

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

CERTIFICATION

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

[Signature] **3.20.2008**
 Signature of Office Manager or Accountant Date

[Signature] **3/20/2008**
 Signature of Manager Date

NEW AUTHORIZATION CHOICES

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

NRECA YES NO

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

YES NO

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	34,355,773	37,107,072	39,783,749	3,635,977
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	21,268,779	23,561,349	25,334,959	2,469,098
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	1,522,958	1,555,144	1,751,877	104,136
6. Distribution Expense - Maintenance	2,034,804	2,202,625	2,300,672	164,325
7. Consumer Accounts Expense	1,382,541	1,442,160	1,363,943	107,932
8. Customer Service and Informational Expense	125,760	122,623	139,920	3,615
9. Sales Expense	0	0	0	0
10. Administrative and General Expense	1,448,159	1,579,550	1,352,312	190,899
11. Total Operation & Maintenance Expense (2 thru 10)	27,783,001	30,463,449	32,243,683	3,040,005
12. Depreciation & Amortization Expense	2,514,658	2,686,304	2,625,432	229,915
13. Tax Expense - Property & Gross Receipts	902,455	938,479	951,252	121,915
14. Tax Expense - Other	177,862	194,684	151,777	34,817
15. Interest on Long-Term Debt	2,682,152	2,912,289	2,787,372	240,706
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	356,008	102,345	251,508	9,688
18. Other Deductions	1,498	508	828	0
19. Total Cost of Electric Service (11 thru 18)	34,417,634	37,298,058	39,011,852	3,677,046
20. Patronage Capital & Operating Margins (1 minus 19)	(61,862)	(190,987)	771,897	(41,069)
21. Non Operating Margins - Interest	103,615	82,248	54,684	1,912
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	(68,401)	(205,189)	15,081	(3,598)
24. Non Operating Margins - Other	0	0	0	0
25. Generation & Transmission Capital Credits	2,029,954	2,306,306	2,936,712	1,097,291
26. Other Capital Credits & Patronage Dividends	365,666	393,997	246,924	6,876
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	2,368,972	2,386,375	4,025,298	1,061,411

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	393	332	5. Miles Transmission	0	0
2. Services Retired	68	91	6. Miles Distribution Overhead	3,864	3,866
3. Total Services In Place	35,784	35,755	7. Miles Distribution Underground	887	907
4. Idle Services (Exclude Seasonal)	2,029	2,304	8. Total Miles Energized (5+6+7)	4,751	4,773

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		YEAR ENDING	
		12/31/2007	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	104,356,664	28. Memberships	211,940
2. Construction Work in Progress	3,287,781	29. Patronage Capital	32,320,230
3. Total Utility Plant (1+2)	107,644,444	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	36,087,031	31. Operating Margins - Current Year	2,509,316
5. Net Utility Plant (3-4)	71,557,413	32. Non-Operating Margins	(122,942)
6. Nonutility Property - Net	0	33. Other Margins & Equities	685,216
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	35,603,760
8. Invest. in Assoc. Org. - Patronage Capital	15,509,450	35. Long-Term Debt CFC (Net)	51,878,588
9. Invest. in Assoc. Org. - Other - General Funds	48,036	(Payments-Unapplied (\$ _____))	
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,697,242	36. Long-Term Debt - Other (Net)	0
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	
12. Other Investments	0	37. Total Long-Term Debt (35+36)	51,878,588
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	17,254,728	39. Accumulated Operating Provisions - Asset Retirement Obligations	0
15. Cash-General Funds	1,513,443	40. Total Other Noncurrent Liabilities (38+39)	0
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	2,261,710
17. Special Deposits	0	42. Accounts Payable	2,625,918
18. Temporary Investments	44,403	43. Consumers Deposits	188,155
19. Notes Receivable - Net	0	44. Current Maturities Long-Term Debt	0
20. Accounts Receivable - Net Sales of Energy	4,763,435	45. Current Maturities Long-Term Debt-Economic Dev.	0
21. Accounts Receivable - Net Other	430,361	46. Current Maturities Capital Leases	0
22. Materials & Supplies - Electric and Other	1,133,600	47. Other Current & Accrued Liabilities	3,791,791
23. Prepayments	81,121	48. Total Current & Accrued Liabilities (41 thru 47)	8,867,574
24. Other Current & Accrued Assets	0	49. Deferred Credits	640,389
25. Total Current & Accrued Assets (15 thru 24)	7,966,364	50. Total Liabilities & Other Credits (34+37+40+48+49)	96,990,311
26. Deferred Debits	211,806		
27. Total Assets & Other Debits (5+14+25+26)	96,990,311		
		ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
		Balance Beginning of Year	17,332,053
		Amounts Received This Year (Net)	389,084
		TOTAL Contributions-In-Aid-Of-Construction	17,721,138

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION				
		YEAR ENDING 12/31/2007				
PART E. CHANGES IN UTILITY PLANT						
ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE OF YEAR (e)	DEPRECIATION RATE % (f)
1. Land and Land Rights (360)	675,781	0	0	0	675,781	
2. Structures and Improvements (361)	0	0	0	0	0	
3. Station Equipment (362)	26,330	0	0	0	26,330	
4. Storage Battery Equipment	0	0	0	0	0	
5. Poles, Towers, and Fixtures (364)	17,300,392	833,480	176,899	0	17,956,973	
6. Overhead Conductors and Devices (365)	15,129,969	396,900	64,648	0	15,462,221	
7. Underground Conduit (366)	494,620	297	0	0	494,917	
8. Underground Conductors and Devices (367)	10,325,831	307,357	3,346	0	10,629,842	
9. Line Transformers (368)	11,739,655	806,366	53,733	0	12,492,288	
10. Services (369)	10,934,350	895,374	49,349	0	11,780,875	
11. Meters (370)	1,828,507	191	0	0	1,828,699	
12. Installation on Consumer's Premises (371)	376,877	0	0	0	376,877	
13. Leased Property on Consumer's Premises (372)	0	0	0	0	0	
14. Street Lighting (373)	451,639	32,018	4,254	0	479,402	
15. SUBTOTAL: Distribution (1 thru 14)	69,284,459	3,271,984	352,229	0	72,204,205	
16. Land and Land Rights (See Line 26)						
17. Structures and Improvements (See Line 26)						
18. Office Furniture & Equipment (391)	150,187	26,438	0	0	176,625	
19. Transportation Equipment (392)	2,274,892	307,131	119,026	0	2,462,998	
20. Stores, Tools, Shop, Garage, and Laboratory Equipment (393, 394, 395)	110,171	44,078	0	0	154,249	
21. Power-Operated Equipment (396)	1,339,846	157,838	0	0	1,497,684	
22. Communication Equipment (397)	14,290	0	0	0	14,290	
23. Miscellaneous Equipment (398)	1,386	17,488	0	0	18,874	
24. Other Tangible Property (399)	0	0	0	0	0	
25. SUBTOTAL: General Plant (18 thru 24)	3,890,773	552,973	119,026	0	4,324,729	
26. Headquarters Plant (389 & 390)	840,756	10,218	0	0	850,974	
27. Intangibles (301, 302, 303)	25,648	0	0	0	25,648	
28. Land and Land Rights, Roads and Trails (350, 359)	0	0	0	0	0	
29. Structures and Improvements (352)	0	0	0	0	0	
30. Station Equipment (353)	0	0	0	0	0	
31. Towers and Fixtures and Poles and Fixtures (354, 355)	0	0	0	0	0	
32. Overhead, Conductors, and Devices (356)	0	0	0	0	0	
33. Underground Conduit (357)	0	0	0	0	0	
34. Underground Conductor & Devices (358)	0	0	0	0	0	
35. SUBTOTAL: Transmission Plant (28 thru 34)	0	0	0	0	0	
36. Production Plant - Steam (310-316)	0	0	0	0	0	
37. Production Plant - Nuclear (320-325)	0	0	0	0	0	
38. Production Plant - Hydro (330-336)	0	0	0	0	0	
39. Production Plant - Other (340-346)	0	0	0	0	0	
40. All Other Utility Plant (102, 104-106, 114, 118)	26,880,974	666,409	0	0	27,547,383	
41. SUBTOTAL: (15+25+26+27+35 thru 40)	100,922,601	4,501,584	471,255	0	104,952,931	
42. Construction Work in Progress (107)	2,432,429	259,085			2,691,514	
43. TOTAL UTILITY PLANT (41+42)	103,355,030	4,760,669	471,255	0	107,644,444	

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

PART F. ANALYSIS OF ACCUMULATED PROVISION FOR DEPRECIATION - TOTAL ELECTIC PLANT

	ITEM	DISTRIBUTION PLANT	GENERAL PLANT	TRANSMISSION PLANT	OTHER PLANT
		(a)	(b)	(c)	(d)
1.	Balance Beginning of Year	26,764,404	3,808,226	0	3,031,906
2.	Additions - Depreciation Accruals Charged to:				
	a. Depreciation Expense	2,113,677	488,188	0	486,328
	b. Clearing Accounts and Others	239,329	0	0	0
	c. Subtotal (a+b)	2,353,006	488,188	0	486,328
3.	Less - Plant Retirements:				
	a. Plant Retired	596,583	119,720	0	0
	b. Removal Costs	0	0	0	0
	c. Subtotal (a+b)	596,583	119,720	0	0
4.	Plus Salvaged Materials	1,290	0	0	0
5.	TOTAL (2c - 3c + 4)	1,757,712	368,468	0	486,328
6.	Other Adjustments - Debit or Credit	(130,014)	0	0	0
7.	Balance End of Year (1+5+6)	28,397,182	4,176,694	0	3,518,235

AS OF 12/31/98 CFC NO LONGER REQUIRES SECTIONS "G", "N" AND "P" DATA

Those sections refer to data on, "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and Conservation Data" (P).

PART H. SERVICE INTERRUPTIONS

	ITEM	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	TOTAL
		Power Supplier (a)	Extreme Storm (b)	Prearranged (c)	All Other (d)	
1.	Present Year	1.21	7.51	0.07	2.44	11.23
2.	Five-Year Average	0.57	9.34	0.09	2.09	12.08

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS

1.	Number of Full Time Employees	76	4. Payroll - Expensed	2,810,088
2.	Employee - Hours Worked - Regular Time	163,418	5. Payroll - Capitalized	1,660,231
3.	Employee - Hours Worked - Overtime	14,277	6. Payroll - Other	0

PART J. PATRONAGE CAPITAL

PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

ITEM	THIS YEAR	CUMULATIVE	
	(a)	(b)	
1. General Retirement	0	2,506,977	1. Amount Due Over 60 Days:
2. Special Retirements	0	0	132,497
3. Total Retirements (1+2)	0	2,506,977	2. Amount Written Off During Year:
4. Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	391,323		98,923
5. Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	256,009		
6. Total Cash Received (4+5)	647,331		

PART L. KWH PURCHASED AND TOTAL COST

	NAME OF SUPPLIER	CFC USE ONLY SUPPLIER CODE	KWH PURCHASED	TOTAL COST	AVERAGE COST PEK KWH (cents)	INCLUDED IN TOTAL COST	
						FUEL COST ADJUSTMENT	WHEELING & OTHER CHARGES (or Credits)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1.	Wolverine Power Supply		264,002,400	17,640,652	6.68	0	0
2.			0	0	0.00	0	0
3.			0	0	0.00	0	0
4.			0	0	0.00	0	0
5.	TOTALS		264,002,400	17,640,652	6.68	0	0

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

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

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")			
	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.	none		\$0
2.			
3.			TOTAL \$0

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

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	53,366,588	2,948,628	1,373,473	4,322,101	
2.		0	0	0	0	
3.		0	0	0	0	
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
10.	TOTAL (Sum of 1 thru 9)	\$53,366,588	\$2,948,628	\$1,373,473	\$4,322,101	

