MichCon Fuel Services Company became inactive in 2001. MichCon Fuel Services Company is a wholly owned subsidiary of MichCon Enterprises, Inc.
- b. MichCon is a public utility engaged in the distribution and transmission of natural gas in the state of Michigan. MichCon's principal executive offices are located at One Energy Plaza, Detroit, Michigan 48226-1279. MichCon conducts substantially all of its business in the state of Michigan and is subject to the jurisdiction of the Michigan Public Service Commission ("MPSC") as to various phases of its operations, including gas sales rates, service, and accounting.
  - i. Blue Lake Holdings, Inc. is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Blue Lake Holdings, Inc. is a wholly owned subsidiary of MichCon. It holds a 25% interest in Blue Lake Gas Storage Company.
    1. Blue Lake Gas Storage Company, is a partnership that has converted a depleted natural gas field in northern Michigan into a 46 billion cubic feet (Bcf) natural gas storage field, which it now operates.
  - ii. MichCon Development Corporation is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. This is a wholly owned subsidiary of MichCon.
  - iii. MichCon Pipeline Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Through the subsidiaries below, it is engaged in pipeline and gathering projects in Michigan. MichCon Pipeline Company is wholly owned by MichCon.
    1. DTE Michigan Holdings, Inc., formerly MCNIC Michigan Holdings, Inc. is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by MichCon Pipeline Company. It owns and operates CO2 removal facilities in northern Michigan.
      - a. DTE Thunder Bay Processing, LLC is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by DTE Michigan Holdings, Inc.
    2. DTE Terra Hayes Gathering Company is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226. It owns and operates the Terra Hayes Pipeline. It is wholly owned by MichCon Pipeline Company.
    3. Jordan Valley Pipeline Company is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226. It owns and operates the Jordan Valley Pipeline. It is wholly owned by MichCon Pipeline Company.
    4. MichCon Gathering Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It owns and operates the Antrim Expansion Pipeline. It is wholly owned by MichCon Pipeline Company.

5. MichCon Lateral Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It owns and operates a 210 mile pipeline and 325 miles of gathering lines in northern Michigan. It is wholly owned by MichCon Pipeline Company.
6. Saginaw Bay Lateral Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is the sole general partner and owns 46% of Saginaw Bay Lateral Michigan Limited Partnership that owns and operates lateral pipelines interconnecting with the 68-mile pipeline described in Saginaw Bay Pipeline Company below.
  - a. Saginaw Bay Lateral Michigan Limited Partnership is a Michigan company. Saginaw Bay Lateral Company owns 46% of Saginaw Bay Lateral Michigan Limited Partnership.
7. Saginaw Bay Pipeline Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It currently owns and operates a 68-mile pipeline that transports natural gas and natural gas liquids from reserves in east-central Michigan to natural gas processing plants in northern Michigan. It is wholly owned by MichCon Pipeline Company.
8. Thunder Bay Gathering Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It owns and operates a pipeline system, consisting of 44 miles of gathering lines situated in Alpena and Alcona Counties in northeast Michigan. It is wholly owned by MichCon Pipeline Company.
  - a. Hawes Pipeline, LLC is a Michigan company with offices at One Energy Plaza, Detroit, Michigan, 48226-1279. It owns and operates the Hawes Pipeline. It is owned 99% by Thunder Bay Gathering Company.
9. Tums/Olund Lake Pipeline Company is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226. It owns and operates the Tums/Olund Lake Pipeline. It is wholly owned by MichCon Pipeline Company.
3. MCN Energy Enterprises, LLC ("MCNEE"), formerly MCN Energy Enterprises, Inc. and MCN Investment Corporation, is the holding company for DTEE's various diversified energy subsidiaries. MCNEE, through its subsidiaries and joint ventures, provides gathering, processing and transmission services; engages in energy marketing activities and storage services; engages in gas and oil exploration, development and production; and is involved in other energy-related businesses. Except where otherwise indicated, the companies set forth below are wholly owned subsidiaries of MCNEE.
  - a. DTE Gas Resources, LLC ("DTE Gas Resources"), formerly DTE Gas Resources, Inc and DTE Exploration & Development, Inc. is a Michigan limited liability company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE Gas Resources is a wholly owned subsidiary of MCNEE. It is engaged in natural gas and oil exploration, development and production, through the following subsidiaries.
    - i. Coleman Gathering Company is a Texas company with offices at One Energy Plaza, Detroit, Michigan 48226. Coleman is a wholly owned subsidiary of DTE Gas Resources.
    - ii. DTE Yates Center, Inc. ("DTE Yates") was a Michigan corporation that previously had offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE Yates was involved in coal-bed methane activities, which have now been divested. It was dissolved on March 12, 2008.

- b. DTE Gas Storage Company, formerly MCNIC Gas Storage Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It engages in the storage of natural gas and is wholly owned by MCNEE.
  - i. DTE Northeast Storage Company LLC ("Northeast") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. This company is wholly owned by DTE Gas Storage Company. Northeast was dissolved October 31, 2008.
  - ii. Shelby Storage LLC is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is used to procure storage, mineral and load rights for a storage field. Shelby Storage LLC is wholly owned by DTE Gas Storage Company
  - iii. South Romeo Gas Storage Company, LLC ("South Romeo") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is owned 50% by DTE Gas Storage Company. South Romeo holds a 33.3% interest in South Romeo Gas Storage Corporation.
    - 1. South Romeo Gas Storage Corporation is a Michigan corporation which was formed to facilitate the development of the Washington 29 Storage field. It is owned 33% by South Romeo Gas Storage Company, LLC and 33.3% by DTE Gas Storage Company.
  - iv. Washington 10 Gas Holdings, Inc. is a Delaware corporation with offices at One Energy Plaza, Detroit, Michigan 48226. It is a wholly owned subsidiary of DTE Gas Storage Company.
    - 1. Washington 10 Storage Corporation is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by Washington 10 Gas Holdings, Inc.
  - v. Washington 10 Storage Partnership is a Michigan partnership with offices at One Energy Plaza, Detroit, Michigan 48226-1279. The partnership is owned 50% by DTE Gas Storage Company and 50% by W-10 Holdings, Inc. The purpose of the partnership is to lease and operate the Washington 10 natural gas storage facility.
  - vi. W-10 Holdings, Inc., is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by DTE Gas Storage Company and holds a 50% interest in Washington 10 Storage Partnership, a partnership that developed and operates the Washington 10 Storage Field, a 86.3 Bcf storage field in southeastern Michigan.
- c. DTE Pipeline Company, formerly, DTE Gas Storage, Pipelines and Processing Company, and MCNIC Pipeline & Processing Company, is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It owns interests in pipeline and processing projects directly and through the following subsidiaries and partnerships. It is wholly owned by MCNEE.
  - i. Bagley Processing Company is a Michigan general partnership with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It previously owned and operated a CO2 removal facility. DTE Pipeline Company owns a 47% general partnership interest in Bagley Processing Company.
  - ii. DTE East Coast Pipeline Company, formerly MCNIC East Coast Pipeline Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by DTE Pipeline Company. It was dissolved June 6, 2008.

- iii. DTE LLC Millennium Company, formerly MCNIC L.L.C. Millennium Company, is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-12796. It is wholly owned by DTE Pipeline Company and is inactive. It was dissolved October 24, 2008.
- iv. DTE Millennium Company, formerly MCNIC Millennium Company, is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by DTE Pipeline Company. It owns a 26.25% interest in the Millennium Pipeline Company, L.L.C.
  - 1. Millennium Pipeline Company, LLC is a Delaware company with offices at One Blue Hill Plaza, 7<sup>th</sup> Floor, P.O. Box 1565, Pearl River, New York 10965. It will own and operate the Millennium Pipeline system. DTE Millennium Company owns 26.25% of Millennium Pipeline Company, LLC.
- v. DTE Vector Canada, Inc. formerly MCNIC Vector Canada, Inc. is a New Brunswick corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by DTE Pipeline Company. It holds a 39.6% limited partnership interest in Vector Pipeline Limited Partnership, an Alberta, Canada limited partnership which owns the Canadian portion of the Vector Pipeline.
  - 1. Vector Pipeline Limited Partnership, is an Alberta Canada limited partnership with offices at 38750 Seven Mile Road, Suite 490, Livonia, Michigan 48152. DTE Vector Canada, Inc. owns 39.6% of Vector Pipeline Limited Partnership.
- vi. DTE Vector Canada II, Inc., formerly MCNIC Vector Canada II, Inc. is a New Brunswick corporation. It is wholly owned by DTE Pipeline Company. It holds a 40% interest in Vector Pipeline Limited, which owns a 1% general partnership interest in Vector Pipeline Limited Partnership, an Alberta, Canada limited partnership which owns the Canadian portion of the Vector Pipeline.
  - 1. Vector Pipeline Limited is an Alberta Canada Corporation, with offices at 38705 Seven Mile Road, Suite 490, Livonia, Michigan 48152. It owns a 1% general partnership interest in Vector Pipeline Limited Partnership, an Alberta Canada limited partnership which owns the Canadian portion of the Vector Pipeline.
- vii. DTE Vector Company, formerly MCNIC Vector Company, is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by DTE Pipeline Company. It was formed to hold a 39.6% limited partnership interest in Vector Pipeline L.P., a Delaware Limited Partnership which owns and operates the Vector Pipeline.
  - 1. Vector Pipeline L.P. is a Delaware limited partnership with offices at 38750 Seven Mile Road, Suite 490, Livonia, Michigan 48152. It owns and operates the Vector Pipeline.
- viii. DTE Vector II Company, formerly MCNIC Vector II Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by DTE Pipeline Company. It holds a 40% interest in Vector Pipeline LLC., which owns a 1% general partnership interest in Vector Pipeline L.P., a Delaware limited partnership which owns and operates the Vector Pipeline.
  - 1. Vector Pipeline LLC, is a Delaware limited liability company with offices at 38750 Seven Mile Road, Suite 490, Livonia, Michigan 48152. It owns a 1% general partnership interest in Vector Pipeline L.P., a Delaware limited partnership which owns and operates the Vector Pipeline.

- ix. MCNIC Compression GP, Inc. is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279 and is inactive. It is wholly owned by DTE Pipeline Company.
- x. MCNIC Mobile Bay Gathering Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279 and is inactive. It is wholly owned by DTE Pipeline Company. It was dissolved December 8, 2008.
- xi. MCNIC Offshore Pipeline & Processing Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279 and is inactive. It is wholly owned by DTE Pipeline Company.
- d. DTE Oil & Gas Group, Inc. is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It is wholly owned by MCNEE. It is engaged in natural gas and oil exploration, development and production through the following subsidiaries:
  - i. MCNIC Enhanced Production, Inc. is a wholly owned subsidiary of DTE Oil & Gas Group, Inc., which has a 75% interest in Otsego EOR, L.L.C. It is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279.
    - 1. Otsego EOR, LLC is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279 and is owned 75% by MCNIC Enhanced Production, Inc.
  - ii. MCNIC Oil & Gas Midcontinent, Inc., a wholly owned subsidiary of DTE Oil & Gas Group, Inc. It is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279.
  - iii. MCNIC Oil & Gas Properties, Inc., a wholly owned subsidiary of DTE Oil & Gas Group, Inc., is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279.
  - iv. Otsego Exploration Company, L.L.C., a wholly owned subsidiary of DTE Oil & Gas Group, Inc., is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279.
- e. MCN International Corporation is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. It was formed as a holding company for DTEE's international subsidiaries and is wholly owned by MCNEE.
  - i. MCNIC GP International Holdings of Grand Cayman, Cayman Islands is wholly owned by MCN International Corporation and is an inactive company. It was struck from the register in the Cayman Islands, August 27, 2008.
  - ii. MCNIC International Holdings of Grand Cayman, Cayman Islands is wholly owned by MCN International Corporation and is an inactive company
  - iii. MCNIC UAE Limited of Grand Cayman, Cayman Island is wholly owned by MCN International Corporation and was formed to hold a 39% interest in an United Arab Emirate fertilizer plant project. Subsequently, MCNIC UAE Limited converted its equity interest into a loan. The loan was sold in 2004, leaving MCNIC UAE with no remaining assets.
- I. DTE Services I, LLC ("DTE Serv") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE Serv is a single member L.L.C., which held the lease for the jet used for corporate travel. The lease was through Corporate Eagle Capital, L.L.C. DTE Serv is a wholly owned subsidiary of DTE.

- J. Syndeco Realty Corporation ("Syndeco") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Syndeco is a wholly owned subsidiary of DTE. Syndeco is engaged in real estate projects.
1. Copeley License, LLC ("Copeley") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Syndeco holds 100% of this entity. Copeley was dissolved November 5, 2008.
  2. Syndeco Meadowbrook, LLC ("Meadowbrook") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Syndeco holds 50% of this entity, which owns property in Novi for future development.
  3. Syndeco Plaza L.L.C. ("Syndeco Plaza") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Syndeco Plaza is a wholly owned subsidiary of Syndeco and is engaged real estate projects.
  4. Syndeco Plaza Unit Acquisition LLC ("Plaza Unit") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Syndeco holds 100% of this entity.
- K. The Detroit Edison Company ("Detroit Edison") is incorporated in Michigan and is a Michigan public utility. It is engaged in the generation, purchase, distribution and sale of electric energy in Southeastern Michigan. It also owned and operated a steam heating system in Detroit, Michigan, which was sold in January, 2003. On January 1, 1996, Detroit Edison became a wholly owned subsidiary of the Company. Detroit Edison's address is One Energy Plaza, Detroit, Michigan 48226-1279.
1. Detroit Edison Trust I ("DET I") is a Delaware statutory trust with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DET I may offer from time to time trust preferred securities.
  2. Detroit Edison Trust II ("DET II") is a Delaware statutory trust with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DET II may offer from time to time trust preferred securities.
  3. Detroit Edison Trust III ("DET III") is a Delaware statutory trust with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DET III may offer from time to time trust preferred securities.
  4. Midwest Energy Resources Company ("MERC") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. MERC is a wholly owned subsidiary of Detroit Edison and is engaged in operating a coal-transshipment facility in Superior, Wisconsin. It owns 50% of Venture Fuels.
    - a. Venture Fuels is a Colorado partnership formed for the purpose of marketing coal in the Great Lakes Region and is 50% owned by MERC.
  5. St. Clair Energy Corporation ("St. Clair") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. St. Clair is a wholly owned subsidiary of Detroit Edison and is engaged in fuel procurement.
  6. The Detroit Edison Securitization Funding, L.L.C. ("Securitization Funding") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Securitization Funding is a wholly owned subsidiary of Detroit Edison and is a special purpose entity established to recover certain stranded costs, called Securitization Property by Michigan Statute.
  7. The Edison Illuminating Company of Detroit ("EIC") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. EIC is a wholly owned subsidiary of Detroit Edison and holds real estate.

- L. Wolverine Energy Services, Inc. ("Wolverine") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Wolverine is a wholly owned subsidiary of the Company and is a holding company.
1. DTE Edison America, Inc. ("Edison America") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Edison America is a wholly owned subsidiary of Wolverine, which is licensed to market energy and energy related products.
  2. DTE Energy Alternatives, Inc. ("Alternatives") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan, 48226-1279. It is an inactive entity.
  3. DTE Energy Solutions, Inc. ("Solutions") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Solutions is a wholly owned subsidiary of Wolverine and is engaged in system based energy related products and services.
    - a. DTE Energy Solutions Canada, Ltd. ("Energy Solutions"), prior to May 8, 2002, was a joint venture between DTE Probyn Energy Solutions, Inc. and Probyn Company. This joint venture was organized June 23, 1998 under the Ontario Business Corporations Act. On May 8, 2002 Solutions acquired a 100% interest and changed the name to Energy Solutions. Energy Solutions previously had offices at 197 Glengarry Avenue, Toronto, Canada M5M 1E1. It was dissolved February 8, 2008.
    - b. DTE Engineering Services, Inc., ("DTE Engineering Services"), formerly UTS Systems, Inc., is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. DTE Engineering Services is a wholly owned subsidiary of Solutions. DTE Engineering Services is engaged in professional engineering services.
    - c. Global View Technologies, L.L.C. ("Global") is a Michigan company with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Solutions holds a 19% interest in Global. This entity was automatically dissolved by the State of Michigan May 5, 2003.
  4. DTE Energy Technologies, Inc. ("Technologies") is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226-1279. Technologies is a wholly owned subsidiary of Wolverine and is engaged in energy solutions for industrial, commercial and small businesses.
    - a. Alliance Energy Companies, Ltd. ("Alliance") is a Minnesota corporation with offices at 1715 Lake Drive West, Chanhassen, Minnesota 55317-8580. Alliance is a wholly owned subsidiary of Technologies and is the holding company for the following entity.
      - i. DTE Energy Technologies-Canada, Inc., ("DTE ET Canada"), formerly Alliance Energy Systems Canada, Ltd., is an Ontario, Canada corporation, with offices at 2425 Matheson Boulevard East, Mississauga, Canada L4W 5K4. DTE ET Canada is a wholly owned subsidiary of Alliance and is engaged in selling electric generators in the Canadian market. DTE ET Canada was dissolved February 10, 2009.

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008	
CORPORATIONS CONTROLLED BY RESPONDENT				
<p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If Control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>4. 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 in column (a) provided the fiscal years for both the 10-K and this report are compatible.</p>				
DEFINITIONS.				
<p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p>				
Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)	
Blue Lake Holdings, Inc.	A 25% general partner in Blue Lake Gas Storage Company	100%		
MichCon Development Corporation	Real estate development.	100%		
MichCon Pipeline Company	Holding company parent holding 100% of the outstanding common stock of:  - DTE Michigan Holdings (holds DTE Thunder Bay Processing, LLC) - DTE Terra Hayes Gathering Company - Jordan Valley Pipeline Company - MichCon Gathering Company - MichCon Lateral Company - Saginaw Bay Lateral Company (holds 46% of Saginaw Bay Lateral Michigan Limited Partnership) - Saginaw Bay Pipeline Company - Thunder Bay Gathering Company (holds 99% of Hawes Pipeline, LLC) - Tums/Olund Lake Pipeline Company	100%	(1)	
<p>(1) See pages 102a - 102r for additional information.</p>				



MICHIGAN CONSOLIDATED GAS COMPANY		An Original		December 31, 2008	
OFFICERS					
1. Report below the name, title and salary for the top five executive officers.					
2. Report in column (b) salaries and wages accrued during the year including deferred compensation					
3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc. and explain in a footnote what the amounts represent.					
4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.					
5. Upon request, the Company will provide the Commission with supplemental information on officers' and other employees' salaries.					
Line No.	Name and Title (a)	Base Wages (b)	Other Compensation (c) <sup>(1)</sup>	Total Compensation (d) <sup>(2)</sup>	
1	Anthony F. Earley, Jr. Chairman of the Board and Chief Executive Officer of DTE Energy	\$ 1,186,538	\$ 5,513,589	\$ 6,700,127	
2	Gerard M. Anderson President and Chief Operating Officer of DTE Energy	\$ 807,885	\$ 2,554,531	\$ 3,362,416	
3	Robert J. Buckler Group President, DTE Energy	\$ 610,961	\$ 1,294,022	\$ 1,904,983	
4	Gerardo Norcia Group President, DTE Energy	\$ 354,231	\$ 618,481	\$ 972,712	
5	Bruce D. Peterson Senior Vice President and General Consul	\$ 453,154	\$ 881,300	\$ 1,334,454	
6	David E. Meador Executive Vice President and Chief Financial Officer of DTE Energy	\$ 536,923	\$ 1,261,265	\$ 1,798,188	
7	<sup>(1)</sup> Includes bonuses and matching contributions to savings plans.				
8	<sup>(2)</sup> Includes compensation for services provided to DTE Energy Company and subsidiary companies, including Michigan Consolidated Gas Company.				
9					
10					
11					
12					
13					

## DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)	Number of Directors' Meetings During Year (c)(1)	Fees During Year (d)
Anthony F. Earley, Jr. Director Chairman and Chief Executive Officer	One Energy Plaza Detroit, MI 48226-1279	0	0
Sandra Kay Ennis Director Corporate Secretary	One Energy Plaza Detroit, MI 48226-1279	0	0
David E. Meador Director Executive Vice President and Chief Financial Officer	One Energy Plaza Detroit, MI 48226-1279	0	0
Bruce D. Peterson Director	One Energy Plaza Detroit, MI 48226-1279	0	0

(1) MichCon Board of Directors held no scheduled meetings during 2008. As permitted by law, the Board acted on numerous matters by written consent.

## SECURITY HOLDERS AND VOTING POWERS

1. (A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders. (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.
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 security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
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.
4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

Not Applicable

2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such vote cast by proxy

Not Applicable

3. Give the date and place of such meeting:

MichCon Board of Directors held no scheduled meetings during 2008. As permitted by law, the Board acted on numerous matters by written consent.

MICHIGAN CONSOLIDATED GAS COMPANY    AN ORIGINAL			DECEMBER 31, 2008		
SECURITY HOLDERS AND VOTING POWERS (Continued)					
Line No.		VOTING SECURITIES			
		Number of votes as of (date): December 31, 1998			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	10,300,000	10,300,000	0	
5	TOTAL number of security holders	1	1	0	
6	TOTAL votes of security holders listed below	10,300,000	10,300,000	0	
7					
8	MichCon Holdings, Inc.				
9	One Energy Plaza				
10	Detroit, MI 48226-1279	10,300,000	10,300,000	0	
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## IMPORTANT CHANGES DURING THE YEAR

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

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

1. None.

2. None.

3. None.

## IMPORTANT CHANGES DURING THE YEAR

4. None.

5. None.

6. None.

7. None.

8. None.

9. None.

10. None.

11. None.

12. Important Changes

See Notes to Financial Statements starting on page 123.1.

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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	\$3,068,948,937	\$3,394,632,030	
3	Construction Work in Progress (107)	200-201	317,202,219	134,552,051	
4	TOTAL Utility Plant (Enter Total of lines 2 & 3)		3,386,152,156	3,529,184,081	
5	(Less) Accum. Prov. for Depr. Amort., Depl. (108,111,115,119)	200-201	1,816,913,375	1,841,892,894	
6	Net Utility Plant (Enter Total of line 4 less 5)		1,569,238,781	1,687,291,187	
7	Nuclear Fuel (120.1 - 120.4, 120.6)	---	---	---	
8	(Less) Accum. Prov. for Amort. of Nuclear Fuel Assemblies (120.5)	---	---	---	
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		---	---	
10	Net Utility Plant (Enter Total of lines 6 and 9)		1,569,238,781	1,687,291,187	
11	Utility Plant Adjustments (116)	122-123	---	---	
12	Gas Stored Underground-Noncurrent (117)	220	32,199,614	31,299,120	
13	OTHER PROPERTY AND INVESTMENTS				
14	Nonutility Property (121)	221	2,011,978	2,011,324	
15	(Less) Accum. Prov. for Depr. and Amort. (122)	221	486,264	547,615	
16	Investments in Associated Companies (123)	222-223	---	---	
17	Investment in Subsidiary Companies (123.1)	224-225	94,761,540	87,751,624	
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)				
19	Noncurrent Portion of Allowances	---			
20	Other Investments (124)	222-223, 229	2,083,148	2,126,898	
21	Special Funds (125-128)	---	82,045,900	73,460,316	
22	TOTAL Other Property and Investments (Enter Total of lines 14 thru 21)		180,416,302	164,802,547	
23	CURRENT AND ACCRUED ASSETS				
24	Cash (131)	---	408,474	253,068	
25	Special Deposits (132-134)	---	---	---	
26	Working Funds (135)	---	---	---	
27	Temporary Cash Investments (136)	222-223	5,488,649	2,960,777	
28	Notes Receivable (141)	228A	545,406	549,526	
29	Customer Accounts Receivable (142)	228A	332,826,037	399,139,293	
30	Other Accounts Receivable (143)	228A	53,288,135	73,713,309	
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	228A	86,269,517	134,959,528	
32	Notes Receivable from Associated Companies (145)	228B	4,970,983	6,887,018	
33	Accounts Receivable from Assoc. Companies (146)	228B	55,844,374	51,252,210	
34	Fuel Stock (151)	228C	---	---	
35	Fuel Stock Expense Undistributed (152)	228C	---	---	
36	Residuals (Elec) and Extracted Products (Gas) (153)	228C	---	---	
37	Plant Material and Operating Supplies (154)	228C	16,962,154	16,674,604	
38	Merchandise (155)	228C	---	---	
39	Other Material and Supplies (156)	228C	---	---	
40	Nuclear Materials Held for Sale (157)	228C	---	---	

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)					
Line No.	Title of Account  (a)	Page No.  (b)	Balance at Beginning of Year  (c)	Balance at End of Year  (d)	
41	Allowances (158.1 and 158.2)	---	---	---	
42	(Less) Noncurrent Portion of Allowances	---	---	---	
43	Stores Expenses Undistributed (163)	228C	2,891,211	2,379,113	
44	Gas Stored Underground - Current (164.1)	220	31,691,827	13,700,555	
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220	---	---	
46	Prepayments (165)	226,230	7,196,937	11,181,972	
47	Advances for Gas (166-167)	229	---	---	
48	Interest and Dividends Receivable (171)	---	---	---	
49	Rents Receivable (172)	---	1,553,192	1,580,539	
50	Accrued Utility Revenues (173)	---	159,923,496	186,772,520	
51	Miscellaneous Current and Accrued Assets (174)	---	132,995,153	158,702,991	
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		720,316,511	790,988,167	
53	DEFERRED DEBITS				
54	Unamortized Debt Expense (181)	---	4,051,938	6,093,662	
55	Extraordinary Property Losses (182.1)	230	---	---	
56	Unrecovered Plant & Regulatory Study Costs (182.2)	230	---	---	
57	Other Regulatory Assets	232	---	---	
58	Prelim. Survey & Invest. Charges (Electric)(183)	---	---	---	
59	Prelim. Survey & Invest. Charges (Gas) (183.1, 183.2)	231	---	---	
60	Clearing Accounts (184)	---	---	---	
61	Temporary Facilities (185)	---	---	---	
62	Miscellaneous Deferred Debits (186)	233	857,379,599	1,063,393,661	
63	Def. Losses from Disposition of Utility Plt. (187)	---	---	---	
64	Research, Devel. and Demonstration Expend. (188)	352-353	---	---	
65	Unamortized Loss on Reacquired Debt (189)	---	28,555,497	33,317,126	
66	Accumulated Deferred Income Taxes (190)	234-235	369,395,939	390,394,353	
67	Unrecovered Purchased Gas Costs (191)	---	---	---	
68	TOTAL Deferred Debits (Enter Total of lines 54 thru 67)		1,259,382,973	1,493,198,802	
69	TOTAL Assets and Other Debits (Enter Total of lines 10, 11, 12, 22, 52, and 68)		\$3,761,554,181	\$4,167,579,823	



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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	\$10,300,000	\$10,300,000	
3	Preferred Stock Issued (204)	250-251	---	---	
4	Capital Stock Subscribed (202,205)	252	---	---	
5	Stock Liability for Conversion (203,206)	252	---	---	
6	Premium on Capital Stock (207)	252	---	---	
7	Other Paid-In Capital (208-211)	253	437,195,844	499,261,077	
8	Installments Received on Capital Stock (212)	252	---	---	
9	(Less) Discount on Capital Stock (213)	254	---	---	
10	(Less) Capital Stock Expense (214)	254	---	---	
11	Retained Earnings (215,215.1,216)	118-119	320,388,097	383,083,435	
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	35,658,030	16,515,277	
13	(Less) Recquired Capital Stock (217)	250-251	---	---	
14	Accumulated Other Comprehensive Income (219)	122(a)(b)	(1,086,279)	(2,247,824)	
15	TOTAL Proprietary Capital (Enter Total of lines 2 thru 14)		802,474,692	906,911,965	
16	LONG-TERM DEBT				
17	Bonds (221)	256-257	715,000,000	890,000,000	
18	(Less) Recquired Bonds (222)	256-257	---	---	
19	Advances from Associated Companies (223)	256-257	---	---	
20	Other Long-Term Debt (224)	256-257	---	---	
21	Unamortized Premium on Long-Term Debt (225)	258-259	1,428,859	---	
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	258-259	1,246,258	1,118,836	
23	TOTAL Long-Term Debt (Enter Total of lines 17 thru 22)		715,182,601	889,881,164	
24	OTHER NONCURRENT LIABILITIES				
25	Obligations Under Capital Leases - Noncurrent (227)	---	---	---	
26	Accumulated Provision for Property Insurance (228.1)	---	---	---	
27	Accumulated Provision for Injuries and Damages (228.2)	---	12,338,296	14,035,009	
28	Accumulated Provision for Pensions and Benefits (228.3)	---	275,281,901	361,725,294	
29	Accumulated Miscellaneous Operating Provisions (228.4)	---	---	267,124	
30	Asset Retirement Obligations (230)	---	104,367,018	107,171,906	
31	TOTAL Other Noncurrent Liabilities (Enter Total of lines 25 thru 30)		392,007,215	483,199,333	
32	CURRENT AND ACCRUED LIABILITIES				
33	Notes Payable (231)	260A	454,364,693	491,792,786	
34	Accounts Payable (232)	---	224,546,928	188,376,733	
35	Notes Payables to Associated Companies (233)	260B	62,202,958	91,564,518	
36	Accounts Payable to Associated Companies (234)	260B	53,759,362	33,564,971	
37	Customer Deposits (235)	---	16,230,746	15,756,213	
38	Taxes Accrued (236)	262-263	4,456,332	(13,390,701)	
39	Interest Accrued (237)	---	11,700,753	14,134,745	
40	Dividends Declared (238)	---	12,500,000	---	
41	Matured Long-Term Debt (239)	---	---	---	

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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)	---	---	---	
43	Tax Collections Payable (241)	---	3,639,895	4,101,840	
44	Miscellaneous Current and Accrued Liabilities (242)	268	104,152,471	35,909,206	
45	Obligations Under Capital Leases-Current (243)	---	---	---	
46	Federal Income Taxes Accrued for Prior Years (244)	---	---	0	
47	Michigan Single Business Taxes Accrued for Prior Years (244.1)	---	---	---	
48	Federal Income Taxes Accrued for Prior Years-Adj. (245)	---	---	---	
49	Michigan Single Business Taxes Accrued for Prior Years-Adj. (245.1)	---	---	---	
50	TOTAL Current and Accrued Liabilities (Enter Total of lines 33 thru 49)		947,586,138	861,810,311	
51	DEFERRED CREDITS				
52	Customer Advances for Construction (252)	268	---	---	
53	Accumulated Deferred Investment Tax Credits (255)	266-267	13,039,857	11,287,209	
54	Deferred Gains from Disposition of Utility Plant (256)	---	---	---	
55	Other Deferred Credits (253)	269	186,939,966	211,139,751	
56	Other Regulatory Liabilities	278	82,416,822	85,485,433	
57	Unamortized Gain on Reacquired Debt (257)	260	---	---	
58	Accumulated Deferred Income Taxes (281-284)	272-277	621,906,890	718,864,657	
59	TOTAL Deferred Credits (Enter Total of lines 52 thru 58)		904,303,535	1,026,777,050	
60	Total Liabilities and Other Credits (Enter Total of lines 15, 23, 31, 50, and 59)		\$3,761,554,181	\$4,167,579,823	

## STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,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 account 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's 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 resulting

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$2,106,151,931	\$1,808,128,273
3	Operating Expenses			
4	Operation Expenses (401)	320-325	1,790,097,723	1,506,089,509
5	Maintenance Expenses (402)	320-325	28,365,437	25,513,570
6	Depreciation Expense (403)	336-338	87,076,542	80,371,607
7	Amort. & Depl. of Utility Plant (404-405)	336-338	6,171,463	5,789,177
8	Amort. of Utility Plant Acq. Adj. (406)	336-338	-	-
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)	-	-	-
10	Amort. of Conversion Expenses (407)	-	-	-
11	Regulatory Debits (407.3)	-	2,174,533	
12	(Less) Regulatory Credits (407.4)	-	-	-
13	Taxes Other Than Income Taxes (408.1)	262-263E	44,766,086	53,209,206
14	Income Taxes - Federal (409.1)	262-263E	(43,999,714)	6,565,910
15	- Other (409.1)	262-263E	3,252,733	81,567
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	125,020,226	46,828,418
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-277	55,661,223	35,594,812
18	Investment Tax Credit Adj. - Net (411.4)	266	(1,752,648)	(1,763,882)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	726,155
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains/Losses from Disposition of Allowances (411.8-411.9)		-	-
22	Accretion Expense (411.10)		4,396,943	5,938,157
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		1,989,908,101	1,692,302,272
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		\$116,243,830	\$115,826,001

## STATEMENT OF INCOME FOR THE YEAR (Continued)

from settlement of any rate proceeding 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 1 to 19, 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)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		\$2,106,151,931	\$1,808,128,273			2
						3
		1,790,097,723	1,506,089,509			4
		28,365,437	25,513,570			5
		87,076,542	80,271,607			6
		6,171,463	5,789,177			7
		-	-			8
		-	-			9
		-	-			10
		2,174,533	-			11
		-	-			12
		44,766,086	53,209,206			13
		(43,999,714)	6,565,910			14
		3,252,733	81,567			15
		125,020,226	46,828,418			16
		55,661,223	35,594,812			17
		(1,752,648)	(1,763,882)			18
		-	726,155			19
		-	-			20
		-	-			21
		4,396,943	5,838,157			22
		1,989,908,101	1,692,302,272			23
		\$116,243,830	\$115,626,001			24

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008	
STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 114)	-	\$116,243,830	\$115,826,001
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)		2,251,773	2,079,470
30	(Less) Costs and Exp. of Merchandising, Jobbing & Contract Work (416)		2,535,584	2,539,916
31	Revenues From Nonutility Operations (417)		246,500	29,127
32	(Less) Expenses of Nonutility Operations (417.1)		10,628	-
33	Nonoperating Rental Income (418)		-	(858)
34	Equity in Earnings of Subsidiary Companies (418.1)	119	13,195,851	9,831,977
35	Interest and Dividend Income (419)		8,493,834	9,463,060
36	Allowance for Other Funds Used During Construction (419.1)		3,722,430	5,253,300
37	Miscellaneous Nonoperating Income (421)		248,288	1,318,490
38	Gain on Disposition of Property (421.1)		25,050,226	5,038,125
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		50,662,690	30,472,775
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)		-	-
42	Miscellaneous Amortization (425)	340	-	1,208,027
43	Miscellaneous Income Deductions (425.1-426.5)	340	10,779,763	1,606,993
44	TOTAL Other Income Deductions (Enter Total of lines 41 thru 43)		10,779,763	2,815,020
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263B	1,448,973	341,456
47	Income Taxes-Federal (409.2)	262-263E	4,557,644	4,703,667
48	Income Taxes-Other (409.2)	262-263E	-	-
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277	-	-
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272-277	-	422,809
51	Investment Tax Credit Adj. - Net (411.5)		-	-
52	(Less) Investment Tax Credits (420)		-	-
53	TOTAL Taxes on Other Income & Deductions (Enter Total of 46 - 52)		6,006,617	4,622,314
54	Net Other Income and Deductions (Enter Total of lines 39, 44, 53)		33,876,310	23,035,441
55	INTEREST CHARGES			
56	Interest on Long-Term Debt (427)		52,252,152	44,775,738
57	Amort. of Debt Disc. and Expense (428)	258-259	810,704	1,328,318
58	Amortization of Loss on Recquired Debt (428.1)		1,743,998	1,680,683
59	(Less) Amort. of Premium on Debt-Credit (429)	258-259	23,422	(350,734)
60	(Less) Amortization of Gain on Recquired Debt-Credit (429.1)		-	-
61	Interest on Debt to Assoc. Companies (430)	340	6,557,368	3,511,480
62	Other Interest Expense (431)	340	8,391,286	14,638,865
63	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		2,402,117	3,389,948
64	Net Interest Charges (Enter Total of 56 thru 63)		67,329,969	62,895,870
65	Income Before Extraordinary Items (Enter Total of lines 25, 54, and 64)		82,790,171	75,965,574
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)	262-263E	-	-
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		-	-
72	Net Income (Enter Total of lines 65 and 71)		\$82,790,171	\$75,965,574

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	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 to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on this page. In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on this page, then provide the additional information requested in instruction #3, on a separate page.			
3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on this page. (b) Identify all contra accounts (other than accounts 190 and 281-284). (c) Identify the company's regulatory authority to utilize a contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).			
Line No.		Electric Utility	Gas Utility
1			
2	Debits to Account 410 from:		
3			
4	Account 190		\$9,590,152
5	Account 281		
6	Account 282		14,232,626
7	Account 283		101,197,448
8	Account 284		
9	Account 244		
10	Total Account 410.1 (on pages 114-15 line 16)		\$125,020,226
11	Total Account 410.2 (on pages 117 line 49)		
12			
13			
14	Credits to Account 411 from:		
15			
16	Account 190		\$33,564,605
17	Account 281		
18	Account 282		19,969,689
19	Account 283		2,126,929
20	Account 284		
21	Reconciling Adjustments A/C 186-96		
22	Total Account 411.1 (on pages 114-15 line 17)		\$55,661,223
23	Total Account 411.2 (on page 117 line 50)		
24			
25			
26	Net ITC Adjustment		
27			
28	ITC Utilized for the Year DR		
29	ITC Amortized for the Year CR		(1,752,648)
30	ITC Adjustments:		
31	Adjust last year's estimate to actual per		
32	filed return		
33	Other (specify) Paysop Credit A/C 411-41		
34	Net Reconciling Adjustments Account 411.4*		(\$1,752,648)
35	Net Reconciling Adjustments Account 411.5**		
36	Net Reconciling Adjustments Account 420***		
<p>* on pages 114-15 line 18</p> <p>** on page 117 line 51</p> <p>*** on page 117 line 52</p>			

MICHIGAN CONSOLIDATED GAS COMPANY				AN ORIGINAL	December 31, 2008
RECONCILIATION OF DEFERRED INCOME TAX EXPENSE					
ISD	Total Utility	Other Income	Total Company	Line No.	
				1	
				2	
				3	
	\$9,590,152		\$9,590,152	4	
	0		0	5	
	14,232,626		14,232,626	6	
	101,197,448		101,197,448	7	
	0		0	8	
	0		0	9	
\$0	\$125,020,226			10	
		\$0		11	
				12	
				13	
				14	
				15	
	\$33,564,605		\$33,564,605	16	
	0		0	17	
	19,969,689		19,969,689	18	
	2,126,929		2,126,929	19	
	0		0	20	
	0		0	21	
\$0	\$55,661,223			22	
		\$0		23	
				24	
				25	
				26	
				27	
\$0	\$0		\$0	28	
	(1,752,648)		(1,752,648)	29	
	0		0	30	
	0		0	31	
	0		0	32	
	0		0	33	
\$0	(\$1,752,648)			34	
		\$0		35	
				36	



## STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.

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).

3. State the purpose and amount for each reservation or appropriation of retained earnings.

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.

5. Show dividends for each class and series of capital stock. Show amounts of dividends per share.

6. Show separately the state and federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.

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.

8. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		\$320,386,097
2	Changes (Identify by prescribed retained earnings accounts)		0
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit: Miscellaneous Adjustment		44,898
6	Credit:		
7	Credit:		
8	TOTAL Credits to Retained Earnings (Account 439)		44,898
9	FAS 158 Pension Adjustments		(1,712,880)
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (Account 439)		(1,712,880)
14	Balance Transferred from Income (Account 433 less Account 418.1)		69,594,320
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared - Preferred Stock (Account 437)		
23	Redeemable Cumulative Preferred Stock - \$2.05 - Series		0
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	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	Cash (Note)		37,500,000
31	Non-Cash		
32			
33	(Note) As a wholly owned subsidiary of MCN Corporation dividends		
34	were not declared on a per share basis.		
35	TOTAL Dividends Declared - Common Stock (Account 438)		37,500,000
36	Transfers from Acct. 216.1, Unappropriated Undistrib. Subsidiary Earnings		32,271,000
37	Balance - End of Year (Enter Total of lines 1 thru 36)		\$383,083,435
	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 earnings during the year.		
38			
39			
40			
41			
42			
43	TOTAL Appropriated Retained Earnings (Account 215)		0
	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)		0
45	TOTAL Appropriated Retained Earnings (Accounts 215,215.1)		0
46	TOTAL Retained Earnings (Account 215,215.1,216)		0
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)		
47	Balance - Beginning of Year (Debit or Credit)		\$35,659,030
48	Equity in Earnings for Year (Credit) (Account 418.1)		13,195,851
49	(Less) Dividends Received (Debit)		32,271,000
50	Other Changes (Explain) (below)		(68,604)
51	Balance - End of Year ( Enter Total of lines 47 thru 50)		\$16,515,277
	Miscellaneous debit		

## STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be attached to page 122. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income (Line 72 (c) on page 117)	\$82,790,171
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	105,171,461
5	Amortization of Cost to Achieve	2,174,533
6		
7		
8	Deferred Income Taxes (Net)	76,645,703
9	Investment Tax Credit Adjustment (Net)	(1,752,648)
10	Net (Increase) Decrease in Receivables	(43,083,376)
11	Net (Increase) Decrease in Inventory	17,991,272
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	(53,887,270)
14	Net (Increase) Decrease in Other Regulatory Assets	0
15	Net Increase (Decrease) in Other Regulatory Liabilities	3,068,611
16	(Less) Allowance for Other Funds Used During Construction	3,722,430
17	(Less) Undistributed Earnings from Subsidiary Companies	(19,075,150)
18	Other Investments	49,356
19	Other Current and Deferred Assets and Liabilities	(187,424,860)
20	Loss/(Gain) of the Disposition of Property and Subsidiary Investments	(25,050,225)
21	Debt Expense Amortization	(5,379,733)
22	Other Operating	1,018,063
23	Net Cash Provided by (Used in) Operating Activities:	
24	(Total of lines 2 thru 22)	(\$12,316,273)
25		
26	Cash Flows from Investment Activities:	
27	Construction and Acquisition of Plant (including land):	
28	Gross Additions to Utility Plant (less nuclear fuel)	(218,907,516)
29	Gross Additions to Nuclear Fuel	
30	Gross Additions to Common Utility Plant	
31	Gross Additions to Nonutility Plant	0
32	(Less) Allowance for Other Funds Used During Construction	(3,722,430)
33	Other:	
34	Net Property Retirements	1,469
35	Removal Cost	(19,756,414)
36	Cash Outflows for Plant (Total of lines 28 thru 36)	(234,940,031)
37		
38	Acquisition of Other Noncurrent Assets (d)	
39	Proceeds from Disposal of Noncurrent Assets (d)	5,512,500
40		
41	Investment in & Advances to Assoc. and Subsidiary Companies	0
42	Contributions & Advances from Assoc. and Subsidiary Companies	
43	Disposition of Investments in (and Advances to)	
44	Associated and Subsidiary Companies	
45		
46	Purchase of Investment Securities (a)	
47	Proceeds from Sales of Investment Securities (a)	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
STATEMENT OF CASH FLOWS (Continued)			
4.	Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. 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 costs on page 122.		
5.	Codes used:		
	(a) Net proceeds or payments.		
	(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 page 122 clarifications and explanations.		
Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)	
48	Loans Made or Purchased		
49	Collections on Loans		
50			
51	Net (Increase) Decrease in Receivables	(4,120)	
52	Net (Increase) Decrease in Inventory		
53	Net (Increase) Decrease in Allowances Held for Speculation		
54	Net Increase (Decrease) in Payables and Accrued Expenses	0	
55	Other:		
56	Other		
57			
58			
59			
60	Net Cash Provided by (Used in) Investing Activities		
61	(Total of lines 36 thru 55)	(229,431,651)	
62			
63	Cash Flows from Financing Activities:		
64	Proceeds from Issuance of:		
65	Long-Term Debt (b)	447,274,993	
66	Preferred Stock		
67	Common Stock		
68	Other:		
69	Other		
70	Net Increase in Short-Term Debt (c)	66,789,653	
71	Other:		
72	Capital Contribution by Parent Company	50,000,000	
73			
74	Cash Provided by Outside Sources (Total of lines 66 thru 73)	564,064,646	
75			
76	Payments for Retirement of:		
77	Long-Term Debt (b)	(275,000,000)	
78	Preferred Stock		
79	Common Stock		
80	Other:		
81	Other	0	
82	Net Decrease in Short-Term Debt (c)		
83	Dividends on Preferred Stock		
84	Dividends on Common Stock	(50,000,000)	
85	Net Cash Provided by (Used in) Financing Activities		
86	(Total of lines 75 thru 85)	239,064,646	
87			
88	Net Increase (Decrease) in Cash and Cash Equivalents		
89	(Total of lines 24, 61, 87)	(\$2,683,278)	
90			
91	Cash and Cash Equivalents at Beginning of Year	5,897,123	
92			
93	Cash and Cash Equivalents at End of Year	\$3,213,845	



MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME , AND HEDGING ACTIVITIES						
Line No.	Other Cash Flow Hedges (Specify) (f)	Other Cash Flow Hedges (Specify)* (g)	Totals for each category of items Account 219 (h)	Net Income (Carried Forward from Page 117, Line 72) (i)	Total Comprehensive Income (j)	
1		(1,159,384)	(1,159,384)			
2						
3		93,105	93,105			
4		93,105	93,105	75,965,574	76,058,679	
5		(1,066,279)	(1,066,279)			
6			(1,274,650)			
7		93,105	93,105			
8		93,105	(1,181,545)	82,790,171	81,608,626	
9		(973,174)	(2,247,824)			
	*Cash flow hedge related to debt issuance					

## NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on 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 Systems 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.

