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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION MI0029
	PERIOD ENDED December, 2007 (Prepared with Audited Data)
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2. <i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	BORROWER NAME ONTONAGON COUNTY R E ASSN

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

RECEIVED
 Michigan Public Service Commission
 MAR 26 2008

Thomas Haarala

3/24/2008
 DATE

**REGULATED ENERGY
 DIVISION**

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	4,334,143	4,741,328	4,752,501	410,930
2. Power Production Expense				
3. Cost of Purchased Power	2,246,523	2,538,754	2,507,000	212,071
4. Transmission Expense				
5. Distribution Expense - Operation	121,354	117,553	114,000	5,240
6. Distribution Expense - Maintenance	347,219	406,436	300,000	22,653
7. Customer Accounts Expense	114,758	133,523	125,000	7,496
8. Customer Service and Informational Expense	13,008	12,839	13,800	1,096
9. Sales Expense		1,044	300	1,044
10. Administrative and General Expense	456,744	528,003	436,000	44,899
11. Total Operation & Maintenance Expense (2 thru 10)	3,299,606	3,738,152	3,496,100	294,499
12. Depreciation and Amortization Expense	443,023	486,365	464,700	42,516
13. Tax Expense - Property & Gross Receipts	149,344	153,454	156,000	12,960
14. Tax Expense - Other	33,782	41,697	34,100	3,623
15. Interest on Long-Term Debt	473,522	522,711	496,000	45,348
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	13,597	12,460	11,000	2,230
18. Other Deductions	600	600	600	50
19. Total Cost of Electric Service (11 thru 18)	4,413,474	4,955,439	4,658,500	401,226
20. Patronage Capital & Operating Margins (1 minus 19)	(79,331)	(214,111)	94,001	9,704
21. Non Operating Margins - Interest	40,937	43,918	32,300	9,771
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other	9,033	49,405	4,800	2,574
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	6,312	10,183	7,500	4,531
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	(23,049)	(110,605)	138,601	26,580

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PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	73	70	5. Miles Transmission		
2. Services Retired	17	22	6. Miles Distribution - Overhead	823.84	820.49
3. Total Services in Place	5,133	5,181	7. Miles Distribution - Underground	94.08	102.08
4. Idle Services (Exclude Seasonals)	248	252	8. Total Miles Energized (5 + 6 + 7)	917.92	922.57

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	16,860,679	29. Memberships.....	19,835
2. Construction Work in Progress	174,849	30. Patronage Capital.....	1,979,353
3. Total Utility Plant (1 + 2)	17,035,528	31. Operating Margins - Prior Years.....	0
4. Accum. Provision for Depreciation and Amort	4,320,855	32. Operating Margins - Current Year.....	(203,929)
5. Net Utility Plant (3 - 4)	12,714,673	33. Non-Operating Margins.....	93,323
6. Non-Utility Property (Net)	0	34. Other Margins and Equities.....	30,838
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34).....	1,919,420
8. Invest. in Assoc. Org. - Patronage Capital	37,951	36. Long-Term Debt - RUS (Net).....	10,631,528
9. Invest. in Assoc. Org. - Other - General Funds	254,741	37. Long-Term Debt - FFB - RUS Guaranteed.....	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	62,988	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects	0	39. Long-Term Debt Other (Net).....	641,767
12. Other Investments	0	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds	0	41. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13) ...	355,680	42. Total Long-Term Debt (36 thru 40 - 41).....	11,273,295
15. Cash - General Funds	198,600	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	0
17. Special Deposits	0	45. Total Other Noncurrent Liabilities (43 + 44).....	0
18. Temporary Investments	0	46. Notes Payable.....	350,000
19. Notes Receivable (Net)	0	47. Accounts Payable.....	243,845
20. Accounts Receivable - Sales of Energy (Net)	908,627	48. Consumers Deposits.....	8,750
21. Accounts Receivable - Other (Net)	13,762	49. Current Maturities Long-Term Debt.....	330,000
22. Materials and Supplies - Electric & Other	221,165	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments	26,832	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets	0	52. Other Current and Accrued Liabilities.....	300,094
25. Total Current and Accrued Assets (15 thru 24)	1,368,986	53. Total Current & Accrued Liabilities (46 thru 52).....	1,232,689
26. Regulatory Assets	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits	10,665	55. Other Deferred Credits.....	24,600
28. Total Assets and Other Debits (5+14+25 thru 27)..	14,450,004	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	14,450,004

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PART D. NOTES TO FINANCIAL STATEMENTS