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		YEAR ENDING 12/31/2007					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	17,600	17,584	17,571	17,581	17,563	17,557
	b. KWH Sold	12,195,361	12,961,691	11,721,566	11,246,470	9,808,615	10,190,940
	c. Revenue	1,357,657	1,425,157	1,311,178	1,267,805	1,135,911	1,174,536
2. Residential Sales - Seasonal	a. No. Consumers Served	13,277	13,296	13,294	13,316	13,366	13,400
	b. KWH Sold	2,755,874	2,759,849	2,775,357	2,779,756	2,196,167	1,835,823
	c. Revenue	427,338	428,016	430,379	432,580	502,382	466,880
3. Irrigation Sales	a. No. Consumers Served	26	26	26	26	26	26
	b. KWH Sold	(122)	4,813	1,253	8,210	13,798	39,780
	c. Revenue	708	1,178	839	1,501	2,033	4,506
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,778	1,781	1,782	1,785	1,800	1,791
	b. KWH Sold	3,990,921	4,775,163	4,305,300	4,327,311	4,205,309	4,989,605
	c. Revenue	399,012	469,547	427,907	433,326	424,117	491,373
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	1,499,190	1,497,600	1,686,300	1,564,200	1,752,000	1,859,400
	c. Revenue	119,391	120,707	134,636	123,810	137,261	154,388
6. Public Street & Highway Lighting	a. No. Consumers Served	36	36	36	37	38	38
	b. KWH Sold	33,943	33,970	33,984	36,571	34,087	33,953
	c. Revenue	5,072	5,077	5,077	5,628	5,101	5,081
7. Other Sales to Public Authority	a. No. Consumers Served	337	337	337	339	339	339
	b. KWH Sold	446,857	530,771	480,459	439,549	401,682	434,154
	c. Revenue	48,640	56,651	51,838	48,039	44,376	47,467
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	(19,725)	(197,499)	(32,512)	(226,705)	(95,240)	(51,620)
10. TOTAL No. of Consumers (lines 1a thru 9a)		33,059	33,065	33,051	33,089	33,137	33,156
11. TOTAL KWH Sold (lines 1b thru 9b)		20,921,934	22,563,857	21,004,219	20,402,067	18,411,658	19,383,655
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		2,338,093	2,308,834	2,329,342	2,085,984	2,155,941	2,292,611
13. Other Electric Revenue		26,072	26,504	119,814	27,788	26,050	38,652
14. KWH - Own Use		25,450	33,641	23,653	23,653	17,407	16,347
15. TOTAL KWH Purchased		23,473,800	22,630,800	21,819,600	19,782,000	20,058,600	21,480,000
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		1,538,331	1,482,831	1,531,672	1,531,672	1,036,841	1,408,310
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		41,030	42,391	41,132	35,099	33,729	44,870
Non-coincident							
Coincident							

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l) (m)
		YEAR ENDING 12/31/2007						
PART R - POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (m)
1	a.	17,563	17,563	17,550	17,536	17,537	17,522	17,561
	b.	10,197,475	11,027,655	10,398,484	9,851,999	10,596,126	12,345,502	132,541,884
	c.	1,202,516	1,282,777	1,221,449	1,167,069	1,234,549	1,399,625	15,180,229
2	a.	13,391	13,662	13,624	13,696	13,700	13,704	13,491
	b.	1,908,129	2,438,485	2,543,749	2,537,636	2,559,343	2,561,765	29,651,933
	c.	494,721	393,056	408,847	407,127	410,692	409,172	5,211,190
3	a.	26	26	27	27	27	27	27
	b.	48,960	86,478	212,815	15,689	4,303	19,725	455,702
	c.	5,381	8,951	20,992	2,210	1,127	3,446	52,872
4	a.	1,795	1,803	1,812	1,813	1,813	1,816	1,797
	b.	4,761,777	5,134,391	4,802,052	4,261,653	4,374,983	4,026,930	53,955,395
	c.	475,255	507,123	476,086	432,020	410,746	376,111	5,322,622
5	a.	5	5	5	5	5	5	5
	b.	1,823,700	1,960,200	1,685,700	1,788,000	1,492,200	1,413,000	20,021,400
	c.	148,910	157,303	136,938	141,370	141,986	169,219	1,685,920
6	a.	38	38	38	38	38	38	37
	b.	33,953	33,819	33,819	33,819	33,819	33,819	409,556
	c.	5,209	5,195	5,195	5,195	5,195	5,195	62,220
7	a.	338	338	338	339	339	339	338
	b.	479,581	518,974	514,007	440,387	399,810	457,775	5,544,006
	c.	51,796	55,536	55,063	48,056	44,205	51,208	602,875
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	157,957	186,015	(122,155)	(11,108)	15,737	(43,845)	(440,700)
10		33,156	33,435	33,394	33,454	33,459	33,451	33,255
11		19,253,575	21,200,002	20,190,626	18,929,183	19,460,584	20,858,516	242,579,876
12		2,541,745	2,595,956	2,202,415	2,191,939	2,264,237	2,370,131	27,677,228
13		70,307	31,682	30,275	31,236	25,111	27,925	481,416
14		17,002	19,092	17,210	27,615	15,423	23,270	259,763
15		23,753,400	23,782,800	20,232,000	20,700,000	22,052,400	24,237,000	264,002,400
16		0	0	0	0	0	0	0
17		1,591,771	1,764,779	1,381,441	1,338,634	1,464,967	1,569,402	17,640,651
18		0	0	0	0	0	0	0
19		47,902	48,797	41,374	42,006	41,458	42,006	48,797

**CFC
INVESTMENTS, LOAN GUARANTEES
AND LOANS - DISTRIBUTION**

(All investments refer to your most recent CFC Loan Agreement)
Submit an electronic copy and a signed hard copy
to CFC. Round all amounts to the nearest dollar.

BORROWER DESIGNATION

BORROWER NAME

MONTH ENDING
12/31/07

7a - PART 1 - INVESTMENTS

DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS			
5 See Attached Sheet	201,958	17,052,770	0
6	0	0	0
7	0	0	0
8	0	0	0
Subtotal (Line 5 thru 8)	201,958	17,052,770	0
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS			
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
Subtotal (Line 9 thru 12)	0	0	0
4. OTHER INVESTMENTS			
13	0	0	0
14	0	0	0
15	0	0	0
16	0	0	0
Subtotal (Line 13 thru 16)	0	0	0
5. SPECIAL FUNDS			
17	0	0	0
18	0	0	0
19	0	0	0
20	0	0	0
Subtotal (Line 17 thru 20)	0	0	0
6. CASH - GENERAL			
21 See Attached Sheet	1,513,443	0	0
22	0	0	0
23	0	0	0
24	0	0	0
Subtotal (Line 21 thru 24)	1,513,443	0	0
7. SPECIAL DEPOSITS			
25	0	0	0
26	0	0	0
27	0	0	0
28	0	0	0
Subtotal (Line 25 thru 28)	0	0	0
8. TEMPORARY INVESTMENTS			
29 Citizen's National Bank - IMMA	44,403	0	0
30	0	0	0
31	0	0	0
32	0	0	0
Subtotal (Line 29 thru 32)	44,403	0	0
9. ACCOUNT & NOTES RECEIVABLE - NET			
33	0	0	0
34	0	0	0
35	0	0	0
36	0	0	0
Subtotal (Line 33 thru 36)	0	0	0
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED			
37	0	0	0
38	0	0	0
39	0	0	0
40	0	0	0
Subtotal (Line 37 thru 40)	0	0	0
Total	1,759,804	17,052,770	0

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION		BORROWER DESIGNATION			
(all investments refer to your most recent CFC Loan Agreement)		BORROWER NAME			
Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.		MONTH ENDING 12/31/2007			
7a - PART II. LOAN GUARANTEES					
Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1	none		0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0
7a - PART III. LOANS					
Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1	none		0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0
7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES					
1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)				1,759,804
2	LARGER OF (a) OR (b)				17,801,880
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)			16,146,667	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 34)			17,801,880	

Part I - Investments

Line 2. ount #	Investments in Associated Organizations Description	Amount	Included	Excluded
123.14	Central Area Data Processing	\$70,430.79	\$70,430.79	
123.10	Farmer's Petroleum - Patronage	\$1,444.80	\$1,444.80	
123.11	Wolverine Power Supply - Patronage	\$9,143,585.65		\$9,143,585.65
123.12	NRUCFC - Patronage	\$847,379.80		\$847,379.80
123.13	RESCO (Ohio) Patronage	\$117,528.54	\$117,528.54	
123.16	WPSC - Power Supply Development Fund	\$5,322,726.65		\$5,322,726.65
123.40	Wolverine Power Supply - Membership	\$200.00		\$200.00
123.42	NRUCFC - Membership	\$1,000.00		\$1,000.00
123.43	MECA - Membership	\$1,000.00		\$1,000.00
123.45	NRTC - Membership	\$1,000.00	\$1,000.00	
123.64	MECA - Building	\$38,636.00		\$38,636.00
123.21&22	NRUCFC - Capital Term Certificates	\$934,872.00		\$934,872.00
123.00	RESCO - Stock	\$5,000.00	\$5,000.00	
123.15	NRTC	\$401.73	\$401.73	
123.01	RESCO - Class B Stock	\$100.00	\$100.00	
123.23	NRUCFC ZTC's	\$762,369.89		\$762,369.89
123.02	Brownfield Investment	\$100.00	\$100.00	
123.09	Cooperative Response Center	\$5,952.50	\$5,952.50	
123.41	CoBank Membership	\$1,000.00		\$1,000.00
	Total	\$17,254,728.35	\$201,958.36	\$17,052,769.99

Cash Balances

131.00	Citizen's National Bank - Checking	\$346,637.13
131.01	Onaway Community Federal Credit Union - Checking	\$183,409.15
131.02	OCFCU - Savings	\$161,125.49
131.10	National City Bank	\$756,098.92
131.11	Independent Bank	\$63,277.75
131.12	OCFUC - Collections	\$599.42
131.13	Columbus Bank & Trust	\$1,295.05
135.00	OCFCU - Working Funds	\$1,000.00
	Total	\$1,513,442.91

PRESQUE ISLE ELECTRIC & GAS CO-OP

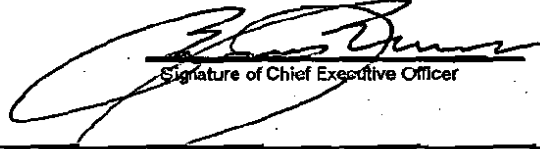
19831 M68 Hwy. P.O. Box 308 Onaway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

CERTIFICATION

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


Signature of Chief Financial Officer

3.20.2008
Date


Signature of Chief Executive Officer

3/20/2008
Date

PART 1 - STATEMENT OF COMBINED OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2007

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2006	2007	BUDGET	
1.	Operating Revenue - Electric	25,706,672	28,158,644	28,782,699	2,398,057
1.	Operating Revenue - Gas	8,649,101	8,948,427	11,001,050	1,237,920
	Total Revenue	34,355,773	37,107,072	39,783,749	3,635,977
3.	Cost of Purchased Energy - Electric	16,332,767	17,640,652	18,074,324	1,569,402
3.	Cost of Purchased Energy - Gas	4,936,012	5,920,697	7,260,635	899,696
	Total Cost of Energy Sold	21,268,779	23,561,349	25,334,959	2,469,098
	Gross Revenues	13,086,994	13,545,723	14,448,790	1,166,879
5.	Distribution Expense - Operation	1,522,958	1,555,144	1,751,877	104,136
6.	Distribution Expense - Maintenance	2,034,804	2,202,625	2,300,672	164,325
7.	Consumer Accounts Expense	1,382,541	1,442,160	1,363,943	107,932
8.	Customer Service and Informational Expense	125,760	122,623	139,920	3,615
10.	Administrative and General Expense	1,448,159	1,579,550	1,352,312	190,899
	Total Operation & Maintenance Expense	6,514,222	6,902,101	6,908,724	570,907
12.	Depreciation & Amortization Expense	2,514,658	2,686,304	2,625,432	229,915
13.	Tax Expense - Property & Gross Receipts	902,455	938,478	951,252	121,915
14.	Tax Expense - Other	177,862	194,684	151,777	34,817
15.	Interest on Long-Term Debt	2,682,152	2,912,289	2,787,372	240,706
17.	Interest Expense - Other	356,008	102,345	251,508	9,688
18.	Other Deductions	1,498	508	828	0
	Total Cost of Operations	13,148,856	13,736,710	13,676,893	1,207,948
20.	Patronage Capital & Operating Margins	(61,862)	(190,987)	771,897	(41,069)
21.	Non-Operating Margins - Interest	103,615	82,248	54,684	1,912
23.	Income (Loss) from Equity Investments	(68,401)	(205,189)	15,081	(3,598)
24.	Non-Operating Margins - Other	0	0	0	0
25. a	Generation and Transmission Capital Credits	631,122	0	0	0
25. b	G & T Capital Credits - PSDFC	1,398,832	2,306,306	2,936,712	1,097,291
26.	Other Capital Credits and Patronage Dividends	365,666	393,997	246,924	6,876
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital	2,368,972	2,386,375	4,025,298	1,061,411
	Net T.I.E.R.	1.78	1.79		
	Operating T.I.E.R.	0.98	0.94		

PART 2 - DATA ON COMBINED DISTRIBUTION PLANT

ITEM	ELECTRIC YEAR TO DATE		GAS YEAR TO DATE	
	2006	2007	2006	2007
1. New Services Connected	393	332	148	155
2. Services Retired	68	91	0	1
3. Total Services in Place	35784	35755	8531	8686
4. Idle Services (Excl Seasonal)	2029	2304	444	509
5. Miles Distribution - Overhead	3864	3,866		
6. Miles Distribution - Underground	887	907		
7. Total Miles Energized (5 + 6)	4751	4,773		

PRESQUE ISLE ELECTRIC & GAS CO-OP

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CERTIFICATION

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

Signature of Chief Financial Officer

Date

Signature of Chief Executive Officer

Date

PART 1A - STATEMENT OF ELECTRICAL OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2007