PAGE 122 INTENTIONALLY LEFT BLANK  
SEE PAGE 123 FOR REQUIRED INFORMATION

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
NOTES TO FINANCIAL STATEMENTS (Continued)			
Item 6			
A. Cash Flow Statement			
Cash And Cash Equivalents (Lines 91 and 93)			
	2008	2007	
Cash (131)	\$253,068	\$408,474	
Working Funds (135)	0	0	
Temporary Cash Investments (136)	2,960,777	5,488,649	
Total Cash and Cash Equivalents	\$3,213,845	\$5,897,123	
Interest Paid (Net of amount capitalized)	\$64,766,814	\$66,104,293	
Income Taxes Paid (received)	(\$16,513,992)	\$9,771,599	
B. 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 releases. Such requirements and published releases constitute a basis of accounting other than generally accepted accounting principles (GAAP). The principal differences of this basis of accounting from GAAP include: accounting for majority-owned subsidiaries on the equity basis, the classification of certain deferred income taxes and related regulatory assets and liabilities, the exclusion of current maturities of long-term debt from current liabilities, the classification of non-legal removal costs, accounting for the Performance Excellence Process Costs to Achieve, and financial statement presentation of Deferred Environmental Remediation Costs and Long Term Notes Receivable.			
The "Notes to the Consolidated Financial Statements" from MichCon's 2008 Consolidated Financial Statements (as furnished to the United States Securities and Exchange Commission (SEC) on a Form 8-K) are filed within this report on pages 123.3 through 123.27.			
The consolidation policy discussed in Note 1, Significant Accounting Policies, on page 123.3 of the incorporated notes is not applicable for this report as MichCon's subsidiaries are accounted for using the equity method of accounting for the purpose of this report.			
Certain prior year balances were reclassified to match the current year's financial statement presentation. The 2007 Base Gas gain of \$5,038,125 was reclassified from account 411.6 to 421.1, the corresponding tax of \$1,654,334 was reclassified from account 409.1 to 409.2 and the severance taxes of \$311,456 were reclassified from account 408.1 to 408.2 to consistently present the base gas sale as other income.			
<u>Accounting for the Performance Excellence Process (PEP) Cost to Achieve (CTA) Impact of September 12, 2006</u>			
In September 2006, the MPSC approved the settlement of Case No. U-14907, MichCon's Performance Excellence Process (PEP) accounting case. Per the order, incremental costs to achieve (CTA) for PEP savings can be deferred effective with 2006 expenses. However, we have not yet requested or received approval to recover the cost in rates. Pending the approval of rate recovery, CTA was included in Administrative and General Expense for the annual financial statements provided to the SEC as follows:			
2006	\$ 23,270,648		
2007	9,451,720		
2008	6,876,298		
Total CTA Impact	\$ 39,598,666		



NOTES TO FINANCIAL STATEMENTS (Continued)

For Regulatory Reporting, Miscellaneous Deferred Debits were increased, and Regulatory Liability for Negative Pension was impacted to recognize the approval to defer the incremental CTA with the corresponding tax impact included in Deferred Taxes.

(a) In 2008, the adjustment of the regulatory liability relates to a catch up of the 2006 adjustment.

	Deferred Debits Account # 186	Regulatory Liability Account #253.41	Deferred tax Account 283.1	CTA deferral, net of tax
2006 increase\decrease)	\$ 12,080,272	\$ (11,190,376)	\$ 8,144,727	\$ 15,125,921
2007 increase\decrease)	8,745,177	(706,543)	3,308,102	6,143,618
2008 increase\decrease)	7,336,239	459,941 (a)	2,406,704	4,469,594
Total	<u>\$ 28,161,688</u>	<u>\$ (11,436,978)</u>	<u>\$ 13,859,533</u>	<u>\$ 25,739,133</u>

In 2007, we began the ten year amortization of CTA cost resulting in miscellaneous amortization expense in account 425. Beginning in 2008, miscellaneous amortization expense was reclassified to Regulatory Debits account 407.3 with the corresponding tax impact reducing deferred tax account 283.1

	2008	2007	2006
2006 CTA amortization	\$ 1,300,015	\$ 1,208,027	\$ -
2007 CTA amortization	874,518	-	-
Accumulated Amortization	<u>\$ 2,174,533</u>	<u>\$ 1,208,027</u>	<u>\$ -</u>
Deferred tax	<u>761,087</u>	<u>422,810</u>	<u>-</u>
CTA accumulated amortization, net of tax	\$ 1,413,446	\$ 785,217	\$ -
Net income impact of CTA related costs deferral	<u>\$ 3,056,148</u>	<u>\$ 5,358,401</u>	<u>\$ 15,125,921</u>

CTA Deferral-Misc. Deferred Debits Account 186

Beginning of year	\$ 19,617,422	\$ 12,080,272	\$ -
CTA deferral (186)	\$ 7,336,239	\$ 8,745,177	\$ 12,080,272
Amortization	<u>(2,174,533)</u>	<u>(1,208,027)</u>	<u>-</u>
End of year	<u>\$ 24,779,128</u>	<u>\$ 19,617,422</u>	<u>\$ 12,080,272</u>

Lost gas is recorded and deferred monthly; it is then amortized to expense based on a rolling 12 month average percentage times the current sendout. For GAAP and for MPSC Form P-522, the current month volumetric Lost gas is included in Cost of Gas. For GAAP and MPSC Form P-522, the additional effect due to the amortization of Lost gas is also included in Cost of Gas. Lost gas is not part of the Gas Cost Recovery mechanism. To have clarity of this rate, MichCon does not show any amount related to lost gas amortization in the Cost of Gas accounts for Form P-522 purposes. Therefore, for regulatory purposes, MichCon reflects the amortization of lost gas in a contra revenue account, thereby adjusting revenue received by the amount of the amortization.

As of January 1, 2007, MichCon adopted Accounting for Uncertainty in Income Taxes-an Interpretation of FASB Statement No. 109, (FIN 48). The MPSC has not adopted FIN 48, therefore, the FIN 48 liabilities are classified in MPSC account 283, Accumulated Deferred Income Taxes-Other. As of December 31, 2007, MichCon had an immaterial amount of FIN 48 liabilities for GAAP purposes. As of December 31, 2008, MichCon had approximately \$11 million of FIN 48 liabilities for GAAP purposes. The FIN 48 liabilities were classified in MPSC account 283, Accumulated Deferred Income Taxes-Other. Therefore, there were no FIN 48 liabilities separately reported for Form P-522 purposes.

**MICHIGAN CONSOLIDATED GAS COMPANY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Structure**

Michigan Consolidated Gas Company (MichCon) is a Michigan corporation organized in 1898. MichCon is an indirect, wholly-owned subsidiary of DTE Enterprises, Inc., and indirectly a wholly-owned subsidiary of DTE Energy Company. MichCon is a public utility subject to regulation by the Michigan Public Service Commission (MPSC). MichCon is engaged in the purchase, storage, transmission, distribution and sale of natural gas to approximately 1.2 million customers throughout Michigan. MichCon also has subsidiaries involved in the gathering and transmission of natural gas in northern Michigan.

References in this report to “we”, “us”, “our” or “Company” are to MichCon.

**Basis of Presentation**

The accompanying Consolidated Financial Statements are prepared using accounting principles generally accepted in the United States of America. These accounting principles require us to use estimates and assumptions that impact reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results may differ from our estimates.

**Principles of Consolidation**

We consolidate all majority owned subsidiaries and investments in entities in which we have controlling influence. Non-majority owned investments are accounted for using the equity method when the Company is able to influence the operating policies of the investee. Non-majority owned investments include investments in limited liability companies, partnerships or joint ventures. When we do not influence the operating policies of an investee, the cost method is used. We eliminate all intercompany balances and transactions.

For entities that are considered variable interest entities, we apply the provisions of Financial Accounting Standards Board (FASB) Interpretation No. (FIN) 46-R, *Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51*.

**Revenues**

Revenues from the sale, delivery and storage of natural gas are recognized as services are provided. We record revenues for gas services provided but unbilled at the end of each month. Our accrued revenues include a component for the cost of gas sold that is recoverable through the gas cost recovery (GCR) mechanism and certain other transactions that may create revenue refund obligations to GCR customers. MichCon presents its revenue net of any revenue refund obligations to GCR customers. Annual GCR proceedings before the MPSC permit MichCon to recover prudent and reasonable supply costs. Any over collection or under collection of costs, including interest, will be reflected in future rates. See Note 4.

### Comprehensive Income (Loss)

Comprehensive income (loss) is the change in common shareholder's equity during a period from transactions and events from non-owner sources, including net income. As shown in the following table, amounts recorded to other comprehensive income (loss) include unrealized gains and losses from derivatives accounted for as cash flow hedges.

(in Millions)	Net Unrealized Gains on Derivatives	Benefit Obligations	Accumulated Other Comprehensive Loss
December 31, 2007	\$ (1)	\$ —	\$ (1)
Current period change	—	(1)	(1)
December 31, 2008	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ (2)</u>

### Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and temporary investments purchased with remaining maturities of three months or less.

### Receivables

Accounts receivable are primarily composed of trade receivables and unbilled revenue. Our accounts receivable are stated at net realizable value. Customer accounts are written off based upon approved regulatory and legislative requirements.

The allowance for doubtful accounts is calculated using the aging approach that utilizes rates developed in reserve studies. We establish an allowance for uncollectible accounts based on historical losses and management's assessment of existing economic conditions, customer trends, and other factors. Customer accounts are generally considered delinquent if the amount billed is not received by the time the next bill is issued, typically monthly, however, factors such as assistance programs may delay aggressive action. We assess late payment fees on trade receivables based on contractual past-due terms established with customers.

Unbilled revenues of \$189 million and \$162 million are included in customer accounts receivable at December 31, 2008 and 2007, respectively.

### Inventories

We value materials and supplies at average cost.

Gas inventory is determined using the last-in, first-out (LIFO) method. At December 31, 2008, the replacement cost of gas remaining in storage exceeded the \$14 million LIFO cost by \$232 million. During 2008 MichCon liquidated 4.2 billion cubic feet of prior years' LIFO layers. The liquidation reduced 2008 cost of gas by approximately \$21 million, but had no impact on earnings as a result of the GCR mechanism. At December 31, 2007, the replacement cost of gas remaining in storage exceeded the \$32 million LIFO cost by \$288 million. During 2007, MichCon liquidated 9.5 billion cubic feet of prior years' LIFO layers. The liquidation reduced 2007 cost of gas by approximately \$30 million, but had no impact on earnings as a result of the GCR mechanism.

### Gas Customer Choice Deferred Asset

Gas Customer Choice Deferred Asset represents gas provided to MichCon by suppliers of gas to customers that participate in the Customer Choice program. As the gas is sold and billed to Customer Choice customers, primarily in the December through March heating season, this asset is reduced. At the end of an April through March cycle each year, any balance is reconciled and settled with the various suppliers.

## Property, Retirement and Maintenance, and Depreciation and Depletion

Summary of property by classification as of December 31:

(in Millions)	2008	2007
<b>Property, Plant and Equipment</b>		
Distribution	\$ 2,327	\$ 2,392
Storage	378	273
Transmission and Other	<u>1,061</u>	<u>924</u>
Total	<u>3,766</u>	<u>3,589</u>
<b>Less Accumulated Depreciation</b>		
Distribution	(955)	(970)
Storage	(107)	(100)
Transmission and Other	<u>(587)</u>	<u>(523)</u>
Total	<u>(1,649)</u>	<u>(1,593)</u>
<b>Net Property, Plant and Equipment</b>	<u>\$ 2,117</u>	<u>\$ 1,996</u>

Property is stated at cost and includes construction-related labor, materials, overheads and an allowance for funds used during construction (AFUDC). AFUDC capitalized during 2008 and 2007 was approximately \$6 million and \$9 million, respectively. The cost of properties retired, less salvage value, is charged to accumulated depreciation. Expenditures for maintenance and repairs are charged to expense when incurred.

We base depreciation provisions on straight-line and units-of-production rates approved by the MPSC. The composite depreciation rate was 3.2% in 2008, 3.1% in 2007, and 2.8% in 2006.

The average estimated useful life for gas distribution and transmission property was 40 years and 38 years, respectively, at December 31, 2008. Intangible assets relating to capitalized software are classified as Property, plant and equipment and the related amortization is included in Accumulated depreciation on the Consolidated Statements of Financial Position. We capitalize the costs associated with computer software we develop or obtain for use in our business. We amortize intangible assets on a straight-line basis over the expected period of benefit, primarily 15 years. Intangible assets amortization expense was \$6 million in each of the years 2008, 2007 and 2006. The gross carrying amount and accumulated amortization of intangible assets at December 31, 2008 were \$96 million and \$47 million, respectively. The gross carrying amount and accumulated amortization of intangible assets at December 31, 2007 were \$90 million and \$43 million, respectively. Amortization expense for intangible assets is estimated to be \$6 million annually for 2009 through 2013.

### Asset Retirement Obligations

We record asset retirement obligations in accordance with Statement of Financial Accounting Standards (SFAS) No. 143, *Accounting for Asset Retirement Obligations* and Financial Accounting Standards Board Interpretation No. (FIN) 47, *Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143*. We have conditional retirement obligations for gas pipeline retirement costs. To a lesser extent, we have conditional retirement obligations at certain service centers, compressor and gate stations. The Company recognizes such obligations as liabilities at fair market value at the time the associated assets are placed in service. Fair value is measured using expected future cash outflows discounted at our credit-adjusted risk-free rate.

The adoptions of SFAS No. 143 and FIN 47 resulted primarily in timing differences in the recognition of legal asset retirement costs that the Company is currently recovering in rates. We defer such differences under SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*.

No liability has been recorded with respect to lead-based paint, as the quantities of lead-based paint in our facilities are unknown. In addition, there is no incremental cost for demolitions of lead-based paint facilities vs. non-lead-based paint facilities and no regulations currently exist requiring any type of special disposal of items containing lead-based paint.

A reconciliation of the asset retirement obligation for 2008 follows:

(in Millions)	
Asset retirement obligations at January 1, 2008	\$ 109
Accretion	6
Liabilities settled	(3)
Asset retirement obligations at December 31, 2008	<u>\$ 112</u>

### Long-Lived Assets

Our long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If the carrying amount of the asset exceeds the expected future cash flows generated by the asset, an impairment loss is recognized resulting in the asset being written down to its estimated fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

### Excise and Sales Taxes

We record the billing of excise and sales taxes as a receivable with an offsetting payable to the applicable taxing authority, with no impact on the Consolidated Statements of Operations.

### Deferred Debt Costs

The costs related to the issuance of long-term debt are deferred and amortized over the life of each debt issue. In accordance with MPSC regulations, the unamortized discount, premium and expense related to debt redeemed with a refinancing are amortized over the life of the replacement issue.

### Investments in Debt and Equity Securities

The Company generally classifies investments in debt and equity securities as trading and has recorded such investments at market value with unrealized gains or losses included in earnings.

### Asset Gains, net

In 2008 and 2007, we sold base gas resulting in gains of \$22 million and \$5 million, respectively. Proceeds from the 2008 and 2007 base gas sales were received in January 2009 and January 2008, respectively. Also in 2008 and 2007, we sold land for gains of \$2 million and \$1 million, respectively. The 2007 gain was partially offset by \$3 million for the disallowance of certain costs related to the acquisition of pipeline assets. In 2006, we sold certain investment rights related to storage field construction for a \$3 million pre-tax gain. This gain was offset by a \$3 million loss as a result of a reduction to MichCon's 2004 GCR underrecovery related to the accounting treatment of the injected base gas remaining in the New Haven storage field when it was sold in early 2004.

See the following notes for other accounting policies impacting our financial statements:

Note	Title
2	New Accounting Pronouncements
4	Regulatory Matters
5	Income Taxes
10	Financial and Other Derivative Instruments
12	Retirement Benefits and Trusteed Assets

## NOTE 2 — NEW ACCOUNTING PRONOUNCEMENTS

### Fair Value Accounting

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. It emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability. Effective January 1, 2008, the Company adopted SFAS No. 157. As permitted by FASB Staff Position FAS No. 157-2, the Company has elected to defer the effective date of SFAS No. 157 as it pertains to non-financial assets and liabilities to January 1, 2009. See also Note 9.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115*. This Statement permits an entity to choose to measure many financial instruments and certain other items at fair value. The fair value option established by SFAS No. 159 permits all entities to choose to measure eligible items at fair value at specified election dates. An entity will report in earnings unrealized gains and losses on items, for which the fair value option has been elected, at each subsequent reporting date. The fair value option: (a) may be applied instrument by instrument, with a few exceptions, such as investments otherwise accounted for by the equity method; (b) is irrevocable (unless a new election date occurs); and (c) is applied only to entire instruments and not to portions of instruments. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. At January 1, 2008, the Company elected not to use the fair value option for financial assets and liabilities held at that date.

In October 2008, the FASB issued FASB Staff Position (FSP) 157-3, *Determining the Fair Value of a Financial Asset in a Market That is Not Active*. The FSP clarifies the application of SFAS No. 157, *Fair Value Measurements*, in an inactive market, and provides an illustrative example to demonstrate how the fair value of a financial asset is determined when the market for that financial asset is inactive. The FSP was effective upon issuance, including prior periods for which financial statements have not been issued. The adoption of the FSP did not have a material impact on the Company's consolidated financial statements.

### Business Combinations

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations*, to improve the relevance, representational faithfulness and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. To accomplish this, SFAS No. 141(R) requires the acquiring entity in a business combination to recognize all the assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose to investors and other users all of the information needed to evaluate and understand the nature and financial effect of the business combination. SFAS No. 141(R) is applied prospectively to business combinations entered into by the Company after January 1, 2009, with earlier adoption prohibited. The Company will apply the requirements of SFAS No. 141 (R) to business combinations consummated after January 1, 2009.

### GAAP Hierarchy

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. This statement identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements under GAAP. SFAS No. 162 is effective 60 days following the approval of the Public Company Accounting Oversight Board amendments to AU section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. The Company will adopt SFAS No. 162 once effective. The adoption is not expected to have a material impact on its consolidated financial statements.

### Useful Life of Intangible Assets

In May 2008, the FASB issued FSP 142-3, *Determination of the Useful Life of Intangible Assets*. This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful

life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets*. For a recognized intangible asset, an entity shall disclose information that enables users to assess the extent to which the expected future cash flows associated with the asset are affected by the entity's intent and/or ability to renew or extend the arrangement. This FSP is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. The FSP will not have a material impact on the Company's consolidated financial statements.

#### **Disclosures about Derivative Instruments and Guarantees**

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133*. This Statement requires enhanced disclosures about an entity's derivative and hedging activities. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. Comparative disclosures for earlier periods at initial adoption are encouraged but not required. The Company will adopt SFAS No. 161 on January 1, 2009.

In September 2008, the FASB issued FSP No. 133-1 and FIN 45-4, *Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161*. This FSP is intended to improve disclosures about credit derivatives by requiring more information about the potential adverse effects of changes in credit risk on the financial position, financial performance, and cash flows of the sellers of credit derivatives. This FSP also requires additional disclosures about the current status of the payment/performance risk of a guarantee. The provisions of the FSP that amend SFAS No. 133 and FIN 45 are effective for reporting periods ending after November 15, 2008. The FSP also clarifies that the disclosures required by SFAS No. 161 should be provided for any reporting period (annual or interim) beginning after November 15, 2008. The Company has adopted these pronouncements as of December 31, 2008.

#### **Noncontrolling Interests in Consolidated Financial Statements**

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an Amendment of ARB No. 51*. This Statement establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS No. 160 is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2008. Earlier adoption is prohibited. This Statement shall be applied prospectively as of the beginning of the fiscal year in which this Statement is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. The Company will adopt SFAS No. 160 as of January 1, 2009. Adoption of SFAS No. 160 will not have a material effect on our consolidated financial statements.

#### **Employers' Disclosures about Postretirement Benefit Plan Assets**

On December 30, 2008, the FASB issued FASB Staff Position (FSP) FAS 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets*. This FSP amends SFAS No. 132 (revised 2003), *Employers' Disclosures about Pensions and Other Postretirement Benefits*, to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. The disclosure requirements required by this FSP are effective for fiscal years ending after December 15, 2009. The Company will adopt this FSP on December 31, 2009.

#### **Stock-Based Compensation**

Effective January 1, 2006, our parent company, DTE Energy, adopted SFAS No. 123(R), *Share-Based Payment*, using the modified prospective transition method. We receive an allocation of costs associated with stock compensation and the related impact of cumulative accounting adjustments. Our allocations for 2008, 2007 and 2006 for stock-based compensation expense were approximately \$5 million, \$3 million and \$2 million, respectively. The cumulative effect of the adoption of SFAS 123(R) had an immaterial impact on our operation and maintenance expense.

## NOTE 3 — RESTRUCTURING

### Performance Excellence Process

In 2005, we initiated a company-wide review of our operations called the Performance Excellence Process. We began a series of focused improvement initiatives within MichCon and associated corporate support functions.

We have incurred costs to achieve (CTA) restructuring expense for employee severance and other costs. Other costs include project management and consultant support. We cannot defer CTA costs at this time because a regulatory recovery mechanism has not been established by the MPSC. We expect to seek a recovery mechanism in our next rate case expected to be filed in 2009.

Amounts expensed are recorded in the Operation and maintenance line on the Consolidated Statements of Operations. Costs incurred in 2008, 2007 and 2006 are as follows:

(in Millions)	Employee Severance Costs			Other Costs			Total Cost		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Costs incurred	\$ —	\$ 3	\$ 17	\$ 7	\$ 6	\$ 7	\$ 7	\$ 9	\$ 24

## NOTE 4 — REGULATORY MATTERS

### Regulation

We are subject to the regulatory jurisdiction of the MPSC, which issues orders pertaining to rates, recovery of certain costs, including the costs of regulatory assets, conditions of service, accounting and operating-related matters.

### Regulatory Assets and Liabilities

We apply the provisions of SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*. SFAS No. 71 requires the recording of regulatory assets and liabilities for certain transactions that would have been treated as revenue and expense in non-regulated businesses. Continued applicability of SFAS No. 71 requires that rates be designed to recover specific costs of providing regulated services and be charged to and collected from customers. Future regulatory changes or changes in the competitive environment could result in the Company discontinuing the application of SFAS No. 71 for some or all of its business and require the write-off of the portion of any regulatory asset or liability that was no longer probable of recovery through regulated rates. Management believes that currently available facts support the continued application of SFAS No. 71.

The following are the balances of the regulatory assets and liabilities as of December 31:

(in Millions)	2008	2007
<b>Assets</b>		
Deferred environmental costs	\$ 41	\$ 39
Unamortized loss on reacquired debt	33	29
Recoverable pension and postretirement costs		
Pension	373	25
Postretirement costs	178	91
Accrued GCR revenue	1	—
Recoverable uncollectibles expense	122	66
Deferred income taxes — Michigan Business Tax	58	47
	806	297
Less amount included in current assets	(32)	(25)
	<u>\$ 774</u>	<u>\$ 272</u>



(in Millions)	2008	2007
<b>Liabilities</b>		
Asset removal costs	\$ 353	\$ 363
Refundable income taxes	93	104
Accrued GCR refund	—	70
Negative pension offset	110	71
Deferred income taxes — Michigan Business Tax	53	47
	<u>609</u>	<u>655</u>
Less amount included in current liabilities and other liabilities	—	(70)
	<u>\$ 609</u>	<u>\$ 585</u>

As noted below, regulatory assets for which costs have been incurred have been included (or are expected to be included, for costs incurred subsequent to the most recently approved rate case) in MichCon's rate base, thereby providing a return on invested costs. Certain regulatory assets do not result from cash expenditures and therefore do not represent investments included in rate base or have offsetting liabilities that reduce rate base.

## ASSETS

- *Deferred environmental costs* — The MPSC approved the deferral and recovery of investigation and remediation costs associated with former MGP sites. This asset is offset in working capital by an environmental liability reserve. The amortization of the regulatory asset is not included in our current rates because it is offset by the recognition of insurance proceeds. We will request recovery of the remaining asset balance in future rate filings after the recognition of insurance proceeds is complete. (1)
- *Unamortized loss on reacquired debt* — The unamortized discount, premium and expense related to debt redeemed with a refinancing are deferred, amortized and recovered over the life of the replacement issue.
- *Recoverable pension and postretirement costs* — In 2007, the Company adopted SFAS No. 158 which required, among other things, the recognition in other comprehensive income of the actuarial gains or losses and the prior service costs that arise during the period but that are not immediately recognized as components of net periodic benefit costs. The Company received approval from the MPSC to record the charge related to the additional liability as a regulatory asset since the traditional rate setting process allows for the recovery of pension and postretirement costs. The asset will reverse as the deferred items are recognized as benefit expenses in net income. (1)
- *Accrued GCR revenue* — Receivable for the temporary under-recovery of and return on gas costs incurred by MichCon which are recoverable through the GCR mechanism.
- *Recoverable uncollectibles expense* — Receivable for the MPSC approved uncollectible expense true-up mechanism that tracks the difference in the fluctuation in uncollectible accounts and amounts recognized pursuant to the MPSC authorization.
- *Deferred income taxes — Michigan Business Tax (MBT)* - In July 2007, the MBT was enacted by the State of Michigan. State deferred tax liabilities were established for the utility, and offsetting regulatory assets were recorded as the impacts of the deferred tax liabilities will be reflected in rates as the related taxable temporary differences reverse and flow through current income tax expense. (1)

(1) Regulatory assets not earning a return.

## LIABILITIES

- *Asset removal costs* — The amount collected from customers for the funding of future asset removal activities.
- *Refundable income taxes* — Income taxes refundable to our customers representing the difference in property-related deferred income taxes payable and amounts recognized pursuant to MPSC authorization.

- *Accrued GCR refund* — Liability for the temporary over-recovery of and a return on gas costs incurred by MichCon which are recoverable through the GCR mechanism.
- *Negative pension offset* — The Company's negative pension costs are not included as a reduction to its authorized rates; therefore, the Company is accruing a regulatory liability to eliminate the impact on earnings of the negative pension expense accrued. This regulatory liability will reverse to the extent the Company's pension expense is positive in future years.
- *Deferred income taxes — Michigan Business Tax* — In July 2007, the MBT was enacted by the State of Michigan. State deferred tax assets were established, and offsetting regulatory liabilities were recorded as the impacts of the deferred tax assets will be reflected in rates.

#### **Uncollectible Expense True-Up Mechanism (UETM) and Report of Safety and Training-Related Expenditures**

**2005 UETM** — In March 2006, MichCon filed an application with the MPSC for approval of its UETM for 2005. MichCon's 2005 base rates included \$37 million for anticipated uncollectible expenses. Actual 2005 uncollectible expenses totaled \$60 million. The true-up mechanism allowed MichCon to recover 90% of uncollectibles that exceeded the \$37 million base. Under the formula prescribed by the MPSC, MichCon recorded an under-recovery of approximately \$11 million for uncollectible expenses from May 2005 (when the mechanism took effect) through the end of 2005. In December 2006, the MPSC issued an order authorizing MichCon to implement the UETM monthly surcharge for service rendered on and after January 1, 2007.

As part of the March 2006 application with the MPSC, MichCon filed a review of its 2005 annual safety and training-related expenditures. MichCon reported that actual safety and training-related expenditures for the initial period exceeded the pro-rata amounts included in base rates and, based on the under-recovered position, recommended no refund at that time. In the December 2006 order, the MPSC also approved MichCon's 2005 safety and training report. On October 14, 2008, the State of Michigan Court of Appeals rejected the appeal of the Attorney General of the State of Michigan upholding the right of the MPSC to authorize MichCon to charge the 2005 UETM.

**2006 UETM** — In March 2007, MichCon filed an application with the MPSC for approval of its UETM for 2006 requesting \$33 million of under-recovery plus applicable carrying costs of \$3 million. The March 2007 application included a report of MichCon's 2006 annual safety and training-related expenditures, which showed a \$2 million over-recovery. In August 2007, MichCon filed revised exhibits reflecting an agreement with the MPSC Staff to net the \$2 million over-recovery and associated interest related to the 2006 safety and training-related expenditures against the 2006 UETM under-recovery. An MPSC order was issued in December 2007 approving the collection of \$33 million requested in the August 2007 revised filing. MichCon was authorized to implement the new UETM monthly surcharge for service rendered on and after January 1, 2008.

**2007 UETM** — In March 2008, MichCon filed an application with the MPSC for approval of its UETM for 2007 requesting approximately \$34 million consisting of \$33 million of costs related to 2007 uncollectible expense and associated carrying charges and \$1 million of under-collections for the 2005 UETM. The March 2008 application included a report of MichCon's 2007 annual safety and training-related expenses, which showed no refund was necessary because actual expenditures exceeded the amount included in base rates. An MPSC order was issued in December 2008 approving the collection of \$34 million requested in the March 2008 filing. MichCon was authorized to implement the new UETM monthly surcharge for service rendered on and after January 1, 2009.

#### **Gas Cost Recovery Proceedings**

**2005-2006 Plan Year** — In June 2006, MichCon filed its GCR reconciliation for the 2005-2006 GCR year. The filing supported a total over-recovery, including interest through March 2006, of \$13 million. MPSC Staff and other intervenors filed testimony regarding the reconciliation in which they recommended disallowances related to MichCon's implementation of its dollar cost averaging fixed price program. In January 2007, MichCon filed testimony rebutting these recommendations. In December 2007, the MPSC issued an order adopting the adjustments proposed by the MPSC Staff, resulting in an \$8 million disallowance. Expense related to the disallowance was recorded in 2007. The MPSC authorized MichCon to roll a net over-recovery, inclusive of interest, of \$20 million into its 2006-2007 GCR reconciliation. In December 2007, MichCon filed an appeal of the case with the Michigan Court of Appeals. MichCon is currently unable to predict the outcome of the appeal.

*2006-2007 Plan Year* — In June 2007, MichCon filed its GCR reconciliation for the 2006-2007 GCR year. The filing supported a total under-recovery, including interest through March 2007, of \$18 million. In March 2008, the parties reached a settlement agreement that allowed for full recovery of MichCon's GCR costs during the 2006-2007 GCR year. The under-recovery, including interest through March 2007 agreed to under the settlement is \$9 million, which nets the \$18 million under-recovery for the 2006-2007 GCR reconciliation with the roll-forward of the 2005-2006 GCR reconciliation disallowance of \$7.6 million plus related interest, as ordered in the 2005-2006 GCR reconciliation case. The \$9 million under-recovery was included in the 2007-2008 GCR reconciliation. An MPSC order was issued on April 22, 2008 approving the settlement.

*2007-2008 Plan Year / Base Gas Sale Consolidated* — In August 2006, MichCon filed an application with the MPSC requesting permission to sell base gas that would become accessible with storage facilities upgrades. In December 2006, MichCon filed its 2007-2008 GCR plan case proposing a maximum GCR factor of \$8.49 per Mcf. In August 2007, a settlement agreement in this proceeding was reached by all intervening parties that provided for a sharing with customers of the proceeds from the sale of base gas. In addition, the agreement provided for a rate case filing moratorium until January 1, 2009, unless certain unanticipated changes occur that impact income by more than \$5 million. The settlement agreement was approved by the MPSC in August 2007. Under the settlement terms, MichCon delivered 13.4 Bcf of this gas to its customers through 2007 at a savings to market-priced supplies of approximately \$41 million. This settlement also provided for MichCon to retain the proceeds from the sale of 3.6 Bcf of base gas, of which MichCon sold 0.8 Bcf of base gas in 2007 at a pre-tax gain of \$5 million and 2.8 Bcf in December 2008 at a pre-tax gain of \$22 million. In June 2008, MichCon filed its GCR reconciliation for the 2007-2008 GCR year. The filing supported a total under-recovery, including interest through March 2008, of \$10 million.

*2008-2009 Plan Year* — In December 2007, MichCon filed its GCR plan case for the 2008-2009 GCR Plan year. MichCon filed for a maximum GCR factor of \$8.36 per Mcf, adjustable by a contingent mechanism. In June 2008, MichCon made an informational filing documenting the increase in market prices for gas since its December 2007 filing and calculating its new maximum factor of \$10.76 per Mcf based on its contingent mechanism. On August 26, 2008, the MPSC approved a partial settlement agreement which includes the establishment of a new maximum base GCR factor of \$11.36 per Mcf that will not be subject to adjustment by contingent GCR factors for the remainder of the 2008-2009 GCR plan year. An MPSC order addressing the remaining issues in this case is expected in 2009.

*2009-2010 Plan Year* — In December 2008, MichCon filed its GCR plan case for the 2009-2010 GCR Plan year. MichCon filed for a maximum GCR factor of \$8.46 per Mcf, adjustable by a contingent mechanism. An MPSC order in this case is expected in 2009.

*2009 Proposed Base Gas Sale* — In July 2008, MichCon filed an application with the MPSC requesting permission to sell an additional 4 Bcf of base gas that will become available for sale as a result of better than expected operations at its storage fields. On March 5, 2009, the MPSC approved a settlement agreement that provides for MichCon to retain the profit on 2 Bcf of the base gas to be sold at market prices and for the remaining 2 Bcf of base gas to be held in storage on behalf of GCR customers until utilized as gas supply per the direction of the MPSC. In addition, the settlement agreement provides that MichCon is subject to a moratorium on a general rate case filing until June 1, 2009.

#### **2009 MichCon Depreciation Filing**

*Depreciation Filing* — On June 26, 2007, the MPSC issued its final order in the generic hearings on depreciation for Michigan electric and gas utilities. The MPSC ordered Michigan utilities to file depreciation studies using the current method, a FAS 143 approach that considers the time value of money and an inflation adjusted method proposed by the Company that removes excess escalation. In compliance with the MPSC order MichCon filed its ordered depreciation studies on November 3, 2008. The various required depreciation studies indicate composite depreciation rates from 2.07% to 2.55%. The Company has proposed no change to its current composite depreciation rate of 2.97%. The Company expects an order in this proceeding in the fourth quarter of 2009.

## Other

In September 2007, the Court of Appeals of the State of Michigan published its decision with respect to an appeal by MichCon and others of certain provisions of a November 2004 MPSC order, including reversing the MPSC's denial of recovery of merger control premium costs. In its published decision, the Court of Appeals held that MichCon is entitled to recover its allocated share of the merger control premium and remanded this matter to the MPSC for further proceedings to establish the precise amount and timing of this recovery. Other parties have filed requests for leave to appeal to the Michigan Supreme Court from the Court of Appeals September 2007 decision and in September 2008, the Michigan Supreme Court granted the requests to address the merger control premium. However, proceedings resulting from this remand cannot be initiated by the MPSC until appeals by other parties of the September 2007 decision have been resolved by the Michigan Supreme Court. MichCon is unable to predict the financial or other outcome of any such legal or regulatory proceedings at this time.

The Company is unable to predict the outcome of the regulatory matters discussed herein. Resolution of these matters is dependent upon future MPSC orders and appeals, which may materially impact the financial position, results of operations and cash flows of the Company.

## NOTE 5 — INCOME TAXES

### *Income Tax Summary*

We are part of the consolidated federal income tax return of DTE Energy. Our federal income tax expense is determined on an individual company basis with no allocation of tax benefits or expenses from other affiliates of DTE Energy. We have an income tax payable of \$2 million at December 31, 2008, and \$10 million at December 31, 2007 due to DTE Energy.

Total income tax expense (benefit) varied from the statutory federal income tax rate for the following reasons:

(Dollars in Millions)	2008	2007	2006
Income tax expense at 35% statutory rate	\$ 41	\$ 33	\$ 22
Investment tax credit	(1)	(1)	(1)
Depreciation	(7)	(7)	(7)
Employee Stock Ownership Plan dividends	(1)	(1)	(1)
Medicare Part D subsidy	(1)	(1)	(1)
State and local income taxes — net of federal benefit	3	—	—
Life insurance trust	3	(1)	—
Other	1	1	—
Total	<u>\$ 38</u>	<u>\$ 23</u>	<u>\$ 12</u>
	32.2%	24.5%	18.8%

Components of income tax expense (benefit) were as follows:

(in Millions)	2008	2007	2006
Current income taxes			
Federal	\$ (30)	\$ 16	\$ 47
State and other income tax expense	4	—	—
Total current income taxes	(26)	16	47
Deferred federal and other income tax expense			
Federal	63	7	(35)
State and other income tax expense	1	—	—
Total deferred income taxes	64	7	(35)
Total	<u>\$ 38</u>	<u>\$ 23</u>	<u>\$ 12</u>

Investment tax credits are deferred and amortized to income over the average life of the related property.

Deferred tax assets and liabilities are recognized for the estimated future tax effect of temporary differences between the tax basis of assets or liabilities and the reported amounts in the financial statements. Deferred tax assets and liabilities are classified as current or noncurrent according to the classification of the related assets or liabilities.

Deferred tax assets and liabilities not related to assets or liabilities are classified according to the expected reversal date of the temporary differences. Consistent with rate making treatment, deferred taxes are offset in the table below for temporary differences which have related regulatory assets and liabilities.

Deferred income tax assets (liabilities) were comprised of the following at December 31:

(in Millions)	2008	2007
Property, plant and equipment	\$ (150)	\$ (114)
Pension and benefits	(91)	(86)
Other comprehensive income	1	1
Other, net	(10)	20
	<u>\$ (250)</u>	<u>\$ (179)</u>
Current deferred income tax assets (included in Current Assets — Other)	\$ 40	\$ 16
Long term deferred income tax liabilities	(290)	(195)
	<u>\$ (250)</u>	<u>\$ (179)</u>
Deferred income tax liabilities	\$ (704)	\$ (595)
Deferred income tax assets	454	416
	<u>\$ (250)</u>	<u>\$ (179)</u>

The above table excludes unamortized investment tax credits of \$11 million and \$13 million at December 31, 2008 and 2007, respectively.

#### ***Uncertain Tax Positions***

We adopted the provisions of FIN 48, *Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109 (FIN 48)* on January 1, 2007. This interpretation prescribes a more-likely-than-not recognition threshold and a measurement attribute for the financial statement reporting of tax positions taken or expected to be taken on a tax return. As a result of the implementation of FIN 48, we recognized an increase in liabilities that was accounted for as a reduction to the January 1, 2007 balance of retained earnings in an immaterial amount. The changes in unrecognized tax benefits during 2007 were not material. A reconciliation of the 2008 beginning and ending amount of unrecognized tax benefits is as follows:

(in Millions)	2008
Balance at January 1	\$ —
Additions for tax positions of current years	11
Balance at December 31	<u>\$ 11</u>

Unrecognized tax benefits at December 31, 2008, if recognized, would not have a significant impact on our effective rate. During the next twelve months, it is reasonably possible that DTE Energy and its subsidiaries will settle certain federal tax audits. There are no anticipated changes in the unrecognized tax benefits for the Company.

We recognize interest and penalties pertaining to income taxes in Interest expense and Other expenses, respectively, on our Consolidated Statements of Operations. We had no accrued interest and no accrued penalties pertaining to income taxes at December 31, 2007 and December 31, 2008. We had no interest expense in relation to income tax for the years ended December 31, 2008 and 2007.

The U.S. federal income tax returns for years 2004 and subsequent years remain subject to examination by the IRS for DTE Energy and its subsidiaries. The Michigan Business Tax for the year 2008 is subject to examination by the State of Michigan for DTE Energy and its subsidiaries. The Company also files tax returns in various local tax jurisdictions with varying statutes of limitations.

#### ***Michigan Business Tax***

In July 2007, the Michigan Business Tax (MBT) was enacted by the State of Michigan to replace the Michigan Single Business Tax (MSBT) effective January 1, 2008. The MBT is comprised of an apportioned modified gross receipts tax of 0.8 percent and an apportioned business income tax of 4.95 percent. The MBT provides credits for

Michigan business investment, compensation, and research and development. The MBT is accounted for as an income tax.

In 2007, a state deferred tax liability of \$47 million was recognized by the Company for cumulative differences between book and tax assets and liabilities. Effective September 30, 2007, legislation was adopted by the State of Michigan creating a deduction for businesses that realize an increase in their deferred tax liability due to the enactment of the MBT. Therefore, a deferred tax asset of \$47 million was established related to the future deduction. The deduction will be claimed during the period of 2015 through 2029. The recognition of the enactment of the MBT did not have an impact on our income tax provision for 2007.

The 2007 state deferred tax liability was increased in 2008 by \$6 million to \$53 million to reflect changes in federal income tax temporary differences primarily due to an approved IRS change in accounting method for the Company for tax year 2007. The related one-time deferred tax asset for the tax deduction created for businesses that realize an increase in their deferred tax liability due to enactment of the MBT was also increased by \$6 million to \$53 million. The corresponding regulatory assets and liabilities were also increased by \$6 million to \$53 million in accordance with SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*, as the impacts of the deferred tax liabilities and assets recognized upon enactment and amendment of the MBT will be reflected in our rates.

In 2008 the state deferred tax liability increased by \$5 million to \$58 million as of December 31, 2008 and the related regulatory asset increased to \$58 million as of December 31, 2008.

## NOTE 6 — LONG-TERM DEBT AND PREFERRED SECURITIES

### Long-Term Debt

Our long-term debt outstanding and interest rates of debt outstanding at December 31 were:

(in Millions)	2008	2007
<b>First Mortgage Bonds, interest payable semi-annually</b>		
7.06% series due 2012	\$ 40	\$ 40
8.25% series due 2014	80	80
<b>Remarketable securities, interest payable semi-annually</b>		
6.45% series due 2038	—	75
<b>Senior notes, interest payable semi-annually</b>		
6.125% series due 2008	—	200
5.26% series due 2013	60	—
5.94% series due 2015	140	—
6.04% series due 2018	100	—
5.00% series due 2019	120	120
6.36% series due 2020	50	—
6.44% series due 2023	25	—
6.78% series due 2028	75	—
5.70% series due 2033	200	200
	890	715
Less: unamortized discount	(1)	—
Less: amount due within one year	—	(275)
<b>Total</b>	<b>\$ 889</b>	<b>\$ 440</b>

Substantially all of our net utility property is subject to the lien of our mortgage. Should we fail to timely pay our indebtedness under the mortgage, such failure may create cross defaults in the indebtedness of DTE Energy.

The following table shows the scheduled debt maturities and sinking fund requirements, excluding any unamortized discount or premium on debt:

(in Millions)	2009	2010	2011	2012	2013	2014 and thereafter	Total
Amount to mature	\$ —	\$ —	\$ —	\$ 40	\$ 60	\$ 790	\$ 890

## Debt Retirements and Redemptions

In 2008, the following debt has been retired, through optional redemption or payment at maturity:

(in Millions) Month Retired	Type	Interest Rate	Maturity	Amount
June	Remarketable Securities (1)	6.45%	2038	75
September	Senior Notes (2)	6.125%	2008	200
				<u>\$ 275</u>

(1) These Remarketable Securities were optionally redeemed with proceeds from the issuance of new Senior Notes.

(2) These Senior Notes were redeemed with the proceeds from the issuance of new Senior Notes and short-term debt.

## Preferred and Preference Securities — Authorized and Unissued

At December 31, 2008, we had 7 million shares of preferred stock with a par value of \$1 per share and 4 million shares of preference stock with a par value of \$1 per share authorized, with no shares issued.

## NOTE 7 — SHORT-TERM CREDIT ARRANGEMENTS AND BORROWINGS

MichCon has a \$244 million, five-year unsecured revolving credit facility expiring in October 2009 and a \$181 million, five-year unsecured revolving credit agreement expiring in October 2010. The five-year credit facilities are with a syndicate of banks and may be utilized for general corporate borrowings, but are intended to provide liquidity support for our commercial paper program. Borrowings under the facilities are available at prevailing short-term interest rates. In addition, MichCon has a \$50 million short-term unsecured bank loan facility expiring in June 2009. The agreements require us to maintain a debt to total capitalization ratio of no more than 0.65 to 1. Should we have delinquent obligations of at least \$50 million to any creditor, such delinquency will be considered a default under our credit agreements. We are currently in compliance with our covenants. Additionally, in December 2008, we issued a \$20 million secured short-term note due in September 2009.