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PART E. CHANGES IN UTILITY PLANT					
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	14,620,669	897,895	176,996		15,341,568
2. General Plant	1,171,990	282,608	217,012		1,237,586
3. Headquarters Plant	244,079	70,346	34,249		280,176
4. Intangibles	1,349				1,349
5. Transmission Plant	0				0
6. All Other Utility Plant	0				0
7. Total Utility Plant in Service (1 thru 6)	16,038,087	1,250,849	428,257		16,860,679
8. Construction Work in Progress	258,454	(83,605)			174,849
9. TOTAL UTILITY PLANT (7 + 8)	16,296,541	1,167,244	428,257		17,035,528

PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	199,470	202,356	4,508	194,892	6,841	10,123	214,724
2. Other	5,772	3,320			1,607	(1,044)	6,441

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	2.28	3.71		1.97	7.96
2. Five-Year Average	3.77	2.76		1.88	8.41

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	13	4. Payroll - Expensed	439,392
2. Employee - Hours Worked - Regular Time	27,470	5. Payroll - Capitalized	265,079
3. Employee - Hours Worked - Overtime	2,052	6. Payroll - Other	154,244

PART I. PATRONAGE CAPITAL			
ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements		
	b. Special Retirements		
	c. Total Retirements (a + b)		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	497	
	c. Total Cash Received (a + b)	497	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. AMOUNT DUE OVER 60 DAYS	\$ 50,000	2. AMOUNT WRITTEN OFF DURING YEAR	\$ 14,033

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Part K. kWh PURCHASED AND TOTAL COST

No	ITEM (a)	RUS USE ONLY SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST (Cents/kWh) (e)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (f)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (g)
1	Wisconsin Electric Power Co	20847	3,650,722	256,374	7.02		
2	Upper Peninsula Power Company	19578	25,339,623	2,282,380	9.01		
	Total		28,990,345	2,538,754	8.76		

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PART L. LONG-TERM LEASES

No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
Total			

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PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/16/2007	2. Total Number of Members 4,150	3. Number of Members Present at Meeting 43	4. Was Quorum Present? N
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 32,733	8. Does Manager Have Written Contract? N

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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	10,631,528	503,013	299,729	802,742
2	National Rural Utilities Cooperative Finance Corporation	311,917	19,698	8,827	28,525
3	Bank for Cooperatives				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	FASB-106	329,850		32,000	32,000
	Total	11,273,295	522,711	340,556	863,267

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PART O. POWER REQUIREMENTS DATA BASE - ANNUAL SUMMARY

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,172	3,152	
	b. kWh Sold			18,850,972
	c. Revenue			3,320,186
2. Residential Sales - Seasonal	a. No. Consumers Served	1,283	1,285	
	b. kWh Sold			1,699,008
	c. Revenue			435,393
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	189	191	
	b. kWh Sold			5,465,949
	c. Revenue			917,064
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	135	134	
	b. kWh Sold			43,598
	c. Revenue			13,718
7. Other Sales to Public Authorities	a. No. Consumers Served	23	24	
	b. kWh Sold			82,459
	c. Revenue			15,670
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. TOTAL No. of Consumers (lines 1a thru 9a)		4,802	4,786	
11. TOTAL kWh Sold (lines 1b thru 9b)				26,141,986
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				4,702,031
13. Other Electric Revenue				39,297
14. kWh - Own Use				
15. TOTAL kWh Purchased				28,990,345
16. TOTAL kWh Generated				
17. Cost of Purchases and Generation				2,538,754
18. Interchange - kWh - Net				
19. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				6,097

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PART I. INVESTMENTS

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Federated Rural Electric Insurance Exchange	18,872			
	National Information Solutions Cooperative	21,590			
	Michigan Electric Cooperative Association	5,080			
	Various (Common Stock)	423			
	NRUCFC (Pat Cap, Membership Cert & CTC's)	15,653	62,988		
	RESCO	64			
	Settlers Cooperative Inc	285			
	American Transmission Company	229,725			
	Co-Bank	1,000			
	Totals	292,692	62,988		
6	Cash - General				
	Checking, Savings & Working Funds		198,600		
	Totals		198,600		
9	Accounts and Notes Receivable - NET				
	Various		13,762		
	Totals		13,762		
11	TOTAL INVESTMENTS (1 thru 10)	292,692	275,350		

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PART II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
Total					
TOTAL (Include Loan Guarantees Only)					

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Part III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT

[Total Of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

1.71 %

PART IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	Total				