RUS Form 7 Line	ITEM	YEAR TO DATE			THIS MONTH
		2006	2007	BUDGET	
1.	Operating Revenue - Electric	25,706,672	28,158,644	28,782,699	2,398,057
1.	Total Revenue	25,706,672	28,158,644	28,782,699	2,398,057
3.	Cost of Purchased Energy - Electric	16,332,767	17,640,652	18,074,324	1,569,402
3.	Total Cost of Energy Sold	16,332,767	17,640,652	18,074,324	1,569,402
	Gross Revenues	9,373,905	10,517,992	10,708,375	828,655
5.	Distribution Expense - Operation	1,045,536	1,083,699	1,290,241	65,364
6.	Distribution Expense - Maintenance	1,921,541	2,098,627	2,196,176	157,303
7.	Consumer/Accounts Expense	1,125,734	1,201,080	1,154,341	87,697
8.	Customer Service and Informational Expense	102,955	99,719	114,384	3,002
10.	Administrative and General Expense	1,298,388	1,305,487	1,219,328	150,196
	Total Operation & Maintenance Expense	5,494,155	5,788,612	5,974,470	463,563
12.	Depreciation & Amortization Expense	2,096,742	2,182,299	2,190,348	183,857
13.	Tax Expense - Property & Gross Receipts	585,021	633,836	620,052	91,347
14.	Tax Expense - Other	134,495	147,202	114,840	26,747
15.	Interest on Long-Term Debt	1,530,601	1,737,174	1,605,288	189,135
17.	Interest Expense - Other	293,035	80,010	205,548	7,446
18.	Other Deductions	1,498	508	804	0
	Total Cost of Operations	10,135,547	10,569,641	10,711,350	961,895
20.	Patronage Capital & Operating Margins	(761,642)	(51,649)	(2,975)	(133,240)
21.	Non-Operating Margins - Interest	98,410	75,097	52,920	1,549
23.	Income (Loss) from Equity Investments	(73,757)	(206,857)	14,320	(3,674)
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credits	631,122	0	0	0
25.b	G & T Capital Credits - PSDFC	1,398,832	2,306,306	2,936,712	1,097,291
26.	Other Capital Credits and Patronage Dividends	239,496	272,087	156,432	5,569
27.	Extraordinary Items See attached sheet	0	0	0	0
28.	Patronage Capital	1,532,462	2,394,984	3,157,409	967,494
	Net T.I.E.R.	1.84	2.32		
	Operating T.I.E.R.	0.58	0.97		

PART 2A - DATA ON ELECTRICAL DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2006	2007
1. New Services Connected	393	332
2. Services Retired	68	91
3. Total Services in Place	35,784	35,755
4. Idle Services (Excl Seasonal)	2,029	2,304
5. Miles Distribution - Overhead	3,864	3,856
6. Miles Distribution - Underground	887	907
7. Total Miles Energized (5 + 6)	4,751	4,773

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PART 1B - STATEMENT OF GAS OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2007

RUS Form 7 Line Number	ITEM	YEAR TO DATE			THIS MONTH
		2006	2007	BUDGET	
1.					
1.	Operating Revenue - Gas	8,649,101	8,948,427	11,001,050	1,237,920
	Total Revenue	8,649,101	8,948,427	11,001,050	1,237,920
3.					
3.	Cost of Purchased Energy - Gas	4,936,012	5,920,697	7,260,635	899,696
	Total Cost of Energy Sold	4,936,012	5,920,697	7,260,635	899,696
	Gross Revenues	3,713,089	3,027,731	3,740,415	338,224
5.	Distribution Expense - Operation	477,422	471,444	461,636	38,772
6.	Distribution Expense - Maintenance	113,262	103,998	104,496	7,022
7.	Consumer Accounts Expense	256,807	241,080	209,602	20,235
8.	Customer Service and Informational Expense	22,805	22,904	25,536	613
10.	Administrative and General Expense	149,771	274,062	132,984	40,703
	Total Operation & Maintenance Expense	1,020,067	1,113,489	934,254	107,345
12.	Depreciation & Amortization Expense	417,917	504,005	435,084	46,258
13.	Tax Expense - Property & Gross Receipts	317,434	304,642	331,200	30,567
14.	Tax Expense - Other	43,367	47,482	36,937	8,068
15.	Interest on Long-Term Debt	1,151,552	1,175,118	1,182,084	51,571
17.	Interest Expense - Other	62,973	22,335	45,960	2,242
18.	Other Deductions	0	0	24	0
	Total Cost of Operations	3,013,309	3,167,069	2,965,543	246,053
20.	Patronage Capital & Operating Margins	699,781	(139,338)	774,872	92,171
21.	Non-Operating Margins - Interest	5,204	7,150	1,764	363
23.	Income (Loss) from Equity Investments	5,356	1,667	761	76
24.	Non-Operating Margins - Other	0	0	0	0
25.a	Generation and Transmission Capital Credits	0	0	0	0
25.b	G & T Capital Credits - PSDFC	0	0	0	0
26.	Other Capital Credits and Patronage Dividends	126,170	121,911	90,492	1,306
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital	836,511	(8,610)	867,889	93,917
	Net T.I.E.R.	1.69	0.99		
	Operating T.I.E.R.	1.58	0.88		

PART 2B - DATA ON GAS DISTRIBUTION PLANT

ITEM	YEAR TO DATE	
	2006	2007
1. New Services Connected	148	155
2. Services Retired	0	1
3. Total Services in Place	8,531	8,686
4. Idle Services (Excl Seasonal)	444	509
5. Miles Distribution - Overhead	0	0
6. Miles Distribution - Underground	0	0
7. Total Miles Energized (5 + 6)	0	0

PRESQUE ISLE ELECTRIC & GAS CO-OP

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PART 3 - COMBINED BALANCE SHEET AS OF DECEMBER 31, 2007

RUS Form 7 Line Number	ASSETS AND OTHER DEBITS	RUS Form 7 Line Number	LIABILITIES AND OTHER CREDITS
1a.	Utility Plant in Service - Electric 77,405,547	30a.	Memberships - Electric 195,800
1b.	Utility Plant in Service - Gas 26,951,116	30b.	Memberships - Gas 16,140
1.	Utility Plant in Service - Combined 104,356,664	30.	Memberships - Combined 211,940
2a.	Construction Work in Progress - Electric 2,691,514	31a.	Patronage Capital - Electric 31,568,378
2b.	Construction Work in Progress - Gas 596,266	31b.	Patronage Capital - Gas 751,852
2.	Construction Work in Progress - Combined 3,287,781	31.	Patronage Capital - Combined 32,320,230
3a.	Total Utility Plant (1+ 2) - Electric 80,097,062	32a.	Operating Margins - Prior Years - Electric 0
3b.	Total Utility Plant (1 + 2) - Gas 27,547,383	32b.	Operating Margins - Prior Years - Gas 0
3.	Total Utility Plant - Combined 107,644,444	32.	Operating Margins - Prior Years - Combined 0
4a.	Accumulated Provision for Depreciation - Electric 32,551,550	33a.	Operating Margins - Current Year - Electric (51,649)
4b.	Accumulated Provision for Depreciation - Gas 3,535,481	33b.	Operating Margins - Current Year - Gas (139,338)
4.	Accum. Provision for Depreciation - Combined 36,087,031	33.	Operating Margins - Current Year - Combined (190,987)
5a.	Net Utility Plant (3 - 4) - Electric 47,545,512	34a.	Non Operating Margins - Electric 2,446,633
5b.	Net Utility Plant (3 - 4) - Gas 24,011,902	34b.	Non Operating Margins - Gas 130,729
5.	Net Utility Plant - Combined 71,557,413	34.	Non Operating Margins - Combined 2,577,361
7.	Investments in Subsidiary Companies 0	35a.	Other Margins and Equities - Electric 687,535
8.a	Invest. in Assoc. Org. - Patronage Capital - WPC 9,143,586	35b.	Other Margins and Equities - Gas (2,319)
8.b	Invest. in Assoc. Org. - Patronage Capital - WPC - PSDFC 5,322,727	35.	Other Margins and Equities - Combined 685,216
8.c	Invest. in Assoc. Org. - Patronage Capital - Other 1,043,138	36a.	Total Margins and Equities (30 thru 35) - Electric 34,846,697
9.	Invest. in Assoc. Org. - Other - General Funds 48,036	36b.	Total Margins and Equities (30 thru 35) - Gas 757,063
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds 1,697,242	36.	Total Margins and Equities (30 thru 35) - Combined 35,603,760
11.	Invest. in Economic Development Projects 0	37.	Long Term Debt - RUS (Net)
12.	Other Investments 0		(Payments-Unapplied \$ -0-) 0
13.	Restricted Funds 0	38.	Long Term Debt - RUS - Econ. Dev. (Net) 0
14.	Total Other Property and Investments (6 thru 13) 17,254,728	39.	Long Term Debt - Other - RUS Guaranteed 0
15.	Cash - General Funds 1,513,443	40.	Long Term Debt - Other (Net) 51,878,588
16.	Cash - Construction Funds 0	41.	Total Long Term Debt (37 thru 40) 51,878,588
17.	Special Deposits 0	42.	Obligations Under Capital Leases 0
18.	Temporary Investments 44,403	43.	Deferred Compensation 0
19.	Notes Receivable - Net 0	44.	Total Other Non Current Liabilities (42+43) 0
20.	Accounts Receivable - Net Sales of Energy 4,763,435	45.	CFC Line of Credit Balance Due 2,261,710
21.	Accounts Receivable - Net Other 430,361	46.	Accounts Payable 2,625,918
22.	Materials and Supplies - Electric and Other 1,133,600	47.	Consumers Deposits 188,155
23.	Prepayments 81,121	48.	Other Current and Accrued Liabilities 3,791,791
24.	Other Current and Accrued Assets 0	49.	Total Current and Accrued Liabilities (45 thru 48) 8,867,573
25.	Total Current and Accrued Assets (14 thru 24) 7,966,363	50.	Deferred Credits 640,389
26.	Regulatory Assets 0	51.	Accumulated Deferred Income Taxes 0
27.	Other Deferred Debits 211,806	52.	Total Liabilities and Other Credits
28.	Accumulated Deferred Income Taxes 0		(36+41+44+49 thru 51) 96,990,311
29.	Total Assets and Other Debits (5 + 14 + 25 thru 28) 96,990,311		
			ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		53.	Balance Beginning of the Year - Electric 17,332,053
		54.	Balance Beginning of the Year - Gas 2,407,570
		55.	Balance Beginning of the Year - Gas AER 1,042,526
			Amount Received This Year (Net) - Electric 389,084
			Amount Received This Year (Net) - Gas 575,532
			Amount Received This Year (Net) - Gas AER 11,983
			Total Contributions in Aid of Construction - Electric 17,721,138
			Total Contributions in Aid of Construction - Gas 2,983,102
			Total Contributions in Aid of Construction - Gas AER 1,054,511

PART 4 - NOTES TO COMBINED FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Onaway, MI 49785 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

ELECTRIC OPERATIONS PLANT RATIOS, SALES & REVENUE REPORT FOR THE MONTH ENDING DECEMBER 31, 2007

BALANCE SHEET RATIOS

Current Assets to Current Liabilities	-Combined	89.84 %
Margins & Equities as % of Assets	-Combined	36.71 %
Long Term Debt as % of Plant	-Combined	48.19 %

CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service	kWh Sold	Amount	Number of Minimum Bills
	A.	B.	C.	D.
Sales - Residential	17,522	12,345,502	1,399,625	1,200
Sales - Seasonal	13,704	2,561,765	409,172	12,618
Sales - General Service - Oil	484	561,826	67,788	47
Sales - Irrigation	27	19,725	3,448	18
Sales - General Service	1,230	2,360,620	266,035	255
Sales - Large Power - Oil	8	109,378	10,476	
Sales - Large Power	38	2,408,105	201,834	
Sales - Public Street & Highway Lighting	38	33,819	5,195	
Sales - Public Buildings	339	457,775	51,208	38
Consumer Sales - PSCR			(43,845)	
Total Sales of Electric Energy (1 thru 11)	33,451	20,858,516	2,370,132	14,376
Other Electric Revenues			27,828	
Total (12 + 13)			2,397,960	
Last Year kWh Sales	33,755	20,213,478		

CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service	kWh Sold Cumulative	Amount Cumulative
	B.	C.	D.
Sales - Residential	17,560	132,541,884	15,802,230
Sales - Seasonal	13,643	29,651,933	5,211,188
Sales - General Service - Oil	488	6,858,974	164,828
Sales - Irrigation	24	456,702	52,874
Sales - General Service	1,270	31,734,427	3,325,876
Sales - Large Power - Oil	9	1,168,752	113,867
Sales - Large Power	37	34,214,642	2,893,870
Sales - Public Street & Highway Lighting	28	409,556	62,221
Sales - Public Buildings	338	5,544,006	602,875
Consumer Sales - PSCR			(40,700)
Total Sales of Electric Energy (1 thru 11)	33,408	242,578,876	27,677,328
Other Electric Revenues			81,416
Total (12 + 13)			28,558,744
Last Year kWh Sales		238,762,762	