At December 31, 2008, we had outstanding commercial paper of \$272 million and other short-term borrowings of \$220 million, resulting in net availability under the combined facilities of \$3 million. At December 31, 2007, we had outstanding commercial paper of \$354 million and other short-term borrowings of \$100 million.

At February 28, 2009, amounts outstanding totaled \$338 million, resulting in net availability under the combined facilities of \$157 million.

The weighted average interest rates for short-term borrowings was 4.3% and 5.4% at December 31, 2008 and 2007, respectively.

## NOTE 8 — OPERATING LEASES

*Lessee* — We lease certain property under operating lease arrangements expiring at various dates through 2023. Some leases contain renewal options. Future minimum lease payments under non-cancelable leases at December 31, 2008 were:

(in Millions)	Operating Leases
2009	\$ 1
2010	<u>1</u>
Total minimum lease payments	<u>\$ 2</u>

Rental expense for operating leases was \$1 million in 2008, 2007 and 2006.

*Lessor* — We lease a portion of our pipeline system to the Vector Pipeline Partnership through a capital lease contract that expires in 2020, with renewal options extending for five years.

The components of the net investment in the capital lease at December 31, 2008 were as follows:

(in Millions)	
2009	\$ 9
2010	9
2011	9
2012	9
2013	9
Thereafter	<u>62</u>
Total minimum future lease receipts	107
Residual value of leased pipeline	40
Less unearned income	<u>(70)</u>
Net investment in direct financing lease	77
Less current portion	<u>(2)</u>
	<u>\$ 75</u>

#### NOTE 9 — FAIR VALUE

Effective January 1, 2008, the Company adopted SFAS No. 157. This Statement defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. The Company has elected the option to defer the effective date of SFAS No. 157 as it pertains to non-financial assets and liabilities to January 1, 2009.

SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Company makes certain assumptions it believes that market participants would use in pricing assets or liabilities, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. Credit risk of the Company and its counterparties is incorporated in the valuation of assets and liabilities through the use of credit reserves, the impact of which is immaterial for the year ended December 31, 2008. The Company believes it uses valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

SFAS No. 157 establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. SFAS No. 157 requires that assets and liabilities be classified in their entirety based on the lowest level of input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability, and may affect the valuation of the asset or liability and its placement within the fair value hierarchy. The Company classifies fair value balances based on the fair value hierarchy defined by SFAS No. 157 as follows:

- Level 1 — Consists of unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date.
- Level 2 — Consists of inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 — Consists of unobservable inputs for assets or liabilities whose fair value is estimated based on internally developed models or methodologies using inputs that are generally less readily observable and supported by little, if any, market activity at the measurement date. Unobservable inputs are developed based on the best available information and subject to cost-benefit constraints.



The following table presents assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2008:

(in Millions)	Level 1	Level 2	Level 3	Net Balance
<b>Assets:</b>				
Cash equivalents	\$ 3	\$—	\$—	\$ 3
Trust investments (1)	20	—	—	20
Net Assets at December 31, 2008	<u>\$ 23</u>	<u>\$—</u>	<u>\$—</u>	<u>\$ 23</u>

(1) Excludes cash surrender value of life insurance investments.

The following table presents the fair value reconciliation of Level 3 derivative assets and liabilities measured at fair value on a recurring basis for 2008:

(in Millions)	Derivatives
Net asset balance as of January 1, 2008	\$—
Changes in fair value recorded in income	5
Purchases, issuances and settlements	(5)
Net asset balance as of December 31, 2008	<u>\$—</u>
The amount of total gains (losses) included in net income attributed to the change in unrealized gains (losses) related to assets and liabilities held at December 31, 2008	<u>\$—</u>

#### *Cash Equivalents*

Cash equivalents include investments with maturities of three months or less when purchased. The cash equivalents shown in the fair value table are comprised of investments in money market funds. The fair values of the shares of these funds are based on observable market prices and, therefore, have been categorized as Level 1 in the fair value hierarchy.

#### *Trust Investments*

The trust investments hold debt and equity securities directly and indirectly through commingled funds and institutional mutual funds. Exchange-traded debt and equity securities held directly are valued using quoted market prices on actively traded markets. The commingled funds and institutional mutual funds which hold exchange-traded equity or debt securities are valued using quoted prices in actively traded markets. Non-exchange-traded fixed income securities are valued based upon quotations available from brokers or pricing services. For non-exchange traded fixed income securities, the trustees receive prices from pricing services. A primary price source is identified by asset type, class or issue for each security. The trustees monitor prices supplied by pricing services and may use a supplemental price source or change the primary price source of a given security if the trustees challenge an assigned price and determine that another price source is considered to be preferable. MichCon has obtained an understanding of how these prices are derived, including the nature and observability of the inputs used in deriving such prices. Additionally, MichCon selectively corroborates the fair values of securities by comparison of market-based price sources.

#### *Fair Value of Financial Instruments*

The fair value of financial instruments is determined by using various market data and other valuation techniques. The table below shows the fair value relative to the carrying value for long-term debt securities. The carrying value of certain other financial instruments, such as notes payable, customer deposits and notes receivable approximate fair value and are not shown. As of December 31, 2008, we had approximately \$120 million of taxable securities insured by insurers. Overall credit market conditions have resulted in credit rating downgrades and may result in future credit rating downgrades for these insurers. The Company does not expect the impact on interest rates or fair value to be material.

	2008		2007	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Long-Term Debt	\$865 million	\$889 million	\$711 million	\$715 million

#### NOTE 10 — FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS

We comply with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended and interpreted. Under SFAS No. 133, all derivatives are recognized on the Consolidated Statements of Financial Position at their fair value unless they qualify for certain scope exceptions, including normal purchases and normal sales exception. Further, derivatives that qualify and are designated for hedge accounting are classified as either hedges of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge), or as hedges of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge). For cash flow hedges, the portion of the derivative gain or loss that is effective in offsetting the change in the value of the underlying exposure is deferred in Accumulated other comprehensive income and later reclassified into earnings when the underlying transaction occurs. For fair value hedges, changes in fair values for both the derivative and the underlying hedged exposure are recognized in earnings each period. Gains and losses from the ineffective portion of any hedge are recognized in earnings immediately. For derivatives that do not qualify or are not designated for hedge accounting, changes in the fair value are recognized in earnings each period.

Our primary market risk exposure is associated with commodity prices, credit and interest rates. We have risk management policies to monitor and decrease market risks.

##### Commodity Price Risk

We have fixed-priced contracts for portions of our expected gas supply requirements through 2012. These gas supply contracts are designated and qualify for the normal purchases and sales exemption and are therefore accounted for under the accrual method. We may also sell forward storage and transportation capacity contracts. Forward firm transportation and storage contracts are not derivatives and are therefore accounted for under the accrual method.

##### Credit Risk

We are exposed to credit risk if customers or counterparties do not comply with their contractual obligations. We maintain credit policies that significantly minimize overall credit risk. These policies include an evaluation of potential customers' and counterparties' financial condition, credit rating, collateral requirements or other credit enhancements such as letters of credit or guarantees. We generally use standardized agreements that allow the netting of positive and negative transactions associated with a single counterparty.

The Company maintains a provision for credit losses based on factors surrounding the credit risk of its customers, historical trends, and other information. Based on the Company's credit policies and its December 31, 2008 provision for credit losses, the Company's exposure to counterparty nonperformance is not expected to result in material effects on the Company's financial statements.

##### Interest Rate Risk

We occasionally use treasury locks and other interest rate derivatives to hedge the risk associated with interest rate market volatility. In 2004, we entered into an interest rate derivative to limit our sensitivity to market interest rate risk associated with the issuance of long-term debt. Such instrument was designated as a cash flow hedge. We subsequently issued long-term debt and terminated the hedge at a cost that is included in accumulated other comprehensive loss. Amounts recorded in other comprehensive loss will be reclassified to interest expense as the related interest affects earnings through 2033.

## **NOTE 11 — COMMITMENTS AND CONTINGENCIES**

### **Environmental Matters**

*Contaminated Sites* — Prior to the construction of major interstate natural gas pipelines, gas for heating and other uses was manufactured locally from processes involving coal, coke or oil. We own, or previously owned, 14 such former manufactured gas plant (MGP) sites. Investigations have revealed contamination related to the by-products of gas manufacturing at each site. In addition to the MGP sites, we are also in the process of cleaning up other contaminated sites. Cleanup activities associated with these sites will be conducted over the next several years.

The MPSC has established a cost deferral and rate recovery mechanism for investigation and remediation costs incurred at former MGP sites. Accordingly, we recognize a liability and corresponding regulatory asset for estimated investigation and remediation costs at former MGP sites. During 2008, we spent approximately \$2 million investigating and remediating these former MGP sites. As of December 31, 2008 and 2007, we had \$38 million and \$40 million, respectively, accrued for remediation.

Any significant change in assumptions, such as remediation techniques, nature and extent of contamination and regulatory requirements, could impact the estimate of remedial action costs for the sites and affect the Company's financial position and cash flows. However, we anticipate the cost deferral and rate recovery mechanism approved by the MPSC will prevent environmental costs from having a material adverse impact on our results of operations.

### **Labor Contracts**

There are several bargaining units for our union employees. The majority of our union employees are under contracts that expire in October 2010.

### **Purchase Commitments**

As of December 31, 2008, we were party to numerous long-term purchase commitments relating to a variety of goods and services required for our business. These agreements primarily consist of long-term gas purchase and transportation agreements. We estimate that these commitments will be approximately \$2.3 billion through 2051. We also estimate that 2009 capital expenditures will be approximately \$154 million. We have made certain commitments in connection with expected capital expenditures.

### **Bankruptcies**

We buy and sell gas and gas transportation and storage services to numerous companies operating in the steel, automotive, energy, retail and other industries. Certain of our customers have filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. We regularly review contingent matters relating to these customers and our sale contracts and we record provisions for amounts considered at risk of probable loss. We believe our previously accrued amounts are adequate for probable losses. The final resolution of these matters is not expected to have a material effect on our consolidated financial statements.

We provide services to the domestic automotive industry, including GM, Ford and Chrysler and many of their vendors and suppliers. GM and Chrysler have recently received loans from the U.S. Government to provide them with the working capital necessary to continue to operate in the short term. In February 2009, GM and Chrysler submitted viability plans to the U.S. Government indicating that additional loans were necessary to continue operations in the short term. Further plant closures, bankruptcies or a federal government mandated restructuring program could have a significant impact on our results. As the circumstances surrounding the viability of these entities are dynamic and uncertain, we continue to monitor developments as they occur.

### **Other Contingencies**

We are involved in certain legal, regulatory, administrative and environmental proceedings before various courts, arbitration panels and governmental agencies concerning claims arising in the ordinary course of business. These proceedings include certain contract disputes, additional environmental reviews and investigations, audits, inquiries

from various regulators, and pending judicial matters. We cannot predict the final disposition of such proceedings. We regularly review legal matters and record provisions for claims that we can estimate and are considered probable of loss. The resolution of these pending proceedings is not expected to have a material effect on our operations or financial statements in the period they are resolved.

See Note 4 for a discussion of contingencies related to Regulatory Matters.

## **NOTE 12 — RETIREMENT BENEFITS AND TRUSTEED ASSETS**

### ***Adoption of SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans***

In September 2006, the FASB issued 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 companies to (1) recognize the over funded or under funded status of defined benefit pension and other postretirement plans in its financial statements, (2) recognize as a component of other comprehensive income, net of tax, the actuarial gains or losses and the prior service costs or credits that arise during the period but are not immediately recognized as components of net periodic benefit cost, (3) recognize adjustments to other comprehensive income when the actuarial gains or losses, prior service costs or credits, and transition assets or obligations are recognized as components of net periodic benefit cost, (4) measure postretirement benefit plan assets and plan obligations as of the date of the employer's statement of financial position, and (5) disclose additional information in the notes to financial statements about certain effects on net periodic benefit cost in the upcoming fiscal year that arise from delayed recognition of the actuarial gains and losses and the prior service cost and credits.

The requirement to recognize the funded status of a postretirement benefit plan and the related disclosure requirements was effective for fiscal years ending after December 15, 2006. The Company adopted this requirement as of December 31, 2006. In 2008, as required by SFAS 158, the Company changed the measurement date of its pension and postretirement benefit plans from November 30 to December 31. As a result, the Company recognized an adjustment of \$3 million (\$2 million after-tax) and \$4 million to retained earnings and regulatory liabilities, respectively, which represents approximately one month of pension and postretirement benefit costs for the period December 1, 2007 to December 31, 2008.

MichCon received approval from the MPSC to record the impact of the adoption of the SFAS No. 158 provisions related to the funded status as a regulatory asset or liability since the traditional rate setting process allows for the recovery of pension and other postretirement plan costs.

### **Measurement Date**

All amounts and balances reported in the following tables as of December 31, 2008 and December 31, 2007 are based on measurement dates of December 31, 2008 and November 30, 2007, respectively.

### **Pension Plan Benefits**

MichCon participates in various plans that provide pension and other postretirement benefits for DTE Energy and its affiliates. MichCon is allocated net periodic benefit costs (credits) for its share of the amounts of the combined plans. In prior years, MichCon served as the plan sponsor for a pension plan for represented employees that changed in 2008 to be sponsored by DTE Energy Corporate Services, LLC (LLC), a subsidiary of DTE Energy, which also became the plan sponsor for all plans of DTE Energy and its affiliates. The changes in plan sponsorship did not change the pension cost or contributions allocated to MichCon, or the benefits of plan participants. Disclosures in the following tables of benefit obligations and plan assets, components of net periodic benefit cost (credit), and changes in benefit obligations and assets include amounts allocated to MichCon for all plans. In conjunction with the plan sponsorship changes, prior period disclosures have been expanded to be consistent with the current disclosures. Subsequent to the change in plan sponsorship, MichCon records regulatory assets or liabilities for its allocations of all plans, including amounts for the funded status previously recorded by the plan sponsor.

The Company's policy is to fund pension cost by contributing amounts consistent with the Pension Protection Act of 2006 provisions and additional amounts we deem appropriate. We did not make a contribution to the pension plan in 2008 and we do not expect to make a contribution in 2009.

In its April 2005 final rate order, the MPSC approved the deferral of the non-capitalized portion of our negative pension expense. In 2008 and 2007, we deferred \$39 million and \$32 million, respectively, as a regulatory liability.

Net pension credit includes the following components:

(in Millions)	2008	2007	2006
Service cost	\$ 10	\$ 11	\$ 12
Interest cost	40	38	39
Expected return on Plan assets	(93)	(88)	(84)
Amortization of:			
Net loss	—	2	2
Prior service cost	1	1	1
Special termination benefits	—	1	11
Net pension credit	<u>\$ (42)</u>	<u>\$ (35)</u>	<u>\$ (19)</u>

Special termination benefits in the above table represent cost associated with our Performance Excellence Process.

(in Millions)	2008	2007
<b>Other changes in plan assets and benefit obligations recognized in regulatory assets</b>		
Net actuarial loss (gain)	\$ 387	\$ (64)
Amortization of net actuarial gain	—	(2)
Amortization of prior service cost	(1)	(1)
Total recognized in regulatory assets (liabilities)	<u>\$ 386</u>	<u>\$ (67)</u>
Total recognized in net periodic pension cost and regulatory assets (liabilities)	<u>\$ 344</u>	<u>\$ (102)</u>
<b>Estimated amounts to be amortized from regulatory assets into net periodic benefit cost during next fiscal year</b>		
Net actuarial loss	\$ 1	\$ —
Prior service cost	\$ —	\$ 1

The following table reconciles the obligations, assets and funded status of the Company's portion of the pension plans as well as the amounts recognized as prepaid pension cost in the Consolidated Statements of Financial Position at December 31:

(in Millions)	2008	2007
Accumulated benefit obligation, end of year	<u>\$ 586</u>	<u>\$ 589</u>
<b>Change in projected benefit obligation</b>		
Projected benefit obligation, beginning of year	\$ 644	\$ 701
Service cost	10	11
Interest cost	40	39
Actuarial loss	(25)	(49)
Measurement date change	4	—
Benefits paid	(46)	(58)
Projected benefit obligation, end of year	<u>\$ 627</u>	<u>\$ 644</u>
<b>Change in plan assets</b>		
Plan assets at fair value, beginning of year	\$ 1,106	\$ 1,055
Actual return on Plan assets	(319)	104
Benefits paid	(46)	(53)
Measurement date change	8	—
Plan assets at fair value, end of year	<u>\$ 749</u>	<u>\$ 1,106</u>
Funded status of the Plans, December 31	<u>\$ 122</u>	<u>\$ 462</u>
Amounts recorded as:		
Noncurrent assets	\$ 136	\$ 432
Current liabilities	(1)	(1)
Noncurrent liabilities	(13)	(7)
	<u>\$ 122</u>	<u>\$ 424</u>

(in Millions)	2008	2007
<b>Amounts recognized in Regulatory assets and Accumulated other comprehensive loss</b>		
Net actuarial loss	\$ 379	\$ 23
Prior service cost	(4)	2
	<u>\$ 375</u>	<u>\$ 25</u>
Regulatory assets	\$ 373	\$ 25
Other comprehensive loss	2	—
	<u>\$ 375</u>	<u>\$ 25</u>

Assumptions used in determining the projected benefit obligation and net pension costs are listed below:

	2008	2007	2006
<b>Projected benefit obligation</b>			
Discount rate	6.90%	6.50%	5.70%
Rate of compensation increase	4.00%	4.00%	4.00%
<b>Net pension costs</b>			
Discount rate	6.50%	5.70%	5.90%
Rate of compensation increase	4.00%	4.00%	4.00%
Expected long-term rate of return on Plan assets	8.75%	8.75%	8.75%

At December 31, 2008, the benefits expected to be paid in each of the next five years and in the aggregate for the five fiscal years thereafter are as follows:

(in Millions)	2009	2010	2011	2012	2013	2014 & thereafter	Total
Amount to be paid	\$ 39	\$ 40	\$ 40	\$ 40	\$ 41	\$ 209	\$ 409

The Company employs a formal process in determining the long-term rate of return for various asset classes. Management reviews historic financial market risks and returns and long-term historic relationships between the asset classes of equities, fixed income and other assets, consistent with the widely accepted capital market principle that asset classes with higher volatility generate a greater return over the long-term. Current market factors such as

inflation, interest rates, asset class risks and asset class returns are evaluated and considered before long-term capital market assumptions are determined. The long-term portfolio return is also established employing a consistent formal process, with due consideration of diversification, active investment management and rebalancing. Peer data is reviewed to check for reasonableness.

The Company employs a total return investment approach whereby a mix of equities, fixed income and other investments are used to maximize the long-term return on plan assets consistent with prudent levels of risk. The intent of this strategy is to minimize plan expenses over the long term. Risk tolerance is established through consideration of future plan cash flows, plan funded status, and corporate financial considerations. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, growth and value investment styles, and large and small market capitalizations. Other assets such as private equity and hedge funds are used to enhance long-term returns while improving portfolio diversification. Derivatives may be utilized in a risk controlled manner, to potentially increase the portfolio beyond the market value of invested assets and reduce portfolio investment risk. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews.

Our plan's weighted-average asset allocations and related targets by asset category at December 31 were as follows:

	<u>2008</u>	<u>2007</u>	<u>Target</u>
U.S. Equity securities	31%	48%	35%
Non U.S. Equity securities	16	18	20
Debt securities	24	19	20
Hedge Funds and Similar Investments	22	12	20
Private Equity and Other	7	3	5
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The Company also participates in defined contribution retirement savings plans for DTE Energy and its affiliates. Participation in one of these plans is available to substantially all represented and non-represented employees. The Company matches employee contributions up to certain predefined limits based upon eligible compensation, the employee's contribution rate and, in some cases, years of credited service. The cost of these plans was \$4 million in 2008, \$4 million in 2007 and \$5 million in 2006.

#### Other Postretirement Benefits

The Company participates in plans sponsored by LLC that provide certain postretirement health care and life insurance benefits for employees who are eligible for these benefits. The Company's policy is to fund certain trusts to meet our postretirement benefit obligations. Separate qualified Voluntary Employee Beneficiary Association (VEBA) trusts exist for represented and non-represented employees. In 2008, we made a \$40 million cash contribution to our postretirement benefit plans. At the discretion of management, the Company may make up to an additional \$40 million contribution to the VEBA trusts in 2009.

Net postretirement cost includes the following components:

(in Millions)	<u>2008</u>	<u>2007</u>	<u>2006</u>
Service cost	\$ 14	\$ 14	\$ 14
Interest cost	27	28	26
Expected return on plan assets	(17)	(14)	(12)
Amortization of			
Net loss	5	10	9
Prior service cost	1	2	2
Net transition obligation	3	5	5
Special termination benefits	—	—	2
Net postretirement cost	<u>\$ 33</u>	<u>\$ 45</u>	<u>\$ 46</u>

Special termination benefits in the above table represent costs associated with our Performance Excellence Process.

(in Millions)	2008	2007
<b>Other changes in plan assets and APBO recognized in regulatory assets</b>		
Net actuarial (gain) loss	\$ 98	\$ (80)
Amortization of net actuarial gain	(6)	(10)
Prior service cost	(1)	(16)
Amortization of prior service cost	(1)	(2)
Amortization of transition (asset)	(3)	(5)
Total recognized in regulatory assets	<u>\$ 87</u>	<u>\$ (113)</u>
Total recognized in net periodic benefit cost and regulatory assets	<u>\$ 120</u>	<u>\$ (68)</u>
<b>Estimated amounts to be amortized from regulatory assets into net periodic benefit cost during next fiscal year</b>		
Net actuarial loss	\$ 8	\$ 5
Prior service cost	1	1
Net transition obligation	3	3
	<u>\$ 12</u>	<u>\$ 9</u>

The following table reconciles the obligations, assets and funded status of the Company's portion of the plans including amounts recorded as accrued postretirement cost in the Consolidated Statements of Financial Position at December 31:

(in Millions)	2008	2007
<b>Change in accumulated postretirement benefit obligation</b>		
Accumulated postretirement benefit obligation, beginning of year	\$ 431	\$ 510
December 2007 cash flow	(2)	—
Service cost	14	15
Interest cost	27	28
Actuarial (gain) loss	19	(81)
Measurement date change	3	—
Benefits paid and Medicare Part D	(25)	(25)
Plan amendments	(1)	(16)
Accumulated postretirement benefit obligation, end of year	<u>\$ 466</u>	<u>\$ 431</u>
<b>Change in plan assets</b>		
Plan assets at fair value, beginning of year	\$ 175	\$ 156
December 2007 VEBA cash flow	(14)	—
Company contribution	40	20
Measurement date change	2	—
Actual return on plan assets	(62)	14
Benefits paid	(23)	(15)
Plan assets at fair value, end of year	<u>\$ 118</u>	<u>\$ 175</u>
Funded status of the plans, November 30	\$ —	\$ (256)
December adjustment	—	(12)
Funded status at fair value, December 31	<u>\$ (348)</u>	<u>\$ (268)</u>
Noncurrent liabilities	\$ (348)	\$ (268)
<b>Amounts recognized in regulatory assets</b>		
Net loss	\$ 159	\$ 67
Prior service cost	4	6
Net transition obligation	15	18
Regulatory Asset — postretirement costs	<u>\$ 178</u>	<u>\$ 91</u>



Assumptions used in determining the projected benefit obligation and net benefit cost are listed below:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Projected benefit obligation</b>			
Discount rate	6.90%	6.50%	5.70%
<b>Net benefit costs</b>			
Discount rate	6.50%	5.70%	5.90%
Expected long-term rate of return on plan assets	8.75%	8.75%	8.75%
Health care trend rate pre-65	7.00%	8.00%	9.00%
Health care trend rate post-65	6.00%	7.00%	8.00%
Ultimate health care trend rate	5.00%	5.00%	5.00%
Year in which ultimate reached	2011	2011	2011

A one-percentage-point increase in health care cost trend rates would have increased the total service cost and interest cost components of benefit costs by \$6 million and increased the accumulated benefit obligation by \$41 million at December 31, 2008. A one-percentage-point decrease in the health care cost trend rates would have decreased the total service cost and interest cost components of benefit costs by \$7 million and would have decreased the accumulated benefit obligation by \$69 million at December 31, 2008.

At December 31, 2008, the benefits expected to be paid, including prescription drug benefits, in each of the next five years and in the aggregate for the five fiscal years thereafter are as follows:

<u>(in Millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 &amp; thereafter</u>	<u>Total</u>
Amount to be paid	\$ 31	\$ 31	\$ 33	\$ 34	\$ 34	\$ 174	\$ 337

The process used in determining the long-term rate of return for assets and the investment approach for our other postretirement benefits plans is similar to those previously described for our pension plans.

Our plan's weighted-average asset allocations and related targets by asset category at December 31 were as follows:

	<u>2008</u>	<u>2007</u>	<u>Target</u>
U.S. equity securities	39%	50%	27%
Non U.S. equity securities	17	18	24
Debt securities	26	20	16
Hedge funds and similar	13	11	28
Private equity and other	5	1	5
	<u>100%</u>	<u>100%</u>	<u>100%</u>

In December 2003, the Medicare Act was signed into law which provides for a non-taxable federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least "actuarially equivalent" to the benefit established by law. The effects of the subsidy reduced net periodic postretirement benefit costs by \$3 million in 2008, \$9 million in 2007, and \$2 million in 2006.

At December 31, 2008, the gross amount of federal subsidies expected to be received in each of the next five years and in the aggregate for the five fiscal years thereafter was as follows:

<u>(in Millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 &amp; thereafter</u>	<u>Total</u>
Amount to be paid	\$ 2	\$ —	\$ 2	\$ 2	\$ 2	\$ 6	\$ 14

#### Grantor Trust

We maintain a Grantor Trust to fund other postretirement benefit obligations that invests in life insurance contracts and income securities. Employees and retirees have no right, title or interest in the assets of the Grantor Trust, and we can revoke the trust subject to providing the MPSC with prior notification. We account for our investment at fair value with unrealized gains and losses recorded to earnings.

## NOTE 13 — RELATED PARTY TRANSACTIONS

We have agreements with affiliated companies to provide transportation and storage services and for the purchase of natural gas. We have an agreement with a DTE Energy affiliate where we are charged for our use of their shared capital assets. Prior to March 31, 2007, under a service agreement with DTE Energy, various DTE Energy affiliates, including MichCon, provide corporate support services inclusive of various financial, auditing, tax, legal, treasury and cash management, human resources, information technology, and regulatory services, which were billed to DTE Energy corporate. As these functions essentially support the entire DTE Energy Company, total administrative and general expenses billed to DTE Energy corporate by MichCon and the other affiliates, along with certain interest and financing costs were then billed to various subsidiaries of DTE Energy, including MichCon. Subsequent to March 31, 2007, a new affiliate company was formed, DTE Energy Corporate Services, LLC, to accumulate the aforementioned corporate support services type expenses, which previously had been recorded on the various operating units of DTE Energy Company, including MichCon. These administrative and general expenses incurred by DTE Energy Corporate Services, LLC were then billed to various subsidiaries of DTE Energy, including MichCon. MichCon participates in a defined benefit retirement plan sponsored by another affiliate of DTE Energy.

The following is a summary of transactions with affiliated companies:

(in Millions)	2008	2007	2006
<b>Revenues</b>			
Transportation and storage services	\$ 2	\$ 4	\$ 9
Other services	3	2	4
<b>Costs</b>			
Gas purchases	28	—	—
Other services and interest	22	17	13
Corporate expenses	134	132	68
<b>Other</b>			
Dividends declared	37	50	50
Dividends paid	50	50	50
Capital contribution (1)	62	5	—

(in Millions)	December 31	
	2008	2007
<b>Assets</b>		
Accounts receivable (2)	\$ 44	\$ 41
Prepaid pension assets	136	325
<b>Liabilities &amp; Equity</b>		
Accounts payable (2)	26	33
Exchange gas payable	3	—
Short-term borrowings	30	—
<b>Other liabilities</b>		
Accrued pension liability	13	7
Accrued postretirement liability	348	268
Dividends payable	—	13

- (1) Consists of \$50 million representing a capital contribution from parent company and \$12 million related to the transfer of four carbon dioxide processing facilities from an affiliated company to MichCon.
- (2) Our accounts receivable from affiliated companies and accounts payable to affiliated companies are payable upon demand and are generally settled in cash within a monthly business cycle.

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	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)	3,393,375,753	
4	Property Under Capital Leases	0	
5	Plant Purchased or Sold	0	
6	Completed Construction not Classified	0	
7	Experimental Plant Unclassified	0	
8	TOTAL (Enter Total of lines 3 thru 7)	3,393,375,753	
9	Leased to Others	0	
10	Held for Future Use	1,256,278	
11	Construction Work in Progress	134,552,051	
12	Acquisition Adjustments	0	
13	TOTAL Utility Plant (Enter Total of lines 8 - 12)	3,529,184,082	
14	(Less) Accum. Prov. for Depr., Amort., & Depl.	1,841,892,894	
15	Net Utility Plant(Enter Total of line 13 less 14)	1,687,291,188	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	1,840,994,087	
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights		
20	Amort. of Underground Storage Land and Land Rights		
21	Amort. of Other Utility Plant		
22	TOTAL In Service (Enter Total lines 18 - 21)	1,840,994,087	
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total lines 24 & 25)		
27	Held for Future Use		
28	Depreciation	898,807	
29	Amortization		
30	TOTAL Held for Future Use(Enter Total lines 28 & 29)	898,807	
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adj.		
33	TOTAL Accum. Prov. (Should agree with line 14 above) (Enter Total lines 22, 26, 30, 31 & 32)	1,841,892,894	

MICHIGAN CONSOLIDATED GAS COMPANY				AN ORIGINAL	December 31, 2008
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS					
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
3,393,375,753					3
0					4
0					5
0					6
0					7
3,393,375,753					8
0					9
1,256,278					10
134,552,051					11
0					12
3,529,184,082					13
1,841,892,894					14
1,687,291,188					15
					16
					17
1,840,994,087					18
					19
					20
					21
1,840,994,087					22
					23
					24
					25
					26
					27
898,807					28
					29
898,807					30
					31
					32
					33
1,841,892,894					

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106)					
<p>1. Report below the original cost of gas plant in service according to the prescribed account.</p> <p>2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Gas.</p> <p>3. Include in column (c) or (d) as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>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 provisions. Include also in column (d) reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns</p>					
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
1		1. Intangible Plant			
2	301	Organization	8,235	-	
3	302	Franchises and Consents	2,419	-	
4	303	Miscellaneous Intangible Plant	89,549,452	7,424,021	
5		TOTAL Intangible Plant	89,560,106	7,424,021	
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	-	-	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)					
<p>(c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.</p> <p>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 and credits distributed in column (f) to primary account classifications.</p> <p>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.</p> <p>8. For each amount comprising the reported balance and changes in Account 102, state the property purchases 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.</p>					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					1
-	-	-	8,235	301	2
-	-	-	2,419	302	3
(1,715,725)	-	-	95,257,748	303	4
(1,715,725)	-	-	95,268,402		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

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	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 (g)	Additions (c)
27		Natural Gas Production and Gathering Plant		
28	325.1	Producing Lands	3,838	-
29	325.2	Producing Leaseholds	1,989	-
30	325.3	Gas Rights	-	-
31	325.4	Rights-of-Way	529,020	-
32	325.5	Other Land	3,000	-
33	325.6	Other Land Rights	-	-
34	326	Gas Well Structures	-	-
35	327	Field Compressor Station Structures	30,051	-
36	328	Field Meas. and Reg. Sta. Structures	566,662	-
37	329	Other Structures	-	-
38	330	Producing Gas Wells - Well Construction	226,872	-
39	331	Producing Gas Wells - Well Equipment	121,148	-
40	332	Field Lines	9,402,993	-
41	333	Field Compressor Station Equipment	321,002	-
42	334	Field Meas. and Reg. Sta. Equipment	2,418,928	1,218
43	335	Drilling and Cleaning Equipment	-	-
44	336	Purification Equipment	35,414	-
45	337	Other Equipment	-	-
46	338	Unsuccessful Exploration & Devel. Costs	1,163,272	-
47		TOTAL Production and Gathering Plant	14,824,189	1,218
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 Meas. and Reg. Equipment	-	-
57	347	Other Equipment	-	-
58		TOTAL Products Extraction Plant	-	-
59		TOTAL Natural Gas Production Plant	14,824,189	1,218
60		SNG Production Plant (Submit Supplemental St	-	-
61		TOTAL Production Plant	14,824,189	1,218
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land	8,492,472	303,392

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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	
-	-	-	3,838	325.1	28	
-	-	-	1,989	325.2	29	
-	-	-	-	325.3	30	
-	-	-	529,020	325.4	31	
-	-	-	3,000	325.5	32	
-	-	-	-	325.6	33	
-	-	-	-	326	34	
-	-	-	30,051	327	35	
-	-	-	566,662	328	36	
-	-	-	-	329	37	
-	-	-	226,872	330	38	
-	-	-	121,148	331	39	
-	-	-	9,402,993	332	40	
-	-	-	321,002	333	41	
-	-	-	2,420,146	334	42	
-	-	-	-	335	43	
-	-	-	35,414	336	44	
-	-	-	-	337	45	
-	-	-	1,163,272	338	46	
-	-	-	14,825,407		47	
					48	
-	-	-	-	340.1	49	
-	-	-	-	340.2	50	
-	-	-	-	341	51	
-	-	-	-	342	52	
-	-	-	-	343	53	
-	-	-	-	344	54	
-	-	-	-	345	55	
-	-	-	-	346	56	
-	-	-	-	347	57	
-	-	-	-	348	58	
-	-	-	14,825,407		59	
-	-	-	-		60	
-	-	-	14,825,407		61	
					62	
					63	
(113,432)	-	-	8,682,432	350.1	64	



MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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 (g)	Additions (c)		
65	350.2	Rights-of-Way	(57,270)	-		
66	351	Structures and Improvements	13,633,849	4,730,425		
67	352	Wells	69,886,028	17,783,331		
68	352.1	Storage Leaseholds and Rights	1,127,815	-		
69	352.2	Reservoirs	-	-		
70	352.3	Non-Recoverable Natural Gas	(356,592)	-		
71	353	Lines	24,716,652	5,427,619		
72	354	Compress Station Equipment	77,670,965	75,584,883		
73	355	Measuring and Reg. Equipment	9,959,394	1,851,148		
74	356	Purification Equipment	13,796,209	6,931,870		
75	357	Other Equipment	-	-		
76	358	Gas in Underground Storage - Noncurrent	397,819	-		
77		TOTAL Underground Storage Plant	219,267,341	112,612,668		
78		Other Storage Plant				
79	360.1	Land	-	-		
80	360.2	Land Rights	-	-		
81	361	Structures and Improvements	-	-		
82	362	Gas Holders	-	-		
83	363	Purification Equipment	-	-		
84	363.1	Liquefaction Equipment	-	-		
85	363.2	Vaporizing Equipment	-	-		
86	363.3	Compressor Equipment	-	-		
87	363.4	Meas. and Reg. Equipment	-	-		
88	363.5	Other Equipment	-	-		
89		TOTAL Other Storage Plant	-	-		
90		Base Load Liquefied Natural Gas Terminating and Processing Plant				
91	364.1	Land	-	-		
92	364.1a	Land Rights	-	-		
93	364.2	Structures and Improvements	-	-		
94	364.3	LNG Processing Terminal Equipment	-	-		
95	364.4	LNG Transportation Equipment	-	-		
96	364.5	Measuring and Regulating Equipment	-	-		
97	364.6	Compressor Station Equipment	-	-		
98	364.7	Communications Equipment	-	-		
99	364.8	Other Equipment	-	-		
100		TOTAL Base Load LNG Terminating and Processing Plant	-	-		
101						
102		TOTAL Nat. Gas Storage and Proc. Plant	219,267,341	112,612,668		

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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.	
113,432	-	-	56,162	350.2	65	
-	-	69,237	18,433,511	351	66	
(418,079)	-	-	87,251,280	352	67	
-	-	-	1,127,815	352.1	68	
-	-	-	-	352.2	69	
-	-	-	(356,592)	352.3	70	
-	-	-	30,144,271	353	71	
(9,904)	-	186,327	153,432,271	354	72	
-	-	(37,260)	11,773,282	355	73	
-	-	(218,303)	20,509,776	356	74	
-	-	-	-	357	75	
-	-	-	397,819	358	76	
(427,983)	-	1	331,452,027		77	
					78	
-	-	-	-	360.1	79	
-	-	-	-	360.2	80	
-	-	-	-	361	81	
-	-	-	-	362	82	
-	-	-	-	363	83	
-	-	-	-	363.1	84	
-	-	-	-	363.2	85	
-	-	-	-	363.3	86	
-	-	-	-	363.4	87	
-	-	-	-	363.5	88	
-	-	-	-		89	
					90	
-	-	-	-	364.1	91	
-	-	-	-		92	
-	-	-	-	364.2	93	
-	-	-	-	364.3	94	
-	-	-	-	364.4	95	
-	-	-	-	364.5	96	
-	-	-	-	364.6	97	
-	-	-	-	364.7	98	
-	-	-	-	364.8	99	
-	-	-	-		100	
					101	
(427,983)	-	1	331,452,027		102	

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL	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 (g)	Additions (c)
103		4. Transmission Plant		
104	365.1	Land	1,148,927	-
105	365.2	Land Rights	2,448,523	-
106	365.3	Rights-of-way	3,099,936	5,263,745
107	366	Structures and Improvements	9,073,586	1,583,588
108	367	Mains	233,540,862	54,458,541
109	368	Compressor Station Equipment	57,670,907	356,074
110	369	Measuring and Reg. Station Equipment	23,587,419	14,149,074
111	370	Communication Equipment	-	-
112	371	Other Equipment	-	-
	372	Asset Retire Cost Transmission	296,642	-
113		TOTAL Transmission Plant	330,866,802	75,811,022
114		5. Distribution Plant		
115	374.1	Land	2,150,046	-
116	374.2	Land Rights	917,620	-
117	375	Structures and Improvements	11,900,844	34,290
118	376	Mains	975,676,488	52,798,642
119	377	Compressor Station Equipment	-	-
120	378	Meas. & Reg. Station Equip.-General	97,162,457	14,200,350
121	379	Meas. & Reg. Station Equip.-City Gate	38,788,782	851,496
122	380	Services	663,856,395	47,273,192
123	381	Meters	179,282,243	22,811,564
124	382	Meter Installations	141,200,333	16,686,753
125	383	House Regulators	-	-
126	384	House Reg. Installations	-	-
127	385	Industrial Meas. & Reg. Station Equip.	67,907,334	462,977
128	386	Other Prop. on Customer's Premises	-	-
129	387	Other Equipment	-	-
	388	Asset Retire Cost Distribution	12,175,980	-
130		TOTAL Distribution Plant	2,191,018,522	155,119,264
131		6. General Plant		
132	389.1	Land	1,688,539	-
133	389.2	Land Rights	-	-
134	390	Structures and Improvements	70,529,228	9,647,867
135	391	Office Furniture and Equipment	3,209,054	1,467,681
136	391.1	Computers & Computer Related Equipment	14,148,622	9,399,157
137	392	Transportation Equipment	50,996,464	2,804,145
138	393	Stores Equipment	828,537	115,178
139	394	Tools, Shop & Gargage Equipment	17,906,893	3,550,958
140	395	Laboratory Equipment	1,799,112	-

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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.	
					103	
-	-	-	1,148,927	365.1	104	
-	-	-	2,448,523	365.2	105	
-	-	-	8,363,681	365.3	106	
(2,007)	-	-	10,655,167	366	107	
(38,736)	9,482,724	1	297,443,392	367	108	
-	-	-	58,026,981	368	109	
-	-	-	37,736,493	369	110	
-	-	-	-	370	111	
-	-	-	-	371	112	
-	(5,788)	-	290,854	372		
(40,743)	9,476,936	1	416,114,018		113	
					114	
-	-	-	2,150,046	374.1	115	
-	-	-	917,620	374.2	116	
(11,361)	-	-	11,923,773	375	117	
(992,705)	-	-	1,027,482,425	376	118	
-	-	-	-	377	119	
(352)	-	(2,606,262)	108,756,193	378	120	
(17,300)	-	2,461	39,625,439	379	121	
(9,518,459)	-	(2,461)	701,608,667	380	122	
(49,769,027)	-	2,606,262	154,931,042	381	123	
-	-	-	157,887,086	382	124	
-	-	-	-	383	125	
-	-	-	-	384	126	
-	-	-	68,370,311	385	127	
-	-	-	-	386	128	
-	-	-	-	387	129	
(233,851)	(110,728)	-	11,831,401	388		
(60,543,055)	(110,728)	-	2,285,484,003		130	
					131	
(5,242)	450,000	-	2,133,297	389.1	132	
-	-	-	-	389.2	133	
(2,948,739)	-	-	77,228,356	390	134	
(357,897)	-	-	4,318,838	391	135	
(65,973)	-	-	23,481,806	391.1	136	
(146,127)	-	-	53,654,482	392	137	
(3,350)	-	558	940,923	393	138	
(132,873)	-	(558)	21,324,420	394	139	
(291,491)	-	-	1,507,621	395	140	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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 (g)	Additions (c)
141	396	Power Operated Equipment	9,574,601	4,877,623
142	397	Communication Equipment	47,121,233	274,757
143	398	Miscellaneous Equipment	4,354,416	-
144		Subtotal (Lines 132 thru 143)	222,156,699	32,137,366
145	399	Other Tangible Property	-	-
146		TOTAL General Plant	222,156,699	32,137,366
147		TOTAL (Account 101 and 106)	3,067,693,659	383,105,559
148	101.1	Property Under Capital Leases	-	-
149	102	Gas Plant Purchased (See Instr. 8)	-	-
150	(Less)	Gas Plant Sold (See Instr. 8)	-	-
	102			
151	103	Experimental Gas Plant Unclassified	-	-
152		TOTAL Gas Plant in Service	3,067,693,659	383,105,559

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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.	
(112,703)	-	-	14,339,521	396	141	
(447,774)	-	-	46,948,216	397	142	
-	-	-	4,354,416	398	143	
(4,512,169)	450,000	-	250,231,896		144	
-	-	-	-	399	145	
(4,512,169)	450,000	-	250,231,896		146	
(67,239,675)	9,816,208	2	3,393,375,753		147	
-	-	-	-	101.1	148	
-	-	-	-	102	149	
-	-	-	-	(102)	150	
-	-	-	-			
-	-	-	-	103	151	
(67,239,675)	9,816,208	2	3,393,375,753		152	

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL DECEMBER 31, 2008				
GAS PLANT HELD FOR FUTURE USE (Account 105)				
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use. 2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.				
Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natural Gas Lands, Leaseholds, and Gas Rights Held for Future Utility Use (Per Pages 500-501)			\$1,804
2	Compressor Station, Measuring Station, and City Gate	Primarily in October and November 1995	Ongoing usage with the majority of plant to be put into use in 2009	253,272
3	Station Structures and Improvements stored at			
4	Kalkaska Office and Warehouse, Kalkaska Township, Kalkaska County			
5		Primarily in October, November 1995 and February, December 1996 March 2001	During 2009	430,710
6				
7	Compressor Station and Measuring Station Equipment			
8	stored at Kalkaska Office and Warehouse, Kalkaska Township, Kalkaska County			
9		Primarily in March 2001	During 2009	163,268
10				
11				
12				
13	Compressor Station and Measuring Station Equipment			
14	stored at Big Rapids Office and Warehouse, Big Rapids, Mecosta County			
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44				
45	TOTAL			\$849,054

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
PRODUCTION PROPERTIES HELD FOR FUTURE USE (Account 105.1)					
<p>1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.</p> <p>2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.1.</p>					
Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)	
1	Natural Gas Lands, Leaseholds, and Gas Rights Held for Future Utility Use (Per Pages 500-501)			\$407,224	
2					
3					
4					
5					
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45					
46	TOTAL			\$407,224	



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	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).			
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).			
3. Minor projects (less than \$500,000) may be grouped.			
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	The following automatic and blanket work orders are used for routine construction and are closed to		
2	plant monthly.		
3			
4	<b>DISTRIBUTION PLANT (18 Items)</b>	1,931,846	
5	Cathodic Protection	2,226,741	
6	Main Renewals	5,367,369	
7	Public Improvements	4,461,297	
8	Purchase meters	252,837	
9	System Reliability	3,311,181	
10	Service Renewals	3,025,029	
11	New Market	4,540,497	
12	Service Alterations	973,857	
13			
14	<b>GENERAL PLANT (0 Items)</b>		
15	Vehicles- Various	2,253,316	
16	Tools & Equipment	4,616,670	
17			
18			
19	The following represents specific work orders and consists principally		
20	of charges to projects not completed as of December 31, 2007.		
21	<b>INTANGIBLE PLANT: (2 Items)</b>	12,740	
22	MARS Application & Support Engineering	660,862	
23	IT Support - Detroit	2,019,616	
24			
25			
26			
27	<b>UNDERGROUND STORAGE (36 Items)</b>	3,940,134	
28	GMVC Ring Gear Starter Conversion Belle River	1,036,432	
29	Compressor Station Upgrades- Milford	785,549	
30	Replace Yard Valves-Columbus	688,706	
31	Compression Clean Burn	4,481,967	
32	System Reliability - TSO Belle River	577,194	
33	New Wells - Taggart	2,570,200	
34	Taggart Dehy Desiccant Upgrade	956,343	
35	Well Upgrade / Improvements -Col	522,846	
36			
37			
38	<b>TRANSMISSION PLANT (46 Items)</b>	3,693,174	
39	System Reliability - Milford	5,882,220	
40	Gate Station Heater Upgrades	804,935	
41	Misc Line Lowering - Milford Transmission	2,444,690	
42	Smart Pigging - Central Transmission	4,356,718	
43	Smart Pigging - Milford Transmission	1,013,883	
44	Smart Pigging - Allen Rd	1,101,781	
45	Smart Pigging - Pipeline Design	7,628,594	
46	S.P. Transmission System Isolation	3,091,088	
47	Revenue Protection	5,981,944	
48	PEPL Lateral and Compression	19,791,964	41,760,065
49			
50			
51	<b>DISTRIBUTION PLANT (8 Items)</b>	217,769	
52	Jamestown Distribution	12,533,468	
53	CWIP Unbilled Liability	1,971,596	
54			
55			
56			
57			
58	<b>GENERAL PLANT (97 Items)</b>	7,021,715	
59	Scada System Enhancements -CC	734,156	
60	Natural Gas Fuel Station	969,081	
61	Phase II Roof Allen Road	674,049	
62	Energy Gas Enhancement	691,142	
63	Noble S.C. Water Project	631,003	
64	Revenue Leakage	719,260	
65			
66			
67	Conversion CWIP	1,182,567	
68			
69			
70	<b>TOTAL</b>	<b>\$134,552,051</b>	<b>\$41,760,065</b>

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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 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	General Administration Capitalized	\$7,382,909	N/A		
2	Supervision, Engineering and Transportation -				
3	Joint Expense	24,910,366	144,624,245		
4	Pensions and Employee Benefits Capitalized	9,099,039	155,641,836		
5	Allowance for Funds Used During Construction	6,124,547	163,410,065		
6	Payroll Taxes	2,793,690	166,740,921		
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total	\$50,310,551			

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.