KWH AND KWH STATISTICS

ITEM	THIS MONTH	YEAR-TO-DATE
1. kWh Purchased	24,237,000	264,002,400
2. Interchange kWh-Net	0	0
3. Total kWh (1 + 2)	24,237,000	264,002,400
4. Total kWh-Sold	20,858,516	242,578,876
5. Office Use - **For Information Purposes Only**	23,270	23,270
6. Total Unaccounted for (3 - 4)	3,378,484	21,423,524
7. Percent System Loss (6/3)x100	15.84	8.11
8. Maximum Demand (kw)	42,008	48,787
9. Month When Maximum Demand Occurred		8

PRESQUE ISLE ELECTRIC & GAS CO-OP

19831 M68 Hwy. P.O. Box 308 Orinway, MI 49765 (989) 733-8515 1-800-423-6634 Fax (989) 733-2247

GAS OPERATIONS SALES & REVENUE REPORT FOR THE MONTH DECEMBER 31, 2007

CONSUMER SALES AND REVENUE DATA - MONTHLY

CLASS OF SERVICE	Number Receiving Service	CCF Sold	Amount	Number of Minimum Bills
	A.	B.	C.	D.
Gas Sales - Residential	4,911	585,792	767,516	313
Gas Sales - Residential - Line Retention	166			
Gas Sales - Seasonal	2,724	188,513	262,305	311
Gas Sales - Seasonal - Line Retention	140			
Gas Sales - General Service	228	88,361	101,822	18
Gas Sales - General Service - Line Retention	6			
Gas Sales - Large Power	2	10,996	12,738	0
Gas Sales - Public Buildings	110	64,637	65,508	10
Gas Sales - Public Buildings - Line Retention	1			
Gas Cost Recovery (Over)/Undercollection			18,806	
Less: Area Expansion Rate				
Total Sales of Natural Gas Energy (1 thru 11)	8,177	928,229	1,228,695	712
Other Gas Revenue			9,224	
Total (12 + 13)			1,237,920	
Last Year CCF Sales	8,087	776,817		

CONSUMER SALES AND REVENUE DATA - YEAR TO DATE

CLASS OF SERVICE	Average Number Receiving Service	CCF Sold Cumulative	Amount Cumulative
	A.	C.	D.
Gas Sales - Residential	4,762	4,130,476	5,814,490
Gas Sales - Residential - Line Retention	163		
Gas Sales - Seasonal	2,663	1,354,943	2,012,920
Gas Sales - Seasonal - Line Retention	147		
Gas Sales - General Service	228	654,795	754,181
Gas Sales - General Service - Line Retention	6		
Gas Sales - Large Power	1	64,783	13,039
Gas Sales - Public Buildings	110	362,951	441,035
Gas Sales - Public Buildings - Line Retention	1		
Gas Cost Recovery (Over)/Undercollection			(144,838)
Less: Area Expansion Rate			(11,983)
Total Sales of Natural Gas Energy (1 thru 11)	8,040	6,557,958	8,845,853
Other Gas Revenue			162,574
Total (12 + 13)			8,948,427
Last Year CCF Sales		6,242,557	

PRESQUE ISLE ELECTRIC & GAS CO-OP

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STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31, 2007

	THIS YEAR	LAST YEAR
1. KWHRs Sold Per Consumer:		
a. For the Month	624	599
b. Year to Date	605	597
2. Average Monthly Bill	70.85	69.88
Average Residential Bill	79.88	74.99
3. Average Bill:		
a. Year To Date	69.04	63.47
b. YTD Residential	72.04	68.21
4. Cost Per KWHR Purchased		
a. This Month Mills	64.75	64.80
b. Year to Date Mills	66.82	64.11
5. Revenue Per KWHR Sold:		
a. This Month Mills	113.63	116.70
b. Year to Date Mills	114.10	106.33
6. Power Cost Adjustment		
a. This Month	0.016130	0.016610
7. Number of New Members - Electric	208	161
Number of Transferred Members Added - Electric	957	1134
7. Number of New Members - Gas	21	34
Number of Transferred Members Added - Gas	72	83
8. Security Lights Billed	2078	2088
9. Regular Payroll - Hours	12,320.00	12,926.25
Overtime Payroll - Hours	955.00	825.25
Total Payroll	13,275.00	13,751.50
10. Number of Employees		
Full Time	76	76
Temporary	4	2
11. Principal Paid To CFC-YTD	1,373,473.21	1,286,247.91
Interest Paid To CFC-YTD	2,948,627.96	2,823,565.85
12. Interest Paid to CFC on Line of Credit - YTD	87,060.66	152,399.41

PRESQUE ISLE ELECTRIC & GAS CO-OP

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STATISTICAL INFORMATION FOR THE MONTH ENDING DECEMBER 31, 2007

	THIS YEAR	LAST YEAR
1. CCF'S Sold Per Consumer:		
a. For the Month	114	96
b. Year to Date	68	65
2. Average Monthly Bill	150.26	146.91
Average Residential Bill	159.53	143.54
3. Average Bill:		
a. Year To Date	91.23	89.17
b. YTD Residential	99.42	93.99
4. Cost Per CCF Purchased		
a. This Month	0.94	0.96
b. Year to Date	0.91	0.77
5. Revenue Per CCF Sold:		
a. This Month	1.32	1.53
b. Year to Date	1.35	1.37
6A. Total Active Accounts	8,177	8087
6B. Total Service Lines Installed	8,686	8531
7. Number of New Members - Gas	21	34
Number of Transferred Members Added - Gas	72	83

PRESQUE ISLE ELECTRIC & GAS CO-OP

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CASH REPORT AS OF DECEMBER 31, 2007

Cash Balance As Of	11/30/2007	\$947,198.06
Receipts		
Utility Billings	\$2,630,451.71	
Interest	1,912.06	
Other Accounts Receivable	73,181.12	
Other	19,124.22	
CFC LOC Transfers	0.00	
Total Receipts		2,724,669.11
Total Receipts & Previous Balance		3,671,867.17
Less: Cash Disbursements		(2,114,021.73)
Cash Balance As Of	12/31/2007	\$1,557,845.44

Inv. in CFC Com'l Paper as of	12/31/2007	0.00
Interest Rate on CFC Com'l Paper		5.2250%
Interest Earned Year To Date-CFC Com'l Paper		\$4,137.94

PRESQUE ISLE ELECTRIC & GAS CO-OP
REPORT ON FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006

TABLE OF CONTENTS

	<u>Page</u>
Board of Directors	1
Independent Auditor's Report	2
Financial Statements:	
Balance Sheets	3
Statements of Revenue and Patronage Capital	4-5
Statements of Cash Flows	6-7
Notes to Financial Statements	8-16
Auditors' Certification Regarding Loan Fund Expenditures	17

PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD OF DIRECTORS
DECEMBER 31, 2007

Allan H. Bruder	Chairperson
Allen L. Barr	Vice-Chairperson
Sally L. Knopf	Secretary
Robert W. Wegmeyer	Treasurer
Glen G. Alsobrooks	Director
John F. Brown	Director
Bernice C. Krajniak	Director
David W. Smith	Director
Raymond Wozniak	Director

President & Chief Executive Officer

Brian J. Burns



HARRIS GROUP

Certified Public Accountants

Independent Auditor's Report

The Board of Directors
Presque Isle Electric & Gas Co-op
Onaway, Michigan

We have audited the accompanying balance sheets of Presque Isle Electric & Gas Co-op as of December 31, 2007 and 2006, and the related statements of revenue and patronage capital, and cash flows for the years then ended. These financial statements are the responsibility of Presque Isle Electric & Gas Co-op's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Presque Isle Electric & Gas Co-op as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Harris Group

Certified Public Accountants
February 14, 2008

PRESQUE ISLE ELECTRIC & GAS CO-OP
BALANCE SHEETS
DECEMBER 31, 2007 AND 2006

	2007	2006
ASSETS		
UTILITY PLANT:		
In-Service – at cost	\$ 104,356,663	\$ 94,510,769
Construction work in progress	3,287,781	8,850,304
SUBTOTAL	107,644,444	103,361,073
Less accumulated depreciation and amortization	36,087,031	33,312,044
NET UTILITY PLANT	71,557,413	70,049,029
OTHER ASSETS AND INVESTMENTS		
Investments on associated organizations	17,254,728	15,235,058
CURRENT ASSETS:		
Cash and temporary cash investments	1,557,845	1,058,270
Accounts Receivable, less allowance for possible losses of \$118,000 in 2007 and 2006, respectively	5,193,797	5,574,686
Materials and supplies (at average cost)	1,133,600	1,128,951
Other current assets	81,121	129,297
TOTAL CURRENT ASSETS	7,966,363	7,891,204
DEFERRED DEBITS	211,807	225,822
TOTAL ASSETS	\$ 96,990,311	\$ 93,401,113

The accompanying notes are an integral part of these statements.

	<u>2007</u>	<u>2006</u>
EQUITIES AND LIABILITIES		
EQUITIES:		
Memberships	\$ 211,940	\$ 207,240
Patronage capital	34,706,605	32,289,209
Other equities	<u>685,216</u>	<u>687,457</u>
 TOTAL EQUITIES	 <u>35,603,761</u>	 <u>33,183,906</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES:		
Mortgage notes to National Rural Utilities Cooperative Finance Corporation (CFC)	51,878,588	47,020,519
Accrued post – retirement benefits	<u>283,857</u>	<u>284,930</u>
 TOTAL LONG-TERM DEBT	 <u>52,162,445</u>	 <u>47,305,449</u>
CURRENT LIABILITIES:		
Current maturities of long-term debt	1,488,000	1,340,000
CFC line of credit	2,261,710	6,379,542
Accounts payable, purchased energy	2,457,261	2,337,305
Accounts payable, other	168,657	326,127
Patronage capital payable	97,589	98,013
Customer deposits	188,155	167,607
Accrued property taxes	474,549	607,553
Accrued interest	349,716	249,220
Accrued sick and vacation pay	629,521	570,708
Accrued other	<u>468,558</u>	<u>234,297</u>
 TOTAL CURRENT LIABILITIES	 <u>8,583,716</u>	 <u>12,310,372</u>
 DEFERRED CREDITS	 <u>640,389</u>	 <u>601,386</u>
 TOTAL EQUITIES AND LIABILITIES	 <u>\$ 96,990,311</u>	 <u>\$ 93,401,113</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF REVENUE AND PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES	<u>\$ 37,107,072</u>	<u>\$ 34,355,773</u>
OPERATING EXPENSES:		
Cost of energy	23,561,349	21,268,779
Distribution – operation	1,555,144	1,522,958
Distribution – maintenance	2,202,625	2,034,804
Consumers accounts	1,442,160	1,382,541
Customer service and information expense	122,623	125,760
Administrative and general	1,579,550	1,448,159
Depreciation and amortization	2,686,304	2,514,658
Taxes – property	938,478	902,455
Taxes – other	194,683	177,862
	<u>34,282,916</u>	<u>31,377,976</u>
TOTAL OPERATING EXPENSES		
OPERATING MARGIN BEFORE FIXED CHARGES	<u>2,824,156</u>	<u>2,977,797</u>
FIXED CHARGES:		
Interest	3,014,634	3,038,161
Other deductions	509	1,498
	<u>3,015,143</u>	<u>3,039,659</u>
TOTAL FIXED CHARGES		
OPERATING MARGINS AFTER FIXED CHARGES	<u>(190,987)</u>	<u>(61,862)</u>
CAPITAL CREDITS:		
Generation and transmission capital credits	2,306,306	2,029,954
Other capital credits	393,997	365,666
	<u>2,700,303</u>	<u>2,395,620</u>
TOTAL CAPITAL CREDITS		
NET OPERATING MARGINS	<u>2,509,316</u>	<u>2,333,758</u>

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF REVENUE AND PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)

	<u>2007</u>	<u>2006</u>
NET OPERATING MARGINS (from previous page)	\$ 2,509,316	\$ 2,333,758
NON-OPERATING MARGINS:		
Interest and dividend income	82,248	103,615
Other	<u>(205,189)</u>	<u>(68,401)</u>
TOTAL NON-OPERATING MARGINS	<u>(122,941)</u>	<u>35,214</u>
NET MARGINS	2,386,375	2,368,972
PATRONAGE CAPITAL, beginning of year	32,289,209	29,857,657
Other equity transactions – assignment of sales tax refund	<u>31,021</u>	<u>62,580</u>
PATRONAGE CAPITAL, end of year	<u>\$ 34,706,605</u>	<u>\$ 32,289,209</u>

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from consumers	\$ 37,545,646	\$ 35,595,397
Cash paid to suppliers and employees	(29,937,037)	(27,285,674)
Interest received	82,248	103,615
Interest paid	(3,049,133)	(3,181,971)
Taxes paid	(1,463,567)	(1,584,859)
	<u>3,178,157</u>	<u>3,646,508</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction and acquisition of plant	(4,400,980)	(5,240,355)
Plant removal costs	(94,851)	(119,787)
Proceeds from sale of utility plant	25,000	12,377
(Increase) decrease in:		
Material inventory	(4,649)	(147,654)
Investments – associated organizations	680,634	653,462
	<u>(3,794,846)</u>	<u>(4,841,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from CFC	26,985,742	16,384,659
Payment of debt	(26,097,505)	(15,056,248)
Memberships issued	4,700	7,060
Increased (decrease) in:		
Consumer deposits	20,548	30,115
Deferred credits	173,998	(80,133)
Other equities	(2,240)	(1)
Sales tax refund to be assigned	31,021	62,580
	<u>1,116,264</u>	<u>1,348,032</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	499,575	152,583
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,058,270</u>	<u>905,687</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,557,845</u>	<u>\$ 1,058,270</u>

The accompanying notes are an integral part of these statements.

PRESQUE ISLE ELECTRIC & GAS CO-OP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)

	<u>2007</u>	<u>2006</u>
RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Margins	\$ 2,386,375	\$ 2,368,972
Adjustments to reconcile net margins to net cash provided by		
Operating activities:		
Depreciation and amortization	2,746,911	2,606,431
(Gain) loss on disposition of assets	215,534	111,352
G&T and other capital credits	(2,700,303)	(2,395,620)
(Increase) decrease in:		
Customer and other accounts receivable	380,889	1,141,261
Other current assets	48,176	(23,686)
Deferred debits	14,016	15,702
Amortization of debt discount	(134,995)	(134,995)
Increase (decrease) in:		
Accounts payable	(37,939)	217,534
Accrued property taxes	(133,004)	(39,118)
Accrued interest payable	100,496	(8,815)
Current and accrued liabilities -- other	292,001	(212,510)
Total Adjustments	<u>791,782</u>	<u>1,277,536</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,178,157</u>	<u>\$ 3,646,508</u>
NON-CASH ITEMS – INVESTING & FINANCING		
Capital credits from associated organizations	\$ 2,700,303	\$ 2,395,620

The accompanying notes are an integral part of these statements.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the accounting policies adopted by Presque Isle Electric & Gas Co-op which have a significant effect on the financial statements.

Organization

Presque Isle Electric & Gas Co-op (Presque Isle) is a non-profit organization generally exempt from income tax under Section 501(c)(12) of the United States Internal Revenue Code. Presque Isle is subject to the Single Business Tax Act of the State of Michigan.

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Utility Plant

Additions, with a life expectancy of more than one year, are recorded at cost, less contributions in aid of construction received from customers. As items are retired or otherwise disposed of, the asset account is credited for the cost and the accumulated depreciation account is charged. The cost of removal, less salvage, is charged to the loss on disposition of utility plant account, and shown on the Statement of Revenue.

Investments

The carrying values of investments in associated organizations are stated at cost, adjusted for capital credits earned or retired. Short-term investments are stated at cost, which approximates market value.

Cash

For purposes of the statement of cash flows, Presque Isle considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Consumer Energy Prepayments and Unbilled Revenues

Seasonal account billings are accounted for as deferred credits and recognized as income on a straight-line basis over a period of one year. There were no estimated net unbilled revenues for the year.

Accounts receivable

Accounts receivable consist primarily of amounts due from members for electric and gas service. An allowance for doubtful accounts has been estimated based on collection history. When a member's account becomes past due and uncollectible, the member's service is terminated. The Board of Directors approve all accounts charged off.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Materials and Supplies

Electrical materials and supplies are valued at average cost. Merchandise held for resale is valued on the first-in, first-out basis.

Retirement Plan

Presque Isle has a retirement savings plan for substantially all employees. Under the terms of the plan, Presque Isle is required to contribute 10 to 16 percent of the employee's total base earnings to the retirement plan.

Flex Benefit Plan

Presque Isle has a Flexible Benefits Plan. The purpose of the plan is to provide eligible employees a choice between cash and the specified welfare benefits described in the plan. Pre-Tax Premium elections under the plan are intended to qualify for the exclusion from income provided in Section 125 of the Internal Revenue Code of 1986.

Contributions in Aid of Construction

Contributions in aid of construction are received from customers on electrical and gas installations and re-applied against the construction costs.

NOTE 2: ASSETS PLEDGED

Substantially all assets are pledged as collateral on long-term debt payable to the National Rural Utilities Cooperative Finance Corporation (CFC).

NOTE 3: ELECTRIC AND GAS PLANT AND DEPRECIATION RATES AND PROCEDURES

Major classes of electric and gas plant as of December 31, 2007 and 2006 consisted of:

	<u>2007</u>	<u>2006</u>
Intangible plant	\$ 991,786	\$ 984,008
Distribution plant	98,215,906	88,821,955
General plant	<u>5,148,971</u>	<u>4,704,806</u>
	104,356,663	94,510,769
Construction work in progress	<u>3,287,781</u>	<u>8,850,304</u>
TOTAL	<u><u>\$ 107,644,444</u></u>	<u><u>\$ 103,361,073</u></u>

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4: ELECTRIC AND GAS PLANT AND DEPRECIATION RATES AND PROCEDURES -
continued**

Provision has been made for depreciation of the distribution plant at a straight-line rate of 10 to 50 years for all distribution plant additions.

General plant depreciation rates have been applied on a straight-line basis as follows for the year ended December 31, 2007:

	<u>Years</u>
Structures and improvements	10-50
Office furniture equipment	3-7
Transportation equipment	4-7
Power operated equipment	3-16
Other	4-5

Depreciation and amortization of electric and gas plant in service was charged as follows for the years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Charged to:		
Classified as depreciation and amortization	\$ 2,686,304	\$ 2,514,658
Classified in other operating expenses	60,067	91,773
	<u>2,746,371</u>	<u>2,606,431</u>
Charged to construction	218,658	206,391
TOTAL DEPRECIATION AND AMORTIZATION	<u><u>\$ 2,965,029</u></u>	<u><u>\$ 2,812,822</u></u>

NOTE 5: INVESTMENTS IN ASSOCIATED ORGANIZATIONS

Investments in associated organizations consisted of the following at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Wolverine Power Supply Coop. Inc. - capital credits	\$ 9,143,585	\$ 8,558,801
Wolverine Power Supply Coop. Inc. - PSDF	5,322,727	3,992,527
National Rural Utilities Cooperative Finance Corp.:		
Capital term certificates maturing December 1, 2020 through October 1, 2080 at interest rates between 3% and 5%	1,697,644	1,719,442
Patronage capital certificates	847,380	755,940
Other	243,392	208,348
TOTAL	<u><u>\$ 17,254,728</u></u>	<u><u>\$ 14,478,817</u></u>

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 6: SHORT-TERM INVESTMENTS - RESTRICTED

On March 20, 1984, the Michigan Public Service Commission issued its opinion and order in Case No. U-7901, directing Michigan's Rural Electric Cooperatives to maintain power supply cost recovery over-collections and refundable contributions in restricted accounts to be used only for the purpose for which they are intended.

In order to accomplish the objectives of the Commission, a non-complex mechanism acceptable to CFC and a workable approach acceptable to Presque Isle Electric & Gas Co-op, Inc., on December 17, 1985, entered into an agreement with CFC to escrow power supply cost recovery over-collections and refundable contributions. A monthly certification is to be included with the monthly form advising CFC as to amounts included in the special funds representing power supply cost recovery over-collections and refundable contributions.

Presque Isle is to provide CFC a copy of the monthly certification described above which will serve as notice to CFC as to the amount below which the fund should not fall. Under the provisions of the agreement with CFC when the amount of deposits held by CFC falls below the level set forth in the latest available certification furnished CFC, CFC will advise the Commission if Presque Isle has not remedied the deficiency within three business days of notification by CFC to Presque Isle.

There were no amounts required to be restricted as of December 31, 2007 and 2006.

NOTE 7: CASH AND INVESTMENTS

Statements of Financial Accounting Standards (SFAS) No. 105 require disclosure of significant concentrations of credit risk arising from cash deposits in excess of federally insured limits.

	<u>Per Institution</u>	<u>Per Book</u>
Insured	\$ 364,573	\$ 364,573
Uninsured	<u>1,227,645</u>	<u>1,192,273</u>
Cash in banks, credit union & CFC	<u>\$ 1,592,218</u>	1,556,846
Working funds		<u>1,000</u>
Total per books		<u>\$ 1,557,846</u>

PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS

NOTE 8: DEFERRED DEBITS

The Cooperative has recorded deferred debits in the following amounts:

	<u>2007</u>	<u>2006</u>
Prepaid tap fees	\$ 77,034	\$ 77,343
Prepaid years of service	<u>134,773</u>	<u>148,479</u>
TOTAL	<u>\$ 211,807</u>	<u>\$ 225,822</u>

NOTE 9: MEMBERSHIPS

The following is a summary of changes in memberships for the years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Balance, beginning	\$ 207,240	\$ 200,180
Membership and subscriptions issued	6,070	7,190
Adjustment	<u>(1,370)</u>	<u>(130)</u>
Balance, ending	<u>\$ 211,940</u>	<u>\$ 207,240</u>

Memberships have been adjusted to reflect the number of members currently receiving service. In accordance with the Co-op by-laws, memberships are not refunded when a member leaves the service area. The membership fee is transferred to donated capital when the member terminates service.

NOTE 10: PATRONAGE CAPITAL

Patronage capital balances as of December 31, 2007 and 2006 consisted of:

	<u>2007</u>	<u>2006</u>
Assignable	\$ 2,386,375	\$ 2,368,972
Sales tax refund assignable	31,021	62,580
Assigned to date	<u>36,436,092</u>	<u>34,004,540</u>
	38,853,488	36,436,092
Less retirements to date	<u>4,146,883</u>	<u>4,146,883</u>
Balance	<u>\$ 34,706,605</u>	<u>\$ 32,289,209</u>

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 10: PATRONAGE CAPITAL - continued

Under the provisions of the Mortgage Agreement, until the equities and margins equal or exceed thirty percent of the total assets of the Cooperative, the return to patrons of capital contributed by them is limited generally to twenty-five percent of the patronage capital or margins received by the Cooperative in the next preceding year. The equities and margins of Presque Isle represent 36.7% and 35.5% of the total assets for the years 2007 and 2006, respectively. There were capital credits retired of \$0 during 2007 or 2006, respectively.

NOTE 11: MORTGAGE NOTES

Long-term debt is composed of 4.30 percent to 6.45 percent mortgage notes payable to the National Rural Utilities Cooperative Finance Corporation (CFC). All mortgage notes to CFC will be repriced and the interest rate adjusted accordingly during the next 10 years in accordance with the policy and procedure governing such repricing. The notes are for 35 year periods each, with principal and interest installments due either quarterly or monthly. The notes are scheduled to be fully repaid at various times from September 2010 through February 2038.

There were unadvanced loan funds available at December 31, 2007 in the amount of \$11,758,748.

Detail of the long-term debt is as follows:

	<u>2007</u>	<u>2006</u>
National Rural Utilities Cooperative Finance Corporation mortgage notes bearing interest at 4.30% to 6.45% per annum for 2007 and 2006	\$ 53,366,588	\$ 48,333,019
Zero term certificate loan (ZTC) non-interest Bearing		<u>27,500</u>
	<u>53,366,588</u>	<u>48,360,519</u>
Less current maturities	<u>1,488,000</u>	<u>1,340,000</u>
TOTAL LONG-TERM DEBT	<u>\$ 51,878,588</u>	<u>\$ 47,020,519</u>

Maturities of long-term debt for each of the next five years are as follows:

2008	\$ 1,488,000
2009	\$ 1,570,000
2010	\$ 1,654,000
2011	\$ 1,738,000
2012	\$ 1,835,000

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 12: LINE OF CREDIT

Presque Isle has available a short-term line of credit from CFC of \$6,400,000 for both 2007 and 2006 with a revolving credit and term of sixty months. The agreement requires that within 360 days of the first advance, the cooperative will reduce to zero for a period of at least five consecutive business days amounts outstanding. The Cooperative was in compliance with this provision during 2007 and 2006. Balance available at December 31, 2007 and 2006 was \$4,138,290 and \$20,458. The outstanding balance at December 31, 2007 and 2006 was \$2,261,710 and \$6,379,542, respectively.

Additionally, Presque Isle has an \$8,000,000 unsecured revolving line-of-credit agreement with CoBank. Interest on outstanding borrowings is payable monthly and is computed at 6.49% at December 31, 2007. Presque Isle had an outstanding balance of \$-0- for 2007 and \$-0- in 2006.

NOTE 13: DEFERRED CREDITS

Following is a summary of the amounts recorded as deferred credits as of December 31, 2007 and 2006:

	2007	2006
Deferred gain from extinguishments of debt	\$ 1,079,964	\$ 1,214,960
Customer energy prepayments	(439,575)	(613,574)
TOTAL	\$ 640,389	\$ 601,386

NOTE 14: RETIREMENT PLAN

Retirement plan benefits for substantially all employees are provided through participation in a defined contribution SelectRE pension plan with 401k option with cash and deferred arrangement of the National Rural Electric Cooperative Association (NRECA) and its member systems. The income earned by funds while held under the plan is tax-exempt under Code Sections 401 and 501 of the Internal Revenue Code. Contributions to the savings program, which are based on a percentage of the employees' compensation were \$695,733 in 2007 and \$702,314 in 2006.

NOTE 15: POWER SUPPLY COST RECOVERY CLAUSE

On October 12, 1982, the Governor of the State of Michigan signed PA 304 of 1982 into law creating the Power Supply Cost Recovery Clause (PSCR), a power cost recovery mechanism.