General Administration Capitalized

Costs of certain administrative departments (i.e. Legal, Corporate Resources, Corporate Planning) are capitalized monthly based on annual estimates of how much work is applicable to construction work in progress. Amounts capitalized are initially debited to a blanket work order (Account 107). These charges are then transferred to construction work orders based on the current month's charges to these construction work orders.

Supervision, Engineering and Transportation - Joint Expense

Supervision, engineering and transportation costs of certain departments are distributed to operation and maintenance accounts and construction work orders on a pro rata basis to direct labor charges.

Pensions and Employees' Benefits Capitalized

Construction and retirement work orders are debited with costs of pensions and employees' benefits distributed on the basis of direct construction and retirement labor charges. The percentage applied to direct labor includes an additional component which represents amounts applicable to indirect labor.

Allowance for Funds Used During Construction (A.F.U.D.C.)

An allowance for funds used during construction is computed monthly by applying the A.F.U.D.C. rate to accumulated expenditures for specific major projects of all classes of property. The A.F.U.D.C. rate is equivalent to the most recently authorized overall rate of return as approved by the Michigan Public Service Commission. The composite A.F.U.D.C. rate for 2008 was 7.19% per annum.

Payroll Taxes

Construction and retirement work orders are debited with costs of payroll taxes (FICA, FUTA, MUTA) distributed on the basis of direct construction and retirement labor charges. The percentage applied to direct labor includes an additional component which represents amounts applicable to indirect labor.

Note: See Page 217 for amounts capitalized.

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Accounts 108 and 110)					
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 202-207, 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 cost 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	\$ 1,816,913,375	\$ 1,816,039,071	\$ 875,304	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	87,019,302	86,995,800	23,502	
4	(403.1) Depreciation Expense	57,240	57,240		
5	(404 & 405) Amortization Expense Intangible Plant	6,171,463	6,171,463		
6	Transportation Expenses-Clearing	7,470,000	7,470,000		
7	Other Clearing Accounts				
8	Other Accounts (Specify): (411) Accretion Expense	4,396,943	4,396,943		
9	TOTAL Deprec. Prov. for Year (Enter total of lines 3 thru 8)	105,114,948	105,091,446	23,502	
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	57,439,676	57,439,676		
12	Cost of Removal	20,123,321	20,120,014	3,307	
13	Salvage (Credit)	(391,379)	(391,379)		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	77,171,618	77,168,311	3,307	
15	Other Debit or Credit Items (Describe): (2)	(2,963,811)	(2,963,811)		
16					
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	1,841,892,694	1,840,997,395	895,499	
Section B. Balances at End of Year According to Functional Classifications					
18	Production-Manufactured Gas				
19	Production and Gathering-Natural Gas	16,484,967	15,589,468	895,499	
20	Intangible Plant - Gas	46,938,736	46,938,736		
21	Underground Gas Storage	117,106,109	117,106,109		
22	Other Storage Plant (FAS 143/FIN 47)	-	-		
23	Retirement Work in Progress	(2,205,555)	(2,205,555)		
24	Transmission	201,982,886	201,982,886		
25	Distribution	1,298,638,741	1,298,638,741		
26	General	162,947,010	162,947,010		
27	TOTAL (Enter Total of lines 18 thru 26)	\$ 1,841,892,694	\$ 1,840,997,395	\$ 895,499	
Notes: (2) OTHER DEBIT AND CREDIT ITEMS CONSISTS OF THE FOLLOWING:					
RESERVE ADJUSTMENT FOR FAS 143/FIN 47 ARO Costs		\$	(2,902,480)		
DEPRECIATION ON NON-UTILITY PLANT			(61,351)		
		\$	(2,963,811)		

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

1. If during the year adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited.
2. Give in a footnote a concise statement of the facts and 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.
3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year.
4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year.
5. Report pressure base of gas volumes as 14.65 psia at 60° F.

Line No.	Description (a)	Noncurrent (Account 117) (b)	Current (Account 164.1) (c)	LNG (Account 164.2) (d)	LNG (Account 164.3) (e)	Total (f)
1	Balance at Beginning of Year	\$32,199,614	\$31,691,827	0	0	\$63,891,441
2	Gas Delivered to Storage (contra Account)	0	454,833,855			454,833,855
3	Gas Withdrawn from Storage (contra Account)	(900,494)	(493,661,388)			(494,561,882)
4	Other Debits or Credits (Net)	0	20,836,261			20,836,261
5	Balance at End of Year	\$31,299,120	\$13,700,555	0	0	\$44,999,675
6	Mcf	59,623,094	39,480,205			99,103,299
7	Amount Per Mcf	\$0.52495	\$0.34702			\$0.45407

- 8 State basis of segregation of inventory between current and noncurrent portions:  
Current gas is excess over base pressure gas established for each reservoir.

MichCon has put into place additional compression, and therefore, does not require as much Base Gas. In the current year, MichCon removed and sold 2.8 Bcf of Native Base Gas

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of nonutility property included in Account 121.
2. Designate with an asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property. These items are separate and distinct from those allowed to be grouped under instruction No. 5.
5. Minor items (5% of the Balance at the End of the Year for Account 121) may be grouped.
6. Natural gas companies which have oil property should report such property by State, classified as to (a) oil lands and land rights, (b) oil wells, and (c) other oil property. Gasoline plants and other plants for the recovery from natural gas are classifiable as gas plant and should be reported as such and not shown as Nonutility Property.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	(All Properties in Michigan)			
2				
3	Land	\$ 194,156	\$ 10	\$ 194,166
4	Storage Field Land and Land Rights	-		-
5	Edmore Field	761,557	(9)	761,548
6	Computer Equipment - MRCS	-		-
7	Leased Water Heaters	981,615		981,615
8	Minor Items	74,650	(655)	73,995
9		\$ 2,011,978	\$ (654)	\$ 2,011,324
10				
11				
12				
13				
14				
15				
16				
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24				

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)

Report below the information called for concerning depreciation and amortization of nonutility property.

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	\$ 486,264
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6	403-01 Deprec. Exp.	61,351
7	403-11 Deprec. Exp. - Computer Equip. - MEMS	
8	403-11 Deprec. Exp. - Other Audit Equip. - MEMS	
9	TOTAL Accruals for Year (Enter Total of lines 3 thru 8)	61,351
10	Net Charges for Plant Retired	
11	Book Cost of Plant Retired	-
12	Cost of Removal	-
13	Salvage (Credit)	-
14	TOTAL Net Charges (Enter Total of lines 10 thru 13)	-
15	Other Debit or Credit Items (Describe):	-
16	Plant in Service	-
17	Balance, End of Year (Enter Total of lines 1, 9, 14, and 16)	\$ 547,615

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL		December 31, 2008	
INVESTMENTS (Accounts 123, 124, 136)			
1. Report below Investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.			
2. Provide a subheading for each account and list thereunder the information called for:			
(a) Investment in Securities - List and describe each security owned giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments, state number of shares, class, and series of stock. Minor Investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.			
(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any			
Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (b)	Purchases or Additions During Year (c)
1	Account 123		
2			
3			
4	Total Account 123	\$ -	\$ -
5			
6			
7	Account 124		
8			
9	Detroit Investment Fund (Acquired 04-10-95)	\$ 2,083,148	\$ 43,751
10			
11			
12	Total Account 124	\$ 2,083,148	\$ 43,751
13			
14			
15			
16	Account 136		
17			
18	Comerica Securities (Business Sweep account)	\$ 519	\$ 926,035
19			
20	JP Morgan Chase (Investment Sweep account)	\$ 5,488,130	\$ 2,581,368,183
21			
22			
23			
24	Total Account 136	\$ 5,488,649	\$ 2,582,294,218
25			
26			
27			
28			
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31			

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL December 31, 2008  
 INVESTMENTS (Accounts 123, 124, 136) (Continued)

advances due from officers, directors, stockholders, or employess. Exclude amount reported on page 229.

3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).

Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference. (f)	Revenues for Year (g)	Gain or (Loss) from Investment Disposed of (h)	Line No.
					1
					2
				\$ -	3
\$ -		\$ -	\$ -	\$ -	4
				\$ -	5
					6
					7
					8
\$ -		\$ 2,126,899	-	-	9
				-	10
\$ -		\$ 2,126,899	\$ -	\$ -	11
					12
					13
					14
					15
					16
					17
\$ 926,554		\$ -	\$ 62		18
					19
\$ 2,583,895,536		\$ 2,960,777	\$ 170,747		20
					21
					22
					23
\$ 2,584,822,090		\$ 2,960,777	\$ 170,809	\$ -	24
					25
					26
					27
					28
					29
					30
					31



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)					
1. Report below investments in Account 123.1, Investment in Subsidiary Companies.					
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).					
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.					
(b) Investment Advances - Report separately the amounts of loans or investment Advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.					
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1					
Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	
1	MICHCON DEVELOPMENT CORPORATION				
2	COMMON STOCK	6-29-84			
3	(PAR VALUE \$1 PER SHARE, 1,000			1,000	
4	SHARES AT 12-31-98)				
5	ADDITIONAL PAID-IN CAPITAL			17,162,696	
6	EQUITY IN EARNINGS			(10,378,231)	
7	Total			6,785,465	
8	BLUE LAKE HOLDINGS, INC.				
9	COMMON STOCK	6-25-91			
10	(PAR VALUE \$.01 PER SHARE, 10			0	
11	SHARES AT 12/31/98)				
12	ADDITIONAL PAID-IN CAPITAL			7,490,192	
13	OTHER COMPREHENSIVE INCOME			0	
14	EQUITY IN EARNINGS			3,583,702	
15	Total			11,073,894	
16	MICHCON PIPELINE COMPANY				
17	COMMON STOCK	5-26-95			
18	(PAR VALUE \$.01 PER SHARE, 1000			10	
19	SHARES AT 12/31/98)				
20	ADDITIONAL PAID-IN CAPITAL			34,448,613	
21	EQUITY IN EARNINGS			42,453,558	
22	Total			76,902,181	
23					
24					
25					
26					
27					
28					
29					
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51					
52	Total Cost of Account 103700	71,187,744	Total	94,781,540	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)					
4. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge. 5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number. 6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year. 7. In column (h), report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f). 8. Report on Line 52, column (a) the total cost of Account 123.1.					
Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or (Loss) from Investment Disposed of (h)	Line No.	
		1,000		1	
		0		2	
		17,162,696		3	
		(10,246,689)		4	
131,542				5	
131,542	0	6,917,007		6	
		0		7	
		7,480,192		8	
		0		9	
2,463,774		6,047,476		10	
2,463,774	0	13,537,668		11	
		10		12	
	12,085,233 (1)	46,513,846		13	
10,600,536	(32,271,000) (2)	20,783,094		14	
10,600,536	(20,205,767)	87,296,950		15	
				16	
				17	
				18	
				19	
				20	
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				50	
				51	
13,195,851	(20,205,767)	87,751,624		52	

(1) Additional Paid in Capital (to) and from MichCon  
 (2) MichCon Pipeline declared dividend

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	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)	545,406	549,526
2	Customer Accounts Receivable (Account 142)	332,826,037	399,139,293
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	53,288,135 (1)	73,713,309 (1)
4	Total	385,659,578	473,402,128
5	Less: Accumulated Provision for Uncollectible Accounts - Cr. (Accounts 144)	86,269,517	134,959,528
6	Total, Less Accumulated Provision for Uncollectible Accounts	\$300,390,061	\$338,442,600
7			
8			
9			
10			
11			
12	(1) Includes amount receivable from Employees	329,348	8,174
13			
14			

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - 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 See Note (2) (b)	Merchandise, Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	85,221,036	\$461,761	\$0	\$596,720	\$86,269,517
2	Prov. for uncollectibles for year	114,672,522	(249,612)	0	394,038	114,816,947
3	Accounts written off	(72,748,539)	0	0	(506,378)	(73,254,917)
4	Coll. of accounts written off	7,010,566	0	0	117,416	7,127,981
5	Adjustments (explain):	0	0	0	0	0
6	Balance end of Year	\$134,155,584	\$212,149	\$0	591,796	\$134,959,528
7						
8	(2) The uncollectible provision per the balance sheet does not include direct expense charged to the income statement, which					
9	is primarily related to low income match write offs:					
10	Provision for uncollectibles	114,672,522				
11	Directly charged to expense	10,916,277				
12	Uncollectibles Expense (acct 904)	125,588,799				
13						

MICHIGAN CONSOLIDATED GAS COMPANY	AN ORIGINAL	December 31, 2008
<b>RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)</b>		
<ol style="list-style-type: none"> <li>1. Report particulars of notes and accounts receivable from associated companies * at end of year.</li> <li>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.</li> <li>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.</li> <li>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</li> <li>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</li> <li>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</li> </ol>		

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

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Total for Year		Balance End of Year (e)	Interest For Year (f)
			Debits (c)	Credits (d)		
1	Account 145					
2	MichCon Pipeline Company	4,194,103	57,136,287	54,470,431	6,859,959	148,790
3	DTE Energy Company	757,448	-	757,448	-	2,576
4	Saginaw Bay Lateral Limited Partnership	19,432	47,993	40,266	27,059	1,072
5						
6						
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12						
13						
14	Total Account 145	\$4,970,983	\$57,184,180	\$55,268,145	\$5,887,018	\$152,438
15						
16						
17	Notes receivable from associated companies arise from the Inter-Company Loan Agreements.					
18	Purpose: To provide a line of credit to associated companies.					
19	Maturity Date: N/A					
20	Interest Rate: Annually modified fixed rate					
21						
22						
23						
24						
25						
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MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146) (Continued)						
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	DTE Energy Company	556,950	130,284,010	130,897,082	33,878	
3	DTE Energy Resources, Inc.	-	2,117	2,111	6	
4	DTE Biomass Energy, Inc.	-	688	649	39	
5	Sunshine Gas Producers	-	83	-	83	
6	DTE Energy Trading, Inc.	5,694,045	22,162,378	3,013,560	24,842,843	
7	DTE River Rouge No. 1, LLC	(162,861)	274,511	108,275	3,375	
8	DTE Energy Services, Inc.	28	129,293	129,120	201	
9	South Romeo Gas Storage Company	40,266	101,609	123,770	18,105	
10	EES Coke Battery, LLC	-	313,660	114,004	199,656	
11	DTE East China, LLC	8,500	85,000	85,000	8,500	
12	DTE Coal Services, Inc.	26	119	95	50	
13	Detroit Edison Company	37,629,750	1,611,482,792	1,628,534,156	20,578,385	
14	DTE Energy Ventures	4,520	(1,657)	518	2,145	
15	Blue Lake Holdings	162	(162)	-	-	
16	MichCon Pipeline Company	130,765	408,876	476,964	63,577	
17	MichCon Gathering Company	6,687,483	21,487,618	27,954,147	220,964	
18	Saginaw Bay Pipeline Company	84,156	956,560	995,169	45,547	
19	Saginaw Bay Lateral Company	22,861	981,776	995,959	8,678	
20	Saginaw Bay Lateral Limited Partnership	25,134	(8,600)	16,356	178	
21	Westside Pipeline Company	8,631	6,695	17,326	-	
22	Jordan Valley Limited Partnership	21,568	13,467	35,035	-	
23	Thunder Bay Gathering Company	87,291	1,961,399	1,996,567	52,123	
24	MichCon Lateral Company	205,989	5,129,698	5,162,732	172,955	
25	Citizens Gas Fuel Company	1	11	4	8	
26	MCN Energy Enterprises	105,912	(95,788)	9,981	143	
27	DTE Gas Storage Pipeline & Processing Co.	-	29	11	18	
28	DTE Michigan Holdings, Inc.	11,336	344,179	317,880	37,635	
29	Terra-Westside Processing Co.	1,600	(1,600)	-	-	
30	DTE Gas Storage Company	434,729	2,127,364	2,357,692	204,401	
31	Shelby Storage LLC	20,329	198,197	205,222	13,304	
32	Jordan Valley Pipeline Company	136,586	55,030	180,836	12,780	
33	DTE Terra Hayes Gathering Company	99,328	(14,572)	57,391	27,365	
34	Tums/Olund Lake Pipeline Company	99,526	(93,813)	5,253	460	
35	DTE Gas Resources	-	65	10	55	
36						
37	(continued next page)					
38						
39						

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008		
RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146) (Continued)						
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 (continued)					
2	Washington 10 Storage Partnership	29,179	1,937	29,976	1,140	-
3	Washington 10 Storage Corporation	97,872	309,276	372,614	34,534	-
4	DTE Foundation	-	13	-	13	-
5	DTE Energy Corporate Services, LLC	3,751,142	64,485,879	63,567,955	4,669,066	-
6	DTE Open-Loop Biomass LLC	3,499	-	3,499	-	-
7	MCNIC Mobile Bay Gathering Company	631	-	631	-	-
8	DTE Smith Branch Operations, LLC	5,430	-	5,430	-	-
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36						
37	Total Account 146	\$55,844,374	\$1,863,089,936	\$1,867,682,100	\$51,252,210	\$ -
38						
39	Total of Accounts 145 and 146	\$60,815,357	\$1,920,274,116	\$1,922,950,245	\$58,139,228	\$152,436

## 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 year (on a supplemental page) showing general classes of material and supplies and the various accounts (operating expenses, 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 (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)	0	0	
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	16,962,154 (1)	16,874,804 (1)	
12	Merchandise (Account 155)			
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)	2,891,211	2,379,113	
16				
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	19,853,365	19,253,917	\$0
(1)	Plant Materials and Operating Supplies (Account 154) Construction and Operating Materials and Supplies: Pipe-steel and plastic Fittings, valves, regulators, meter connections Automotive and gas plant equipment parts Appliance parts and installation materials Gas Odorant Truck Stock and other base stock Other Materials Uniforms and hand tools Stationary and office supply forms Forms Sub-Total Materials and supplies in transit Materials and supplies - Unassigned costs: Freight on materials Sales and use taxes Sub-Total Inventory adjustments in suspense TOTAL Account 154	923,563 3,230,657 2,066,294 1,924,655 0 4,625,234 2,373,818 592,981 57,801 22,166 15,817,209 0 508,665 636,081 1,144,945 0 \$16,962,154	844,115 3,803,124 1,808,033 1,771,028 0 3,905,305 2,972,964 584,953 19,182 27,050 15,735,754 0 506,244 632,806 1,139,050 0 \$16,874,804	

**ADVANCES FOR GAS PRIOR TO INITIAL DELIVERIES OR COMMISSION CERTIFICATION**  
**(Accounts 124, 166 and 167)**

1. Report below the information called for concerning all advances for gas, as defined in the text of Account 166, Advances for Gas Exploration, Development and Production, and 167, Other Advances for Gas, whether reported in Accounts 166, 167, or reclassified to Account 124, Other Investments. List Account 124 items first.
2. In column (a), give the date the advance was made, the payee (designate associated companies with an asterisk) a brief statement of the purpose, (exploration, development, production, general loan, etc.) and the estimated date of repayment. Do not use the term Indefinite in reporting estimated date of repayment. If advances are made to a payee in connection with different projects with different arrangements for repayments, use separate lines for reporting; otherwise all advances may be grouped by payee, subject to the requirements of instruction 3 below.
3. If the beginning balance shown in column (c) does not agree with the prior year's ending balance, column (g), provide a detailed explanation in a footnote. Show all Advances made during the year in column (d) and all repayments or other credits in column (e). Report amounts shown in column (e) separately by account, as reported in column (f).

Line No.	Date of Advance, Payee, Purpose and Estimated Date of Repayment (a)	Account Number (124, 166 or 167) (b)	Balance at Beginning of Year (c)	Advances During Year (d)	Repayments or Other Credits During Year (e)	Accounts Charged (f)	Balance at End of Year (g)
1			0	0	0		0
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22							
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24							
25			\$0	\$0	\$0		\$0
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008		
<b>PREPAYMENTS (ACCOUNT 165)</b>						
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					
2	Prepaid Rents	61,516				
3	Prepaid Taxes (262-263)	10,299,569				
4	Prepaid Interest					
5	Gas Prepayments (226-227)					
6	Miscellaneous Prepayments: (1)	800,887				
7	TOTAL	\$11,181,972				
Notes:  (1) Miscellaneous Prepayments: Flex Spending Account Deposit Prepaid MPSC Fee		Balance at End of Year (in Dollars)  59,830 741,057  <b>800,887</b>				
<b>EXTRAORDINARY PROPERTY LOSSES (Account 182.1)</b>						
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)	
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28	TOTAL	\$0	\$0		\$0	\$0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008		
PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)						
1. Report below particulars (details) concerning the cost of plans, surveys, and investigations made for the purpose of determining the feasibility of projects under contemplation. 2. For gas companies, report separately amounts included in Account 183.1, Preliminary Natural Gas Survey and Investigation Charges, and Account 183.2, Other Preliminary Survey and Investigation Charges. 3. Minor items (less than \$250,000) may be grouped by classes.						
Line No.	Description and Purpose of Project (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3	<u>Account 183.1</u>					
4	Projects at year end	\$0	\$0		\$0	\$0
5						
6						
7						
8						
9						
10	<u>Account 183.2</u>					
11		0	0		0	0
12						
13						
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42						
43						
44	Total	\$0	\$0		\$0	\$0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
OTHER REGULATORY ASSETS					
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 accounts).					
2. For regulatory assets 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 Assets  (a)	Debits  (b)	CREDITS		Balance at End of Year  (e)
			Account Charged  (c)	Amount  (d)	
1	<u>Assets in Other Accounts</u>				
2	Deferred Asset - GCR (174)	56,468,592	485 & 431	55,212,239	1,256,353
3					
4	Deferred Environmental Testing/Clean-up Costs	5,215,591	253	3,717,507	40,491,543
5	( 186 and 253)				
6					
7	Unamortized Loss on Retirement of Debt (189)	9,788,566	428	5,026,938	33,317,125
8					
9	Long Term UETM (186)	84,799,041	485 & 431	34,751,422	91,786,591
10	Current Receivable UETM (174)	32,248,956	Various	27,417,034	29,735,028
11					
12	Minimum Pension Liability (182)	446,789,000	186 & 253	10,742,000	552,460,000
13					
14					
15	Accumulated Deferred Michigan Business Tax (186)	12,385,760	254	985,463	58,006,297
16					
17	Total Regulatory Assets				\$807,052,937
18					
19	REGULATORY ACCOUNTING ADJUSTMENT				
20	Cost to Achieve per Rate Order - U-14909				
21	Misc Deferred Debits (186)	7,336,239	930	2,174,533	24,779,127
22	Regulatory Liability - Negative Pension (253)	0	930	459,941	11,436,978
23					
24					
25					
26					
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32					
33					
34					
35					
36					
37	Items displayed on this page may also be included on other pages due to overlapping classifications.				
38					
39					
40					
41					
42	TOTAL	\$655,031,745		\$140,487,077	\$843,269,043

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008		
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits.						
2. For any deferred debt being amortized, show period of amortization in column (a).						
3. Minor items (less than \$50,000) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debit  (a)	Balance at Beginning of Year  (b)	CREDITS			Balance at End of Year  (f)
			Debits  (c)	Account Charged  (d)	Amount  (e)	
1	N/R - VECTOR PIPELINE LEASE	154,438,453	614,733	Various	10,392,080	144,661,106
2	REG ASSET-FAS 87 MIN PENSION LIABILITY	116,413,000	446,789,000	253	12,703,000	550,499,000
3	PREPAID PENSION COSTS-AFFILIATE	106,854,010	146,317,000	Various	116,807,010	136,364,000
4	INTERCOMPANY PENSION ASSETS	325,402,447	292,889,333	Various	618,291,780	-
5	DEF. FIT - FAS 109 REG ASSETS	46,606,000	12,385,760	Various	985,463	58,006,297
6	REG ASSET-ENVIRONMENTAL COSTS	44,318,983	1,500,050	253	1,813,630	44,005,403
7	DEFERRED LOST GAS ASSET	-	28,289,673	485	16,524,673	11,765,000
8	FINANCING EXPENSE LT DEBT	968,358	4,799,955	Various	5,237,435	530,878
9	LT RECEIVABLES - EMPLOYEES	1,021,954	11,926	Various	37,621	996,259
10	DEFERRED COSTS TO ACHIEVE	19,617,422	7,336,239	930	2,174,533	24,779,128
11	UETM - UNCOLLECTIBLE TRACKER	41,738,972	91,786,590	Various	41,738,972	91,786,590
12						
13						
14						
15						
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36						
37						
38						
39	Misc Work In Progress					
40	Accounts Payable Invoice Clearing	-	-		-	-
41	Labor Distribution Clearing	-	-		-	-
42	Work in Process	-	-		-	-
43						
44	TOTAL	857,379,598	1,032,720,259		828,706,197	1,063,393,661

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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. At 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 (Enter Total of lines 2 thru 7)				
9	Gas				
10	Bad Debts	\$31,224,732		\$17,041,504	
11	Veba	111,198,901			
12	Tax Basis Adjustments	36,691,973		10,486,247	
13	Lost Gas	55,104	4,171,702		
14	Vacation Liability	5,121,772	1,188,404		
15	Other	185,103,457	4,230,046	6,036,854	
16	TOTAL Gas (Enter Total of lines 10 thru 15)	\$369,395,939	\$9,590,152	\$33,564,605	
17	Other (Specify)				
18	TOTAL (Account 190) (Enter Total of lines 8, 16, & 17)	\$369,395,939	\$9,590,152	\$33,564,605	
19	Classification of Total:				
20	Federal Income Tax				
21	State Income Tax				
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 under Other.					
	Other Line 15				
	Post 1992 Misc. Deferrals	\$137,168,209	\$2,885,691	\$4,787,699	
	Inventory Capitalized	205,467			
	Vector Pipeline	1,834,094		543,617	
	Environmental Insurance Recovery	976,251	1,344,355	481,181	
	Long-term DFIT Assets	7,936,529			
	Stock Compensation	775,985		224,357	
	FASB 96 Plant Excess DFIT	35,810,822			
	FASB 96 Non-Plant Excess DFIT	138,638			
	FASB 96 Non-Plant Reg. Assets	257,462			
	Total Other	\$185,103,457	\$4,230,046	\$6,036,854	

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amount Debited Account 410.2 (e)	Amounts Credited 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
-	-		-			\$48,266,236	10
-	-		-		-	111,198,901	11
-	-		-			47,178,220	12
-	-		-		-	(4,116,598)	13
-	-		-			3,933,368	14
0	0	See below	4,937,039	See below	1,961,000	183,934,226	15
\$0	\$0		\$4,937,039		\$1,961,000	\$390,394,353	16
							17
\$0	\$0		\$4,937,039		\$1,961,000	\$390,394,353	18
							19
							20
							21
							22

NOTES (Continued)

-	-	219	\$1,274,650	186	\$1,961,000	\$139,756,567	
-	-					205,467	
-	-				-	2,377,711	
-	-				-	113,077	
-	-				-	7,936,529	
-	-				-	1,000,342	
-	-	286-RA	3,662,389		-	32,148,433	
-	-		-		-	138,638	
-	-		-		-	257,462	
-	-		-		-		
\$0	\$0		\$4,937,039		\$1,961,000	\$183,934,226	

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2008				
CAPITAL STOCK (Accounts 201 and 204)				
<p>1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the 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.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>				
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	COMMON STOCK	15,100,000	\$1.00	-
2				
3	CUMULATIVE PREFERRED STOCK			
4	SERIES:			
5	REDEEMABLE \$2.05 SERIES	7,000,000	\$1.00	N/A
6				
7	CUMULATIVE PREFERENCE STOCK	4,000,000	\$1.00	N/A
8				
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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 allow 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 pledgee and purpose of pledge.						
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		As Reacquired Stock (Account 217)		In Sinking and Other Funds		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
10,300,000	\$10,300,000	-	-	-	-	1
						2
						3
						4
-	-	-	-	-	-	5
						6
-	-	-	-	-	-	7
						8
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						24
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						26
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						28
						29
						30



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 and 205, 203 and 206, 207, 212)					
1. Show for each of the above accounts the amounts applying to each class and series of capital stock. 2. For Account 202, Common Stock Subscribed and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year. 3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year. 4. For Premium on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.					
Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)		
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36	Total	0	\$0		

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)					
Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries entries effecting such change.					
(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.					
(b) Reduction in Par or Stated Value of Capital Stock (Account 209)-State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.					
(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210)-Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.					
(d) Miscellaneous Paid-In Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.					
Line No.	Item (a)			Amount (b)	
1	<u>ACCOUNT 209 REDUCTION IN PAR OR STATED VALUE OF COMMON STOCK</u>				
2					
3	BALANCE, DECEMBER 31, 2007		\$133,900,000		
4	NO TRANSACTIONS DURING 2008		-		
5					
6	BALANCE, DECEMBER 31, 2008		133,900,000		\$133,900,000
7					
8					
9	<u>ACCOUNT 210 GAIN ON RESALE OR CANCELLATION OF REACQUIRED CAPITAL STOCK</u>				
10					
11	BALANCE, DECEMBER 31, 2007		12,525		
12	NO TRANSACTIONS DURING 2008		-		
13					
14	BALANCE, DECEMBER 31, 2008		12,525		12,525
15					
16					
17					
18	<u>ACCOUNT 211 MISCELLANEOUS PAID-IN-CAPITAL</u>				
19					
20	BALANCE, DECEMBER 31, 2007		303,283,319		
21	CAPITAL CONTRIBUTION - CASH		50,000,000		
22	CAPITAL CONTRIBUTION - ASSET		12,065,233		
23					
24	BALANCE, DECEMBER 31, 2008		\$365,348,552		365,348,552
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38	Total				\$499,261,077

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
DISCOUNT ON CAPITAL STOCK (Account 213)			
1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	TOTAL		\$0
CAPITAL STOCK EXPENSE (Account 214)			
1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	TOTAL		\$0

Name of Respondent Michigan Consolidated Gas Company	This Report Is: <input type="checkbox"/> (1) <input checked="" type="checkbox"/> An Original <input type="checkbox"/> (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2008
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**SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED  
DURING THE YEAR**

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance or redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

**Mortgage Bonds Retired**

**6.125% Senior Note, due 2008**

Payment in the amount of \$200,000,000 on the 6.125% 2001 Senior Note, due 09-01-08, was made on September 1, 2008.

Settlement Date	Coupon %	Maturity Date	Repurchase Amount	Premium On redemption	Unamortized Expenses
9/1/2008	6.125%	9/1/2008	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -

\$ - of Redemption Premium were charged to Account 189, Unamortized Loss on Reacquired Debt.  
\$ - of Unamortized Expenses were charged to Account 189, Unamortized Loss on Reacquired Debt.

**Other Bonds Remarketed**

**6.45% MOPPRS Series, due 2038**

Payment in the amount of \$75,000,000 on the 6.45% MOPPRS Series, due 06-30-38, was made on June 30, 2008.

Settlement Date	Coupon %	Maturity Date	Repurchase Amount	Premium On redemption	Unamortized Losses, Expenses (Premium)
6/30/2008	6.45%	6/30/2038	\$ 75,000,000	\$ 7,911,063	\$ (1,405,437)
Unamortized Losses on MOPPRS					\$ 3,240,990
			\$ 75,000,000	\$ 7,911,063	\$ 1,835,553

\$ 7,911,063 of Redemption Premium were charged to Account 189, Unamortized Loss on Reacquired Debt.  
\$ 1,835,553 of Unamortized Expenses, Premiums and Losses were charged to Account 189, Unamortized Loss on Reacquired Debt.

**Securities Issued**

**2008 Series A bonds 5.26% Senior Notes DUE 2013**

\$60,000,000 - 2008 Series A 5.26% Senior Notes due April 15, 2013 were issued on April 11, 2008 at par by private placement agents Banc of America Securities LLC, JP Morgan Securities, Inc. and Comerica Securities, Inc.

The proceeds were used for the repayment of existing indebtedness and for general corporate purposes.

The Principal amount of \$60,000,000 was credited to acct 221 and issuance expenses of \$416,035 were charged to Account 181.

These costs of issuance will be amortized over the life of the Bonds by charges to Acct 428.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Consolidated Gas Company	<input type="checkbox"/> (1) <input checked="" type="checkbox"/> An Original <input type="checkbox"/> (2) <input type="checkbox"/> A Resubmission		Dec. 31, 2008

**SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED  
DURING THE YEAR**

**Securities Issued (Continued)**

**2008 Series B bonds 6.04% Senior Notes DUE 2018**

\$190,000,000 -- 2008 Series B 6.04% Senior Notes due April 15, 2018  
were issued on April 11, 2008 at par by private placement agents Banc of America Securities LLC,  
JP Morgan Securities, Inc. and Comerica Securities, Inc.

The proceeds were used for the repayment of existing indebtedness  
and for general corporate purposes.

The Principal amount of \$190,000,000 was credited to acct 221 and issuance expenses of \$652,076 were charged to Account 181.

These costs of issuance will be amortized over the life of the Bonds by charges to Acct 428.

**2008 Series C bonds 6.44% Senior Notes DUE 2023**

\$25,000,000 -- 2008 Series C 6.44% Senior Notes due April 15, 2023  
were issued on April 11, 2008 at par by private placement agents Banc of America Securities LLC,  
JP Morgan Securities, Inc. and Comerica Securities, Inc.

The proceeds were used for the repayment of existing indebtedness  
and for general corporate purposes.

The Principal amount of \$25,000,000 was credited to acct 221 and issuance expenses of \$213,248 were charged to Account 181.

These costs of issuance will be amortized over the life of the Bonds by charges to Acct 428.

**2008 Series F bonds 6.78% Senior Notes DUE 2028**

\$75,000,000 -- 2008 Series F 6.78% Senior Notes due June 15, 2028  
were issued on June 26, 2008 at par by private placement agents Banc of America Securities LLC,  
JP Morgan Securities, Inc. and Comerica Securities, Inc.

The proceeds were used for the repayment of existing indebtedness.

The Principal amount of \$75,000,000 was credited to acct 221 and issuance expenses of \$521,424 were charged to Account 181.

These costs of issuance will be amortized over the life of the Bonds by charges to Acct 428.

**2008 - 5.94% Senior Notes DUE 2015**

\$140,000,000 -- 2008 - 5.94% Senior Notes due September 1, 2015  
were issued on August 20, 2008 at par by private placement agents BNP Paribas Securities Corp.,  
and Credit Suisse Securities (USA) LLC.

The proceeds were used for the repayment of existing indebtedness  
and for general corporate purposes.

The Principal amount of \$140,000,000 was credited to acct 221 and issuance expenses of \$682,593 were charged to Account 181.

These costs of issuance will be amortized over the life of the Bonds by charges to Acct 428.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Consolidated Gas Company	<input type="checkbox"/> (1) <input checked="" type="checkbox"/> <input type="checkbox"/> An Original <input type="checkbox"/> (2) <input type="checkbox"/> A Resubmission		Dec. 31, 2008
SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR			
<u>Securities Issued (Continued)</u>  <u>2008 - 6.36% Senior Notes DUE 2020</u>  \$50,000,000 -- 2008 - 6.36% Senior Notes due September 1, 2020 were issued on August 20, 2008 at par by private placement agents BNP Paribas Securities Corp., and Credit Suisse Securities (USA) LLC.  The proceeds were used for the repayment of existing indebtedness and for general corporate purposes.  The Principal amount of \$50,000,000 was credited to acct 221 and issuance expenses of \$239,830 were charged to Account 181.  These costs of issuance will be amortized over the life of the Bonds by charges to Acct 428.			

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
LONG-TERM DEBT (Accounts 221, 222, 223, and 224)					
1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the 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. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.					
3. 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.					
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.					
5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term					
Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)	
1	Account 221 - Bonds				
2	Mortgage Bonds:				
3					
4	8.25% Series due 2014	09-26-94	05-01-14	80,000,000	
5	6.125% Snr Note due 2008	08-22-01	09-01-08	200,000,000	(1)
6	5.7% Snr Note due 2033	02-20-03	03-15-33	200,000,000	
7	5% Snr Note due 2019	10-04-04	10-01-19	120,000,000	
8	7.06% Series due 2012	05-20-97	05-01-12	40,000,000	
9	5.26% 2008 Series A Snr Note due 2013	04-11-08	04-15-13	60,000,000	
10	6.04% 2008 Series B Snr Note due 2018	04-11-08	04-15-18	100,000,000	
11	6.44% 2008 Series C Snr Note due 2023	04-11-08	04-15-23	25,000,000	
12	6.78% 2008 Series F Snr Note due 2028	06-26-08	06-15-28	75,000,000	
13	5.94% 2008 Snr Note due 2015	08-20-08	09-01-15	140,000,000	
14	6.36% 2008 Snr Note due 2020	08-20-08	09-01-20	50,000,000	
15					
16					
17	Other Bonds:				
18	6.45% MOPPRS Series due 2038	06-23-98	06-30-38	75,000,000	(1)
19					
20	Expired Shelf Cost Written Off as Interest				
21	Retired Debt in 2008 @			(275,000,000)	(1)
22					
23	Total Account 221 Bonds			890,000,000	
24					
25					
26					
27					
28					
29	Account 224 - Other				
30					
31	Total Account 224 Other			-	
32					
33					
34					
35	(1) Bonds were retired during 2008				
36					
37					
38					
39					
40					
41	Total			\$890,000,000	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2006	
LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)					
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.					
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.					
7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.					
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt, and Account 430, Interest on Debt to Associated Companies.					
9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.					
Interest for Year		Held by Respondent		Redemption Price Per \$100 at End of Year	Line No.
Rate (In %)	Amount	Reacquired Bonds (Acct. 222)	Sinking and Other Funds	(i)	
(e)	(f)	(g)	(h)		
					1
					2
					3
8.25	6,600,000				4
6.125	8,166,667				5
5.7	11,396,804 (2)				6
5	6,146,434 (2)				7
7.06	2,824,000				8
5.26	2,279,333				9
6.04	4,362,222				10
6.44	1,162,778				11
6.78	2,613,125				12
5.94	3,026,100				13
6.36	1,157,167				14
					15
					16
					17
6.45	2,405,312				18
					19
	112,210				20
					21
					22
	52,252,152	-	-		23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
(2) Interest on these instruments is being reported net of OCI cash flow hedge					35
					36
					37
					38
					39
					40
	\$ 52,252,152	\$ -	\$ -		41



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)					
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.					
2. Show premium amounts by enclosing the figures in parentheses.					
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.					
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.					
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period	
				Date From (d)	Date To (e)
1	<b>UNAMORTIZED DEBT EXPENSE ON LONG-TERM DEBT</b>				
2					
3	<b>First Mortgage Bonds:</b>				
4					
5	8 1/4% Series Due 2014	80,000,000	700,000	09-26-94	05-01-14
6	6.125% Snr Note due 2008	200,000,000	1,612,368	08-22-01	09-01-08
7	5.7% 2003A due 2033	200,000,000	1,794,965	02-20-03	03-15-33
8	5% 2004E Snr Note due 2019	120,000,000	2,324,610	10-04-04	09-30-19
9	7.06% Series due 2012	40,000,000	434,119	05-20-97	05-01-12
10	5.26% 2008 Series A Snr Note due 2013	60,000,000	416,035	04-11-08	04-15-13
11	6.04% 2008 Series B Snr Note due 2018	100,000,000	652,076	04-11-08	04-15-18
12	6.44% 2008 Series C Snr Note due 2023	25,000,000	213,248	04-11-08	04-15-23
13	6.78% 2008 Series F Snr Note due 2028	75,000,000	521,224	06-26-08	06-15-28
14	5.94% 2008 Snr Note due 2015	140,000,000	682,593	08-20-08	09-01-15
15	6.36% 2008 Snr Note due 2020	50,000,000	239,830	08-20-08	09-01-20
16					
17	<b>Other Bonds:</b>				
18	6.45 % MOPPRS Series due 2038	75,000,000	839,877	06-30-98	06-30-08
19	<b>TOTAL ACCOUNT 181</b>	<b>\$1,165,000,000</b>	<b>\$10,430,945</b>		
20					
21					
22	<b>UNAMORTIZED PREMIUM ON OTHER BONDS</b>				
23	6.45 % MOPPRS Series due 2038	75,000,000	(1,875,000)	06-30-98	06-30-13
24					
25	<b>TOTAL ACCOUNT 225</b>	<b>\$75,000,000</b>	<b>(\$1,875,000)</b>		
26					
27					
28	<b>UNAMORTIZED DISCOUNT ON FIRST MORTGAGE BONDS</b>				
29					
30	8 1/4% Series due 2014	80,000,000	680,000	09-26-94	05-01-14
31	6.45 % MOPPRS Series due 2038	75,000,000	23,250	06-30-98	06-30-08
32	6.125% Snr Note due 2008	200,000,000	368,000	08-22-01	09-01-08
33	5.7% 2003A due 2033	200,000,000	726,000	02-20-03	03-15-33
34	5.0% 2004e due 2019	120,000,000	487,200	10-04-04	09-30-19
35	<b>TOTAL ACCOUNT 226</b>	<b>\$675,000,000</b>	<b>\$2,284,450</b>		
36					
37					
38					
39					
40					

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL			December 31, 2008		
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226) (Continued)					
5. 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.					
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.					
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.					
Balance at Beginning of Year (f)	Debits During Year (g)		Credits During Year (h)	Balance at End of Year (i)	Line No.
					1
					2
					3
					4
226,222			(35,719)	190,503	5
179,714			(179,714)	0	6
1,590,302			(63,093)	1,527,209	7
1,888,080			(160,688)	1,727,392	8
125,855			(29,043)	96,812	9
	416,035		(59,961)	356,074	10
	652,076		(47,042)	605,034	11
	213,248		(10,260)	202,988	12
	521,224		(13,413)	507,811	13
	682,593		(35,330)	647,263	14
	239,830		(7,254)	232,576	15
					16
					17
41,764			(41,765)	(1)	18
\$4,051,938	\$2,725,006		(\$683,282)	\$6,093,662	19
					20
					21
					22
(1,428,859)	1,428,859	(A)		0	23
					24
(\$1,428,859)	\$1,428,859		\$0	\$0	25
					26
					27
					28
					29
219,759			(34,699)	185,060	30
1,158			(1,158)	0	31
34,923			(34,923)	0	32
608,566			(24,144)	584,422	33
381,852			(32,498)	349,354	34
\$1,246,258	0		(\$127,422)	\$1,118,836	35
					36
					37
(A) = Remaining Unamortized Bond Premium offset against Loss on Reacquired Debt of New Bond.					38
					39
					40

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (ACCOUNTS 189, 257)						
1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.						
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.						
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.						
4. Show loss amounts by enclosing the figures in parentheses.						
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.						
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal Amount of Debt Reacquired (c)	Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	<u>Account 189</u>					
2	9 3/4% series due 2000					
3	Refunding with 7.06% 1997-B due 2012 - 110005	6/30/1997	12,000,000	1,009,562	293,276	225,597
4						
5	8% series due 2002					
6	Refunding with Remarketed Note					
7	6.78% 1998 MOPPRS due 2038 - 110001	6/30/1998	(1) 58,686,000	4,345,527	3,295,006	-
8						
9	BONDS 9 1/2 SER DUE 2021					
10	Refunding with 2001 6 1/8% due 2008 - 110002	2001	40,000,000	2,769,610	266,971	-
11						
12	7.8% due 2017					
13	6.75% due 2023					
14	7-1/2% due 2020					
15	7% due 2025					
16	6.2% due 2038					
17	Refunding with 5.7% 2003A due 2033 - 110003	2003	172,174,000	25,916,511	21,924,666	21,056,545
18						
19	1999 6.85% Senior Note due 2038					
20	1999 6.85% Senior Note due 2039					
21	Refunding with 5.0% 2004E due 2019 - 110004	2004	107,327,000	3,523,365	2,775,388	2,539,185
22						
23	8% series due 2002					
24	6.45% 1998 MOPPRS due 2038					
25	Refunding with 6.78% 2008 Series F					
26	Senior Notes due 2028 - 110010	(1) 6/30/2008	75,000,000	9,746,616	-	9,495,799
27						
28						
29			\$ 465,187,000	\$ 47,311,391	\$ 28,555,497	\$ 33,317,126
30	<u>Account 257</u>					
31	None					
32						
33						
34	(1) Refunding bonds 6.78% 2008F due 2038 on June 30, 2008,					
35	replaced 6.45% Rmkt Nt 6.45% 1998 MOPPRS due 2038					
36						
37						
38						
39	* MOPPRS - Mandatory Par Put Remarketed Securities					
40						
41						
42						
43						

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008		
NOTES PAYABLE (Account 231)						
1. Report the particulars indicated concerning notes payable at end of year. 2. Give particulars of collateral pledged, if any. 3. Furnish particulars for any formal or informal compensating balance agreements covering open lines of credit. 4. Any demand notes should be designated as such in column (d). 5. Minor amounts may be grouped by classes, showing the number of such amounts.						
Line No.	Payee (a)	Purpose for which issued (b)	Date of Note (c)	Date of Maturity (d)	Int. rate (e)	Balance end of year (f)
1	Various Lenders of Commercial	For Gas in Underground Storage	Various (1)	Various (1)	Various(1)	\$271,792,786
2	Paper Det	and Other Working Capital				
3						
4	Union Bank of California Credit	For Gas in Underground Storage	12/29/2008	1/28/2009	1.97125%	\$50,000,000
5	Facility Debt	and Other Working Capital				
6						
7	JP Morgan Credit Facility Debt	For Gas in Underground Storage	12/29/2008	1/29/2009	0.32500%	\$150,000,000
8		and Other Working Capital				
9						
10	CitiBank 2008 Ser M Snr Note	For Gas in Underground Storage	12/18/2008	1/18/2009	4.38375%	\$20,000,000
11		and Other Working Capital				
12						
13						
14	(1) MichCon continues to maintain its amended \$243.75 million 2004 five-year facility agreement and its \$181.25 million 2005					
15	five-year agreement. The maturity dates of the 2004 and 2005 facility agreements remain at 2009 and 2010, respectively.					
16	The five-year credit facilities are both with a syndicate of banks and may be utilized for general corporate borrowings,					
17	but are primarily intended to provide liquidity support for commercial paper programs.					
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
TOTAL						\$491,792,786

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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 a 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.						
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	<u>Account 233</u>					
2	MichCon Development Corporation	\$ 7,757,359	24,351	\$ 234,464	\$ 7,967,472	\$ 247,790
3	Saginaw Bay Lateral Limited Partnership	-	40,266	40,266	-	-
4	Westside Pipeline Company	63,413	7,732,960	7,905,109	235,562	-
5	Saginaw Bay Lateral Company	1,485,811	1,036,543	305,652	754,920	38,875
6	Jordan Valley Limited Partnership	745,530	682,150	2,732,396	2,795,776	47,457
7	MichCon Gathering Company	23,998,458	36,526,025	29,444,515	16,916,948	801,031
8	Thunder Bay Gathering Company	2,549,226	3,890,745	2,810,527	1,469,008	80,741
9	Saginaw Bay Pipeline Company	5,548,848	1,434,101	1,433,276	5,549,023	176,097
10	DTE Energy Company	-	2,325,314	32,380,711	30,055,397	4,608,352
11	MichCon Lateral Company	7,419,417	7,451,279	4,875,981	4,844,119	201,320
12	Blue Lake Holdings, Inc.	4,347,318	12,679	3,648,940	7,983,579	186,977
13	Jordan Valley Pipeline Company	4,870,227	3,129,093	2,377,951	4,119,085	13,433
14	DTE Terra Hayes Gathering Company	1,623,409	2,724,660	2,146,658	1,045,407	2,955
15	Tums/Olund Lake Pipeline Company	1,792,942	4,159,459	5,517,539	3,151,022	68,335
16	DTE Michigan Holding Inc	-	5,178,013	9,855,213	4,677,200	65,121
17						
18						
19	Total (Account 233)	\$ 62,202,956	\$ 76,347,638	\$ 105,709,196	\$ 91,564,518	\$ 6,538,485
20						
21	Note: Notes Payable to associated companies arise from the Inter-Company Loan Agreement.					
22	Purpose: To provide a line of credit from associated companies.					
23	Maturity Date: N/A					
24	Interest Rate: Annually modified fixed rate.					
25						
26						
27						
28						
29						
30						
31						
32						
33	Total					

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)						
Line No.	Particulars	Balance Beginning of Year	Totals for Year		Balance End of Year	Interest for Year
	(a)	(b)	(c)	(d)	(e)	(f)
1	Account 234					
2	DTE Energy Company	10,978,684	44,869,747	35,822,746	1,731,663	
3	DTE Energy Resources, Inc.	62	418	362	6	
4	DTE Biomass Energy, Inc.	1,062	2	(1,021)	39	
5	Sunshine Gas Producers	-	657	657	-	
6	DTE Energy Trading, Inc.	1,562,965	3,060,856	2,356,526	858,635	
7	DTE Energy Services, Inc.	28	19	30,458	30,467	
8	South Romeo Gas Storage Company	6,662	473	(5,852)	336	
9	EES Coke Battery, LLC	-	-	-	-	
10	DTE Smith Branch, LLC	536	-	(536)	-	
11	DTE Coal Services, Inc.	26	4	27	50	
12	Detroit Edison Company	2,676,922	1,910,546	785,400	1,751,776	
13	DTE Energy Ventures	-	-	368	368	
14	Michcon Development Corp	(20)	-	20	-	
15	MichCon Pipeline Company	699,394	75,753	(623,641)	-	
16	MichCon Gathering Company	12,756,153	12,961	(12,728,126)	15,066	
17	Saginaw Bay Pipeline Company	54,101	1,255	39,702	92,549	
18	Saginaw Bay Lateral Company	7,652	237	(6,870)	545	
19	Saginaw Bay Lateral Limited Partnership	8,142	2	(8,129)	11	
20	Westside Pipeline Company	8,063	-	(8,063)	-	
21	Jordan Valley Limited Partnership	(29,270)	-	29,270	-	
22	Thunder Bay Gathering Company	2,101	2,945	25,398	24,553	
23	MichCon Lateral Company	5,727	95,557	99,084	9,255	
24	Citizens Gas Fuel Company	2	-	7	9	
25	MCN Energy Enterprises, Inc.	31	153	149	27	
26	DTE Gas Storage, Pipeline & Processing	4	-	14	18	
27	DTE Michigan Holdings, Inc.	5,627	420	(4,650)	557	
28	DTE Gas Storage Company	9,817	6,447	42,154	45,523	
29	Shelby Storage LLC	7,318	-	(6,819)	499	
30	Jordan Valley Pipeline Company	10,204	959	(8,872)	373	
31	DTE Terra Hayes Gathering Company	5,011	351	(4,593)	67	
32	Tums/Olund Lake Pipeline Company	6,088	-	(6,088)	-	
33	DTE Gas Resources	-	-	55	55	
34	Washington 10 Storage Partnership	1,611	-	8,443	10,054	
35	Washington 10 Storage Corporation	37,389	143	183,047	220,292	
36	DTE Energy Foundation	-	13	210	197	
37	DTE Open-Loop Biomass LLC	1,160	-	(1,160)	-	
38	MCNIC Mobile Bay Gathering Company	631	-	(631)	-	
39	DTE Energy Corporate Services, LLC	24,735,499	15,442,064	19,478,545	28,771,981	
40	Total (Account 234)	\$ 53,759,362	\$ 65,481,984	\$ 45,287,592	\$ 33,564,971	\$ -
41	Total	\$ 115,962,320	\$ 141,829,622	\$ 150,936,791	\$ 125,129,489	\$ 6,538,485

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2008		
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
<p>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.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however,</p>		
Line No.		Total Amount
1	Utility net operating income (page 114 line 24)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
5	Net income for the year (page 117 line 72)	\$82,790,171
6	Allocation of Net income for the year	
7	Add Federal income tax expenses	27,553,285
8		
9	Total pre-tax income	110,343,456
10		
11	Add: Taxable income not reported on books	
12	SEE PAGE 261-C	29,643,076
13		
14		
15	Add: Deductions recorded on books not deducted from return	
16	SEE PAGE 261-C	106,696,032
17		
18		
19	Subtract : Income recorded in books not included in return	
20	SEE PAGE 261-C	(133,915,605)
21		
22		
23	Subtract: Deductions on return not charged against book income	
24	SEE PAGE 261-C	(99,259,731)
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	Federal taxable income for the year	\$13,507,228

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
RECONCILIATION OF REPORTED NET INCOME					
WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES					
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.					
3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2.					
4. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions.					
Utility		Other		Line No.	
	\$116,243,830				1
					2
					3
					4
					5
	61,130,124		21,660,047		6
	22,995,641		4,557,644		7
					8
	84,125,765		26,217,691		9
					10
					11
	29,643,076		0		12
					13
					14
					15
	106,696,032		0		16
					17
					18
					19
	(120,719,754)		(13,195,851)		20
					21
					22
					23
	(99,259,731)		0		24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40
					41
					42
	\$485,388		\$13,021,840		43



MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2008		
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
Line No.		Total Amount
1	NOTES	
2	Line 12: Taxable Income Not Reported On Books:	
3	Uniform Cost Cap-Avoided Interest	\$15,367,534
4	Grantor Trust	9,128,929
5	Contribution in Aid of Construction	5,146,613
6		
7		
8	Line 12 Subtotal	\$29,643,076
9		
10	Line 16: Deductions Recorded On Books Not Deducted From Return:	
11	Decrease in Bad Debt Reserve	\$48,690,012
12	Reg Asset Rate Surcharge	38,384,358
13	Accretion Expense	4,396,943
14	Amortization - Debt Discount and Issuance Costs	4,318,646
15	Reserve for Injuries and Damages	2,199,383
16	Cost to Achieve Amortization	2,174,533
17	Accrued Bonus - 481 (a)	1,988,088
18	Other Miscellaneous	4,544,069
19		
20	Line 16 Subtotal	\$106,696,032
21		
22	Line 20: Income Recorded in Books Not Included in Return:	
23	Uncollectible Tracker	\$54,879,538
24	Pension Plan Accrual	36,406,069
25	Equity Earnings in Subsidiaries	13,195,851
26	Reserve for Lost Gas	11,919,148
27	Costs to Achieve	6,876,298
28	AFUDC	6,124,547
29	Other Miscellaneous	4,514,154
30		
31	Line 20 Subtotal	\$133,915,605
32		
33	Line 24: Deductions On Return Not Charged Against Book Income:	
34	Tax Depreciation over Book Depreciation	\$6,926,483
35	Property Tax	9,273,350
36	Repairs Allowance	31,985,510
37	ACRS & MACRS Dispositions	16,400,000
38	SFAS 106 Adjustment	12,835,180
39	Loss on Required Debt	4,761,628
40	Other Miscellaneous	17,077,580
41		
42	Line 24 Subtotal	\$99,259,731

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES			
Utility	Other	Line No.	
		1	
		2	
\$15,367,534		3	
9,128,929	0	4	
5,146,513	0	5	
	0	6	
		7	
\$29,643,076	\$0	8	
		9	
		10	
\$48,690,012	\$0	11	
38,384,358	0	12	
4,396,943	0	13	
4,318,646	0	14	
2,199,383	0	15	
2,174,533		16	
1,988,088	0	17	
4,544,069		18	
		19	
\$106,696,032	\$0	20	
		21	
		22	
\$54,879,538		23	
36,406,069		24	
	13,195,851	25	
11,919,148	0	26	
6,876,298	0	27	
6,124,547		28	
4,514,154	0	29	
		30	
\$120,719,754	\$13,195,851	31	
		32	
		33	
\$6,926,483	\$0	34	
9,273,350	0	35	
31,985,510	0	36	
16,400,000	0	37	
12,835,180	0	38	
4,761,628	0	39	
17,077,580		40	
		41	
\$99,259,731	\$0	42	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
CALCULATION OF FEDERAL INCOME TAX			
Line No.		Total Amount	
1	Estimated Federal taxable income for the current year (page 261A)	\$13,507,228	
2			
3	Show Computation of estimated gross Federal income tax applicable to line 1:		
4	\$13,507,228 * 35 %	4,727,530	
5			
6			
7			
8	TOTAL	\$4,727,530	
9			
10	Allocation of estimated gross Federal income tax from line 11		
11	Investment tax credits estimated to be utilized for the year (page 264 col (c))		
12			
13	Adjustment of last years estimated Federal income tax to the filed return:		
14			
15	Last year's gross Federal income tax expense per the filed return	(\$30,821,909)	
16	Last year's estimated gross Federal income tax expense	22,597,769	
17	Increased (decreased) gross Federal income tax expense	(53,419,678)	
18			
19	Last year's investment tax credits utilized per the filed return	0	
20	Last year's investment tax credits estimated to be utilized	0	
21	Increased (decreased) investment tax credits utilized	0	
22			
23	Additional Adjustments (Specify)		
24	DTE Energy company stock options exercised	1,269,297	
25	R & D credit	(223,286)	
26	Tax Reserves	267,124	
27	IRS Audit Settlement	7,936,943	
28			
29			
30			
31	Total Current Federal Income Tax	(\$39,442,070)	
32	Expense:		
33	409.1 (page 114, line 14)	(\$43,999,714)	
34	409.2 (page 117, line 47)	\$4,557,644	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008	
CALCULATION OF FEDERAL INCOME TAXES (continued)				
Utility	Other		Line No.	
			1	
			2	
			3	
			4	
			5	
			6	
			7	
			8	
			9	
\$169,886	\$4,557,644		10	
			11	
			12	
			13	
			14	
(\$30,821,909)	0		15	
\$22,597,769	0		16	
(\$53,419,678)	\$0		17	
			18	
			19	
			20	
			21	
			22	
			23	
1,269,297	0		24	
(223,236)			25	
267,124			26	
7,936,943			27	
			28	
			29	
			30	
(\$43,999,714)	\$4,557,644		31	
			32	
(\$43,999,714)			33	
	\$4,557,644		34	

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

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

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beginning of Year	
		Taxes Accrued (b)	Prepaid Taxes (c)
1	Federal Taxes		
2			
3	Federal Insurance Contributions	\$160,001	-
4	Federal Unemployment	2,354	-
5	Federal Income - Accrual	1,475,778	-
6	- Prepaid	-	-
7	Subtotal Federal Taxes	1,638,133	0
8			
9	State Taxes		
10			
11	Michigan Unemployment	(4,570)	-
12	Michigan Use	(299,763)	-
13	Michigan Severance	1,830,854	-
14	Michigan Single Business	1,483,119	-
15	Michigan Business Tax	-	-
16	M.P.S.C. Fee	-	623,634
17	Subtotal State Taxes	3,009,640	623,634
18			
19	Local		
20			
21	Property - Accrued	7,812	-
22	- Prepaid		6,400,920
23	City Utility Users		
24	City Income	(199,250)	-
25	Subtotal Local Taxes	(191,438)	6,400,920
26			
27	Other Taxes		
28			
29	Corporate Allocated Payroll Tax	-	-
30	Other Tax Expense	-	-
31	Subtotal Other Taxes	0	0
32			
33			
34	Total A/C 236	\$4,456,335	\$7,024,554
35	Income Tax Prior Year - A/C 244, 245	\$0	-
36	Other Tax Prior Year - A/C 244.1, 245.1		
37			

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL December 31, 2008

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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) thru (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
					2
\$8,473,929	\$8,385,962	-	\$247,968	-	3
90,888	91,500	-	1,742	-	4
(39,709,196)	(22,513,992)	-	(15,719,426)	-	5
		-	-	-	6
(31,144,379)	(14,036,530)	-	(15,469,716)	-	7
					8
					9
					10
(187,484)	233,090	-	(425,144)	-	11
3,494,113	3,093,501	-	100,849	-	12
1,418,973		-	3,249,827	-	13
(1,483,119)		-	-	-	14
-	6,000,000	-	(6,000,000)	-	15
2,336,065	2,453,487	-	-	741,056	16
5,578,548	11,780,078	-	(3,074,468)	741,056	17
					18
					19
					20
40,489,447	40,497,259	-	-	-	21
(3,898,650)		-	-	10,299,570	22
		-	0	-	23
5,352,733	0	-	5,153,483	-	24
41,943,530	40,497,259	0	5,153,483	10,299,570	25
					26
					27
					28
385,865	385,865	-	-	-	29
	0	-	-	-	30
385,865	385,865	0	0	0	31
					32
					33
\$16,763,564	\$38,626,672	\$0	(\$13,390,701)	\$11,040,626	34
\$0	0	\$0	\$0	-	35
\$0	0		\$0		36
					37

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)			
DISTRIBUTION OF TAXES CHARGED			
Line No.	Kind of Tax (See Instruction 5) (a)	Electric (Account 408.1 409.1) (b)	Gas (Account 408.1 409.1) (c)
1	Federal Taxes		
2			
3	Federal Insurance Contributions	\$ -	\$8,453,458
4	Federal Unemployment	-	92,011
5	Federal Income - Accrual	-	(43,999,714)
6	- Prepaid	-	
7	Subtotal Federal Taxes	0	(35,454,245)
8			
9	State Taxes		
10			
11	Michigan Unemployment	-	382,374
12	Michigan Use	-	
13	Michigan Severance	-	
14	Michigan Single Business	-	(3,124,738)
15	M.P.S.C. Fee	-	2,336,065
16	Subtotal State Taxes	-	(406,299)
17			
18	Local		
19			
20	Property - Accrued	-	39,853,772
21	- Prepaid	-	(3,898,650)
22	City Utility Users	-	
23	City/State Income	-	3,252,733
24	Subtotal Local Taxes	0	39,207,855
25			
26	Other Taxes		
27			
28	Corporate Allocated Payroll Tax		385,885
29	Other Tax Expense		285,928
30	Subtotal Other Taxes	0	671,793
31			
32			
33	Total A/C 236	\$0	\$4,019,104
34	Income Tax Prior Year - A/C 244, 245	-	\$0
35	Other Tax Prior Year - A/C 244.1, 245.1	-	\$0
36			
37			

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
(Show utility department where applicable and account charged.)						
Other Utility Department (Account 408.1, 409.1) (d)	Other Income and Deductions (Account 408.2 409.2) (e)	Extraordinary Items (Account 409.3) (f)	Other Utility Opn. Income (Account 408.1, 409.1) (g)	Adj. to Ret. Earnings (Account 439) (h)	Other (i)	Line No.
-	-	-	-	-	\$ 20,471	1
-	-	-	-	-	(1,123)	2
-	4,557,644	-	-	-	(267,126)	3
-	-	-	-	-	-	4
0	4,557,644	0	0	0	(247,778)	5
-	-	-	-	-	-	6
-	-	-	-	-	(569,858)	7
-	1,418,973	-	-	-	3,494,113	8
-	-	-	-	-	1,841,619	9
-	1,418,973	-	-	-	4,565,874	10
-	-	-	-	-	-	11
-	30,000	-	-	-	605,675	12
-	-	-	-	-	2,100,000	13
0	30,000	0	0	0	2,705,675	14
-	-	-	-	-	-	15
-	-	-	-	-	(285,928)	16
0	0	0	0	0	(285,928)	17
\$0	\$6,006,617	\$0	\$0	\$0	\$6,737,843	18
-	-	-	-	-	\$0	19
-	-	-	-	-	\$0	20
-	-	-	-	-	-	21
-	-	-	-	-	-	22
-	-	-	-	-	-	23
-	-	-	-	-	-	24
-	-	-	-	-	-	25
-	-	-	-	-	-	26
-	-	-	-	-	-	27
-	-	-	-	-	-	28
-	-	-	-	-	-	29
-	-	-	-	-	-	30
-	-	-	-	-	-	31
-	-	-	-	-	-	32
-	-	-	-	-	-	33
-	-	-	-	-	-	34
-	-	-	-	-	-	35
-	-	-	-	-	-	36
-	-	-	-	-	-	37



DISTRIBUTION OF TAXES CHARGED

Line No.	Kind of Tax (See Instruction 5) (a)	Total Other (b)	Work-In-Progress (c)	Depreciation Reserve (d)
1	Federal Taxes			
2				
3	Federal Insurance Contributions	20,471	-	-
4	Federal Unemployment	(1,123)	-	-
5	Federal Income - Accrual	(267,126)	-	-
6	- Prepaid	-	-	-
7	Subtotal Federal Taxes	(247,778)	0	0
8				
9	State Taxes			
10				
11	Michigan Unemployment	(569,858)	-	-
12	Michigan Use	3,494,113	3,494,113	-
13	Michigan Severance	-	-	-
14	Michigan Single Business	1,641,619	-	-
15	M.P.S.C. Fee	-	-	-
16	Subtotal State Taxes	4,565,874	3,494,113	0
17				
18	Local			
19				
20	Property - Accrued	605,675	-	-
21	- Prepaid	-	-	-
22	City Utility Users	-	-	-
23	City Income	2,100,000	-	-
24	Subtotal Local Taxes	2,705,675	0	0
25				
26	Other Taxes			
27				
28	Corporate Allocated Payroll Tax			
29	Other Tax Expense	(285,928)		
30	Subtotal Other Taxes	(285,928)	0	0
31				
32				
33	Total A/C 236	\$6,737,843	\$3,494,113	\$0
34	Income Tax Prior Year - A/C 244, 245	\$0	-	-
35	Other Tax Prior Year - A/C 244.1, 245.1	\$0	-	-
36				
37				

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL December 31, 2008  
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

(Show utility department where applicable and account charged)

General Work Orders (e)	Accounts Receivable (f)	Operation & Maintenance Expenses (g)	Transport. Expenses (h)	Materials & Supplies (i)	Deferred Credit & F.I.T. (j)	Misc. Current & Accrued Assets (k)	Line No.
							1
							2
						20,471	3
						(1,123)	4
						(267,126)	5
							6
0	0	0	0	0	0	(247,778)	7
							8
							9
						(569,858)	10
							11
		0					12
						1,641,619	13
							14
0	0	0	0	0	0	1,071,761	15
							16
							17
	605,675						18
							19
							20
							21
							22
						2,100,000	23
0	605,675	0	0	0	0	2,100,000	24
							25
							26
							27
						(285,928)	28
0	0	0	0	0	0	(285,928)	29
							30
							31
\$0	\$605,675	\$0	\$0	\$0	\$0	\$2,638,055	32
					\$0	\$0	33
							34
							35
							36
							37

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)					
<p>1. Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and non-utility operations. Explain by footnote any correction adjustments to the account balance shown in column (g) . Include in column (j) the average period over which the tax credits are amortized.</p> <p>2. Fill in columns for all line items as appropriate.</p>					
Line No.	Account Subdivisions (a)	Subaccount Number (b)	Balance at Beginning of Year (c)	Deferred for Year	
				Account Number (d)	Amount (e)
1	Gas Utility				
2	PRE - 1970				
3	3%	255-10	\$96,467		
4	7%	255-10	124,584		
5	Subtotal Pre - 1970		221,051		
6					
7					
8					
9					
10					
11					
12	JDITC: POST - 1970				
13	4%	255-20	460,279		
14	6%	255-20			
15	7%	255-20	404,047		
16	4% & 6%	255-20			
17	8% & 10%	255-20	11,954,480		
18					
19	Subtotal POST - 1970		12,818,806		
20	Total		13,039,857		
21	Other				
22	3%				
23	4%				
24	7%				
25	8%				
26	10%				
27					
28					
29					
30					
31					
32	JDITC				
33					
34					
35	Total				
NOTES					

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)						
Allocations to Current Year's Income						
Account No. (f)	Amount (g)	Adjustments (h)	Balance at End of Year (i)	Average Period of Allocation to Income (j)	Line No.	
					1	
					2	
411-42	(\$57,559)		\$38,908	41.57	3	
411-42	(46,913)		77,671	37.43	4	
	(104,472)		116,579		5	
					6	
					7	
					8	
					9	
					10	
					11	
					12	
411-42	(53,382)	-	406,897	39.21	13	
411-42		-	-		14	
411-42	(170,633)	-	233,414	35.69	15	
411-42		-	-		16	
411-42	(1,424,161)	-	10,530,319	34.55	17	
	(1,648,176)	-	11,170,630		18	
	(\$1,752,648)	-	11,287,209		19	
					20	
					21	
					22	
					23	
					24	
					25	
					26	
					27	
					28	
					29	
					30	
					31	
					32	
					33	
					34	
					35	
NOTES (Continued)						

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)			
1. Report the amount and description of other current and accrued liabilities at end of year.			
2. Minor items (Less than \$100,000) may be grouped under appropriate title.			
Line No.	Item (a)	Balance end of year (b)	
1	Accrued Absences	12,838,148	
2	Gas Exchange / Imbalance Payable	7,895,736	
3	Current Environmental Reserves	2,596,494	
4	Accrued Employee Incentives	2,523,200	
5	Healthcare Liability	2,766,589	
6	Accrued Wages	3,269,918	
7	Tax Liability - Other	1,008,000	
8	Current Pension Benefits	1,248,000	
9	Other Current Liabilities Accrual	897,261	
10	Employee Deductions	754,303	
11	Escheat Liability	111,557	
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25	TOTAL	\$35,909,206	

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)		
Line No.	List Advances by Department (a)	Balance at End of Year (b)
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	TOTAL	\$0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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.						
4. For any undelivered gas obligations to customers under take-or-pay clauses of sale agreements, show the total amount on this page and report particulars (details) called for by page 267. Show also on this page, but as a separate item, any advance billings or receipts for gas sales or service classified in Account 253 but not related to take-or-pay arrangements.						
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Regulated Liability - Pension Offset	59,293,700	926	8,763,844	45,757,948	98,287,804
2	Unearned Interest Revenue Vector	78,110,724	Var	7,446,808	-	70,663,916
3	Environmental Remediation Expenses	34,200,837	186	2,576,590	2,655,306	34,279,553
4	NonQualified Benefit Plans	4,187,922	Var	3,254,349	1,038,169	1,971,742
5	Environmental Insurance Recovery	5,325,524	Var	1,813,630	1,966	3,513,860
6	Gas Customer Choice Deposits	2,430,257	Var	1,264,433	543,918	1,689,742
7	Deferred Gains on Sales of Assets	1,900,781	421	2,249,739	976,804	627,846
8	Unfunded Savings Plan	702,759	Var	887,099	289,628	105,288
9	Refund Pending Final Disposition	633,315	Var	638,114	4,799	-
10	Lost gas deferral	154,147	Var	1,989,640	1,835,493	-
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						
60	TOTAL	\$ 186,939,966		\$ 28,904,246	\$ 53,104,031	\$ 211,139,751

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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 income and deductions. 3. Use separate pages as required.						
Line No.	Account Subdivisions (a)	Sub-Acc't. No. (b)	Balance at Beginning of Year (c)	CHANGES DURING YEAR		
				Amounts Debited to (Account 410.1) (d)	Amounts Credited to (Account 411.1) (e)	
1	Account 282					
2	Electric					
3	Gas Sec. 167 Acc Deprec.		\$211,676,880	\$14,232,626	\$19,969,689	
4	Other (Define)		0	0	0	
5	TOTAL (Enter total of lines 2 - 4)	282	211,676,880	14,232,626	19,969,689	
6	Other (Specify) Non-Utility					
7						
8						
9	TOTAL Account 282 (Enter total of lines 5 thru 8)		\$211,676,880	\$14,232,626	\$19,969,689	
10	Classification of Total					
11	Federal Income Tax		\$211,676,880	\$14,232,626	\$19,969,689	
12	State Income Tax					
13	Local Income Tax					
NOTES						
	ACCUMULATED D.F.I.T - LIBERALIZED DEPRECIATION:					
	LINE 3 GAS - UTILITY					
	FASB 109 Plant Reg. Liability	285-RA	\$68,002,120		\$6,801,574	
	Liberalized Depr. - Pre 1981	282-10	(2,920,618)	0	0	
	Liberalized Depr. - Post 1980	282-20	143,909,751	13,619,198	13,168,115	
+	Accumulated DFIT - Depreciation	282-50	2,685,627	613,428	0	
			211,676,880	14,232,626	19,969,689	
	LINE 4 GAS					
	SUBTOTAL - LINE 5 GAS		\$211,676,880	\$14,232,626	\$19,969,689	
	LINE 6					
	OTHER - NON UTILITY LIBERALIZED DEPRECIATION					
	SUBTOTAL - LINE 6 OTHER		0	0	0	
	GRAND TOTAL ACCOUNT 282-XX		\$211,676,880	\$14,232,626	\$19,969,689	

MICHIGAN CONSOLIDATED GAS COMPANY				AN ORIGINAL		December 31, 2008	
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)							
See Instructions Page 274							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (l)	Line No.
Amounts Debited (Account 410.2) (f)	Amounts Credited (Account 411.2) (g)	DEBITS		CREDITS			
		Acc't. (h)	Amount (i)	Acc't (j)	Amount (k)		
							1
							2
\$0		See Below	\$1		\$0	\$205,939,818	3
			0		0	0	4
0	0		1		0	205,939,818	5
							6
							7
							8
\$0	\$0		\$1		\$0	\$205,939,818	9
							10
\$0	\$0		\$1		\$0	\$205,939,818	11
							12
							13
NOTES (Continued)							
						\$61,200,546	
						(2,920,618)	
						144,360,834	
		Rounding	1			3,299,056	
0	0		1		0	205,939,818	
\$0	\$0		\$1		\$0	\$205,939,818	
	0						
	0						
0	0		0		0	0	
\$0	\$0		\$1		\$0	\$205,939,818	



MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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. 3. Provide in the space below, the order authorizing the use of the account for each line item.						
Line No.	Account Subdivisions (a)	Sub-Acc't. No. (b)	Balance at Beginning of Year (c)	CHANGES DURING YEAR		
				Amounts Debited (Acc't. 410.1) (d)	Amounts Credited (Acc't. 411.1) (e)	
1	Account 283					
2	Electric					
3						
4						
5						
6	Other					
7	TOTAL Electric (Total of lines 2 thru 6)					
8	GAS					
9	Long Term Liabilities	(283-10)	\$26,620,379	\$21,666,974	\$886,038	
10	Property Taxes	(283-20)	17,814,189	3,438,171		
11	Misc. Deferrals	(283-QI)	285,844,223	67,094,316		
12						
13	ACRS/MACRS & Retirement Plant	(283-QL)	989,530	223		
14	MARS Project	(283-QG)	22,482,098	0	0	
15	Other		56,479,591	8,997,764	1,240,891	
16	TOTAL Gas (Total of lines 9 thru 15)		410,230,010	101,197,448	2,126,929	
17	Other (Specify)					
18						
19						
20						
21						
22	TOTAL (Account. 283) (Enter Total of lines 7, 16, & 17)		\$410,230,010	\$101,197,448	\$2,126,929	
23	Classification of TOTAL					
24	Federal Income Tax		\$407,545,010	\$100,586,448	\$2,126,929	
25	State Income Tax					
26	Local Income Tax		\$2,685,000	\$611,000	\$0	
NOTES						
	Other Gas (Line 15)					
	GCR Undercollections	(283-80)	\$2,646,264	\$439,724	\$0	
	FAS 133 MTM	(283-00)	(613,506)	39,355		
	State & Local Taxes	(283-QM)	2,685,000	611,000	0	
	FAS 96 Excessive Deferrals	(253-PB)	598,843		0	
	VEBA	(283-QJ)	51,162,990	7,907,685	1,240,891	
	Total Other Gas		\$56,479,591	\$8,997,764	\$1,240,891	



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
OTHER REGULATORY LIABILITIES					
1. Report 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 accounts).					
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	Accum. Deferred Michigan Business Tax (254)	186	518,000	\$7,249,000	\$53,337,000
2					
3	SFAS 109 Plant Regulatory Liability (286)	190	3,662,652	\$263	<u>\$32,148,433</u>
4					
5	Total Regulatory Liabilities				<u>\$85,485,433</u>
6					
7	Regulatory Liabilities in Other Accounts				
8	SFAS 109 Plant Excess Deferred Federal Income Tax (285)	411	6,801,576	2	\$61,200,545
9					
10	Overcollected Gas Sales Revenue (242)	485 & 431	\$72,437,651	2,625,371	\$0
11					
12	Safety and training cost refund (229)	485 & 431	\$0	0	\$0
13					
14	Pension Regulatory Liability (253)	926	\$6,763,844	45,298,007	<u>\$109,724,784</u>
15					
16	Total Regulatory Liabilities in Other Accounts				<u>\$170,925,329</u>
17					
18	Total Regulatory Liabilities				<u>\$256,410,762</u>
19					
20					
21	REGULATORY ACCOUNTING ADJUSTMENT				
22	Refunds Payable (253)	431	638,114	4,799	\$0
23					
24	Unamortized Investment Tax Credits (255)	411	1,752,648	0	\$11,287,209
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37	Items displayed on this page may also be included on other pages due to overlapping classifications.				
38					
39					
	TOTAL		\$92,574,485	\$55,177,442	\$267,697,971

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
GAS OPERATING REVENUES (Account 400)					
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 term basis, give the Btu contents of the gas sold and the sales converted to Mcf.					
Line No.	Title of Account (a)	OPERATING REVENUES			
		Amount for Year (b)	Amount for Previous Year (c)		
1	GAS SERVICE REVENUES				
2	480 Residential Sales	1,224,628,442	1,110,215,013		
3	481 Commercial & Industrial Sales				
4	Small (or Comm.) (See Instr. 6)	389,502,822	321,451,989		
5	Large (or Ind.) (See Instr. 6)	11,015,398	13,127,345		
6	482 Other Sales to Public Authorities	0	0		
7	484 Interdepartmental Sales	13,287,252	17,650,202		
8	TOTAL Sales to Ultimate Consumers	1,638,433,914	1,462,444,549		
9	483 Sales for Resale	0	0		
10	TOTAL Nat. Gas Service Revenues	1,638,433,914	1,462,444,549		
11	Revenues from Manufactured Gas	0	0		
12	TOTAL Gas Service Revenues	\$1,638,433,914	\$1,462,444,549		
13	OTHER OPERATING REVENUES				
14	485 Intracompany Transfer	0	0		
15	487 Forfeited Discounts	\$17,582,913	\$17,045,125		
16	488 Misc. Service Revenues	35,913,763	30,307,600		
17	489 Rev. from Trans. of Gas of Others	202,461,780	197,100,497		
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	201,008	115,831		
22	494 Interdepartmental Rents	1,500,000	1,500,000		
23	495 Other Gas Revenues	47,290,390	67,879,393		
24	TOTAL Other Operating Revenues	304,949,854	313,948,445		
25	TOTAL Gas Operating Revenues	1,943,383,768	1,776,392,995		
26	(Less) 485 Provision for Rate Refunds				
	Gas Cost Recovery	(72,789,077)	(13,244,885)		
	UETM/ Safety Tracker	(78,059,939)	(29,044,542)		
	Lost Gas Deferred (1)	(11,919,148)	10,554,148		
	Total Provision for Rate Refunds	(162,768,163)	(31,735,279)		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	\$2,106,151,931	\$1,808,128,273		
28	Sales by Communities (Incl. Main Line Sales to Resid. and Comm. Custrs.)	\$1,614,131,264			
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	11,015,398			
30	Sales for Resale	0			
31	Other Sales to Pub. Auth. (Local Dist. Only)	0			
32	Gas Customer Choice Revenue	13,287,252			
33	TOTAL (Same as Line 10, Columns (b) and (d))	\$1,638,433,914			

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
GAS OPERATING REVENUES (Account 400) (Continued)					
5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote. 6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.) 7. See page 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.					
MCF OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.			
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.	
				1	
107,794,096	109,193,454	990,725	1,020,141	2	
				3	
35,038,050	32,137,998	74,827	73,757	4	
1,009,208	1,361,408	468	459	5	
0	0	0	0	6	
1,289,942	1,697,448	0	0	7	
145,131,296	144,390,308	1,066,020	1,094,357	8	
0	0	0	0	9	
145,131,296	144,390,308	1,066,020	1,094,357	10	
				11	
		NOTES		12	
				13	
				14	
				15	
				16	
				17	
				18	
				19	
		(1) In order to reduce volatility in monthly lost gas expense, month to month deferrals are used.		20	
				21	
				22	
				23	
		(2) Includes gas sales related to reconciliation of Gas Customer Choice Program.		24	
				25	
				26	
				27	
				28	
142,832,146				29	
1,009,208				30	
0				31	
0				32	
1,289,942				33	
145,131,296					

## CUSTOMER CHOICE GAS OPERATING REVENUES (ACCOUNT 400)

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 degrees F). If billings are on 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 reported

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	<b>GAS SERVICE REVENUES</b>		
2	489 Residential Sales	48,148,271	41,569,443
3	489 Commercial & Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	21,226,828	22,090,245
5	Large (or Ind.) (See Instr. 6)	444,487	570,336
6	TOTAL Sales to Ultimate Customers	69,819,587	64,230,024
7			
8	<b>OTHER OPERATING REVENUES</b>		
9			
10	489 Other Choice Revenues	1,132,261	999,352
11			
12	TOTAL Other Operating Revenues	70,951,847	65,229,376
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	69,375,099	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	444,487	
30	Year End Reconciliation		
31	Other Choice Revenue	1,132,261	
32			
33	TOTAL (Same as Line 7, Columns (b) and (d))	70,951,847	

## CUSTOMER CHOICE GAS OPERATING REVENUES (ACCOUNT 400) (Continued)

figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, important changes During Year, for important new territory added and important rate increases or decreases.

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
18,884,899	16,338,048	158,050	139,827	2
				3
8,978,041	9,221,172	15,729	17,213	4
216,912	280,908	75	90	5
28,079,852	25,840,128	173,854	157,130	6
				7
				8
				9
				10
NOTES				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
27,862,940				28
216,912				29
645,299				30
				31
				32
28,725,151				33



Name of Respondent Michigan Consolidated Gas Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2008
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## 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.

Thousands of Cubic Feet or Therms 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 uses except space heating.

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

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

C. Commercial Service. This class 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 Street and Highway Lighting. Covers service rendered to municipalities or other governmental units for the purpose of lighting streets, highways, parks and other public places.

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

H. Interdepartmental Sales. This class includes gas supplied by the gas department to other departments of the utility when the charges therefore 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.

## 625-A. SALES DATA FOR THE YEAR

(For the State of Michigan)

Line No.	Class of Service	Average Number of Customers per month	Gas Sold Mcf*	Revenue (Show to nearest dollar)	AVERAGES		
					Mcf* per Customer	Revenue Per Customer	Revenue per Mcf*
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	AB. Residential service						
2	A. Residential service	19,671	1,186,591	\$14,614,432	60.32	\$742.94	\$12.32
3	B. Residential space heating service	971,054	107,200,373	1,210,014,009	110.40	1,246.08	11.29
4	CD. Commercial service						
5	C. Commercial service, except space heating	4,040	1,980,748	22,322,631	490.28	5,525.40	11.27
6	D. Commercial space heating	70,787	33,250,011	387,180,191	469.72	5,187.11	11.04
7	E. Industrial service	468	1,014,759	11,015,398	2,168.29	23,537.18	10.88
8	F. Public Street & highway lighting	0	0	0	N/M	0	N/M
9	G. Other Sales to Public Authorities						
10	H. Gas Customer Choice (1)	0	1,297,037	12,952,399			9.99
11	I. Other sales						
12	A-I. Total sales to ultimate customers	1,066,020	145,929,519	1,638,099,060	136.89	\$1,536.65	\$11.23
13	J. Sales to other gas utilities for resale	0	0	0	N/M	N/M	0.00
14	A-J. TOTAL SALES OF GAS	1,066,020	145,929,519	\$1,638,099,060	136.89	\$1,536.65	\$11.23
15	K. Other gas revenues			\$304,949,854			
16	A-K. TOTAL GAS OPERATING REVENUE			\$1,943,048,914			

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

(1) Gas Customer Choice revenue and volumes associated with reconciliation.

NOTE: Revenue; columns d, f and g are net of prior period refunds and revenue deferred under certain surcharge programs (see page 305C).

## 625-B. 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 classification shown in Schedule 625A, 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 625A, page 305B.
- 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 625A. 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 625A.
- 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	Total Integrated Natural Gas System:					
2	Rate GS-1	General Service	C,D&E	75,229	33,544,473	\$369,925,489
3	Rate A	Res. & Res. Heat use	A&B	955,707	98,841,677	1,111,425,049
4	Rate 2A	Res. & Res. Heat use	A&B	8,635	5,365,132	57,308,730
5	Rate AS	Res. & Res. Heat use	A&B	28,383	3,499,900	36,705,218
6	No. 3A	Res. heating	B	0	0	0
7	Rate GS-2	Comm. & Ind. use	C, D&E	26	1,496,312	15,804,469
8	No. 7	Fuel for Ind. use	F	0	0	0
9	No. 8	Comm. & Ind. use	C&E	0	0	0
10	No. 9	Comm. & Ind. use	C&E	0	0	0
11	Rate S	Comm. Heating - Schools	D	40	671,017	6,906,882
12						
13	Customer Refunds					0
14	Surcharges:	Area Expansion Program				0
15		MichCon Conservation Co.				0
16						
17	Gas Customer Choice		A,B,C,D,E		1,297,037	12,952,399
18	Total Unbilled				1,413,971	27,070,824
19						
20	Total Company			1,068,020	145,929,519	\$1,638,099,060

\* Volume reported at 14.65 psia dry and a temperature base of 60° F.

## 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.
- 2 Column (a): List all rates 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, etc.
- 4 Column (c): Using the classification shown on Page 305B, 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.
- 6 Columns (e) and (f): For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from, customers billed under that rate schedule.
- 7 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	Choice Customers on Integrated Natural Gas System:					
2	Rate GS-1	General Service	C,D&E	15,772	8,848,653	\$20,952,629
3	Rate A	Res. & Res. Heat use	A&B	149,901	16,930,641	44,044,249
4	Rate 2A	Res. & Res. Heat use	A&B	1,044	1,050,578	2,016,031
5	Rate AS	Res. & Res. Heat use	A&B	7,105	931,043	1,957,839
6	Rate GS-2	Comm. & Ind. use	C, D&E	3	36,179	71,696
7	Rate S	Comm. Heating - Schools	D	29	262,532	458,770
8						
9	Program Year-End Reconciliation				648,848	
10						
11	Choice Unbilled				174,665	318,373
12						
13						
14						
15						
16						
17						
18						
19						
20	Total Company			173,854	28,883,139	\$69,819,587

\* Volume reported at 14.65 psia dry and a temperature base of 60° F.