Wolverine Power Supply Cooperative, Inc. (Wolverine) and the member-distribution Cooperatives including Presque Isle, obtained authority to implement and apply PSCR clauses and monthly factors. Presque Isle's monthly factor may not exceed 16.61 mills per KWH for the current period.

Due to fluctuations in market conditions, over-collections or under-collections could result between the generation cooperative and distribution cooperative as well as between the distribution cooperatives and their member-consumers.

The PSCR clause includes provisions whereby power cost recovery over-collections must be remedied by refunds and power cost recovery under-collections must be remedied by additional collections.

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 15: POWER SUPPLY COST RECOVERY CLAUSE - continued

Presque Isle's balance sheets reflect an amount due from/(to) member-consumers for under/(over) collections in the amounts of \$60,888 and \$352,305 at December 31, 2007 and 2006, respectively. These amounts are included in the accounts receivable balance.

On September 1, 2006, Presque Isle Electric & Gas Co-op implemented a new rate setting mechanism for its natural gas operations in 34 of its 36 franchised jurisdictions. This included a Gas Cost Recovery (GCR) mechanism. Due to fluctuations in market conditions, over-collections and under-collections of natural gas supply costs could result between the distribution cooperative and its member-consumers.

The GCR mechanism includes provisions whereby gas cost recovery over-collections must be remedied by refunds and gas cost recovery under-collections must be remedied by additional collections. Presque Isle's balance sheet reflects an amount due from member-consumers for under collections in the amounts of \$49,373 and \$194,212 for the years ended December 31, 2007 and 2006, respectively. This amount is recorded in accounts receivable.

NOTE 16: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS

The cooperative has chosen to recognize the accounting method required by the Statement of Financial Accounting Standards No. 106 for Employer's Accounting for Post-retirement Benefits Other Than Pensions. The statement requires a transition from accounting, for these benefits, on a pay-as-you go (cash basis) to recognizing the benefit cost as they are earned (accrual basis). The change in accounting method requires the accounting for costs incurred to date but unpaid, which is called the Transition amount. This amount may be either expensed in the year of transition or it may be amortized over either the benefit period or twenty-years.

The plan sponsored by the company is a defined benefit post-retirement plan that covers all employees who retire from the cooperative before April 1, 1997 after (i) attainment of age 55 and completion of 30 years of service, or (ii) attainment of age 62. Spouses of pensioners are also insured until the pensioner's death.

At the end of 2007 there were no active participants and the accounting rules of the Financial Accounting Standards Board Statement No. 88 regarding curtailment must be recognized. The reconciliation of the funded status at December 31, 2007 is as follows:

	<u>2007</u>	<u>2006</u>
(Accrued) post-retirement benefit costs, beginning	\$ (284,930)	\$ (399,529)
Net periodic post-retirement benefit (costs)	(50,000)	(45,833)
Buyout cost	(133,734)	
Contributions made	<u>184,807</u>	<u>160,432</u>
(Accrued) post-retirement benefit cost, end of year	<u>\$ (283,857)</u>	<u>\$ (284,930)</u>

**PRESQUE ISLE ELECTRIC & GAS CO-OP
NOTES TO FINANCIAL STATEMENTS**

NOTE 16: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - continued

Net periodic post-retirement benefit cost includes the following components:

	2007	2006
Interest cost	\$ 29,834	\$ 25,667
Net amortization and deferral	20,166	20,166
Net periodic post-retirement benefit cost	\$ 50,000	\$ 45,833

For measurement purposes a 13.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2007; the rate was assumed to decrease gradually to an ultimate rate of 3.5% per annum. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care cost trend rates by 1 percentage point in each year would increase the accumulated post-retirement benefit obligation \$122,940 and the aggregate of the service and interest cost components of the net periodic benefit cost by \$8,299. Decreasing the assumed health care cost trend rates by 1 percentage point in each year would decrease the accumulated post-retirement benefit obligation \$111,396 and the aggregate of the service and interest cost components of the net periodic benefit cost by \$7,519.

The weighted-average discount rate used in determining the accumulated post-retirement benefit obligation was 7.5 percent.

NOTE 17: FLEX BENEFIT PLAN - under Section 125 of the Internal Revenue Code

The Flexible Benefit Plan is for the benefit of substantially all employees who have been employed for at least 30 days. The Cooperative has elected to offer to eligible employees the following Benefit Plans and Policies subject to the terms and conditions of the plan: (1) Disability Income - Short-Term (A&S); (2) Cancer Insurance; (3) Intensive Care Insurance; (4) Accident Insurance; and (5) Medical Care Expense Reimbursement, not to exceed \$1,200 per plan year. The maximum Pre-Tax Premiums a participant can contribute via the Salary Redirection Agreement is the aggregate cost of the applicable Benefit Plans or Policies selected minus any Nonelective Contributions made by the employer. It is intended that such Pre-Tax Premium accounts shall, for tax purposes, constitute an employer contribution.

NOTE 18: LETTERS OF CREDIT

The Co-op has a letter of credit outstanding to the State of Michigan for \$100,000 at December 31, 2007. In order to maintain status as a licensed Alternative Gas Supplier in the State of Michigan the Michigan Public Service Commission requires this letter of credit.

The Co-op has a letter of credit outstanding to the WPS Energy for \$2,000,000 at December 31, 2007. This letter of credit is required in order to mitigate counter party risk in natural gas purchase transactions. This also is a risk management tool for the Co-op with respect to mark to market issues.

NOTE 19: RECLASSIFICATION OF AMOUNTS

Certain amounts previously reported have been reclassified to conform to the 2007 presentation.



HARRIS GROUP

Certified Public Accountants

AUDITORS' CERTIFICATION REGARDING LOAN FUND EXPENDITURES

During the period of this audit, Presque Isle Electric & Gas Co-op received \$6,379,542 in long-term loan fund advances from CFC on loans controlled by the 100% CFC Mortgage and Loan Agreement. Based on our review of construction work orders and other plant accounting records created during the audit period, it is our opinion that these CFC loan funds were expended for purposes contemplated in the Loan Agreements on such loans.

Harris Group

Certified Public Accountants

February 14, 2008

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:	12/31/2007
Present legal name of respondent:	Presque Isle Electric & Gas Co-op
Present DBA name in Michigan if different from legal name:	
Address of principal place of business:	19831 M 68 Highway Onaway, MI 49765
Utility representative to whom inquires regarding this report may be directed:	
Name: Thomas J. Sobeck	Title: Chief Financial Officer
Address: 19831 M 68 Highway	
City: Onaway	State: MI Zip Code: 49765
Telephone: (989) 733-8515	E-mail: tsobeck@pieg.com
If the Utility name has been changed during the past year:	
Prior Name	
Date of Change	
Two copies of the published annual report to stockholders:	
<input type="checkbox"/> were forwarded to the Commission	
<input checked="" type="checkbox"/> will be forwarded to the Commission	
on or about	April 29, 2008
Annual reports to stockholders:	
<input type="checkbox"/> are published.	<input 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

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

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Michigan Public Service Commission

MAY 01 2008

REGULATED ENERGY
DIVISION

MPSC FORM P-522

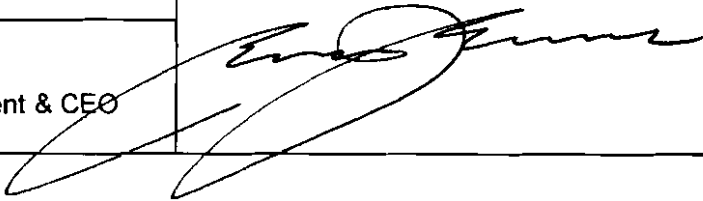
ANNUAL REPORT OF NATURAL GAS COMPANIES (MAJOR AND NONMAJOR)

IDENTIFICATION

01 Exact Legal Name of Respondent Presque Isle Electric & Gas Co-op		02 Year of Report December 31, 2007
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, State, Zip) 19831 M 68 Highway Onaway, MI 49765		
05 Name of Contact Person Thomas J. Sobeck	06 Title of Contact Person Chief Financial Officer	
07 Address of Contact Person (Street, City, State, Zip) 19831 M 68 Highway Onaway, MI 49765		
08 Telephone of Contact Person, Including Area Code: 989-733-8515	09 This Report is: (1) X An Original (2) A Resubmission	10 Date of Report (Mo, Da, Yr) 4/28/2008

ATTESTATION

The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.

01 Name Brian J. Burns	03 Signature 	04 Date Signed (Mo, Da, Yr) 4/28/2008
02 Title President & CEO		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report December 31, 2007
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GENERAL INFORMATION

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

Brian J. Burns, Chief Executive Officer
19831 M 68 Highway
Onaway, MI 49765

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 date organized.

Michigan
March 26, 1937

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

Not Applicable

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

Electric Distribution
Natural Gas Distribution
Natural Gas Marketing

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

(1) Yes. . . . enter date when such independent accountant was initially engaged: _____

(2) No

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report December 31, 2007
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CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES

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

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 by 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 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.

NOT APPLICABLE

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report December 31, 2007
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LIST OF SCHEDULES (Natural Gas Utility)

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.
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.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
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.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
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 in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
NOT APPLICABLE			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report December 31, 2007
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DIRECTORS

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

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Allan Bruder, Chairman	19831 M 68 Highway Onaway, MI 49765	12	\$13,288.43
Allen Barr, Vice Chairman		12	\$22,547.06
Sally Knopf, Secretary		12	\$17,409.30
Robert Wegmeyer, Treasurer		12	\$6,797.97
Glen Alsobrooks, Director		12	\$12,930.10
John Brown, Director		12	\$12,728.56
Bernice Krajniak, Director		12	\$11,935.51
David Smith, Director		12	\$11,846.86
Raymond Wozniak, Director		12	\$15,562.90

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report December 31, 2007
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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 completion 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 completion 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 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 votes cast by proxy:

TOTAL: 2,297

BY PROXY: 2

3. Give the date and place of such meeting:

October 26, 2007
Atlanta High School, Atlanta, Michigan

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report December 31, 2007
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SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name (and Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Total Votes (b)	Number of votes as of (date):		
			Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	0			
5	TOTAL number of security holders	0			
6	TOTAL votes of security holders listed below	0			
7	Not Applicable				
8					
9					
10					
11					
12					
13					
14					
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30					

Name of Respondent Presque Isle Electric & Gas Co- op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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", "not acceptable" or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of

sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred 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 proceedings pending at the end of the year and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. 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

NONE

Name of Respondent	This Report Is:	Date of Report (Mo. Da. Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/28/2008	Dec. 31, 2007

IMPORTANT CHANGES DURING THE YEAR (Continued)

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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**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)	104,356,664	77,405,547
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified - ARO		
7	Experimental Plant Unclassified		
8	TOTAL (Enter Total of lines 3 thru 7)	104,356,664	77,405,547
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	3,287,781	2,691,514
12	Acquisition Adjustments		
13	TOTAL Utility Plant (Enter Total of line 8 thru 12)	107,644,445	80,097,061
14	Accum. Prov. for Depr., Amort., & Depl.	36,087,031	32,551,550
15	Net Utility Plant (Enter Total of line 13 less 14)	71,557,414	47,545,511
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZAITON AND DEPLETION		
17	In Service:		
18	Depreciation	36,087,031	32,551,550
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 of lines 18 thru 21)	36,087,031	32,551,550
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)		
27	Held for Future Use		
28	Depreciation - ARO		
29	Amortization		
30	TOTAL held for Future Use (Enter Total of lines 28 and 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adj.		
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	36,087,031	32,551,550

Name of Respondent Presque Isle Electric & Gas Co- op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
26,951,116					3
					4
					5
					6
					7
26,951,116					8
					9
					10
596,266					11
					12
27,547,382					13
3,535,481					14
24,011,901					15
					16
					17
3,535,481					18
					19
					20
					21
3,535,481					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
3,535,481					33

Name of Respondent	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
Presque Isle Electric & Gas Co-op			

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

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

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

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		1. Intangible Plant		
2	301	Organization		
3	302	Franchises and Consents	46,608	
4	303	Miscellaneous Intangible Plant		
5		TOTAL Intangible Plant	46,608	0
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	0	0

Name of Respondent	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
Presque Isle Electric & Gas Co-op			

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

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.