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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)	Mcf of Gas Sold (Approx. B.T.U. per Cu. Ft.) Mcf @ 14.73 (d)	
1	*DTE Energy Trad.	MichCon Citygate	421-10	2,822,083	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19				2,822,083	
20					
21					
22					
23					
24					
25					
26	* Affiliated company				
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
OFF-SYSTEM SALES - NATURAL GAS (Continued)					
Revenue for Year (See Instr. 5)	Average Revenue Per Mcf (in cents)	Peak Day Delivery to Customers			Line No.
		Date	Mcf		
			Noncoin- cidental	Coin- cidental	
(e)	(f)	(g)	(h)	(i)	
\$23,383,820	8.29 ¢				1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
\$23,383,820	8.29 ¢				19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40
					41
					42

REVENUE FROM TRANSPORTATION OF GAS OF OTHERS-NATURAL GAS (Account 489)

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.
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. Designate with an asterisk, however, if gas transported or compressed is other than natural gas.
3. Enter the average number of customers per company and/or by rate schedule.
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. Also specify the Commission order or regulation authorizing such transaction.

Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk)	Average Number of Customers per Month (b)	Distance Transported (in miles) (c)
1	Transportation of Gas		
2	Intrastate Transportation		
3	Cima Energy (3)	1	Various
4	* DTE Energy Trading Corporation (3)	1	13 Miles
5	Highmount Midwest (3)	1	Various
6	Atlas Oil & Gas (3)	1	Various
7	Petroleum Development (3)	1	Various
8	Samson (3)	1	Various
9	Integrus (3)	1	Various
10	Enserco (2)	1	Various
11	MGU (4)	1	Various
12	Sempre (4)	1	Various
13	Merrill Lynch (2)	1	
14	NJR Energy (4) & (8)	1	
15	Various Other Intermediate Transportation (3) & (8)	36	Various
16			
17	XLT	16	Various
18	ST	484	Various
19	LT	125	Various
20	SC	5	Various
21	Aggregates		
22	Other (includes Liquidated Damages, Standby Charges and other)		Various
23	Total End User Transportation	630	Various
24	Gas Customer Choice	172,950	Various
25	PTS supplier revenue - adjustments + billing fees		
26	Total Intrastate Transportation	173,628	
27			
28			
29	Interstate Transportation		
30	CIMA (5)	1	Various
31	ANR Pipeline Company (1) & (7)	1	142 Miles
32	* DTE Energy Trading Corporation (5)	1	Various
33	BP Canada (5)	1	Various
34	Cargill (5)	1	Various
35	Constellation Power (5)	1	Various
36	Shell Energy (5)	1	Various
37	Enbridge (5)	1	Various
38	Iberdrola (fka PPM Energy) (5)	1	Various
39	FPL Energy (5) & (8)	1	Various
40	Panhandle (5)	1	Various
41	Tenaska (5)	1	Various
42	United Energy Trading (5)	1	Various
43	Integrus (5) & (8)	1	Various
44	Powerex (5)	1	
45	Total Gas & Power (5)	1	
46	Various Interstate Transportation (5)	10	Various
47	Title Transfer Charges		
48			
49			
50	Exelon	2,173	
51			
52			
TOTAL		175,827	

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS-NATURAL GAS (Account 489)(Continued)						
4. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipe line system.						
5. Enter Mcf at 14.65 psia at 60°F.						
6. 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), 284.223(b) and 284.224. Details for each transportation are reported in						
separate annual reports required under Part 284 of the Commission's regulation."						
Mcf of Gas Received (d)	Mcf of Gas Delivered (e)	Revenue (f)	Average Revenue per Mcf of Gas Delivered (In cents) (g)	FERC Tariff Rate Schedule Designation (h)	Line No.	
					1	
					2	
1,277,284	1,277,284	\$187,684	14.69 ¢		3	
2,822,723	2,822,723	\$414,992	14.70 ¢		4	
2,596,636	2,596,636	\$381,784	14.70		5	
3,329,830	3,329,831	\$610,370	18.33		6	
1,080,259	1,080,259	\$158,653	14.69		7	
2,181,871	2,181,871	\$320,762	14.70		8	
1,303,022	1,303,022	\$194,236	14.91		9	
2,991,432	2,991,432	\$473,040	15.81		10	
2,944,118	2,952,138	\$257,562	8.72		11	
3,943,915	3,944,032	\$578,072	14.66		12	
3,175,788	3,183,453	\$491,243	15.43		13	
1,807,994	1,807,994	\$1,083,472	59.93		14	
4,741,952	4,431,047	\$6,061,869	136.80		15	
					16	
	24,692,948	\$12,367,115	50.08		17	
	18,533,292	\$21,245,892	128.50		18	
	36,995,951	\$25,192,294	68.09		19	
	13,166,791	\$2,569,153	19.66		20	
	1,945,653	\$3,636,238	186.89		21	
	6,593	\$8,748,356			22	
91,345,371	93,341,198	\$73,779,048	79.04		23	
29,207,733	26,863,139	\$69,819,587	241.73		24	
		\$1,132,261			25	
154,749,928	156,126,059	\$155,944,515	99.83		26	
					27	
					28	
					29	
13,493,017	13,492,858	\$1,811,596	11.95 (8)		30	
111,305,829	111,305,829	\$17,382,799	15.62 (8)	ST92-1997/ST99-4518	31	
2,355,330	2,355,330	\$169,073	7.18		32	
3,015,491	3,015,491	\$1,909,990	63.34 (8)		33	
7,063,655	7,063,635	\$1,272,987	18.02		34	
13,033,428	13,040,328	\$1,861,601	14.28		35	
2,639,025	2,640,030	\$778,316	29.41 (8)		36	
1,267,364	1,504,120	\$590,697	37.26 (8)		37	
8,109,735	8,109,735	\$1,892,948	23.34 (8)		38	
2,114,182	2,114,182	\$2,011,802	95.16 (8)		39	
25,005,777	25,005,777	\$2,580,529	10.32		40	
13,416,968	13,416,968	\$2,951,486	22.00 (8)		41	
7,671,042	7,671,054	\$1,121,698	14.62		42	
11,043,766	11,042,572	\$2,390,601	21.65 (8)		43	
2,372,582	2,372,582	\$677,807	24.35 (8)		44	
1,469,451	1,469,087	\$110,744	7.54		45	
2,673,805	2,725,773	\$1,008,813	37.01 (8)		46	
		\$1,504,609			47	
					48	
					49	
5,780,535	5,661,732	\$4,820,831	85.15		50	
					51	
					52	
388,580,890	390,133,120	\$202,461,780				



MICHIGAN CONSOLIDATED GAS COMPANY	AN ORIGINAL	December 31, 2008
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS-NATURAL GAS (Account 489)(Continued)		
<p>(1) Point of Receipt: Volumes of gas received from ANR Pipeline Company at their Willow Run Meter Station, Ypsilanti Township, Washtenaw County Michigan.</p> <p>(1) Point of Delivery: Volumes of gas delivered to ANR Pipeline Company at their W.G. Woolfolk Compressor Station, Austin Township, Mecosta County, Michigan.</p> <p>(2) Point of Receipt: Volumes of gas received at Willow, Belle River, or Kalkaska.</p> <p>(2) Point of Delivery: Volumes of gas delivered at Union - Dawn</p> <p>(3) Point of Receipt: Volumes of gas received at various locations on the Alpena transmission line</p> <p>(3) Point of Delivery: Volumes of gas delivered to Willow, E. Caledonia or Mentor.</p> <p>(4) Point of Receipt: Volumes of gas received at Willow</p> <p>(4) Point of Delivery: Volumes of gas delivered to the Washington Township</p> <p>(5) Point of Receipt: Volumes of gas received from ANR, Great Lakes, Consumers Energy, Shell Oil Company, and PEPL at their various ANR, Belle River, Northville, Kalkaska, and Rouge facilities respectively.</p> <p>(5) Point of Delivery: Volumes of gas delivered to Michigan Gas Utilities, Union Gas, Ltd., Great Lakes, or PEPL at their various ANR, Grand Haven, St. Clair, Belle River and Rouge facilities, respectively.</p> <p>(6) Point of Receipt: Volumes of gas received at various locations on the Alpena transmission line.</p> <p>(6) Point of Delivery: Volumes of gas delivered to West Branch/ Saginaw Bay.</p> <p>(7) Point of Receipt: Volumes of gas received from ANR Pipeline Company at their W.G. Woolfolk Compressor Station, Austin Township, Mecosta County, Michigan. (See Page 313C - F.E.R.C. Tariff Schedule ST93-4518)</p> <p>(7) Point of Delivery: Volumes of gas delivered to the interconnection between ANR Pipeline Company and Michigan Consolidated in Kalkaska County, Michigan. (See Page 313C - F.E.R.C. Tariff Schedule ST93-4518)</p> <p>(8) Includes demand charges that may or may not have volumes associated with the charge.</p>		
<p>* Affiliated company</p>		

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
GAS OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year 2008		Amount for Previous Year 2007	
1	1. PRODUCTION EXPENSES				
2	A. Manufactured Gas Production				
3	Manufactured Gas Production (Submit Supplemental Statement) (1)				
4	B. Natural Gas Production				
5	B1. Natural Gas Production and Gathering				
6	Operation				
7	750 Operation Supervision and Engineering			\$	55
8	751 Production Maps and Records				
9	752 Gas Wells Expenses				12
10	753 Field Lines Expenses				
11	754 Field Compressor Station Expenses				8,428
12	755 Field Compressor Station Fuel and Power				
13	756 Field Measuring and Regulating Station Exps.				
14	757 Purification Expenses				145
15	758 Gas Well Royalties				
16	759 Other Expenses				36,524
17	760 Rents				
18	TOTAL Operation (Enter Total lines 7 thru 17)		-		45,154
19	Maintenance				
20	761 Maintenance Supervision and Engineering				
21	762 Maintenance of Structures and Improvements				
22	763 Maintenance of Producing Gas Wells		22,135		70,471
23	764 Maintenance of Field Lines				
24	765 Maintenance of Field Compressor Station Equip.				
25	766 Maintenance of Field Meas. & Reg. Sta. Equip.				
26	767 Maintenance of Purification Equipment				
27	768 Maintenance of Drilling and Cleaning Equipment				
28	769 Maintenance of Other Equipment				
29	TOTAL Maintenance (Enter Total of lines 20 - 28)		22,135		70,471
30	TOTAL Natural Gas Production and Gathering (Enter Total of lines 18 and 29)		22,135		115,635
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 Purchases for Resale				
44	781 Variation in Products Inventory				
45	(Less) 782 Extracted Products Used by the Utility-Cr.				
46	783 Rents				
47	TOTAL Operation (Enter Total of lines 33 thru 45)	\$	-	\$	-

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008	
GAS OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year 2008	Amount for Previous Year 2007	
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 Equip.			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equip.			
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 - 56)	-		-
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	-		-
C. Exploration and Development				
59	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)	-		-
D. Other Gas Supply Expenses				
66	Operation			
67	800 Natural Gas Well Head Purchases			
68	801 Natural Gas Field Line Purchases			
69	802 Natural Gas Gasoline Plant Outlet Purchases			
70	803 Natural Gas Transmission Line Purchases			
71	803.1 Off-System Gas Purchases (Note: includes 803.2)	1,271,345,274		996,186,686
72	804 Natural Gas City Gate Purchases	94,251,805		110,846,426
73	804.1 Liquefied Natural Gas Purchases			
74	805 Other Gas Purchases			
75	(Less) 805.1 Purchased Gas Cost Adjustments			
76	(Less) 805.2 Incremental Gas Cost Adjustments			
77	TOTAL Purchased Gas (Enter Total of lines 67 - 76)	1,355,597,079		1,107,043,316
78	806 Exchange Gas	3,804,474		(7,016,256)
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)	-		-
86	808.1 Gas Withdrawn from Storage - Debit	473,142,391		302,681,929
87	(Less) 808.2 Gas Delivered to Storage - Credit	454,233,855		258,021,455
88	809.1 Withdrawals of Liquefied Natural Gas for Processing - Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing - Credit			
90	(Less) Gas Used in Utility Operations - Credit			
91	810 Gas Used for Compressor Station Fuel - Credit	10,572,459		8,592,411
92	811 Gas Used for Products Extraction - Credit			
93	812 Gas Used for Other Utility Operations - Credit	6,586,336		5,218,740
94	TOTAL Gas Used in Utility Operations - Credit (Enter Total of lines 91 thru 93)	17,158,795		13,811,151
95	813 Other Gas Supply Expenses			
95a	813.1 Synthetic Gas Supply Expenses			
95b	813.2 Gas Cost Recovery Expenses-Royalties			
96	TOTAL Other Gas Supply Expenses (Enter Total of lines 77, 78, 85, 86 thru 89, 94, 95)	1,370,551,294		1,130,873,483
97	TOTAL Production Expenses (Enter Total of lines 30, 58, 65, and 96)	\$ 1,370,573,429	\$	1,130,989,110

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008	
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Amount for Current Year 2006	Amount for Current Year 2007	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering		\$	136,593
102	815 Maps and Records			
103	816 Wells Expenses	957,041		305,565
104	817 Lines Expense	34,244		324,419
105	818 Compressor Station Expenses	1,664,984		1,653,594
106	819 Compressor Station Fuel and Power	5,825,503		5,953,782
107	820 Measuring and Regulating Station Expenses	42,900		322,505
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses	1,686,511		1,480,731
111	824 Other Expenses	288,438		34,311
112	825 Storage Well Royalties	143,897		118,228
113	826 Rents			
114	TOTAL Operation (Enter Total of lines 101 - 113)	13,643,518		10,309,835
115	Maintenance			
116	830 Maintenance Supervision and Engineering	676,240		477,740
117	831 Maintenance of Structures and Improvements			295
118	832 Maintenance of Reservoirs and Wells	449,434		464,039
119	833 Maintenance of Lines	290,841		153,385
120	834 Maintenance of Compressor Station Equipment	3,297,074		1,994,351
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment	2,921		47,755
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	4,716,510		3,137,586
125	TOTAL Underground Storage Expenses (Enter Total of lines 114 and 124)	18,360,028		13,447,400
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			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 - 133)	-		-
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 & Regulating Equip.			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	-		-
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	\$	-	\$

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008	
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Amount for Current Year 2008	Amount for Current Year 2007	
147	C. Liquefied Natural Gas Terminating 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 - 164)	-	-	
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 Equip.			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equip.			
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)			
176	TOTAL Liquefied Natural Gas Terminating and Processing Expenses (Lines 165 & 175)			
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 175)	18,360,028	13,447,400	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	4,239,411	3,018,937	
181	851 System Control and Load Dispatching	1,354,934	1,440,910	
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses	949,221	671,795	
184	854 Gas for Compressor Station Fuel	2,313,658	2,209,572	
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses	1,157,504	1,103,281	
187	857 Measuring and Regulating Station Expenses	815,417	758,782	
188	858 Transmission and Compression of Gas by Others	9,032,950	7,810,074	
189	859 Other Expenses	5,535,302	6,275,869	
190	860 Rents			
191	TOTAL Operation (Enter Total of lines 180 - 190)	\$ 25,598,507	\$ 23,281,320	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008	
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Amount for Current Year 2008	Amount for Current Year 2007	
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements		52,814	
195	863 Maintenance of Mains	1,510,848	1,115,375	
196	864 Maintenance of Compressor Station Equipment	235,264	338,414	
197	865 Maintenance of Measuring & Reg. Station Equip.	103,127	91,743	
198	866 Maintenance of Communication Equipment	4,598,199	4,717,796	
199	867 Maintenance of Other Equipment		106,802	
200	TOTAL Maintenance (Enter Total lines 193 - 199)	6,447,538	6,423,945	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	31,846,045	29,705,255	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering		47,317	
205	871 Distribution Load Dispatching			
206	872 Compressor Station Labor and Expenses		47,853	
207	873 Compressor Station Fuel and Power			
208	874 Mains and Services Expenses	14,134,275	13,958,395	
209	875 Measuring & Regulating Station Exps.-General	1,950,808	1,917,687	
210	876 Measuring & Regulating Station Exps.-Industrial			
211	877 Measuring & Regulating Station Exps.-City Gate Check Station	2,268,779	2,024,640	
212	878 Meter and House Regulator Expenses	17,069,450	16,035,220	
213	879 Customer Installations Expenses	17,765,923	15,201,463	
214	880 Other Expenses	14,183,838	20,285,337	
215	881 Rents			
216	TOTAL Operation (Enter Total of lines 204 - 215)	67,383,073	69,547,922	
217	Maintenance			
218	885 Maintenance Supervision and Engineering			
219	886 Maintenance of Structures and Improvements		5,225	
220	887 Maintenance of Mains	7,903,090	6,776,959	
221	888 Maintenance of Compressor Station Equipment			
222	889 Maintenance - Mains & Reg Sta. Equip.-General	2,126,374	2,302,890	
223	890 Maintenance - Mains & Reg Sta. Equip.-Industrial			
224	891 Maintenance - Mains & Reg Sta. Equip.-City Gate Check Station	2,300,739	1,034,996	
225	892 Maintenance of Services	1,427,712	2,010,251	
226	893 Maintenance of Meters and House Regulators	3,421,339	4,927,400	
227	894 Maintenance of Other Equipment		280,721	
228	TOTAL Maintenance (Enter Total of lines 218 - 227)	17,179,254	16,340,452	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	84,562,327	85,888,374	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	1,745,101	2,907,756	
233	902 Meter Reading Expenses	11,467,060	11,192,099	
234	903 Customer Records and Collection Expenses	35,998,607	30,493,374	
235	904 Uncollectible Accounts	125,888,058	83,652,782	
236	905 Miscellaneous Customer Accounts Expenses	65,869	132,232	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	\$ 174,866,135	\$	114,388,223

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
GAS OPERATION AND MAINTENANCE EXPENSES					
Line No.	Account (a)	Amount for Current Year 2008		Amount for Current Year 2007	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
239	Operation				
240	907 Supervision	\$ 68,791	\$	93,965	
241	908 Customer Assistance Expenses	1,092,272		830,548	
242	909 Informational and Instructional Expenses	106,928		159,836	
243	910 Miscellaneous Customer Service and Info. Exps.	30,805		193,189	
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	1,298,796		1,277,516	
245	7. SALES EXPENSES				
246	Operation				
247	911 Supervision	534		660	
248	912 Demonstrating and Selling Expenses	12,917,017		8,156,857	
249	913 Advertising Expenses	-		94	
250	916 Miscellaneous Sales Expenses	73,491		92,032	
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	12,991,042		8,249,743	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES				
253	Operation				
254	920 Administrative and General Salaries	34,173,460		32,696,393	
255	921 Office Supplies and Expenses	8,675,364		12,254,704	
256	(Less) 922 Administrative Expenses Transferred-Cr.	3,968,617		5,044,017	
257	923 Outside Services Employed	14,140,182		20,752,103	
258	924 Property Insurance	1,086,532		2,574,675	
259	925 Injuries and Damages	7,074,378		5,124,129	
260	926 Employee Pensions and Benefits	44,410,461		57,927,194	
261	927 Franchise Requirements				
262	928 Regulatory Commission Expenses	525,106		524,572	
263	(Less) 929 Duplicate Charges - Cr.				
264	930.1 General Advertising Expenses	1,387,042		1,614,807	
265	930.2 Miscellaneous General Expenses	(164,584)		3,727,396	
266	931 Rents	15,627,012		15,199,373	
267	TOTAL Operation (Enter Total of lines 254 - 266) (Note 1)	123,965,359		147,351,039	
268	Maintenance				
269	935 Maintenance of General Plant			306,399	
270	TOTAL Administrative and General Expenses (Enter Total of lines 267 and 269)	123,965,358		147,657,438	
271	TOTAL Gas O. and M. Expenses (Lines 87, 177, 201, 228, 237, 244, 251 and 270)	\$ 1,518,463,160	\$	1,531,603,079	
Note 1: Implementation costs related to MichCon's performance excellence process (PEP) have been deferred pursuant to Order Approving Settlement Agreement dated September 12, 2006 in Case No. U-14993. The deferred amounts were \$6,876,298 in 2008 and \$8,451,729 in 2007 and have been credited to the appropriate operation expense account.					
NUMBER OF GAS DEPARTMENT EMPLOYEES					
1. The date on number of employees should be reported for the payroll period ending nearest to December 31, or any payroll period ending 60 days before or after December 31.					
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.					
3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.					
1 Payroll Period Ended (Date)				12/31/08	
2 Total Regular Full-Time Employees				1,468	
3 Total Part-Time and Temporary Employees				64	
4 Total Employees				1,532	

MICHIGAN CONSOLIDATED GAS COMPANY				AN ORIGINAL		December 31, 2008	
EXPLORATION AND DEVELOPMENT EXPENSES (Accounts 795, 796, 798) (Except Abandoned Leases, Account 797)							
<p>1. Report below exploration and development costs for the year, exclusive of Account 797, Abandoned Leases, according to the prescribed accounts shown by the column headings.</p> <p>2. Provide subheadings and subtotals for exploration and development costs for each State.</p> <p>3. Explain in a footnote any differences between amounts reported in column (f) and the amount shown on page 231, Preliminary Survey and Investigation Charges, for clearance to Account 798 during the year from Account 183.1, Preliminary Natural Gas Survey and Investigation Charges.</p>							
Line No.	Field (a)	County (b)	Delay Rentals (Account 795) (c)	Nonproductive Well Drilling (Account 796) Number of Wells (d)	Amount (e)	Other Exploration Costs (Account 798) (f)	Total (g)
1							
2	NONE		NONE	NONE		NONE	
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	Total			0	0	0	0
ABANDONED LEASES (Account 797)							
<p>1. Report below particulars (details) concerning the provision for the year to cover probable loss on abandonment of natural gas leases included in Account 105, Gas Plant Held for Future Use which have never been productive.</p> <p>2. Explain the basis of determining the year's provision and state whether the basis is the same as that used for the preceding year. If the year's total provision is comprised of separate determinations with respect to certain groups or classes of leases, show separately the determinations for each such group or class. If the provision was so determined that component amounts may be identified by territories, fields, or counties, show the component amounts identified as such.</p>							
Line No.	Item (a)			Amount (b)			
1							
2	NONE			NONE			
3							
4							
5							
6							
7							
8							
9							
10	Total			0			



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas)					
1. Report below particulars (details) concerning the gas volumes and related dollar amounts of natural gas exchange transactions during the year. Minor transactions (less than 100,000 Mcf) may be grouped. 2. Also give the particulars (details) called for concerning each natural gas exchange where consideration was received or paid in performance of gas exchange services.					
Line No.	Name of Company (Designate associated companies with an asterisk)  (a)	Exchange Gas Received			
		Point of Receipt (City, state, etc.) (b)	Mcf (c)	Debit (Credit) Account 242 (d)	
1	Consumers Energy Company			(1)	
2	Transportation	Received by Displacement	206,891	0	
3					
4	ANR Pipeline Company				
5	Spot Purchases - Post Rate Order 636	Received by Cashout	0	0	
6	Interconnect Balancing Agreement	Received by Displacement	571,981	(52,752)	
7					
8	Great Lakes Transmission Company	Received by Displacement			
9	Transportation (Ethane)		0	2,216,988	
10	Transportation		196,544	(338,425)	
11					
12	Union Gas	Received by Displacement	119,448	0	
13					
14	Panhandle	Received by Displacement	468,521	276,737	
15					
16	MGAT / Wet Header *	Received by Displacement	1,158,260	(988,666)	
17					
18	Vector Pipeline	Received by Displacement	738,755	0	
19					
20	DTE Gas Storage Company *	Received by Displacement	1,384,207	(2,729,444)	
21					
22	Other Gas Utilities	Received by Displacement	609,698	(463,028)	
23					
24	MichCon Gathering *	Received by Displacement	60,346	(269,541)	
25					
26					
27					
28					
29					
30	Respondent records net exchange gas transactions monthly to account 242 or				
31	174 and account 806.				
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45	Total		5,514,651	(\$2,348,131)	

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)					
3. List individually net transactions occurring during the year for each rate schedule.					
4. Indicate points of receipt and delivery of gas so that they may be readily identified on a map of the respondent's pipeline system.					
Exchange Gas Delivered			Excess Mcf Received or (Delivered) (h)	Debit (Credit) Account 806 (i)	Line No.
Point of Delivery (City, state, etc.) (e)	Mcf (f)	Debit (Credit) Account 174 (g)			
		(1)			1
Delivered by Displacement	(215,551)	121,837	(8,660)	(121,837)	2
					3
					4
Delivered by Cashout	0	0	0	0	5
Delivered by Displacement	(434,760)	(1,024,139)	137,221	1,076,892	6
					7
Delivered by Displacement					8
	(284,498)	0	(284,498)	(2,216,988)	9
	(146,525)	(99,967)	50,019	438,392	10
					11
Delivered by Displacement	(160,087)	397,648	(40,639)	(397,648)	12
					13
Delivered by Displacement	(552,913)	444,789	(84,392)	(721,526)	14
					15
Delivered by Displacement	(1,083,355)	0	74,905	988,666	16
					17
Delivered by Displacement	(690,248)	(362,885)	48,507	362,885	18
					19
Delivered by Displacement	(989,788)	(736,188)	394,419	3,465,632	20
					21
Delivered by Displacement	(537,629)	(197,439)	72,069	660,467	22
					23
Delivered by Displacement	(42,360)	0	17,986	269,541	24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40
					41
					42
					43
					44
	(5,137,714)	(\$1,456,344)	376,937	\$3,804,474	45

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008		
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)						
5. Furnish any additional explanations needed to further explain the accounting for exchange gas transactions. 6. Report the pressure base of measurement of gas volumes at 14.73 psia at 60°F.						
Line No.	Name of Company (Designate associated companies with an asterisk)  (a)	Charges Paid or Payable by Respondent		Revenues Received or Receivable by Respondent		FERC Tariff Rate Schedule Identifi- cation (n)
		Amount  (j)	Account  (k)	Amount  (l)	Account  (m)	
1						
2	N/A					
3						
4						
5	N/A					
6	N/A					
7						
8						
9	N/A					
10	N/A					
11						
12	N/A					
13						
14	N/A					
15						
16	N/A					
17						
18	N/A					
19						
20	N/A					
21						
22	N/A					
23						
24	N/A					
25						
26						
27						
28	Imbalance fees on off-system transpor-			0	489	
29	-tation agreements.					
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	Total	\$0		\$0		

MICHIGAN CONSOLIDATED GAS COMPANY			A ORIGINAL		December 31, 2008		
GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)							
<p>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.</p> <p>2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.</p> <p>3. If the reported Mcf for any use is an estimated quantity, state such fact in a footnote.</p> <p>4. If any natural gas was used by the respondent for which a charge 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).</p> <p>5. Report pressure base of measurement of gas volumes at 14.73 psia at 60°F.</p>							
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			Mcf of Gas Used (c)	Amount of Credit (d)	Amount per Mcf (In Cents) (e)	Mcf of Gas Used (f)	Amount of Credit (g)
1	810 Gas Used for Compressor Station Fuel-Credit	819, 854	1,204,553	\$10,572,458	877.71 ¢		
2	811 Gas Used for Products Extraction-Credit		0	0	0.00		
3	812 Gas Used for Other Utility Operations-Credit (Report sep. for each prin. use. Group minor uses.)						
4	Oper. of Dist. Service Bldgs.	874, 877, 930.2	97,666	832,123	852.01		
5	Oper. of Undgr. Stg. Wells	816	106,674	894,644	838.67		
6	Undgr. Stor. Gas Losses	823	189,368	1,686,439	890.56		
7	Undgr. Storage Well Royalties	825	14,142	135,059	955.02		
8	Transmission Compression - others	858	162,147	1,362,558	840.32		
9	Oper. of City Gate Stations	877	195,077	1,632,312	836.75		
10	Other Operation Expenses	830, 857	6,299	43,202	685.85		
11							
12							
13	Total account 812		771,373	6,586,337	853.85		
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Total		1,975,926	\$17,158,795	868.39 ¢	0	\$0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858)			
1. Report below particulars (details) concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Mcf (Bcf) and amounts of payments for such services during the year. Minor items (less than 1,000,000 Mcf) must be grouped. 2. In column (a) give name of companies to which payments were made, points of delivery and receipt of gas, names of companies to which gas was delivered and			
Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk)	Distance Transported (in miles)	
	(a)	(b)	
1	ANR Pipeline Company (1)		
2			
3	Great Lakes Gas Transmission (2)		
4			
5	Trunkline Gas Company (3)		
6			
7	Panhandle Eastern Pipeline (4)		
8			
9	Vector Pipeline (5)		
10			
11	Transcanada Pipeline Company (6)		
12			
13	Saginaw Bay (7)		
14			
15			
16	(1) Expenses represent:		
17	a.) Transmission from ANR's Woolfolk Receipt Point to Grand Rapids.		
18	b.) Transmission from the Columbus Meter Station to the Niagara Interconnection.		
19			
20			
21	(2) Transmission from various points on Great Lake's system to various MichCon points.		
22			
23	(3) Transmission from various points on Trunkline's system to Panhandle Eastern's system.		
24			
25	(4) Transmission from various points on Panhandle Eastern's system to River Rouge.		
26			
27	(5) Transmission from various points on Vector Pipeline's system to Various MichCon points.		
28			
29	(6) Transmission from Transcanada's pipeline system to various points on Vector's system.		
30			
31	(7) Transmission of gas between West Branch (Alpena system) and Kalkaska		
32			
33	(8) Mcf of gas rec'd and delivered:		
34	Volumes are moved primarily on a fixed fee basis so volumes are not tracked.		
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46	TOTAL	0	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858) (Continued)					
from which received. Points of delivery and receipt should be so designated that they can be identified readily on map of respondent's pipeline system.					
3. If the Mcf of gas received differs from the Mcf delivered, explain in a footnote the reason for difference, i.e., uncompleted deliveries, allowance for transmission loss, etc.					
Mcf of Gas Delivered (14.73 psia at 60°F) (c)	Mcf of Gas Received (14.73 psia at 60°F) (d)	Amount of Payment (in dollars) (e)	Amount per Mcf of Gas Received (in cents) (f)	Line No.	
(8)	(8)	\$6,854,870	¢	1	
				2	
(8)	(8)	25,957	¢	3	
				4	
(8)	(8)	0	¢	5	
				6	
(8)	(8)	6,076	¢	7	
				8	
(8)	(8)	21,674	¢	9	
				10	
(8)	(8)	0	¢	11	
				12	
(8)	(8)	2,124,383	¢	13	
				14	
				15	
				16	
				17	
				18	
				19	
				20	
				21	
				22	
				23	
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				37	
				38	
				39	
				40	
				41	
				42	
				43	
				44	
				45	
0	0	\$9,032,960	¢	46	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
LEASE RENTALS CHARGED			
<p>1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.</p> <p>2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000 the data called for in columns a, b (descriptions only), f, g and j.</p> <p>3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.</p> <p>4. The annual charges referred to in instruction 1 and 2 include the basic lease payment and other payments to or in behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lease. Securities, cost of property replacements** and other expenditures with respect to leased property except the expenses paid by lessee are to be itemized in column f below.</p> <p>5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (description), f, g and j, unless the lessee has the option to purchase the property.</p> <p>6. In column (a) report the name of the lessor. List lessors which are associated companies * (describing association) first, followed by non-associated lessors. * See</p>			
A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)	
621 ASSOCIATES LLC	MECHANICAL MAILING	(P) 11/30/2008	
CENTERPOINTE DEVELOPMENT CO	EASTBROOK OFFICE	(P) 6/30/2008	
DDRC MICHIGAN LLC	E 8 MILE BUSINESS OFFICE	(P) 7/31/2008	
FIRST BAPTIST INSTITUTIONAL CHURCH	PARKING - 7 MILE OFFICE	(P) 3/31/2011	
GREEN ALLEN, LLC	CENTRAL STOREHOUSE	(P) 3/31/2011	
LAUREN L BOWLER	7 MILE BUSINESS OFFICE	(P) 11/30/2008	
NEW GALILEE MISSIONARY BAPTIST	COMMUNITY OUTREACH OFFICE	(P) 8/20/2010	
R&B DAVIS ENTERPRISES LLC	WAREHOUSE/OFFICE LEASING/GRAYLING	(P) 6/6/2010	
SECOND EBENEZER BAPTIST CHURCH	COMMUNITY OUTREACH OFFICE	(P) 8/20/2010	
SOUTHWEST MICHIGAN INDUSTRIAL INVESTORS	GRAND RAPIDS CALL CENTER A 10 year triple net lease for 40,000 s.f., with a 5 year buy out 6.50 per s.f. plus 2.5% annual increase. The total square foot lease rate is \$11.15 plus electric over the	(P) 12/31/2015	
ST CECILIA CHURCH	COMMUNITY OUTREACH OFFICE	(P) 8/20/2010	

\*\* See Gas Plant Instruction 6 & Operating Expense Instruction 3 of the Uniform System of Accounts

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008			
LEASE RENTALS CHARGED (continued)							
definition on page 226 (B). 7 In column (b) for each leasing arrangement, report in order, classified by transmission line, distribution system or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications: Description of the property, whether lease is a sale and leaseback, whether lessee has option to purchase and conditions of the purchase, whether lease is cancellable by either party and the cancellation conditions, state the tax treatment used, the accounting treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement of property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, whichever comes first. 8 Report in column (d), as of the date of the current lease term, the original cost of the property leased, estimated if not known, or the fair market value of the property if greater than original cost and indicate as shown. If leased property is part of a large unit, such as part of a building, indicate without associating any cost or value with it. 9 Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancellable leases will not be cancelled when estimating the remaining charges.							
A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES							
Original Cost (O) or Fair Market Value (D) or Property (D)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT YEAR				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		120,000				993.1	590,000
		75,600				993.1	18,900
		99,000				993.1	57,750
		35,420				993.1	79,695
(O) 3,821,796	Lease Payment	242,400				993.1	545,400
		67,877				993.1	62,221
		35,000				993.1	57,500
		33,000				993.1	46,500
		30,000				993.1	57,500
		323,351				993.1	2,910,156
		35,000				993.1	57,500



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
LEASE RENTALS CHARGED (continued)			
A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES (continued)			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)	
SUTTON LEASING, INC	VEHICLES	7/2008 & 8/2008	
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)			

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008			
LEASE RENTALS CHARGED (continued)							
A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES (continued)							
Original Cost (O) or Fair Market Value (D) or Property (D)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT YEAR				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		139,394					
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)							

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	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	813-20 Royalty Expense on Produced Gas	\$0	
2			
3			
4			
5			
6			
7			
8			
9			
10			
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12			
13			
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15			
16			
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36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50	Total	\$0	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930.2) (GAS)			
			Amount (b)
1	Industry Association Dues	\$	452,218
2	Recoverable Environmental Clean-up Costs		47,749
3	Corporate Accruals Reclassified to Operations		(484,066)
4	DTE 2 Post Go Live Unbilled Reversal		(194,252)
5	Misc. Other		13,767
6			
7			
8			
9			
10			
11			
12			
13			
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48			
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50			
51			
52			
53	Total		(\$164,584)

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
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 charges in the intervals between the report years (1971, 1974 and every fifth year thereafter). Report in column (b) all depreciable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column a). Indicate at the bottom of Section B the manner in which column (b) balances are obtained. If</p>					
Section A. Summary of Depreciation, Depletion, and Amortization Charges					
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Cost (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	
1	Intangible plant	\$ -	\$ -	\$ -	
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas	145,030			
4	Products extraction plant				
5	Underground gas storage plant	7,676,737	(25,093)		
6	Other storage plant				
7	Base load LNG terminating and processing plant				
8	Transmission plant	10,607,150	1,934		
9	Distribution plant	60,403,198	80,399		
10	General plant	8,187,187			
11	Common plant-gas				
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
25	Total	\$ 87,019,302	\$ 57,240	\$ -	

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT					
(Accounts 403, 404.1, 404.2, 404.3, 405)					
(Except Amortization of Acquisition Adjustments) (Continued)					
<p>average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit of production method is used to determine depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves.</p> <p>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>					
Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.	
\$ -	\$ 6,171,463	\$ 6,171,463	Intangible plant	1	
			Production plant, manufactured	2	
			gas		
			Production and gathering plant,	3	
		145,030	natural gas		
			Products extraction plant	4	
		7,651,644	Underground gas storage plant	5	
			Other storage plant	6	
			Base load LNG terminating and	7	
			processing plant		
		10,609,084	Transmission plant	8	
		60,483,597	Distribution plant	9	
		8,187,187	General plant	10	
			Common plant-gas	11	
				12	
				13	
				14	
				15	
				16	
				17	
				18	
				19	
				20	
				21	
				22	
\$ -	\$ 6,171,463	\$ 93,248,005	Total	23	
				25	

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

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Depreciation Plant Base (Thousands) (b)	Applied Depr. Rate(s) (Percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Onshore (2)	\$ 12,704	1.16%
4	Underground Gas Storage Plant	273,238	2.80%
5	Transmission Plant		
6	Offshore		
7	Onshore	376,501	2.67%
8	General Plant (3)	170,001	5.45%
9	Distribution Plant	\$ 2,220,439	2.89%
10			

Notes to Depreciation, Depletion and Amortization of Gas Plant

- (1) Amounts in column (b) are the average of the beginning and ending balances for 2008.
- (2) Not included in the Depreciable Balance for Production Plant are several accounts which are depreciated by the Units Production Method. The average plant balance for these accounts is \$1.7 million. The depreciation expense associated with these accounts is \$0. This approximates to a depreciation rate of 0.0%.
- (3) Not included in the Depreciable Balance for General Plant are several transportation Plant Accounts which were depreciated in the clearing accounts. The average plant balance for these accounts is \$64.3 million. The depreciation expense associated with these accounts is \$7,604,687. This approximates to a depreciation rate of 11.83%.

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS			
Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.			
(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortizations charges for the year, and the period of amortization.			
(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$10,000 may be grouped by classes within the above accounts.			
(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open accounts, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.			
(d) Other Interest Expense (Account 431)-Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.			
Line No.	Item (a)	Amount (b)	
1			
2	Miscellaneous Amortization (Account 425)		
3	None	0	
4			
5			
6		0	
7			
8			
9			
10	Miscellaneous Income Deductions (Account 426.1-426.6)		
11	Account 426.1 Energy Assistance Program	857,155	
12	Account 426.1 Wildlife Habitat Council	6,500	
13	Account 426.1 Detroit Community Initiative	400	
14	Account 426.3 Penalties State & IRS	9,089	
15	Account 426.4 Legislative advocacy costs	620,417	
16	Account 426.5 Canadian receivables - Currency conversion	147,973	
17	Account 426.5 Grantor Trust - Investment Loss	9,145,564	
18	Account Other	(7,335)	
19			
20			
21	TOTAL Miscellaneous Deductions	\$10,779,763	
22			
23			
24			
25	Interest on Debt to Associated Companies (Account 430)		
26	DTE Energy Company	4,608,352	
27	MichCon Development Corp.	247,790	
28	Blue Lake Holdings, Inc.	186,977	
29	MichCon Pipeline Company	2,361	
30	MichCon Gathering Company	801,032	
31	Saginaw Bay Pipeline Company	176,097	
32	Saginaw Bay Lateral Company	38,875	
33	Jordan Valley Limited Partner	47,457	
34	Thunder Bay Gathering Company	80,741	
35	MichCon Lateral Company	201,320	
36	DTE Michigan Holdings Inc.	65,162	
37	Jordan Valley Pipeline Co.	19,611	
38	DTE Terra Hayes Gathering	10,107	
39	Turn/Olund Lake Pipeline	71,486	
40			
41	TOTAL Interest on Debt to Associated Companies	\$6,557,368	
42			
43			
44			
45			
46			
47			



MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      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) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortizations charges for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 425.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$10,000 may be grouped by classes within the above accounts.</p> <p>(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open accounts, (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) Other Interest Expense (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		
2	<u>Other Interest Expenses (Account 431)</u>	
3	Interest on Customer Deposits	\$1,101,483
4	Interest on Gas Sales Refunds & Purchases	(148,796)
5	Interest on Commercial Paper & Credit Facility Draws	9,187,719
6	Interest on Commercial Line of Credit Fees and Other Short Term Debt Fees	1,689,309
7	Interest on Property Tax Payments	56,238
8	Interest Carrying Charge on UETM Surcharge	(3,650,271)
9	Interest on Gas Choice Accounts	85,101
10	Interest on FIT Contingency	63,661
11	Interest on Other	6,842
12	Total Other Interest Expenses	\$8,391,286
13		
14		
15		
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
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 basis 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 net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.</p> <p>4. 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 of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.</p> <p>5. 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 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>6. Miscellaneous Nonoperating Income (Account 421)-Give the nature and source of each miscellaneous Nonoperating income, and expense and the amount thereof for the year. Minor items may be grouped by classes.</p>			
Line No.	Item (a)	Amount (b)	
1	<u>Income from Merchandising, Jobbing and Contract Work (Account 415, 416)</u>		
2			
3	Revenue from Merchandise Sales and Contract Work	\$2,251,773	
4	Expense from Merchandise Sales and Contract Work	(2,535,584)	
5			
6		(\$283,811)	
7	<u>Income from Nonutility Operations (Accounts 417 and 417.1)</u>		
8			
9	Investment Recovery sales of MichCon assets	\$235,872	
10			
11	<u>Nonoperating Rental Income (Account 418)</u>		
12			
13			
14			
15			
16	<u>Interest and Dividend Income (Account 419)</u>		
17			
18	Interest Revenue from Vector Pipeline, L.P.	\$7,446,808	
19	Interest on Notes from MichCon Subsidiaries/Associated companies	171,321	
20	Interest on Grantor Trust	571,845	
21	Interest on Financing of Customer Attachment Program	101,307	
22	Interest Income on Temporary Investments	197,783	
23	Other	4,770	
24			
25		\$8,493,834	
26			
27			
28	<u>Allowance for Other Funds Used During Construction (Account 419.1)</u>		
29			
30	AFUDC Equity	3,722,430	
31			
32		\$3,722,430	
33			
34			
35			
36			

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS			
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.		
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.		
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, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.		
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 of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.		
5.	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 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.		
6.	Miscellaneous Nonoperating Income (Account 421)-Give the nature and source of each miscellaneous Nonoperating income, and expense and the amount thereof for the year. Minor items may be grouped by classes.		
Line No.	Item (a)	Amount (b)	
1			
2	Miscellaneous Nonoperating Income (Account 421)		
3			
4	Building Revenue	4,730	
5	Grantor Trust Income	(11,865)	
6	Equity earnings in Detroit Investment Fund	43,750	
7	Accounts Receivable adjustments to Gas Choice Customer program and miscellaneous receivable		
8	balances	135,694	
9	Intercompany Out of Balance adjustments	75,979	
10			
11			
12			
13		248,288	
14			
15			
16			
17			
18			
19	TOTAL OTHER INCOME	\$12,416,613	
20			
21			
22			
23			
24			
25			
26			
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30			
31			
32			
33			
34			

MICHIGAN CONSOLIDATED GAS COMPANY		An Original		December 31, 2008	
GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)					
<p>1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type; Leased, Held for Future Use, or Nonutility.</p> <p>2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped, with the number of such transactions disclosed in column (a).</p> <p>3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold).</p>					
Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of Property:				
2	Jacobs Drain	\$17,668		(\$1,666,406)	
3	Sale of Base Gas			(\$23,383,820)	
4	Gain on Disposition of Property (421.1)			(\$25,050,226)	
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20	Total Gain on Disposition of Property	\$17,668		(\$25,050,226)	
21					
22	Loss on disposition of Property:				
23					
24	Utility				
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	Total loss	\$0			\$0

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL		December 31, 2008
<b>EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES</b> (Account 426.4)		
<p>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.</p> <p>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 customers' bills, (d) inserts in reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.</p> <p>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.</p> <p>4. If respondent has not incurred any expenditures contemplated by the instructions of Account 426.4, so state.</p> <p>5. For reporting years which begin during the calendar year 1963 only, minor amounts may be grouped by classes if the number of items so grouped is shown.</p> <p>NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.</p>		
Line No.	Item (a)	Amount (b)
1	State and Federal Legislative Advocacy Expenses	\$620,417
2		
3		
4		
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34		
35	TOTAL	\$620,417

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.					
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.					
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 to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	<b>GCR Matters</b>	---	28,743	\$28,743	---
2					
3	MPSC Case No. U-14401-R, 2005-06 GCR Reconciliation				
4	MPSC Case No. U-14717-R, 2006-07 GCR Reconciliation				
5	MPSC Case No. U-15042-R, 2006-08 GCR Reconciliation				
6	MPSC Case No. U-15451, 2008-09 GCR Plan				
7	MPSC Case No. U-15701, 2009-10 GCR Plan				
8		---	1,699	1,699	---
9	<b>General Rate Case Matters</b>				
10					
11	MPSC Case No. U-13898, 2007 Uncollectible Expense				
12	True-up Mechanism Surcharge				
13	MPSC Case No. U-15628, Sales of Native Base Gas				
14	MPSC Case No. U-15699, MichCon Depreciation Rates				
15		---	219,456	219,456	---
16					
17	<b>General Pricing and Regulation</b>				
18					
19					
20	Various MPSC Cases, Customer Complaints, Certificates of				
21	Public Convenience and Necessity				
22		---	---	---	---
23					
24					
25					
26					
27					
28	NOTE: Regulatory Affairs Labor is charged to a general				
29	Internal Order and it can not be determined what portion				
30	is attributed to specific MichCon case work.				
31		2,611,275	---	2,611,275	---
32					
33		2,611,275	---	2,611,275	---
34	Utility Assessment				
35		2,611,275	---	2,611,275	---
36					
37	<b>TOTAL</b>	<b>\$2,611,275</b>	<b>\$249,898</b>	<b>\$2,861,173</b>	<b>---</b>

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL			December 31, 2008	
REGULATORY COMMISSION EXPENSES (Continued)							
4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 233 for Account 186.							
5. List in columns (f), (g), and (h) expenses incurred during the year which were charged currently to income, plant, or other accounts.							
6. Minor items (less than \$25,000) may be grouped.							
EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR			Deferred in Account 186, End of Year (l)	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186 (i)	Contra Account (j)	Amount (k)		
Department (f)	Account No. (g)	Amount (h)					
GAS	928-00	28,743	---		---	---	1
							2
							3
							4
							5
							6
							7
							8
GAS	928-00	1,699	---		---	---	9
							10
							11
							12
							13
							14
							15
							16
							17
GAS	928-00	219,456					18
							19
							20
							21
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							24
							25
							26
							27
							28
							29
							30
							31
							32
							33
GAS	408-10	2,336,065	---		---	---	34
	928-00	275,210					35
							36
		\$2,861,173	---		---	---	37



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES			
<p>1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D &amp; D) projects initiated, continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D &amp; D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)</p> <p>2. Indicate in column (a) the applicable classification, as shown below. Classifications:</p> <ul style="list-style-type: none"> <li>A. Gas R, D &amp; D Performed Internally               <ul style="list-style-type: none"> <li>(1) Pipeline                   <ul style="list-style-type: none"> <li>a. Design</li> <li>b. Efficiency</li> </ul> </li> <li>(2) Compressor Station                   <ul style="list-style-type: none"> <li>a. Design</li> <li>b. Efficiency</li> </ul> </li> <li>(3) System Planning, Engineering, and Operation</li> <li>(4) Transmission Control and Dispatching</li> <li>(5) LNG Storage and Transportation</li> <li>(6) Underground Storage</li> <li>(7) Other Storage</li> <li>(8) New Appliances and New Uses</li> <li>(9) Gas Exploration, Drilling, Production, and Recovery</li> <li>(10) Coal gasification</li> <li>(11) Synthetic Gas</li> <li>(12) Environmental Research</li> <li>(13) Other (Classify and Include Items in Excess of \$5,000.)</li> <li>(14) Total Cost Incurred</li> </ul> </li> </ul>			
Line No.	Classification (a)	Description (b)	
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		None	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)					
<p>B. Gas R, D &amp; D Performed Externally</p> <p>(1) Research Support to American Gas Association</p> <p>(2) Research Support to Others (Classify)</p> <p>(3) Total Costs Incurred</p> <p>3. Include in column (c) all R, D &amp; D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D &amp; D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped Under Other, (A.(13) and B.(2)) classify items by type of R, D &amp; D activity.</p> <p>4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107 (Construction Work in Progress) first. Show in column (f) the amounts related to the account charged in column (e).</p> <p>5. Show in column (g) the total unamortized accumulation of costs of projects. This total must equal the balance in Account 188 (Research, Development, and Demonstration Expenditures) outstanding at the end of the year.</p> <p>6. If costs have not been segregated for R, D &amp; D activities or projects, submit estimates for columns (c), (d) and (f) with such amounts identified by "Est."</p> <p>7. Report separately research and related testing facilities operated by the respondent.</p>					
Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
	\$0		\$0	-	1
					2
					3
				-	4
	\$0		\$0	-	5
					6
					7
					8
					9
					10
					11
					12
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					15
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					25

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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 (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)	
1	Electric				
2	Operation				
3	Production	N/A			
4	Transmission	N/A			
5	Distribution	N/A			
6	Customer Accounts	N/A			
7	Customer Service and Informational	N/A			
8	Sales	N/A			
9	Administrative and General	N/A			
10	TOTAL Operation (Total of line 3 thru 9)	-			
11	Maintenance				
12	Production	N/A			
13	Transmission	N/A			
14	Distribution	N/A			
15	Administrative and General	N/A			
16	TOTAL Maintenance (Total of line 12 thru 15)	-			
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	N/A			
19	Transmission (Total of Lines 4 and 13)	N/A			
20	Distribution (Total of lines 5 and 14)	N/A			
21	Customer Accounts (Line 6)	N/A			
22	Customer Service and Informational (Line 7)	N/A			
23	Sales (Line 8)	N/A			
24	Administrative and General (Total of lines 9 and 15)	N/A			
25	TOTAL Operation and Maint. (Total of lines 18 thru 24)	-			
26	Gas				
27	Operation				
28	Production-Manufactured Gas				
29	Production-Nat. Gas (Including Expl. and Dev.)				
30	Other Gas Supply				
31	Storage, LNG Terminaling and Processing	1,480,115			
32	Transmission	8,184,262			
33	Distribution	40,501,001			
34	Customer Accounts	22,359,094			
35	Customer Service and Informational	746,788			
36	Sales	1,744,395			
37	Administrative and General	27,710,901			
38	TOTAL Operation (Total of lines 28 thru 37)	102,726,556			
39	Maintenance				
40	Production-Manufactured Gas				
41	Production-Nat. Gas	18,374			
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	1,776,117			
44	Transmission	2,439,633			
45	Distribution	8,888,692			
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	\$ 13,122,816			

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)	
	Gas (Continued)				
48	Total Operation and Maintenance				
49	Production-Manufactured Gas (Lines 28 & 40)	\$ -			
50	Production-Natural Gas (Including Expl. and Dev.) (Lines 29 & 41)	18,374			
51	Other Gas Supply (Lines 30 & 42)	-			
52	Storage, LNG Terminaling and Processing (Lines 31 & 43)	3,256,232			
53	Transmission (Lines 32 & 44)	10,623,895			
54	Distribution (Lines 33 & 45)	49,389,693			
55	Customer Accounts (Line 34)	22,359,094			
56	Customer Service and Informational (Line 35)	746,788			
57	Sales (Line 36)	1,744,395			
58	Administrative and General (Lines 37 & 46)	27,710,901			
59	TOTAL Operation and Maint. (Total of line 49 thru 58)	115,849,372	1,478,840	\$ 117,328,212	
60	Other Utility Departments				
61	Operation and Maintenance				
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	115,849,372	1,478,840	117,328,212	
63	Utility Plant				
64	Construction (By Utility Departments)				
65	Electric Plant				
66	Gas Plant (See Note #1)	39,626,431	2,397,349	42,023,780	
67	Other				
68	TOTAL Construction (Enter Total of lines 65 thru 67)	39,626,431	2,397,349	42,023,780	
69	Plant Removal (By Utility Departments)				
70	Electric Plant				
71	Gas Plant (See Note #1)				
72	Other				
73	TOTAL Plant Removal (Total of lines 70 thru 72)	-	-		
74	Other Accounts (Specify):				
75	Merchandising, Jobbing and Contract Work	758,957	8,041	766,998	
76	Non Utility Operations	4,436	8	4,444	
77	Civic, Political and Related Activities	280,626	-	280,626	
78	Long Term Enviromental Reserves	112,268	-	112,268	
79	Clearing Accounts	5,244,351	(3,884,238)	1,360,113	
80					
81	TOTAL Other Accounts	6,400,638	(3,876,189)	2,524,449	
82	TOTAL SALARIES AND WAGES	\$ 161,876,441	-	\$ 161,876,441	
83					
84					
85	Notes:				
86	#1) Effective with the conversion to SAP on April 1, 2007, Wages and Salaries charged to plant removal is				
87	not available. This amount is included in Construction Gas Plant.				
88					
89					
90					
91					
92					
93					
94					
95					
96					
97					
98					

Name of Respondent	This Report is:	Date of Report	Year of Report
The Michigan Consolidated Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec. 31, 2008
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>			
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$50,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditure 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.</p> <p>2. For any services which are of a continuing nature, give date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>	
See Pages 357-1 through 357-20			
<p>The following changes were billed to and paid for by Michigan Consolidated Gas: Some portion of the changes may have been subject to allocation to other entities under DTE Energy.</p>			

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
ZV PROFESSIONAL GROUP LLC 23077 GREENFIELD, STE 107 Southfield MI 48076	Janitorial Services	O&M	\$68,816	364,889,921
A & E Appliance Service 27422 Gratiot Ave Roseville, MI 48066-2916	Appliance Repair Services	O&M	\$277,202	879
A1 Asphalt Sealing and Repair 4634 Division St Wayland, MI 49348-8924	Paving Services	CAP, O&M	\$292,946	107,892,870,920,887
Accretive Solutions 2800 Livernois, Ste 400 Troy, MI 48083	Personnel Services	CAP, O&M	\$1,305,615	107,921,923,903
Accurate Repair Service LLC 2435 Eastern Ave SE Grand Rapids, MI 49507-3641	Appliance Repair Services	O&M	\$74,937	879
Achiveglobal PO BOX 414532 Boston, MA 02241-4532	Training Services	O&M	\$58,151	903,923
ACHIEVEMENT DYNAMICS INC 4360 NORTHLAKE BLVD, STE 108 Palm Beach, FL 33410-6264	Consulting Services	CAP, O&M	\$84,945	107,923
ACLARA SOFTWARE 16 LAUREL AVE Wellesley, MA 2481	Software Maintenance Services	CAP, O&M	\$99,396	903
Acteon Partners LLC 888 W Big Beaver Rd, Ste 450 Troy, MI 48084	Contract Labor Services	CAP, O&M	\$116,175	107,923
Advantica Inc. 600 Bent Creek Blvd., Ste 100 Mechanicsburg, PA 17050-1877	Technical Services	CAP	\$191,254	107
AIRTRONIC HEATING & COOLING 26666 GRAND RIVER AVE Redford, MI 48240-1531	Appliance Repair Services	O&M	\$83,567	879
AIR-VAC FURANCE CO 2948 SILVERSTONE LN Waterford, MI 48329-4537	Appliance Repair Services	O&M	\$91,986	879
ALBERT TAYLOR NELSON PLC 255 E BROWN ST, STE 320 Birmingham, MI 48009	Legal Services	O&M	\$82,080	925
ALLTEL COMMUNICATIONS LLC 1 ALLIED DR Little Rock, AR 72202	Communication Services	O&M	\$445,421	866
AMERICAN APPLIANCE HEATING 37529 SCHOOLCRAFT RD Livonia, MI 48150-1009	Appliance Repair Services	O&M	\$832,839	879
AMERICAN ENTERPRISES INC 5508 NAVARRE AVE Oregon, OH 43616-3550	Vehicle Maint. & Repair Service	CAP	\$63,172	880

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
AMERICAN EXCAVATING CONTRACTORS LLC 12838 GAVEL Detroit, MI 48227	Excavation Services	CAP, O&M	\$3,713,557	107, 887
AMERICLERK INC 1025 N CAMPBELL RD Royal Oak, MI 48067-1519	Legal Services	CAP, O&M	\$497,431	107, 923
ANTARES INFORMATION 1140 MOTOR PKWY Hauppauge, NY 11788-5255	Consulting Services	O&M	\$58,924	879
Appliance Doctors PO Box 24722 Detroit, MI 48224-0722	Appliance Repair Services	O&M	\$544,731	879, 912
Arctic Air Inc 4918 Fernlee Royal Oak, MI 48073-1017	Contract Labor Services	CAP, O&M	\$54,275	107, 923
Armand Dewatering Inc. 7950 Andersonville Rd. Clarkston, MI 48346	Underground Construction Services	CAP	\$57,402	107
Arrow Industries Inc. 520 Kelly Ln Louisiana, MO 63353-2411	Equipment Repair Services	CAP, O&M	\$54,666	107, 834
AT and T 1 ATT Way Bedminster, NJ 07921-2694	Telecommunication Services	CAP, O&M	\$398,248	866
AT and T Global One Sbc Plaza Dallas, TX 75202	Telecommunication Services	CAP, O&M	\$909,803	107, 866, 902, 903, 908, 921
AT AND T SERVICES INC PO BOX 660688 Dallas, TX 75266-0688	Communication Services	CAP, O&M	\$33,146	107, 903, 908, 921
AT&T MOBILITY II LLC 5565 GLENRIDGE CONNECTOR, STE 510 Atlanta, GA 30342	Communication Services	CAP, O&M	\$330,850	107, 903, 908, 921
AVAYA INC 24800 DENSO DR, STE 250 Southfield, MI 48034-7462	Communication Services	CAP, O&M	\$299,160	107, 903, 923
B and B Oilfield Equip PO Box 492 Mt Pleasant, MI 48804-0492	Equipment Rental Services	CAP, O&M	\$113,845	107, 416, 832, 891
Baker Hughes Oilfield 2929 Allen Pkwy Houston, TX 77019	Pipeline Services	CAP, O&M	\$305,606	107, 416, 832, 891
Baker Petrolite 12645 W Airport Blvd Sugar Land, TX 77478	Pipeline Services	CAP, O&M	\$58,440	891
Banctec Inc PO Box 910887 Dallas, TX 75391-0887	Contract Labor Services	CAP	\$104,457	107

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Bank of New York 101 Barday St, Ste 11 E New York, NY 10286-0001	Contract Labor Services	CAP	\$131,532	107
BAON CONSULTING LLC 330 E MAPLE RD, STE 410 Birmingham, MI 48009-6313	Consulting Services	CAP	\$98,483	107
Bartech Group Inc 17199 N Laurel Park Dr, Ste 224 Livonia, MI 48152-2683	Personnel Services	CAP, O&M	\$7,867,483	107, 850, 851, 859, 866, 879, 880, 902 903, 908, 923, 925
Barton Malow Co 26500 American Dr Southfield, MI 48034-2252	Construction Services	CAP	\$425,571	107
Basic Systems 10901 Clay Pike Rd Derwent, OH 43733-9997	Technical Services	CAP	\$1,495,797	107
Beckman Production Services Inc. 3786 Beebe Rd Kalkaska, MI 49646-8014	Equipment Rental Services	CAP, O&M	\$51,024	107, 416, 818, 834, 856, 863, 891
BENTLEY SYSTEMS INC 685 STOCKTON DR Exton, PA 19341-1151	Software Services	CAP	\$108,324	107
Berline Group Inc 70 E Long Lake Rd Bloomfield Hills, MI 48304-2356	Administrative Service	CAP, O&M	\$2,596,011	107, 426.1, 921, 850, 879, 859, 880, 923, 930, 426.4, 903, 928, 880
Bigard and Huggard Drilling Inc. 5580 Venture Way Mt. Pleasant, MI 48858-1149	Well Drilling Services	CAP	\$195,749	107
BJ Services Co. USA 4601 Westway Park Blvd. Houston, TX 77041	Pipeline Services	CAP	\$1,165,228	107
Bostwick Co. Inc. 3291 W. Liberty Rd. Ann Arbor, MI 48106	Underground Construction Services	CAP, O&M	\$504,271	107, 892, 887, 874
BRADLEY CO 31313 Northwestern Hwy, Ste 101 Farmington, MI 48334	Marketing Services	CAP, O&M	\$51,056	107, 903, 426.1, 908, 426.4, 913, 880
Brooks Electric Service Inc 8 E Hills Road Stanton, MI 48888	Construction Services	CAP	\$114,916	107
Brooks Williamson and Assoc Inc 30366 Beck Rd Wixom, MI 48393-2829	Consulting Services	CAP	\$186,342	107
Burns Contracting Inc PO Box 1884 Grand Rapids, MI 49501-1884	Paving Services	CAP, O&M	\$307,318	107, 880, 887, 892
Busens Appliance Inc 2323 Fort St Lincoln Park, MO 48145-2420	Appliance Repair Services	O&M	\$434,847	879



## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Butzel Long PC 150 W Jefferson Ave, Ste 100 Detroit, MI 48226-4450	Legal Services	CAP, O&M	\$158,414	107, 923
C and D Huges Inc 3097 Lansing Rd Charlotte, MI 48813	Contract Labor Services	CAP	\$86,767	107
Camerons Compression Systems PO Box 70132 Chicago IL, 60673-0132	Equipment Repair Services	O&M	\$63,232	416, 834
CAPITAL H DEPT CH 19139 Palatine, IL 60055-9139	Health Care Services	O&M	\$305,255	107, 923
CASS LOCK CONTRACTING AND SALES 3431 Michigan Ave Detroit, MI 48216	Building & Maint Repair Services	CAP, O&M	\$67,841	107, 921
CBCA ADMINISTRATORS INC 250 E BROAD ST, STE 2100 Columbus, OH 43215	Health Care Services	O&M	\$2,387,438	926
CENTERPOINTE DEVELOPMENT CO LLC 3665 28TH ST SE Grand Rapids, MI 49512-1684	Building Leasing Services	O&M	\$58,288	107, 921, 931
Checkfree 4411 E Jones Bridge Rd Norcross, GA 30092-1615	Professional Services	O&M	\$66,751	903
Cingular Wireless 2000 W SBC Center Dr, Ste 3G92E Hoffman Estates, IL 60195-5000	Telecommunication Services	CAP, O&M	\$252,854	107, 921, 902, 903, 866, 908
CINTAS CORP PO BOX 625737 Westland, MI 48185-1986	Contract Labor Services	CAP, O&M	\$703,092	107, 902, 880, 834, 864, 879, 891
Coastal Chemical Co LLC 5300 Memorial Dr., Ste 250 Houston, TX 77007-8200	Engineering Services	CAP, O&M	\$1,242,821	107, 863
Cobra Coiled Tubing LLC 6829 Lea Pick Dr. Mt. Pleasant, MI 48858	Professional Services	CAP	\$59,370	107
Compression Systems Div. 16250 Port Northwest Dr. Houston, TX 77041	Equipment Repair Services	CAP, O&M	\$215,990	107, 416, 834
Compression Systems Div. 10446 River Rd. Saint Rose, LA 70087-3300	Equipment Repair Services	O&M	\$51,192	416, 834
Consumer Insights Inc 5455 Corporate Dr, Ste 120 Troy, MI 48098-2620	Contract Labor Services	CAP, O&M	\$91,238	107, 879, 903, 923, 880
Consumers Energy 1 Energy Plaza Dr Jackson, MI 49201-2357	Engineering Services	CAP, O&M	\$71,457	107, 902

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Corby Energy Services Inc. 6001 Schooner St Belleville, MI 48111-5366	Underground Construction Services	CAP, O&M	\$1,572,881	107, 879, 887
Corrigan Record Storage LLC 45200 Grand River Ave Novi, MI 48375-1018	Office Services	CAP, O&M	\$56,272	107, 923
Crampton Electric Cl. Inc. 10975 W. Grand River Rd. Fowlerville, MI 48836-9294	Equipment Repair Services	CAP, O&M	\$53,858	107, 863, 864, 891
Cummings McClorey Davis and Acho PL 33900 Schoolcraft Rd Livonia, MI 48150	Legal Services	CAP, O&M	\$512,254	107, 925, 923
D Macro Constructors Inc 200 W State Fair Highland Park, MI 48203	Construction Services	CAP, O&M	\$2,946,951	107, 880, 887, 892
Darway Inc 1770 M 72 SE Kalaika, MI 49646-9717	Surveying Services	O&M	\$91,805	830, 832
DCS Heating and Cooling Inc 24680 Eureka Rd Taylor, MI 4818-5160	Appliance Repair Services	O&M	\$95,444	879
DDRC Michigan LLC 34555 CHAGRIN BLVD Moreland, OH 44022-1068	Building Leasing Services	CAP, O&M	\$92,938	107, 931, 921
DEAN BOILER INC 1824 3 MILE RD NW Grand Rapids, MI 49544-1446	Equipment Repair Services	CAP, O&M	\$163,004	107, 864, 834
DELL MARKETING LP PO BOX 676021 Dallas, TX 75267-6021	Software Services	CAP, O&M	\$606,384	107, 925, 903, 902, 908, 864, 859, 866 874, 878, 879, 850, 416, 834, 920, 891, 880
Deloitte and Touche LLP PO BOX 7247 6446 Pittsburgh, PA 19170-6446	Contract Labor Services	CAP, O&M	\$985,669	107, 923
DELOITTE CONSULTING LLP 4022 SELLS DR Hermitage, TN 37076	Consulting Services	O&M	\$50,230	923
DELOITTE TAX LLP PO BOX 2079 Carol Stream, IL 60132-2079	Consulting Services	CAP, O&M	\$34,978	107, 923
Denali Consulting Inc 3145 Geary Blvd, Ste 749 San Francisco, CA 94118	Consulting Services	O&M	\$81,698	923
DENT ENTERPRISES INC 1161 E CLARK RD Dewitt, MI 48820-7930	Grounds Maintenance Service	O&M	\$190,844	891
Detectent Inc 120 W Grand Ave, Ste 104 Escondido, Ca 92025	Contract Labor Services	O&M	\$302,680	903

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
DEWEY AND LEBOEUF LLP 975 F STREET NW Washington, DC 20004-1405	Legal Services	CAP, O&M	\$525,853	107, 431, 186, 923,
Diamondback Directional Drilling LL 2122 M 37 S. Traverse City, MI 49696-6156	Well Drilling Services	CAP	\$210,704	107
DOCS APPLIANCE SERVICE INC 45618 VAN DYKE Utica, MI 48317	Appliance Repair Services	O&M	\$57,479	879
Doshi Assoc Inc 1607 E Big Beaver Rd, Ste 200 Troy, MI 48063-2068	Consulting Services	CAP, O&M	\$720,536	923
Douglas Technologies Inc. PO Box 1979 Cochrane, AB T4C 1B7	IT Services	CAP, O&M	\$189,540	107, 866
DRM Maintenance and Management 380 E. Monroe St. Dundee, MI 48131-1306	Underground construction Services	CAP, O&M	\$65,977	107, 887, 880, 892
Dynecol Inc. 6520 Georgia St. Detroit, MI 48211-1662	Hazardous Waste Disposal Services	CAP, O&M	\$56,750	107, 416
Dziurman Dsign Inc 620 S Main St Clawson, MI 48017-2016	Technical Services	O&M	\$917,206	859, 879
Eagal Excavation Inc. 4295 Holiday Dr. Flint, MI 48507	Excavation Services	CAP, O&M	\$101,647	107, 834, 874
Eagle Research Corp. 4237 ST RT 34 Hurricane, WV 25526	Technical Services	CAP, O&M	\$95,704	107, 416, 816, 832
Edward J Painting 4665 Meadowlawn Dr. Fort Gratiot, MI 48059	Painting Services	O&M	\$135,103	107, 818, 834
EJH CONSTRUCTION INC 30896 W 8 MILE RD Farmington Hills, MI 48336-5304	Construction Services	CAP, O&M	\$327,538	107, 874, 880, 887
Ekklesia Bldg Corp 3430 E Jefferson Ave, Ste 533 Detroit, MI 48207	Contract Labor Services	O&M	\$252,145	880
EMC Corp 176 SOUTH ST Hopkinton, MA 1748	Contract Labor Services	CAP, O&M	\$919,823	107, 921, 923
EN Engineering LLC 7135 Janes Ave Woodbridge, IL 60517-2344	Technical Services	CAP, O&M	\$157,772	107, 850
Enduro Pipeline Services Inc 5002 S 45th West Ave Tulsa, OK 74107-7345	Pipeline Services	CAP, O&M	\$245,149	107, 856

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Energy and Environmental Analysis 1655 N Fort Myer Dr, Ste 600 Arlington, VA 22209-3113	Contract Labor Services	O&M	\$59,579	859
Environmental Recycling 527 E Woodland Cir Bowling Green, OH 43402-8966	Hazardous Waste Disposal Services	CAP, O&M	\$123,686	107, 416
Ernst and Young LLP 5 Times SQ New York, NY 10036-6527	Contract Labor Services	CAP, O&M	\$1,263,968	107, 923, 903
FACILITY MATRIX GROUP INC 555 FRIENDLY ST Pontiac, MI 48341-2650	Engineering Services	CAP, O&M	\$390,725	107, 923, 897, 850, 880
FAHEY SCHULTZ BURZYCH RHODES PLC 4151 OKEMOS RD Okemos, MI 48864	Legal Services	CAP, O&M	\$222,570	107, 921, 923, 925
Fairlane Ford Sales Inc 14585 Michigan Ave Dearborn, MI 48126-3438	Vehicle Maint. & Repair Service	CAP, O&M	\$50,893	107
Federal Paving Inc 2260 Auburn Rd Auburn Hills, MI 48326-3102	Construction Services	CAP	\$1,020,786	107
FES Group LLC 28036 Oakland Oaks CT Wixom, MI 48393	Engineering Services	CAP	\$60,000	107
Fitzgibbons Fleet Fabricators Ltd 3325 Cisco St Jackson, MI 49201-8804	Vehicle Maint. & Repair Service	CAP	\$125,596	107
Focused Health Solutions Inc 1650 Lake Cook Rd, Ste 200 Deerfield, IL 60015-4747	Health Care Services	O&M	\$825,742	926
Ford Quality Fleet Care Program PO Box 67000 Detroit, MI 48267-1218	Vehicle Maint. & Repair Service	CAP, O&M	\$312,710	107, 921
Foster Assoc Inc 17595 S Tamiami Trl, Ste 212 Ford Myers, FL 33908-4571	Consulting Services	O&M	\$226,335	928
Fraza Forklifts of Detroit 15725 E 12 Mile Rd Roseville, MI 48066-1859	Equipment Rental Services	CAP, O&M	\$49,812	107, 921, 923
Fraza Forklifts 2045 Austin Dr Troy, MI 48063-2210	Equipment Rental Services	CAP, O&M	\$1,140	880, 107, 889
Gardiner C Vose Inc 832 Crestview Ave Bloomfield, MI 48302-0009	Construction Services	CAP, O&M	\$430,819	107, 902, 903
Gas Technology Inst 1700 S Mount Prospect Rd Des Plaines, IL 60018-1804	Research Services	CAP, O&M	\$95,000	107, 850

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Gateway Air Service Inc 5465 E Airport Rd MT Pleasant, MI 48858-8923	Contract Labor Services	O&M	\$103,696	833, 863
Genuine Parts Co Napa 2999 Circle 75 Pkwy Atlanta, GA 30339	Vehicle Maint. & Repair Service	CAP, O&M	\$103,873	107, 921
Global Appliances 13007 E 8 Mile Rd Warren, MI 48089-3221	Appliance Repair Services	O&M	\$111,360	879
Goodwill Industries 3111 Grand River Ave Detroit, MI 48208-2962	Personnel Services	CAP, O&M	\$150,043	107, 878, 879, 880, 903, 923
Grand River Printing 8455 Haggerty Rd Belleville, MI 48111-1607	Printing & Mailing Services	CAP, O&M	\$122,491	107, 859, 902, 903, 916, 923
Great Lakes Truck and Trailer Inc 5912 Executive Dr Westland, MI 48185-5695	Vehicle Maint. & Repair Service	CAP, O&M	\$138,679	107, 921
Green Allen LTD 211 W Fort St, 15th Fl Detroit, MI 48226	Building Leasing Services	O&M	\$213,575	107, 931
Gregware Equip Co PO Box L Grand Rapids, MI 49501-4912	Vehicle Maint. & Repair Service	CAP, O&M	\$117,288	107, 921
Guardian Plumbing & Heating Inc 34400 Glendale St Livonia, MI 48150-1302	Plumbing Services	CAP, O&M	\$464,660	107, 891, 923
Hall Engineering Co 25400 Meadowbrook Rd Novi, MI 48375	Equipment Rental Services	CAP, O&M	\$1,495,964	107, 416, 818, 834, 866, 891
Harley Ellis Devereaux 26913 Northwestern Hwy, Ste 200 Southfield, MI 48033-8441	Consulting Services	CAP, O&M	\$57,786	107, 879, 923
Harrison Appliance Inc 9862 Jackson St Belleville, MI 48111	Appliance Repair Services	O&M	\$99,114	879
Heath Consultants Inc 903 Monroe Rd Houston, TX 77061-5229	Surveying Services	CAP, O&M	\$1,963,747	107, 880, 920
Henkels and McCoy Inc 985 Jolly Rd Blue Bell, PA 19422-1903	Construction Services	CAP	\$2,397,950	107
Henry Ford Health Systems 1 Ford Pl, Ste 2A Detroit, MI 48202-3067	Health Care Services	O&M	\$400,555	107, 923, 926

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Hewlett Assoc 100 Half Day Rd Lincolnshire, IL 60069-342	Contract Labor Services	CAP, O&M	\$230,089	107, 923, 926
Hewlette Packard Co 8000 Foothills Blvd Roseville, CA 95747-6588	IT Services	CAP, O&M	\$207,101	107, 426.1, 426.4, 818, 834, 859, 864, 866, 879, 880, 891, 892, 902, 903, 921, 923, 925
Hewlett Pakard Financial 420 Mountain Ave Murry Hill, NJ 07974-0006	Contract Labor Services	CAP, O&M	\$16,665	107, 923
HiAB Inc 12233 Williams Rd Perrysburg, OH 43551	Vehicle Maint. & Repair Service	CAP	\$70,997	107
Holland Engrg 220 Hoover Blvd, Ste 2 Holland, MI 49423	Surveying Services	CAP, O&M	\$1,058,344	107, 850
Honigman Miller Schwartz and 660 Woodward Ave Detroit, MI 48226	Legal Services	CAP, O&M	\$542,477	107, 923, 925
Hunton and Williams 951 E Byrd St, Ste 200 Richmond, VA 23219-4038	Legal Services	CAP, O&M	\$654,270	107, 923, 925
Huron Consulting Group LLC 711 Louisiana Street Houston, TX 77002	Consulting Services	O&M	\$98,162	107, 923
Hutchinson and Associates PC 1001 Woodward Ave, Ste 1760 Detroit, MI 48226-1999	Legal Services	CAP, O&M	\$1,404,513	107, 923, 925
IBM Corp 3031 N Rocky Point Dr W Tampa, FL 33607-5878	Software Maintenance Services	CAP, O&M	\$26,026	107, 923
IBM Software Group 18000 W 9 Mile Rd Southfield, MI 48075-4009	Software Maintenance Services	CAP, O&M	\$1,187,569	107, 866, 923
IMA Inventory Mgmt Analysis LTD 55 Brock St E Tillsonburg, ON N4G 1Z7	Consulting Services	CAP, O&M	\$64,555	107, 923
Impact Bus Group Inc 4150 E Beltline NE, Ste 1 Grand Rapids, MI 49525	Consulting Services	CAP, O&M	\$77,923	107, 903, 923
Industrial Electric Co 272 E Milwaukee St Detroit, MI 48202-3233	Equipment Rental Services	CAP	\$424,807	107
Infrasource Underground 4033 Morgan Rd Ypsilanti, MI 48197-9637	Underground Construction Services	CAP, O&M	\$24,737,506	107, 863, 874, 875, 880, 887, 883, 891, 892, 893
Inland Industrial Services Group 2021 S Schaefer Hwy Detroit MI 48217-1200	Hazardous Waste Disposal Services	CAP, O&M	\$71,892	107, 834

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Intelligent Results 305 108th Ave NE, Ste 200 Bellevue, WA 98004	Contract Labor Services	O&M	\$71,975	903
Itron Inc 2818 N Sullivan Rd Spokane Valley, WA 99216-1897	Software Maintenance Services	CAP, O&M	\$130,812	107, 921, 923
J D Power and Assoc PO Box 512778 Los Angeles, CA 90051-0778	Contract Labor Services	O&M	\$63,600	859
J Ferrara Home Service Corp 2810 Oakwood Blvd Melvindale, MI 48122-1243	Appliance Repair Services	O&M	\$195,194	879
J O Well Service and Testing Inc 6825 Lea Pick Dr Mt Pleasant, MI 48858-8911	Testing and Analysis Services	CAP, O&M	\$91,540	107, 416, 832
Jacks Heating & Cooling of Lapeer 1567 Inlay City Rd, Ste B Inlay City, MI 48446-3175	Appliance Repair Services	O&M	\$64,715	879
Jan X Ray Services Inc 850 E Michigan Ave Parama, MI 49269-9785	Testing and Analysis Services	CAP, O&M	\$1,493,059	107, 856, 863, 891
Jefferson Wells Intrntl 100 Manpower Place Milwaukee, WI 53212	Contract Labor Services	CAP, O&M	\$653,439	107, 903, 923
JJR LLC 110 Miller Ave Ann Arbor, MI 48104-1339	Engineering Services	CAP	\$84,432	107
John A Papalas and Co 1187 Empire Ave Lincoln Park, MI 48146-2046	Asbestos Insulation Services	CAP	\$162,833	107
Johnson Controls Inc PO BOX 242 Milwaukee, WI 53278-0242	Equipment Repair Services	CAP	\$111,611	107
Johnston Lithographic Inc. 11334 Hunt St Romulus, MI 48174	Printing & Mailing Services	O&M	\$78,416	879
JPW Associates Inc PO Box 67 Haddon Heights, NJ 08035-0067	Contract Labor Services	O&M	\$94,207	902
Kearsley Appliance 3104 Richfield Rd Flint, MI 48506-2522	Appliance Repair Services	O&M	\$54,191	879
Keitz Heating Air Conditioning 1695 Valley Dr Highland, MI 48356-2862	Appliance Repair Services	O&M	\$66,636	879
Keitz Heating and Appliance 1695 Valley Dr Highland, MI 48356-2862	Appliance Repair Services	O&M	\$217,064	879

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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Kelley Cawthorne Consulting LLC 208 N Capitol Ave, 3rd Fl Lansing, MI 48933-1356	Consulting Services	O&M	\$21,840	426.4
Kent Power Inc 90 Spring St Kent City, MI 49330-9446	Underground Construction Services	CAP, O&M	\$4,158,133	107,880,887,892
Kenwhirl Appliance 8300 N Telegraph Rd Dearborn, MI 48127-1435	Appliance Repair Services	O&M	\$82,029	879
Kern International Inc 3940 GANTZ RD, STE A GROVE CITY, OH 43123	Professional Services	O&M	\$52,521	903
Kienbaum Opperwall Hardy and Pelton PLC 280 N Old Woodward Ave, Ste 400 Birmingham, MI 48009	Legal Services	O&M	\$55,961	925
KPMG LLP 3 Embarcadero Ctr San Francisco, CA 94111-4074	Contract Labor Services	CAP, O&M	\$75,014	107,923
Krueger Heating 28010 Harper Ave Saint Clair Shores, MI 48081-1562	Appliance Repair Services	O&M	\$117,235	879
KTM Mechanical Inc 9568 26 Mile Rd Casco Twp, MI 48064	Appliance Repair Services	O&M	\$143,150	879
Larson Construction Co Inc 7751 Aarwood Trl NW Rapid City, MI 49576-9739	Construction Services	CAP, O&M	\$110,715	107,891
LaSalle Natl Leasing Corp 2059 Northlake Pkwy, 4th Fl Tucker, GA 30084	Equipment Rental Services	O&M	\$139,259	903
Lauren Bowler 1045 Timberlake Dr Bloomfield Hills, MI 48302-2848	Property Leasing Services	O&M	\$58,123	931,107
Lewis and Munday PC 1300 First National Bldg, Ste 1300 Detroit, MI 48226-3500	Legal Services	CAP, O&M	\$322,301	107,923,925
Lexis Nexis Examen 3831 N Freeway Blvd, Ste 200 Sacramento, CA 95834-1933	Legal Services	CAP, O&M	\$243,216	107,923
Litigation Associates PLLC 30300 Northwestern Hwy Farmington Hills, MI 48334	Contract Labor Services	O&M	\$506,500	880
Littler Mendelson PC 650 California St, 20th Fl San Francisco, CA 94108	Legal Services	CAP, O&M	\$295,126	107,923,925



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Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
M I S Insulation Inc 1300 Woodside Ave Essexville, MI 48732-1242	Construction Services	CAP	\$182,640	107
M. I. Chartier Inc 9195 Marine City Hwy Fair Haven, MI 48023	Excavation Services	CAP, O&M	\$485,204	107, 416, 818, 832, 834, 863
Mackinaw Administrators LLC PO Box 489 Brighton, MI 48116	Health Care Services	O&M	\$679,079	228.2, 253
Magnum Solvent Inc 470 Magnum Dr NE Kalaska, MI 49646	Pipeline Services	CAP, O&M	\$413,630	107, 416, 818, 834, 853, 863, 891
Maintenance Contracting LLC 4404 Mitchell Rd SE Kalaska, MI 49646-9683	Construction Services	CAP, O&M	\$97,023	107, 416, 818, 832, 856, 857, 863, 864, 865, 887, 891
Marine Pollution Control 8631 W Jefferson Ave Detroit, MI 48209-2691	Environmental Services	CAP	\$55,574	107
Market Strategies Inc 20255 Victor Pkwy, Ste 400 Livonia, MI 48152-7003	Contract Labor Services	O&M	\$133,885	859, 879, 903, 908, 930.1
Meru Corrosion Control Inc 444 Ludington Dr Farwell, MI 48622-8414	Painting Services	CAP	\$299,717	107, 834
MCAAA 516 S Greys Rd, Ste A Lansing, MI 48917	Marketing Services	O&M	\$240,000	880
MCI Worldcom Network Services Inc 22001 Loudoun County Pkwy Ashburn, VA 20147-6105	Telecommunication Services	CAP, O&M	\$706,943	107, 902, 903, 908, 921
McJunkin Red Man Corp 835 Hillcrest Dr Charleston, WV 25311	Construction Services	CAP	\$74,460	107, 154
McKinsey and Co Inc US 55 E 52nd St New York, NY 10022	Consulting Services	CAP, O&M	\$75,427	107, 923
Mears Group Inc 4500 N Mission Rd Rosebush, MI 48674	Surveying Services	CAP	\$333,767	107
Media Mosaic Inc 555 S Renton Village Pl, Ste 280 Renton, WA 98057	IT Services	CAP, O&M	\$509,118	107, 880, 923
Mercer Human PO BOX 13793 Newark, NY 07188-0793	Consulting Services	CAP, O&M	\$126,867	107, 923
Michael J Whims Consulting LLC 1014 Iroquois Blvd Royal Oak, MI 48067	Consulting Services	CAP, O&M	\$113,235	107, 830

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Michigan Tractor and Machinery Co 24800 Novi Rr Novi, MI 48375	Equipment Rental Services	CAP, O&M	\$129,037	107, 921
Mich-Tech one Corp 10124 Willis Rd Willis, MI 48191-9750	Appliance Repair Services	O&M	\$175,894	879
Microsoft Licensing GP 6100 Neil Rd, Ste 210 Reno, NV 89511-1157	Software Services	CAP, O&M	\$428,546	107, 923
Midland Resource Recovery Inc 16560 Myers Rd Lunenburg, k2C 1 R0	Waste Removal Services	CAP	\$82,787	107
Mika Meyers Beckett and Jones PLC 900 Monroe Ave NW Grand Rapids, MI 49503-1423	Legal Services	CAP, O&M	\$72,067	107, 923, 925
Miller Canfield Paddock and Stone 150 W Jefferson Ave Detroit, MI 48226-4416	Legal Services	CAP, O&M	\$661,535	107, 923, 925
Miss Dig System Inc 2564 N Squirrel Rd, Ste 443 Auburn Hills, MI 48326-2383	Engineering Services	O&M	\$345,475	874, 925
Mobile Mounting Solutions Inc 1904 University Business D, Ste 310 McKinney, TX 75071	Telecommunication Services	CAP, O&M	\$122,428	107, 878
Monroe Refrigeration 5097 N Dixie Hwy Newport, MI 48166-9060	Appliance Repair Services	O&M	\$177,634	879
Motor City Electric Utilities Co 9440 Grinnell St Detroit, MI 48213-1151	Equipment Rental Services	CAP	\$233,080	107
Motor City Truck PO BOX 511107 LIVONIA, MI 48151-7107	Vehicle Maint. & Repair Service	CAP, O&M	\$100,447	107, 921
Mount Clemens Crane and Service Co 42827 Irwin Dr Harrison Twp, MI 48045-1342	Equipment Rental Services	CAP, O&M	\$52,486	107, 818, 834, 923
Natco US 131 NORTH AT WOOD RD KALKASKA, MI 49646	Equipment Repair Services	CAP, O&M	\$228,050	107, 818, 834
Nation Wide Security Inc 23800 W 10 Mile Rd, Ste 102 Southfield MI 48033	Security Services	CAP, O&M	\$1,012,030	107, 902, 903, 923, 879
National Business Supply 2595 Bellingham Dr Troy MI 48063	Building & Maint. Repair Services	CAP, O&M	\$153,264	107, 851
National Oilwell Varco Inc 4370 Corporate Way Mt Pleasant MI 48858	Construction Services	CAP, O&M	\$61,525	107, 834

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Nationwide Envelope Specialists 21260 W 8 Mile Rd Southfield, MI 48075	Professional Services	CAP, O&M	\$59,335	107, 903, 908, 921, 926, 859, 879, 880 874, 426.1
Nati Heating Co Inc 12824 Fenkell St Detroit, MI 48227-4065	Appliance Repair Services	O&M	\$122,198	879
NCO Financial Systems Inc 507 Prudential Rd Horsham, PA 19044	Contract Labor Services	O&M	\$1,857,107	880, 903
Neopost Inc 30955 Huntwood Hayward CA 94544	Printing & Mailing Services	CAP, O&M	\$53,254	107, 903, 921
New Energy Assoc LLC 400 Interstate N Pkwy Atlanta GA 30339	Training Services	CAP, O&M	\$113,600	107, 859
New Equipment Leasing Inc 2892 Thornhills Ave SE Grand Rapids MI 49546	Equipment Rental Services	CAP, O&M	\$120,643	107, 859
Nextel Communications P O Box 4181 Carol Stream IL 60197	Telecommunication Services	CAP, O&M	\$298,788	107, 903, 908, 921
Northern A 1 Kalkaska 3497 US Highway 131 N Kalkaska MI 49646	Transportation Services	CAP, O&M	\$87,650	107, 832, 834
Northern Ind Construction Inc 2316 Pleasant Valley Rd Boyne City, MI 49712-9767	Construction Services	CAP, O&M	\$489,530	107, 834
Northwoods Aviation 3780 S Dickerson Rd Lake City, MI 49651-8914	Contract Labor Services	O&M	\$60,472	833, 863
NTH Consultants Ltd 2000 Brush St Detroit, MI 48226	Contract Labor Services	CAP, O&M	\$496,493	107, 850
Oakland Plus 45224 Thornhill Canton MI 48186	Legal Services	CAP, O&M	\$133,333	253
OCE USA Inc 5450 N Cumberland Ave Chicago, IL 60656-1469	Equipment Rental Services	CAP, O&M	\$216,104	903, 850, 880
Ogletree Deakin Nash Smoak and Stewart PC P O Box 2757 Greenville SC 29602	Contract Labor Services	CAP, O&M	\$313,315	925
Oliver Wyman Inc PO Box 380028 Boston, MA 02241	Legal Services	O&M	\$567,912	903, 923
Oscar W Larson Co 10100 Dixie Hwy Clarkston MI 48348	Equipment Repair Services	CAP, O&M	\$52,759	107, 834