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					1
				301	2
			46,608	302	3
			0	303	4
0	0	0	46,608		5
					6
					7
				304.1	8
			0	304.2	9
				305	10
			0	306	11
			0	307	12
			0	308	13
			0	309	14
			0	310	15
			0	311	16
			0	312	17
			0	313	18
			0	314	19
			0	315	20
			0	316	21
			0	317	22
			0	318	23
			0	319	24
			0	320	25
0	0	0	0		26

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
27		Natural Gas Production & Gathering Plant		
28	325.1	Producing Lands		
29	325.2	Producing Leaseholds		
30	325.3	Gas Rights		
31	325.4	Rights-of-Way		
32	325.5	Other Land		
33	325.6	Other Land Rights		
34	326	Gas Well Structures		
35	327	Field Compressor Station Structures		
36	328	Field Measuring and Regulating Station Structures		
37	329	Other Structures		
38	330	Producing Gas Wells-Well Construction		
39	331	Producing Gas Wells-Well Equipment		
40	332	Field Lines		
41	333	Field Compressor Station Equipment		
42	334	Field Measuring and Regulating Station Equipment		
43	335	Drilling and Cleaning Equipment		
44	336	Purification Equipment		
45	337	Other Equipment		
46	338	Unsuccessful Exploration & Development Costs		
47		TOTAL Production and Gathering Plant		0
48		Products Extraction Plant		
49	340.1	Land		
50	340.2	Land Rights		
51	341	Structures and Improvements		
52	342	Extraction and Refining Equipment		
53	343	Pipe Lines		
54	344	Extracted Products Storage Equipment		
55	345	Compressor Equipment		
56	346	Gas Measuring and Regulating Equipment		
57	347	Other Equipment		
58		TOTAL Products Extraction Plant	0	0
59		TOTAL Natural Gas Production Plant	0	0
60		SNGL Production Plant (Submit Supplemental Statement)		
61		TOTAL Production Plant		0
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					27
				325.1	28
				325.2	29
				325.3	30
				325.4	31
				325.5	32
				325.6	33
				326	34
				327	35
				328	36
				329	37
				330	38
				331	39
				332	40
				333	41
				334	42
				335	43
				336	44
				337	45
				338	46
0	0	0	0		47
					48
				340.1	49
				340.2	50
				341	51
				342	52
				343	53
				344	54
				345	55
				346	56
				347	57
					58
0	0	0	0		59
					60
0	0	0	0		61
					62
					63
				350.1	64

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

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

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
65	350.2	Rights-of-Way		
66	351	Structures and Improvements		
67	352	Wells		
68	352.1	Storage Leaseholds and Rights		
69	352.2	Reservoirs		
70	352.3	Non-Recoverable Natural Gas		
71	353	Lines		
72	354	Compressor Station Equipment		
73	355	Measuring and Regulating Equipment		
74	356	Purification Equipment		
75	357	Other Equipment		
76	358	Gas in Underground Storage-Noncurrent		
77		TOTAL Underground Storage Plant		
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	Measuring and Regulating Equipment		
88	363.5	Other Equipment		
89		TOTAL Other Storage Plant		
90		Base Load Liquefied NG 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	Communication Equipment		
99	364.8	Other Equipment		
100		TOTAL Base Load LNG Terminating and Processing Plant		
101				
102		TOTAL Natural Gas Storage and Processing Plant		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
				350.2	65
				351	66
				352	67
				352.1	68
				352.2	69
				352.3	70
				353	71
				354	72
				355	73
				356	74
				357	75
				358	76
					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
				364.1a	92
				364.2	93
				364.3	94
				364.4	95
				364.5	96
				364.6	97
				364.7	98
				364.8	99
					100
					101
					102

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
103		4. Transmission Plant		
104	365.1	Land		
105	365.2	Land Rights		
106	365.3	Rights-of-Way		
107	366	Structures and Improvements		
108	367	Mains		
109	368	Compressor Station Equipment		
110	369	Measuring and Regulating Station Equipment		
111	370	Communication Equipment		
112	371	Other Equipment		
113		TOTAL Transmission Plant		
114		5. Distribution Plant		
115	374.1	Land	60,459	
116	374.2	Land Rights	137,989	7,778
117	375	Structures and Improvements	632,798	100,008
118	376	Mains	8,109,877	4,961,378
119	377	Compressor Station Equipment		
120	378	Measuring and Regulating Station Equip.-Genral	95,892	0
121	379	Measuring and Regulating Station Equip.-City Gate		
122	380	Services	10,573,275	1,351,742
123	381	Meters	750,702	61,069
124	382	Meter Installations	50,741	0
125	383	House Regulators		
126	384	House Regulator Installations		
127	385	Industrial Measuring and Regulating Station Equip.		
128	386	Other Property on Customer's Premises		
129	387	Other Equipment		
130		TOTAL Distribution Plant	20,411,733	6,481,975
131		6. General Plant		
132	389.1	Land	10,800	0
133	389.2	Land Rights		
134	390	Structures and Improvements		
135	391	Office Furniture and Equipment		
136	391.1	Computers and Computer Related Equipment		
137	392	Transportation Equipment		
138	393	Stores Equipment		
139	394	Tools, Shop and Garage Equipment		
140	395	Laboratory Equipment		

Name of Respondent Presque Isle Electric & Gas Co- op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					103
				365.1	104
				365.2	105
				365.3	106
				366	107
				367	108
				368	109
				369	110
				370	111
				371	112
					113
					114
			60,459	374.1	115
			145,767	374.2	116
			732,806	375	117
			13,071,255	376	118
				377	119
			95,892	378	120
				379	121
			11,925,016	380	122
			811,771	381	123
			50,741	382	124
				383	125
				384	126
				385	127
				386	128
				387	129
			26,893,707		130
					131
			10,800	389.1	132
				389.2	133
				390	134
				391	135
				391.1	136
				392	137
				393	138
				394	139
				395	140

Name of Respondent Presque Isle Electric & Gas Co- op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
141	396	Power Operated Equipment		
142	397	Communication Equipment		
143	398	Miscellaneous Equipment		
144		SUBTOTAL (Lines 132 thru 143)	10,800	
145	399	Other Tangible Property		
146		TOTAL General Plant		
147		TOTAL (Accounts 101 and 106)		
148	101.1	Property Under Capital Leases		
149	102	Gas Plant Purchased (See Instruction 8)		
150	(LESS) 102	Gas Plant Sold (See Instruction 8)		
151	103	Experimental Gas Plant Unclassified		
152		TOTAL GAS PLANT IN SERVICE	20,469,141	6,481,975

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
				396	141
				397	142
				398	143
			10,800		144
				399	145
					146
					147
				101.1	148
				102	149
				(102)	150
				103	151
			26,951,116		152

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

GAS PLANT LEASED TO OTHERS (Account 104)

1 Report below the information called for concerning gas plant leased to others. 2. In column (c) give the date of Commission authorization of the lease of gas plant to others.

Line No.	Name of Lessee (Designate associated companies with an asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year
1	NOT APPLICABLE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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21					
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26					
27					
28					
29					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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				
2	NOT APPLICABLE			
3				
4				
5				
6				
7				
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9				
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40				
41				
42				
43				
44				
45				
46	TOTAL			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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PRODUCTION PROPERTIES HELD FOR FUTURE USE (Account 105.1)

1. Report separately each property held for future use at use, give in column (a), in addition to other required end of the year having an original cost of \$250,000 or more. Group information, the date that utility use of such property was discontinued, and the date the original cost was transferred to other items of property held for future use.

2. For property having an original cost of \$250,000 or more Account 105.1. previously used in utility operations, now held for future

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)			
2	NONE			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
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39				
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41				
42				
43				
44				
46		TOTAL		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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	DISTRIBUTION WORK IN PROGRESS AT YEAR END 2007		
2			
3	Minor Projects	596,266	0
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
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41			
42			
43	TOTAL	596,266	0

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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</p> | <p>explain on page 218 the accounting procedures employed on 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 proated 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)	Indirect
1				
2	Direct Labor	779,518	779,518	0
3				
4	Indirect Labor	163,634		163,634
5	Supervision \$72,110			
6	Employee Labor \$91,524			
7				
8	Material Inventory	1,498,622	1,498,683	(61)
9				
10	Transportation	200,982	195,049	5,933
11				
12	Stores	124,989	104,478	20,511
13				
14	Payroll Taxes	78,911	66,640	12,271
15				
16	Miscellaneous	110,723	108,042	2,681
17				
18	Heavy Equipment	243,957	135,681	108,276
19				
20	Right of Way and Permits	22,973	23,515	(542)
21				
22	Employee Costs	241,565	151,995	89,570
23				
24	Contractors/Professional Services	3,412,297	3,412,297	0
25				
26	Aid To Construction	(1,073,573)	(1,073,573)	0
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46	TOTAL	5,804,598	5,402,325	402,273

Name of Respondent Presque Isle Electric & Gas Co- op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead: (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.

- 1
 - a. Administrative, employee benefits, general construction support.
 - b. All items directly or indirectly linked to construction.
 - c. All overhead items are spread based on work orders with direct labor for the month incurred.
 - d. Not Applicable
 - e. Not Applicable
 - f. All indirect items are pooled in a general work order for the month, then spread at month end to all work orders having direct labor. Each work order receives it's percentage based on total for the month.

- 2 Not Applicable

Name of Respondent	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108 & 110)

- | | |
|--|---|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-211, column (d), excluding retirements of nondepreciable property.</p> <p>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.</p> | <p>If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|--|---|

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	3,047,599	3,047,599		
2	Depreciation Prov. for Year. Charged to				
3	(403) Depreciation Expense	487,882	487,882		
4	(403.1) Deprec. and Deplet. Expense				
5	(413) Exp. of Gas Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify): (404) (421)				
9					
10	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 9)	487,882	487,882		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired				
13	Cost of Removal				
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)				
16	Other Debit or Credit Items (Describe):				
17					
18					
19	Balance End of Year (Enter Total of lines 1, 10, 15, & 16)	3,535,481	3,535,481		

Section B. Balances at End of Year According to Functional Classifications

20	Production - Manufactured Gas				
21	Production and Gathering - Natural Gas				
22	Products Extraction - Natural Gas				
23	Underground Gas Storage				
24	Franchise / Leaseholds				
25	Base Load LNG Terminating & Proc. Plt.				
26	Transmission				
27	Distribution	3,535,481	3,535,481		
28	General				
29	TOTAL (Enter total of lines 20 thru 28)	3,535,481	3,535,481		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS (Continued)

3. If for any reason a take or pay situation is in controversy, list in the columns below the amount of those prepayment claims which have not been paid, together with footnote notation that the amount is in controversy (and any explanation the respondent chooses to make).

4. If any prepayment was determined other than by reference to amounts per Mcf or demand-commodity factors, furnish in a footnote a concise explanation of basis of computation.

BALANCE END OF YEAR		PREPAYMENTS IN CURRENT YEAR			Make-up Period expiration date (j)	Line No.
Mcf (14.73 psia at 60 F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at 60 F) (e)	Percent of Year's required take (f)		
	NONE					1
						2
						3
						4
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original	(Mo, Da, Yr)	Dec. 31, 2007
	(2) A Resubmission	04/28/2008	

NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

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

Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)	5,692,686	5,311,796
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)		
4	TOTAL	5,692,686	5,311,796
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	118,000	118,000
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	5,574,686	5,193,796
7			
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14			

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

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

Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	118,000				118,000
2	Prov. for uncollectibles for current year	78,301				78,301
3	Accounts written off	(97,570)				(97,570)
4	Coll. of accounts written off	14,955				14,955
5	Adjustments (explain): _____					
	Reverse Sales Tax on Write-offs	4,314				4,314
6	Balance end of year	118,000				118,000
7						
8						
9						
10						
11						

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits. of amortization in column (a).
 2. For any deferred debit being amortized, show period. 3. Minor items (less than \$50,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2	SEE AUDIT REPORT					
3						
4						
5						
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45						
46	Misc. Work in Progress					
47	DEFERRED REGULATORY COMM. EXPENSES (SEE PAGES 350-351)					
48	TOTAL	0				0

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31 2007
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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				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)			
17	Other (Specify)			
18	TOTAL (Account 190) (Enter Total of lines 8, 16 & 17)			
19	Classification of Total:			
20	Federal Income Tax		0	0
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 listed under Other.

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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CAPITAL STOCK (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to 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. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1				
2				
3				
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Name of Respondent Presque Isle Electric & Gas Co-op		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo. Da. Yr) 04/28/2008		Year of Report Dec. 31, 2007	
CAPITAL STOCK (Accounts 201 and 204) (Continued)							
<p>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.</p> <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.</p>				<p>5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.</p> <p>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.</p>			
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)		
						1	
						2	
						3	
						4	
						5	
						6	
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						42	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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)

- | | |
|--|--|
| <p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, 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.</p> <p>3. Describe in a footnote the agreement and transactions</p> | <p>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.</p> <p>4. For payment on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated value of stocks without par value.</p> |
|--|--|

Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)
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45			
46	TOTAL		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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OTHER PAID-IN CAPITAL (Account 208-211, inc.)

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

(a) Donations Received From Stockholders (Account 208) - State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give brief explanation of the

capital 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 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		
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40	TOTAL	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	---	--	---------------------------------

DISCOUNT ON CAPITAL (Account 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.
 2. If any changes occurred during the year in the balance with respect to any class or series of stock, attach a statement

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
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16		
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18		
19		
20		
21	TOTAL	

CAPITAL STOCK EXPENSE (Account 214)

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
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19		
20		
21	TOTAL	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

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

1. Furnish a supplemental statement giving a brief description of security financing 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 15 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 discount, 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.