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Ottawa County Road P O Box 739 Grand Haven MI 49417	Underground Construction Services	CAP, O&M	\$91,533	107
Oxford Global Resources 100 Cummings Ctr, Ste 206l Beverly, MA 01915	Contract Labor Services	CAP, O&M	\$153,077	107, 903, 923
Palace of Auburn Hills 3 Championship Dr Auburn Hills MI 48326	Contract Labor Services	O&M	\$149,068	426.1
Palmer Moving and Storage 24660 Dequindre Rd Warren, MI 48091-3332	Moving & Storage Services	CAP, O&M	\$60,232	107, 879, 880
Paradigm Liaison Services LLC 15510 Herriman Blvd Noblesville IN 46062	Training Services	O&M	\$57,864	880
Pepper Hamilton LLP 100 Renaissance Ctr Detroit MI 48243	Legal Services	O&M	\$114,213	925
Pil North America Inc 7105 Business Park Dr Waterford, MI 48328-3024	Engineering Services	CAP	\$440,915	107
Pitney Bowes Management Services PO Box 845801 Dallas, TX 75284-5801	Contract Labor Services	CAP, O&M	\$13,544	107, 923
Port City Communications Inc 942 Military St Port Huron MI 48060	Communication Services	O&M	\$71,675	903, 908, 921
Power Advocate Inc 55 summer St Boston, MA 02110	Contract Labor Services	O&M	\$194,914	923
Power Process Piping inc 45780 Port St Plymouth, MI 48170-6049	Contract Labor Services	CAP, O&M	\$11,779,376	107
Precision Temp Heating & Cooling 51452 Oro Rd Shelby Twp MI 48315	Appliance Repair Services	O&M	\$295,886	879
Preiss Outdoor Services and Supply 8211 Clyde Rd Fenton, MI 48430-9232	Grounds Maintenance Service	CAP, O&M	\$362,036	107, 817, 856, 863, 891
Price Gregory Construction Inc 7575 San Felipe, Ste 350 Houston TX 77063	Construction Services	CAP	\$15,674,274	107
Pricewaterhousecoopers LLP 3109 W Dr M L King Dr Tampa FL 33607	Contract Labor Services	CAP, O&M	\$55,821	107, 923
Pyramid Consulting Intrn 314 Hunters Trail Ann Arbor MI 48103	Consulting Services	O&M	\$71,292	923

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Quality Refrigeration Service 35985 Mound Rd Sterling Hts MI 48310	Appliance Repair Services	O&M	\$128,986	879
Quorum Business Solutions USA Inc 1420 W Mockingbird Ln, Ste 700 Dallas, TX 75247-4931	IT Services	CAP, O&M	\$64,068	107, 851
R and D Custom Builders Inc 3820 S Lachance Rd Lake City MI 48651	Construction Services	CAP, O&M	\$842,701	107, 864, 891
R G Eisenhardt Inc 9728 Gratiot Ave Columbus MI 48063	Excavation Services	CAP, O&M	\$53,723	107, 818, 832, 834
R L Coolsaet 28800 Goddard Rd Romulus, MI 48174-2702	Construction Services	CAP, O&M	\$8,878,697	107, 817, 834, 856, 863, 887, 891
R L Morris & Sons 3398 Valley Rd NW Kalkaska MI 48646	Excavation Services	CAP	\$200,809	107
Raymond Excavating Co 800 Gratiot Blvd marystown, MI 48040-1127	Excavation Services	CAP	\$134,066	107
Raytheon Professional Services LLC 1919 Technology Dr Troy, MI 48063-4245	Training Services	CAP, O&M	\$1,209,735	107, 880
RCB Industries Inc 1030 N Crooks Rd, Ste G Clawson, MI 48017-1020	IT Telecom Services	CAP, O&M	\$115,163	107, 903, 925, 902, 908, 850 866, 879, 880, 920
Real Estate One Inc 25800 Northwestern Hwy Southfield MI 48075	Relocation Services	CAP, O&M	\$109,626	107, 830, 880
Red Holman Pontiac GMC 35300 Ford Rd Westland, MI 48185-3191	Vehicle Maint. & Repair Service	CAP, O&M	\$81,758	107, 921
Reed Tool Co 129 W State St Mancelona, MI 49659-8048	Well Drilling Services	CAP	\$57,947	107
Revanew Intrntl LLC 440 Louisians Ave, Ste 400 Houston, TX 77002	Consulting Services	CAP	\$152,863	107
Ricoh Americas Corp 5 Dedrick Pl, W Caldwell, NJ 07006-6304	IT Telecom Services	CAP, O&M	\$126,604	107, 902, 903, 880, 889, 426.4
Robert Half Intrntl 5720 Stoneridge Dr S Pleasanton CA 94588	Contract Labor Services	CAP, O&M	\$641,685	903, 925
Rogers Chevrolet Inc 23755 Allen Rd Woodhaven MI 48183	Vehicle Maint. & Repair Service	O&M	\$168,889	107

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Rosen USA 14120 Interdrive E Houston, TX 77032-3324	Pipeline Services	CAP	\$200,100	107
Rotary Multiforms Inc 2160 E 11 Mile Rd Warren, MI 48091-1087	Personnel Services	O&M	\$107,719	903
Royal Oak Ford 27550 Woodward Ave Royal Oak MI 48067	Vehicle Maint. & Repair Service	CAP	\$1,372,015	107
Royal Roofing Co Inc 2445 Brown Rd Lake Orion, MI 48359-1810	Construction Services	CAP	\$136,193	107
RPF Consulting Inc 6478 Putnam Ford Dr, Ste 119 Woodstock, GA 30189-6988	Legal Services	O&M	\$332,113	925
Rudolph Libbe Inc 6494 Latcha Rd Walbridge, OH 43465-9788	Construction Services	CAP	\$277,990	107
Sandy Alexander Inc 200 Entin Rd Clifton, NJ 07014	Printing & Mailing Services	CAP, O&M	\$54,009	107, 923
Sap America Inc 3999 W Chester Pike Newtown Square, PA 19073	Consulting Services	CAP, O&M	\$469,818	107, 923
Schafers Appliance Service 34272 Armanda Ridge Richmond, MI 48062	Appliance Repair Services	O&M	\$63,183	879
Scott Madden Inc 2626 Glenwood Ave S Raleigh NC 27608	Consulting Services	O&M	\$112,228	923
SCSR, Inc 50 S Williams Lake Rd White Lake MI 48386	Appliance Repair Services	O&M	\$66,401	879
Security Corp 22325 Roethel Dr Novi, MI 48375-4710	Security Services	CAP	\$101,023	107
Shelving Inc 32 S Squirrel Rd Auburn Hills MI 48326	Equipment Rental Services	CAP	\$61,754	107
Simplexgrinnell LP 24755 Halsted Rd Farmington Hills, MI 48335	Security Services	CAP	\$223,414	107
South Lyon Fence Co Inc 53583 Grand River Ave New Hudson, MI 48165-8522	Professional Services	CAP, O&M	\$73,027	107, 863
Spection LLC PO Box 190 Parma, MI 49269-0190	Pipeline Services	CAP, O&M	\$3,079,748	107, 817, 863

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
SSOE Inc 1001 Madison Ave Toledo, OH 43624-1535	Engineering Services	CAP	\$797,161	107
St. Clair Plumbing & Heating 1231 Clinton Ave St. Clair MI 48079	Construction Services	O&M	\$50,628	834, 879
Standard and Poors Corp 55 Water St New York, NY 10041	Corporate Services	CAP, O&M	\$83,568	107, 921
Staywell Custom Communication P O Box 759 Morrisville PA 19067	Communication Services	O&M	\$183,511	920
Storage Tek 13383 Collections Ctr Chicago IL 60693	IT Services	CAP, O&M	\$283,372	107, 923
Strategic Staffing Solutions Inc 645 Griswold St, Ste 2900 Detroit, MI 48226-4105	Personnel Services	CAP, O&M	\$8,368,451	107, 902, 903, 908, 859, 879, 880
Suburban Ford of Sterling 8000 Ford Country Lane Sterling Hts MI 48313	Vehicle Maint. & Repair Service	CAP	\$104,603	107
Sun Heating and Cooling Inc 766 Industrial Ct Bloomfield Hills, MI 48302-0380	Appliance Repair Services	O&M	\$207,318	879
Sutton Leasing Inc 13300 E 11 Mile Rd Warren MI 48089	Vehicle Leasing Services	CAP, O&M	\$399,867	107, 931
Swan Electric Co Inc 101 McVannel Dr Gaylord MI 49734	Equipment Repair Services	CAP, O&M	\$108,636	107, 853, 891
Swenski Tree Service Inc 113 Buntrock Rd Iron River, MI 49935-8271	Grounds Maintenance Service	O&M	\$184,496	856, 863
Symantec Corp 555 International Way Springfield, OR 97477	Software Maintenance Services	CAP, O&M	\$61,671	107, 921, 923
Taycom Bus Solutions Inc 719 Griswold Ave, Ste 820 Detroit, MI 48226	Contract Labor Services	CAP, O&M	\$218,894	107, 923
Taylor Forge Engineered 206 N Iron St Paola KS 66071	Engineering Services	CAP	\$60,000	107
Tele-Interpreters 500 N Brand Blvd, Ste 1700 Glendale, CA 91203-3903	Professional Services	O&M	\$63,706	903
Telvent USA Inc 10333 Southport Road S W, Ste 200 Calgary, T2W 3X6	Consulting Services	CAP	\$629,637	107

## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
The Goodyear Tire & Rubber 1144 E Market St Akron OH 44316	Vehicle Maint. & Repair Service	O&M	\$193,468	107, 921
Trane US Inc 3600 Parnell Creek Rd LaCrosse WI 54601	Building & Maint Repair Services	CAP, O&M	\$71,885	107, 921
Transportation Regulatory 361 S Fontage Rd, Ste 123 Burr Ridge IL 60217	Vehicle Maint. & Repair Service	CAP, O&M	\$274,471	107, 921
TRG Customer Solutions Inc 2200 Renaissance Blvd, Ste 350 King of Prussia PA	Consulting Services	O&M	\$3,078,216	879
Truck Tech Engineers Inc 38921 Ford Rd Westland, MI 48185-1965	Vehicle Maint. & Repair Service	CAP	\$564,086	107
TT Technologies Inc 2020 e New York St Aurora IL 60602	IT Services	CAP	\$120,000	107
Unibar Maintenance Service 4325 Concourse Dr Ann Arbor MI 48108	Metering Services	O&M	\$3,125,321	902
URS Corp Great Lakes 34555 W 12 Mile Rd Farmington Hills, 48331-3235	Engineering Services	CAP	\$330,325	107
Varolli Corp 821 2nd Ave, Ste 1000 Seattle, WA 98104-2885	Contract Labor Services	O&M	\$207,584	903
Vee Inc 13225 Northline Rd, Ste 100 Southgate, MI 48195	Personnel Services	CAP, O&M	\$107,200	107, 923
Ventyx Inc 3301 Windy Ridge Pkwy Atlanta, GA 30339	Contract Labor Services	CAP	\$56,720	107
Verizon North Inc PO Box 9688 Mission Hills, CA 91346-9688	Telecommunication Services	CAP, O&M	\$186,588	107, 903, 908, 921, 866
Verizon Wireless Messaging Services 2880 Orchard Lake Rd Farmington Hills, MI 48334-2981	Telecommunication Services	CAP, O&M	\$387,724	107, 903, 908, 921
Vital Outsourcing Services Inc 3795 Data Dr, Ste 200 Norcross, GA 30092-2535	Contract Labor Services	O&M	\$975,123	903
Vontu Inc 475 Sansome, ste 2000 San Francisco CA 94111	Software Maintenance Services	CAP, O&M	\$98,020	107, 921, 923
WJ O'Neill Co 35457 Industrial Rd Livonia, MI 48150-1233	Construction Services	CAP	\$241,836	107



## CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

December 31, 2008

Name and Address (a)	Description of Services (b)	Basis of Charges (c)	Total Payments (d)	Account Charged (e)
Warm Training Ctr 4835 Michigan Ave Detroit MI 48210	Training Services	O&M	\$91,315	880, 908
Welded Construction LP 26933 Eckel Rd Perrysburg, OH 43551-1215	Pipeline Services	CAP	\$562,341	107
West Group Payment Ctr P O Box 6292 Carol Stream IL 60197	Legal Services	O&M	\$86,592	925
Western Michigan Fleet Parts Inc 18 E Washington Ave Zeeland MI 49464	Vehicle Maint. & Repair Service	CAP, O&M	\$57,923	107, 921
Willbros Engineers Inc 2087 E 71st St Tulsa, OK 74136-5423	Engineering Services	CAP	\$138,431	107
Wind Lake Solutions Inc 400 Bay View Rd, Ste A Mukwonago, WI 53149	Technical Services	CAP	\$804,757	107
Wisner 6 Brewster Rd Wayland, MA 01778-3704	Consulting Services	CAP, O&M	\$73,861	107, 923
Wolf Detroit Envelope Co 2300 Meijer Dr, Ste 200 Troy, MI 48064	Printing & Mailing Services	O&M	\$222,306	921, 923
Woivarine Truck Sales 3550 Wyoming St Dearborn, MI 48120-1425	Vehicle Maint. & Repair Service	CAP	\$87,680	107

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company.					
2. In column (b) describe the affiliation (percentage ownership, etc.).					
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, gas transportation services, dividends declared, etc.).					
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	DTE Enterprises, Inc.	Parent of MichCon Holdings	Admin. & General		
2	MCN Energy Enterprises, Inc.	Subsidiary of DTE Enterprises	Admin. & General	920-00 - 926-00	2,805
3	Citizens Gas Fuel Company	Subsidiary of DTE Enterprises	Admin. & General		
4	DTE Energy Resources, Inc.	Subsidiary of DTE Energy Company	Admin. & General	920-00 - 926-00	809
5	DTE Biomass Energy, Inc.	Subsidiary of DTE Energy Resources	Admin. & General		
6	South Romeo Gas Storage Company	Subsidiary of DTE Gas Storage Company	Admin. & General		
7	MichCon Pipeline Company	Subsidiary of MichCon	Operations	495-00	
8	Jordan Valley Limited Partnership	Subsidiary of MichCon	Admin. & General	920-00 - 926-00	36,045
9	Saginaw Bay Lateral Company	Subsidiary of MichCon	Admin. & General	920-00 - 926-00	87,514
10	Saginaw Bay Lateral Limited Ptnrship	Subsidiary of MichCon	Admin. & General	920-00 - 926-00	17,859
11	Westside Pipeline Company	Subsidiary of MichCon	Admin. & General	920-00 - 926-00	17,672
12	DTE Coal Services, Inc.	Subsidiary of DTE Energy Resources	Admin. & General		
13	DTE Terra Hayes Gathering Co.	Subsidiary of MichCon Pipeline Company	Admin. & General	920-00 - 926-00	62,132
14	DTE Energy Corporate Services, LLC	Subsidiary of DTE Energy Company	Gas Transportation	489-20	11,930
15	DTE East China, LLC	Subsidiary of DTE Energy Services, Inc.	Gas Transportation	489-40	102,000
16	Tums/Olund Lake Pipeline Company	Subsidiary of MichCon Pipeline Company	Admin. & General	920-00 - 926-00	12,484
17	DTE Energy Ventures, Inc.	Subsidiary of DTE Energy Company	Admin. & General		
18	DTE River Rouge No. 1, L.L.C.	Subsidiary of DTE Energy Resources	Gas Transportation	489-20	108,275
19	DTE Energy Services, Inc.	Subsidiary of DTE Energy Resources	Admin. & General	920-00 - 926-00	22,516
20	DTE Michigan Holdings, Inc.	Subsidiary of MCN Energy Enterprises	Admin. & General	920-00 - 926-00	348,375
21					
22	MichCon Gathering Company	Subsidiary of MichCon	Admin. & General	920-00 - 926-00	1,857,411
23			Tax Other than Income	408-10	49,975
24					
25	Saginaw Bay Pipeline Company	Subsidiary of MichCon	Admin. & General	920-00 - 926-00	317,319
26			Operations	858-00	3,855
27					
28	DTE Energy Trading, Inc.	Subsidiary of DTE Energy Resources	Gas Transportation	489-40	668,000
29			Trading	484-00	222,410
30			Tax Other than Income	408-10	37,474
31			Admin. & General	920-00 - 926-00	882,841
32					
33	DTE Gas Storage Co.	Subsidiary of DTE Enterprises	Operations	495-00	250,000
34			Tax Other than Income	408-10	10,016
35			Admin. & General	920-00, 921-00	230,742
36					
37	Thunder Bay Gathering Co.	Subsidiary of MichCon	Operations	495-00	9,600
38			Admin. & General	920-00, 921-00	480,525
39			Tax Other than Income	408-10	13,626
40					
41	The Detroit Edison Company	Subsidiary of DTE Energy Company	Gas Transportation	489-20	1,167,352
42			Admin. & General	494-00	1,500,000
43			Admin. & General	920-00, 921-00	89,298
44					
45	Jordan Valley Pipeline Company	Subsidiary of MichCon Pipeline Company	Operations	495-00	19,200
46			Admin. & General	920-00 - 926-00	152,439
47					
48	MichCon Lateral Company	Subsidiary of MichCon	Admin. & General	920-00 - 926-00	1,375,721
49			Tax Other than Income	408-10	45,544
TOTAL					10,213,764

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		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.		
415-00 419-00	148,790	146-00	97,579	97,579	cost	1		
		146-00	337	3,142	cost	2		
		146-00	12	12	cost	3		
		146-00	1,308	2,117	cost	4		
		146-00	691	691	cost	5		
		146-00	145,611	145,611	cost	6		
	419-00	1,072	146-00	399	149,189	cost	7	
			146-00	4,873	40,918	cost	8	
			146-00	10,016	97,530	cost	9	
			146-00	1,786	20,717	cost	10	
			146-00	4,069	21,741	cost	11	
			146-00	71	71	cost	12	
			146-00	4,037	66,169	cost	13	
			146-00	1,089,905	1,101,835	contract	14	
			146-00	0	102,000	contract	15	
			146-00	11	12,495	cost	16	
419-00		146-00	2,663	2,663	cost	17		
		146-00	0	108,275	contract	18		
		146-00	106,805	129,321	cost	19		
		146-00	10,852	359,227	cost	20		
		146-00	209,622	2,067,033	cost	22		
			49,975	cost	23			
		146-00	77,573	394,892	cost	25		
			3,855	cost	26			
						27		
		421-10	23,383,820	146-00	1,391,293	25,443,113	contract	28
415-00, 419-00	2,060,004	146-00	820,992	222,410	cost	29		
				37,474	cost	30		
				882,841	cost	31		
								32
								33
								34
								35
								36
								37
								38
419-00		146-00	81,472	91,072	cost	37		
				480,525	cost	38		
				13,626	cost	39		
417-00 419-00	56,698	146-00	121,015	1,345,085	contract	41		
				1,500,000	cost	42		
				89,298	cost	43		
		146-00	21,232	40,432	cost	45		
				152,439	cost	46		
								47
		146-00	587,268	1,962,989	cost	48		
				45,544	cost	49		
	25,650,384		4,781,492	40,655,640				

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2006
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES					
1. In column (a) report the name of the associated company.					
2. In column (b) describe the affiliation (percentage ownership, etc.).					
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, gas transportation services, dividends declared, etc.).					
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	DTE Energy Company	Parent of DTE Enterprises	Customer Service	901-916	0
2			A&G Expense	920-935	1,478,091
3			Interest Expense		
4					
5	The Detroit Edison Company	Subsidiary of DTE Energy Co.	O&M Expense	580, 816-893	0
6			Customer Service	902-913	956,675
7			A&G Expense	920 - 925	33,151
8			Rent Expense	931	16,248,000
9			Taxes Other	408	2,005
10			Construction		
11					
12	DTE Energy Corporate Services, LLC	Subsidiary of DTE Energy Company	O&M Expense	816-893	8,996,852
13			Customer Service	902 - 908	45,483,872
14			Sales Promotion	911 - 913	41,562
15			A&G Expense	920 - 930	85,041,422
16			Taxes Other	408	3,466,803
17			Miscellaneous Non-op		
18			Construction		
19					
20	DTE Energy Resources, Inc.	Subsidiary of DTE Energy Company	O&M Expense	880	564
21	DTE Energy Trading, Inc.	Subsidiary of DTE Energy Resources	O&M Expense	803 - 859	25,058,100
22	MichCon Development Corporation	Subsidiary of MichCon	Interest Expense		
23	Blue Lake Holdings, Inc.	Subsidiary of MichCon	Interest Expense		
24	MichCon Pipeline Company	Subsidiary of MichCon	O&M Expense	858	821,620
25					
26	MichCon Gathering Company	Subsidiary of MichCon	O&M Expense	804, 806	7,566,723
27			Interest Expense		
28					
29	Saginaw Bay Pipeline Company	Subsidiary of MichCon	Interest Expense		
30	Saginaw Bay Lateral Company	Subsidiary of MichCon	Interest Expense		
31	Jordan Valley Limited Partnership	Subsidiary of MichCon	Interest Expense		
32	Thunder Bay Gathering Company	Subsidiary of MichCon	Interest Expense		
33	MichCon Lateral Company	Subsidiary of MichCon	Interest Expense		
34	DTE Gas Storage Pipeline & Processing Enterprises, Inc.	Subsidiary of MCN Energy Enterprises, Inc.	A&G Expense	920 - 930	623,651
35	DTE Michigan Holding Inc	Subsidiary of MCN Energy Enterprises, Inc.	Interest Expense		
36	DTE Gas Storage Company	Subsidiary of MCN Energy Enterprises	O&M Expense	804 - 859	3,713,132
37					
TOTAL					

## 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.

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	Cost	1
				1,478,091	Cost	2
430	4,605,776			4,605,776	Cost	3
						4
				0	Cost	5
				956,875	Cost	6
				33,151	Cost	7
				16,248,000	Cost	8
				2,005	Cost	9
		106	217,262	217,262	Cost	10
						11
				8,996,852	Cost	12
				45,483,872	Cost	13
				41,582	Cost	14
				65,041,422	Cost	15
				3,466,803	Cost	16
415 - 426	2,341,886			2,341,886	Cost	17
		106	16,589,757	16,589,757	Cost	18
						19
				564	Cost	20
				25,058,100	Cost	21
430	247,790			247,790	Cost	22
430	188,977			188,977	Cost	23
				821,620	Cost	24
						25
				7,568,723	Cost	26
430	801,031			801,031	Cost	27
						28
430	176,097			176,097	Cost	29
430	38,875			38,875	Cost	30
430	47,457			47,457	Cost	31
430	80,741			80,741	Cost	32
430	201,320			201,320	Cost	33
				623,651	Cost	34
430	65,120			65,120	Cost	35
				3,713,132	Cost	36
						37

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)					
1. In column (a) report the name of the associated company. 2. In column (b) describe the affiliation (percentage ownership, etc.). 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, gas transportation services, dividends declared, etc.). 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Jordan Valley Pipeline Company	Subsidiary of MichCon	Interest Expense		
2	DTE Terra Hayes Gathering Co.	Subsidiary of MichCon Pipeline Company	Interest Expense		
3	Turns/Ojund Lake Pipeline Co.	Subsidiary of MichCon Pipeline Company	Interest Expense		
4	Washington 10 Storage Partnership	Subsidiary of MCN Energy Enterprise	O&M Expense	859	10,054
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					
TOTAL					\$199,544,277

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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. 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.
430	13,433			13,433	Cost	1
430	2,955			2,955	Cost	2
430	68,336			68,336	Cost	3
				10,054	Cost	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
	\$8,877,794		\$16,807,019	\$225,229,090		37



## NATURAL GAS RESERVES AND LAND ACREAGE

1. Report below particulars (details) concerning the remaining recoverable salable gas reserves and natural gas land acreage at end of year. Designate gas reserves on acreage acquired before October 8, 1969, and reserves on acreage acquired after October 7, 1969.
2. Classify the gas reserves and related land and land rights and costs under the sub-headings: (A) Producing Gas Lands, and (B) Non-producing Gas Lands. Provide a total for each classification.
3. For producing gas lands, report the required information alphabetically by State, County, or offshore area, and field. If the field name is not assigned, report as "unnamed." Identify offshore fields according to their location in State or Federal domains by using the letter "S" for State domain, and "F" for Federal domain in column (a). For column (b), enter the zone number if applicable. The land, leasehold, and gas rights costs so reported should agree with the amounts carried under Account 101, Gas Plant in Service, and as reported for Accounts 325.1, 325.2, and 325.3 on page 204-205. In column (e) show for each field the year and remaining recoverable salable gas reserves available to respondent from owned lands, leaseholds, and gas rights.
4. For non-producing gas lands, report the required information alphabetically by State, County, or offshore areas by blocks. Report offshore lands in the same manner as producing gas lands. The land,

Line No.	OFFSHORE AREA		Name of Field or Block (c)	Name of State/ County/Offshore Area (d)	Recoverable Gas Reserves (Thousands Mcf) (e)	OWNED LANDS Acres (f)
	Domain (a)	Zone (b)				
1			A. PRODUCING	Michigan		
2			GAS LANDS	(Acquired before 1-1-75)		
3			Big Hand	St. Clair Co.		1.0
4			Washington 10	Macomb Co.		
5			Washington 10A	Macomb Co.		
6			Washington 11	Macomb Co.		
7			Unnamed	Macomb Leases		
8						
9						
10				Subtotal	0	1.0
11				(Acquired after 12-31-74)		
12			Falmouth	Missaukee Co.		-
13						
14				Subtotal	0	0.0
15				Total Recoverable Reserves	0	1.0
16			B. NON-PRODUCING			
17			GAS LANDS	(Acquired before 1-1-75)		
18			Unnamed	Osceola Co.		
19			Unnamed	Oakland Co.		
20				Subtotal	-	-
21				(Acquired after 12-31-74)		
22			Lee 2A	Calhoun Co.		
23			Unnamed	Macomb Leases		
24			Unnamed	Mecosta Leases		
25			Unnamed	Missaukee Leases		
26			Unnamed	Oakland Leases		
27			Unnamed	Osceola Leases		
28				Subtotal	-	-
29				Total Non - Producing Gas Lands	-	-
30						
31	Note: Full Cost Accounting adopted January 1, 1975.					
32						
33						
34						
35						
36						
37						
38	TOTAL				0	1.0

## NATURAL GAS RESERVES AND LAND ACREAGE (Continued)

leasehold, and gas rights costs reported should agree with the amounts carried under Accounts 105, Gas Plant Held for Future Use and 105.1, Production Properties Held for Future Use, and reported in total on pages 214 and 215. Do not report estimates of gas reserves (column e) for unproven fields; however, if the company made estimates for such lands normally includes such estimates in stating its reserve position in connection with proposed financing and for managerial and other purposes, include such estimates on this page.

5. Report the cost of lands, leaseholds, and gas rights in accordance with the provisions of the Uniform Systems of Accounts for Natural Gas Companies.
6. For columns (j) and (k), do not duplicate acreages reported for owned lands and leaseholds. Designate with an asterisk royalty interests separately owned.
7. Indicate by footnote whether acres reported are gross acres or net acres based on proportion of ownership in jointly owned tracts.
8. Do not include oil mineral interests in the cost of acreage reported.
9. Report volumes on a pressure base of 14.73 psia at 60°F.

OWNED LANDS (Cont.)		LEASEHOLDS		OWNED GAS RIGHTS		TOTAL		Line No.
Cost (g)	Acre (h)	Costs (i)	Acre (j)	Costs (k)	Acre (l)	Costs (m)		
\$3,838	2.0	471	-	-	1.0	\$3,838		1
			-	-	0.0	0		2
			-	-	0.0	0		3
			-	-	-	0		4
			-	-	2.0	471		5
			-	-	-	-		6
3,838	2.0	471	-	0	3.0	4,309		7
-	-	-	-	-	0.0	0		8
0	-	-	-	-	0.0	0		9
3,538	2.0	471	-	0	3.0	4,309		10
-	5.0	949	-	-	5.0	949		11
-	-	1,804	-	-	-	1,804		12
-	5.0	2,753	-	-	5.0	2,753		13
-	55.0	-	-	-	55.0	-		14
-	11.0	2,884	-	-	11.0	2,884		15
-	2,138.2	-	-	-	2,138.2	-		16
-	3,170.3	403,391	-	-	3,170.3	403,391		17
-	160.0	-	-	-	160.0	-		18
-	600.0	-	-	-	600.0	-		19
-	6,134.5	406,275	-	-	6,134.5	406,275		20
-	6,139.5	409,028	-	-	6,139.5	409,028		21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
								36
								37
\$3,838	6,141.5	\$409,499	-	\$0	6,142.5	\$413,337		38

EXPLANATION OF DIFFERENCES BETWEEN BALANCES  
AS REPORTED IN ACCT. 325.1, 325.2, AND  
325.3, ON PAGE 202A AND COST OF PRODUCING GAS LAND REPORTED  
ON PAGES 500-501

PAGE 202AAccounts

325.00GS	Col. (g)	\$3,838
325.00GS		1,989
325.00GS	Col. (k)	-
	Total	<u>5,827</u>

PAGE 500-501

Col. (m)	4,309
Difference*	<u>\$1,518</u>

\*Oil interest not included on Page 500-501, per instruction No. 8.

325.00GS	Previous account 325-81 loc. 9313	\$1,142
325.00GS	Previous account 325-91 loc. 9321	376
	Total	<u>\$1,518</u>

## CHANGES IN ESTIMATED HYDROCARBON RESERVES AND COSTS, AND NET REALIZABLE VALUE

1. Report changes during the year in recoverable salable reserves of the respondent located on acreage acquired after October 7, 1969. Have the reported reserves attested to every three years by an independent appraiser. File the attestation with the Commission along with this report. If the reserves, at the time the reserve determination is made, significantly differ from those reported on this page, file a reconciliation and explanation of such differences along with the attestation.
2. For any important changes in the estimated reserves due to purchases, sales, or exchanges of land, leaseholds or rights, furnish on page 505 a brief explanation of the transaction and reserves involved. Also, explain the criteria used to estimate the net realizable value of reserves.
3. For column (d), report the reserves and changes associated with lands, leaseholds, and rights included in Account 105.1, Production Properties Held for Future Use. (See Gas Plant Accounts Instruction 7G of the U.S. of A.)
4. Report pressure base of gas volumes at 14.73 psia at 60°F.
5. For line 16 base the net realizable value of hydrocarbon reserves on the current selling price of the hydrocarbon reserves less estimated costs of extraction, completion, and disposal.

Line No.	Items (a)	Total Reserves Gas (Thousands Mcf) (b)	Lands, Leaseholds and Rights		Total Reserves Oil and Liquids (Barrels) (e)	Investment (Net Book Value) (f)
			In Service Gas (Thousands Mcf) (c)	Held for Future Use Gas (Thousands Mcf) (d)		
1	Estimated Recoverable Reserves at Beginning of year	0.000	0.000	-	-	-
2	ADDITIONS					
3	Purchases and Exchanges of Lands, Leaseholds and Rights	-	-	-	-	
4	Transfers from Reserves Held for Future Use	-	-	-	-	
5	Upward Revision of Basic Reserve Estimates (Explain in a footnote)	-	-	-	-	
6	Other Increases (Explain in a footnote)	-	-	-	-	
7	TOTAL Additions (Lines 3 thru 6)	-	-	-	-	
8	DEDUCTIONS					
9	Production During Year	-	-	-	-	
10	Sales and Exchanges of Lands, Leaseholds, and Rights	-	-	-	-	
11	Transfers of Reserves Held for Future Use to Reserves in Service	-	-	-	-	
12	Downward Revision of Estimates of Recoverable Reserves (Explain in a footnote)	-	-	-	-	
13	Other Decreases (Explain in a footnote)	-	-	-	-	
14	TOTAL Deductions (Lines 9 thru 13)	0	0	-	-	
15	Estimates Recoverable Reserves at End of Year (Enter Total of lines 1, 7, and 14)(1)	0.000	0.000	-	-	-
16	Net Realizable Value at End of Reporting Year (Explain on page 505):		\$0.00			

## NOTES

NOTE: Full Cost Accounting adopted January 1, 1975.

## HYDROCARBON RESERVES AND COSTS, AND NET REALIZABLE VALUE (Continued)

Explain below items for which explanations are required on page 504, Changes in Estimated Hydrocarbon Reserves and Costs, and Net Realizable Value. For line 16 on page 504, explain the criteria used to estimate such value and provide an explanation of any significant revision in the value of the reserves, other than from the addition of new reserves.

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2008	
COMPRESSOR STATIONS					
<p>1. Report below particulars (details) concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.</p> <p>2. For column (a), indicate the production areas where such stations are used. Relatively small field compressor stations may be grouped by production areas. Show the number of stations grouped. Designate any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership, if jointly owned.</p>					
Line No.	Name of Station and Location (a)	Number of Employees (1) (b)	Plant Cost (c)		
1	<u>FIELD COMPRESSOR STATIONS</u>				
2					
3					
4					
5	<u>UNDERGROUND STORAGE COMPRESSOR STATIONS</u>				
6	Columbus Station				
7	Columbus Twp., St. Clair Co.		\$20,046,717		
8	Belle River Mills Station				
9	China Twp., St. Clair Co.		119,206,510		
10	W. C. Taggart Compressor Station				
11	Belvidere Twp., Montcalm Co.		63,125,163		
12	TOTAL				
13	<u>TRANSMISSION COMPRESSOR STATIONS</u>				
14	Kalkaska Station				
15	Kalkaska Twp., Kalkaska Co.		31,324,951		
16	Milford Station				
17	Milford Twp., Oakland Co.		26,711,492		
18	Reed City Compressor Station				
19	Lincoln Twp., Osceola Co.		1,920,222		
20					
21					
22					
23					
24					
25					
26					
27					
28	Alpena Station				
29	Hamilton Twp., Clare Co.		3,543,643		
30	6 Satellite Stations				
31	Various Locations		636,571		
32					
33	<u>DISTRIBUTION COMPRESSOR STATION</u>				
34					
35					
36					
37	<u>OTHER COMPRESSOR STATIONS</u>				
38					
39					

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2008	
COMPRESSOR STATIONS						
Designate any station that was not operated during the past year. State in a footnote whether the book cost of station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into during the year and show in a footnote the size of each such unit, and the date each such unit was placed in operation.						
3. For column (d), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.						
Fuel or Power (2) (d)	Other (2) (e)	Gas for Comps. Fuel Mcf (14.73 psia at 60°F) (f)	Operation Data			Line No.
			Total Compressor Hours of Operation During Year (g)	No. of Comprs. Operated at time of Station Peak (h)	Date of Station Peak (i)	
						1
						2
						3
						4
						5
						6
180	\$432,176	57,227	4,719	2	10/5/2008	7
						8
\$74,533	5,107,222	562,040	14,040	6	10/5/2008	9
						10
215,176	1,556,180	337,294	19,306	13	1/03/2008	11
						12
						13
						14
129,357	1,644,359	201,830	15,380	3	8/25/2008	15
						16
15,189	338,943	44,328	1,903	2	12/23/2008	17
						18
0	0	0	N/A	N/A	N/A	19
						20
						21
						22
						23
						24
						25
						26
						27
						28
0	8,029	1,420	N/A	N/A	N/A	29
						30
0	0	0	51,240	6	10/22/2008	31
						32
						33
						34
						35
						36
						37
						38
						39



## COMPRESSOR STATIONS

MICHIGAN CONSOLIDATED GAS COMPANY  
COMPRESSOR STATIONS  
YEAR ENDED DECEMBER 31, 2008

- (1) Respondent does not maintain separate payrolls for compressor stations.  
(2) Column (d) represents the cost of electric power and column (e) represents Natural Gas used by the Company at the respective compressor stations.

## (3) Retired Locations

Name of Station	Type	Unit #	
Bear Lake 24	JG-2	445	(Sold)
Grant 14	JG-2	406	(Sold)
Thomas 1-34		436	(Sold)
Komrska 1-14		443	(Sold)
Manistee 18		430	(Sold)
Goodwell 8A		401	(Sold)
MichCon 1-9		402	(Sold)

## (4) Location Transfer

	Transfer to	Unit#
Bear Lake 27	Thomas 1-34	462

## GAS AND OIL WELLS

1. Report below the particulars (details) concerning gas and oil wells of the respondent which are either producing or capable of production.
2. Report the required information alphabetically by states. List wells located offshore separately.
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 (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.
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.

Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclassified (f)	REDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Successful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)		Wells Abandoned (g)	Wells Sold (h)	Total (g + h) (i)	
1	All in the State of Michigan									
2										
3	Producing Gas Wells:									
4										
5	Lee 2B Field									
6	Calhoun County									
7	Lee Township	0	0	0	0	0	0	0	0	0
8										
9	New Haven Field									
10	Gratiot County									
11	New Haven Township	0	0	0	0	0	0	0	0	0
12	Sumner Township	0	0	0	0	0	0	0	0	0
13										
14	Washington 11 Field									
15	Macomb County									
16	Washington Township	0	0	0	0	0	0	0	0	0
17										
18	Washington 10 Field									
19	Macomb County									
20	Washington Township	0	0	0	0	0	0	0	0	0
21										
22	Washington 10A Field									
23	Macomb County									
24	Washington Township	0	0	0	0	0	0	0	0	0
25										
26	Hardy Dam									
27	Mecosta County									
28	Aetna Township	0	0	0	0	0	0	0	0	0
29										
30	Producing Gas Wells TOTAL	0	0	0	0	0	0	0	0	0
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL			December 31, 2008				
GAS AND OIL WELLS										
Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclassified (f)	REDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Successful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)		Wells Abandoned (g)	Wells Sold (h)	Total (g + h) (i)	
1	All in the State of Michigan									
2										
3	Shut-In Gas Wells									
4	NONE									
5										
6	Producing Oil Wells:									
7										
8	Big Hand Field									
9	SL Clair County									
10	Columbus Township	0	0	0	0	0	0	0	0	0
11										
12	Grant 3 Field									
13	Grand Trav. County									
14	Grant Township	0	0	0	0	0	0	0	0	0
15										
16	Producing Oil Wells TOTAL	0	0	0	0	0	0	0	0	0
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MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL			December 31, 2008				
GAS AND OIL WELLS										
Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclassified (f)	REDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Successful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)		Wells Abandoned (g)	Wells Sold (h)	Total (g + h) (i)	
1	All in the State of Michigan									
2										
3	Shut-in Gas Wells									
4	NONE									
5										
6	Producing Oil Wells:									
7										
8	Big Hand Field									
9	St. Clair County									
10	Columbus Township	0	0	0	0	0	0	0	0	0
11										
12	Grant 3 Field									
13	Grand Trav. County									
14	Grant Township	0	0	0	0	0	0	0	0	0
15										
16	Prod. Oil Wells TOTAL	0	0	0	0	0	0	0	0	0
17										
18										
19										
20										
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
GAS STORAGE PROJECTS			
1. Report particulars (details) for total gas storage projects. 2. Total storage plant (Column b) should agree with amounts reported by the respondent in Acct's 350.1 to 364.8 inclusive (pages 204-205). 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.			
Line No.	Item (a)	Total Amount (b)	
1	Natural Gas Storage Plant		
2	Land and Land Rights	\$8,738,595	
3	Structures and Improvements	18,433,510	
4	Storage Wells and Holders	88,022,503	
5	Storage Lines	30,144,271	
6	Other Storage Equipment	185,715,329	
7	TOTAL (Enter Total of Lines 2 Thru 6)	\$331,054,208	
8	Storage Expenses		
9	Operation	\$13,643,518	
10	Maintenance	4,716,510	
11	Rents		
12	TOTAL (Enter Total of Lines 9 thru 11)	\$18,360,028	
13	Storage Operations (In Mcf @ 14.73 psia 60°F)		
14	Gas Delivered to Storage		
15	January	469,357	
16	February	(151,970)	
17	March	(593,646)	
18	April	3,532,914	
19	May	5,847,727	
20	June	9,249,101	
21	July	8,910,073	
22	August	9,963,677	
23	September	8,475,040	
24	October	4,018,723	
25	November	(1,019,937)	
26	December	(99,859)	
27	TOTAL (Enter Total of Lines 15 thru 26)	48,601,200	
28	Gas Withdrawn from Storage		
29	January	13,649,462	
30	February	14,109,088	
31	March	9,255,270	
32	April	(1,103,260)	
33	May	(2,739,393)	
34	June	266,857	
35	July	(31,555)	
36	August	(326,169)	
37	September	(867,537)	
38	October	839,011	
39	November	5,471,731	
40	December	14,226,605	
41	TOTAL (Enter Total of Lines 29 Thru 40)	52,750,110	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2008
GAS STORAGE PROJECTS (CONTINUED)			
Line No.	Item (a)	Total Amount (b)	
	Storage Operations (In Mcf @ 14.73 psia 60°F)		
42	Top or Working Gas End of Year	39,264,252	
43	Cushion Gas (Including Native Gas)	59,296,960	
44	Total Gas in Reservoir (Enter Total of Line 42 and Line 43)	98,561,212	
45	Certificated Storage Capacity (1)	130,902,721	
46	Reservoir Pressure at Which Storage Capacity Computed (1)		
47	Number of Injection - Withdrawal Wells	157	
48	Number of Observation Wells	58	
49	Maximum Day's Withdrawal from Storage	2,092,036	
50	Date of Maximum Days' Withdrawal	2/10/08	
51	Year Storage Operations Commenced	1953	
52	LNG Terminal Companies (In Mcf)		
53	Number of Tanks		
54	Capacity of Tanks		
55	LNG Volumes		
56	a) Received at "Ship Rail"		
57	b) Transferred to Tanks		
58	c) Withdrawn from Tanks		
59	d) "Boil Off" Vaporization Loss		
60	e) Converted to Mcf at Tailgate of Terminal		
<p>Notes:</p> <p>(1) Transactions relating to gas stored "for others" are not reflected on these pages. At December 31, 2008; 63,072,086 Mcf was stored for others.</p>			

## Distribution and Transmission Lines

1. Report below by States the total miles of transmission lines of each transmission system operated by respondent at end of year.
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.
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.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to O.1) (b)
1	Integrated Natural Gas Systems	
2	Located in State of Michigan	
3		
4	Distribution Mains	18,777.3
5	Transmission Mains *	2,495.4
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22	* Includes Transmissions Mains for MichCon (1,897.8),	
23	MichCon Lateral Co. (510) and MichCon Gathering Co. (87).	
24		
25		
26		
27		
28		
29		
30		
31	TOTAL	21,272.7

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		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 of a pressure base of 14.73 psia of 60°F.				
Line No.		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 Days Deliveries *	02/10		
2	Deliveries to Customers Subject to MPSC Rate Schedules		2,092,035	
3	Deliveries to Others		0	
4	TOTAL		2,092,035	
5	Date of Second Highest Day's Deliveries *	01/30		
6	Deliveries to Customers Subject to MPSC Rate Schedules		1,978,709	
7	Deliveries to Others		0	
8	TOTAL		1,978,709	
9	Date of Third Highest Day's Deliveries *	02/11		
10	Deliveries to Customers Subject to MPSC Rate Schedules		1,927,532	
11	Deliveries to Others		0	
12	TOTAL		1,927,532	
	Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)			
13	Dates of Three Consecutive Days Highest System Peak Deliveries *	02/10 - 02/12		
14	Deliveries to Customers Subject to MPSC Rate Schedules		5,851,987	
15	Deliveries to Others		0	
16	TOTAL		5,851,987	
17	Supplies from Lina Pack			
18	Supplies from Underground Storage		(4,196,497)	
19	Supplies from Other Peaking Facilities		N/A	
	Section C. Highest Month's System Deliveries			
20	Month of Highest Month's System Deliveries	JANUARY		
21	Deliveries to Customers Subject to MPSC Rate Schedules		40,502,498	
22	Deliveries to Others		2,278,686	
23	TOTAL		42,781,184	

\* Split of sendout on a daily basis is not accurately separatable between MPSC rate schedule and Others.



## AUXILIARY PEAKING FACILITIES

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.
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. For other facilities, report the rated maximum daily delivery capacities.
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.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility, Mcf at 14.73 psia at 60°F (c)	Cost of Facility (In dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
					Yes (e)	No (f)
1	West Central Michigan	Underground Storage Plant	423,000		X	
2						
3						
4	Southeastern Michigan	Underground Storage Plant	2,908,000		X	
5						
6						
7						
8						
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## SYSTEM MAPS

1. Furnish 5 copies of a system map (one with each 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 the previous annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
  - (a) Transmission lines - colored in red, if they are not otherwise clearly indicated.
  - (b) Principal pipeline arteries of gathering system.
  - (c) Size of pipe in the principal pipelines shown on map.
  - (d) Normal directions of gas flow - indicated by arrows.
  - (e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas.
  - (f) Locations of compressor stations, products extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc.
  - (g) Important main line interconnections with other natural gas companies, indicating in each case whether gas is received or delivered and name of connecting company.
  - (h) Principal communities in which respondent renders local distribution service.
3. In addition, show on each map: graphic scale to which map is drawn; date as of which the map represents the facts it purports to show, a legend giving all symbols and abbreviations used; designation of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

Map provided in 1993 Annual Report with supplement in 1996 Annual Report.

MICHIGAN CONSOLIDATED GAS COMPANY    AN ORIGINAL			December 31, 2008
FOOTNOTE DATA			
Page No. (a)	Line No. (b)	Column No. (c)	Comments (d)
			Footnotes are included on pages 123.3 through 123.27.