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2007	Year of Report Dec. 31, 2007
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LONG TERM DEBT (Accounts 221, 222, 223 and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. 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 receiver's certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

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	SEE ATTACHED			
2				
3				
4				
5				
6				
7				
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38	TOTAL			

Loan Portfolio @ 12/31/2007

CFC Loan Number	PIE&G Account Number	Current Interest Rate	Principal Balance
9036-000	224.92	6.200%	897,621.44
9038-000	224.95	6.200%	897,621.44
9037-002	224.94	6.200%	70,652.45
9037-001	224.93	6.200%	826,969.38
9060-001	225.22	4.300%	946,231.75
			3,639,096.46
9040-001	224.97	6.150%	903,821.21
9041-001	224.98	6.150%	903,821.21
9031-001	224.86	5.150%	3,483,122.76
9039-001	224.96	6.150%	903,821.21
9016-002	224.71.01	5.150%	540,410.48
9016-001	224.71	5.150%	571,864.65
9031-002	224.87	5.150%	31,865.84
			7,338,727.36
9061-001	225.23	5.000%	952,909.62
9006	224.66	5.850%	27,463.90
9053-001	225.12	5.850%	933,195.29
9054-001	225.13	5.850%	933,195.29
9052-001	225.11	5.850%	933,195.29
9042-001	224.99	5.900%	923,419.79
9043-001	225.01	5.900%	923,419.79
			5,626,798.97
9062-002	225.24	5.300%	
9062-001	225.24	5.300%	955,547.45
9058-001	225.19	6.100%	932,949.39
9057-001	225.18	6.100%	932,949.39
9015	224.70	6.100%	787,141.01
9044-001	225.02	6.100%	924,937.27
9029-004	224.85	6.100%	869,250.33

Loan Portfolio @ 12/31/2007

CFC Loan Number	PIE&G Account Number	Current Interest Rate	Principal Balance
9022-001	224.76	6.200%	5,402,774.84
9024-001	224.78	6.200%	547,913.86
9010	224.67	6.200%	544,833.10
9025-001	224.79	6.200%	119,020.46
9029-001	224.82	6.250%	544,833.10
9029-002	224.83	6.250%	870,432.94
9023-001	224.77	6.250%	870,433.85
			549,391.35
			4,046,858.66
9020-001	224.74	6.300%	542,951.36
9018-001	224.72	6.300%	542,951.36
9019-001	224.73	6.300%	542,951.36
9055-001	225.14	6.300%	707,117.05
9029-003	224.84	6.350%	871,211.52
9032-000	224.88	6.350%	742,647.10
9033-000	224.89	6.350%	742,647.10
			4,692,476.85
9027-001	224.81	6.000%	496,606.90
9026-001	224.80	6.000%	548,051.38
9059-001	225.20	6.350%	575,516.31
9056-002	225.17	6.350%	705,782.34
9021-001	224.75	6.350%	549,048.01
9034-000	224.90	6.450%	742,647.10
9035-000	224.91	6.450%	742,647.10
9067-000	225.29	6.028%	994,316.87
9068-000	225.30	6.028%	994,316.87
9069-000	225.31	6.028%	994,316.87
9070-000	225.32	6.028%	994,316.87
9071-000	225.33	6.028%	994,316.87

Loan Portfolio @ 12/31/2007

CFC Loan Number	PIE&G Account Number	Current Interest Rate	Principal Balance
9072-000	225.34	6.028%	994,316.87
9073-000	225.35	6.028%	377,385.18
			10,703,585.54
9055-002	225.15	6.400%	228,982.85
9014	224.69	6.400%	349,623.27
9012	224.68	6.400%	293,703.34
9056-001	225.16	6.400%	229,502.50
9059-002	225.21	6.400%	359,296.00
			1,461,107.96
9064-001	225.26	5.900%	977,854.81
			977,854.81
9065-001	225.27	5.950%	978,071.13
			978,071.13
9066-001	225.28	6.000%	978,285.70
			978,285.70
9063	225.25	6.050%	967,978.39
			967,978.39
9048-001	225.06	6.280%	937,196.86
9050-001	225.08	6.280%	937,196.86
9046-001	225.04	6.280%	937,196.86
9045-001	225.03	6.280%	929,789.89
9049-001	225.07	6.280%	937,196.86
9047-001	225.05	6.280%	937,196.86
9051-001	225.09	6.280%	241,787.15

Loan Portfolio @ 12/31/2007

CFC Loan Number	PIE&G Account Number	Current Interest Rate	Principal Balance
9051-002	225.1	6.280%	695,409.72
			6,552,971.06
			53,366,587.73

Name of Respondent	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)

5. In a supplemental statement, give explanatory particulars (details) for Account 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

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 obligation 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		
(d)	(e)	(f)	(g)	(h)	
					1
					2
					3
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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 Expenses, Premium or Discount (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1					
2					
3					
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Account 181, 225, 226) (Cont)

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
				5
				6
				7
				8
				9
				10
				11
				12
				13
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) <input checked="" type="checkbox"/> An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

- | | |
|--|--|
| <p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details of gain or 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.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized</p> | <p>on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>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.</p> |
|--|--|

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1						
2						
3						
4						
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Name of Respondent	This Report Is:	Date of Report (Mo, Da. Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

NOTES PAYABLE (Accounts 231)

- | | |
|--|---|
| <p>1. Report the particulars indicated concerning notes payable at end of year.</p> <p>2. Give particulars of collateral pledged, if any.</p> <p>3. Furnish particulars for any formal or informal compensating balance agreement covering open lines of credit.</p> | <p>4. Any demand notes should be designated as such in column (d).</p> <p>5. Minor amounts may be grouped by classes, showing the number of such amounts.</p> |
|--|---|

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					%	\$
2						
3						
4						
5						
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27						
	TOTAL					

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2						
3						
4						
5						
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36						
	TOTAL					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

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

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each

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

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

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

group member, and basis of allocation, assignment, or sharing of the consolidation 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.
		1
		2
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co- op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

CALCULATION OF FEDERAL INCOME TAX

Line No.		TOTAL AMOUNT
1	Estimated Federal taxable income for the current year (page 261A)	
2		
3	Show computation of estimated gross Federal income tax applicable to line 1:	
4		
5		
6		
7		
8	TOTAL	
9		
10	Allocation of estimated gross Federal income tax from line 8	
11	Investment tax credits estimated to be utilized for the year (page 264 col (c))	
12		
13	Adjustment of last year's estimated Federal income tax to the filed tax return:	
14		
15	Last year's gross Federal income tax expense per the filed return	
16	Last year's estimated gross Federal income tax expense	
17	Increased (decreased) gross Federal income tax expense	
18		
19	Last year's investment tax credits utilized per the filed return	
20	Last year's investment tax credits estimated to be utilized	
21	Increased (decreased) investment tax credits utilized	
22		
23	Additional Adjustments (specify)	
24	Prior year adjustment	
25	Miscellaneous/rounding	
26		
27	Total Current Federal Income Tax	
28	Expense:	
29	409.1 (page 114, line 14)	
30	409.2 (page 117, line 47)	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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CALCULATION OF FEDERAL INCOME TAX (continued)

UTILITY	OTHER	Line No.
		1
		2
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

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 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

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. in Account 165) (c)
		1	
2			
3			
4			
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18			

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Departments (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
	1			
2				
3				
4				
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7				
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10				
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12				
13				
14				
15				
16				
17				
18	TOTAL			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

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

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll 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
					3
					4
					5
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					18

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

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Line No.
				1
				2
				3
				4
				5
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	---	--	---------------------------------

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

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 balances shown in column (d). Include in column (e) the average period over which the tax credits are amortized. 2. Fill in columns for all the items as appropriate.

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	3%				
3	4%				
4	7%				
5	8%				
6	10%				
7					
8					
9					
10					
11					
12					
13					
14					
15	JDITC				
16					
17					
18					
19					
20	TOTAL		0		
21	Other				
22	3%				
23	4%				
24	7%				
25	8%				
26	10%				
27					
28					
29					
30					
31					
32	JDITC				
33					
34					
35	TOTAL				

NOTES

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

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

Allocations to Current Year's Income		Adjustments (h)	Balance at End of Year (i)	Average Period of Allocation to Income (j)	Line No.
Account Number (f)	Amount (g)				
					1
					2
					3
					4
					5
					6
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NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Give description and amount of other current and accrued liabilities as of the end of year.
2. Minor items may be grouped by classes, showing number of items in each class.

Line No.	Item (a)	Balance at End of Year (b)
1		
2	Accrued Payroll	137,872
3	Accrued Vacation & Sick Leave	629,522
4	Accrued Retirement Benefits	283,857
5	Accrued Workman's Comp Insurance	(11,737)
6	Current Portion of Long Term Debt	1,488,000
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	2,527,514

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List advances by department (a)	Balance at End of Year (b)
21		
22	NOT APPLICABLE	
23		
24		
25		
26		
27		
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29		
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32		
33		
34		
35		
36		
37		
38		
39	TOTAL	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

OTHER DEFERRED CREDITS (Accounts 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	Consumer Prepayments	1,779,234				1,865,233
2	June Seasonal	(803,044)				(746,311)
3	July Seasonal	(782,391)				(730,649)
4	May Seasonal	(807,478)				(827,948)
5	Energifts	100				100
6	Gain on RUS Buyout	1,214,960				1,079,964
7						
8						
9						
10						
11						
12						
13						
14						
15						
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47	TOTAL	601,381				640,389

Name of Respondent Presque Isle Electric & Gas Co-op		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property. 2. For Other (Specify), include deferrals relating to other				
Line No.	Account (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5				
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12				
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of lines 8, 15, and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			
NOTES				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other (Define)			
5	TOTAL (Enter Total of lines 2 thru 4)			
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)			
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2				
3				
4				
5				
6	Other			
7	TOTAL Electric (Enter Total of lines 2 thru 6)			
8	Gas			
9				
10				
11				
12				
13	Other			
14	TOTAL Gas (Enter Total of lines 9 thru 13)			
15	Other (Specify)			
16	TOTAL (Account 283) (Enter Total of lines 7, 14, 15)			
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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ACCUMULATED DEFERRED INCOME TAXES - TEMPORARY (Account 284)

1. Report the information called for below concerning each item included in this account at year end.

Line No.	Description of Item (a)	Balance at End of Year (b)	Date of Filing for Commission Approval (c)	Case Number (d)
1	Electric			
2				
3				
4				
5				
6				
7	TOTAL Electric (Enter Total of lines 2 thru 6)			
8	Gas			
9				
10				
11				
12				
13				
14	TOTAL Gas (Enter Total of lines 9 thru 13)			
15	Other (Specify)			
16	TOTAL (Account 284) (Enter Total of lines 7, 14, 15)			
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

OTHER REGULATORY LIABILITIES

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
 2. For regulatory 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 Liabilities (a)	DEBITS		Credits (d)	Balance at End of Year (e)
		Account Credited (b)	Amount (c)		
1					
2	NOT APPLICABLE				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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21					
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25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

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 M cf @ 4.73 psia at 60 degrees F. If billings are on therm basis, give the Btu contents of the gas sold and the sales converted to M cf.
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	GAS SERVICE REVENUES		
2	480 Residential Sales	7,694,410	7,062,828
3	481 Commercial & Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	794,191	789,166
5	Large (or Ind.) (See Instr. 6)	73,039	122,397
6	482 Other Sales to Public Authorities	441,035	425,036
7	484 Interdepartmental Sales		
8	TOTAL Sales to Ultimate Customers	9,002,675	8,399,427
9	483 Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	9,002,675	8,399,427
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	9,002,675	8,399,427
13	OTHER OPERATING REVENUES		
14	485 Intracompany Transfers		
15	487 Forfeited Discounts	25,064	31,694
16	488 Misc. Service Revenues	49,137	36,127
17	489 Rev. from Trans. of Gas of Others		
18	490 Sales of Prod. Ext. from Nat. Gas		
19	491 Rev. from Nat. Gas Proc. by Others		
20	492 Incidental Gasoline and Oil Sales		
21	493 Rent from Gas Property		
22	494 Interdepartmental Rents		
23	495 Other Gas Revenues	28,373	28,181
24	TOTAL Other Operating Revenues	102,574	96,002
25	TOTAL Gas Operating Revenues	9,105,249	8,495,429
26	(Less) 485 Provision for Refunds	11,983	40,541
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	9,093,266	
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)		
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)		
30	Sales for Resale		
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales		
33	TOTAL (Same as Line 10, Columns (b) and (d))	9,093,266	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

GAS OPERATING REVENUES (ACCOUNT 400) (Continued)

figures, explain any inconsistencies in a footnote. per day of normal requirements. (See Account 481 of the Commercial and Industrial Sales, Account 481, may be Uniform System of Accounts. Explain basis of classification classified according to the basis of classification (Small or in a footnote.) Commercial and Large or Industrial) regularly used by the ? See pages 108-109, Important changes During Year, for respondent if such basis of classification is not generally greater in important new territory added and in important rate increases than 200,000 Mcf per year or approximately 800 Mcf 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
548,542	515,106	7,735	7,646	2
				3
65,480	63,872	233	233	4
6,479	11,146	2	2	5
35,295	34,132	111	112	6
				7
655,796	624,256	8,081	7,993	8
				9
655,796	624,256	8,081	7,993	10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
655,796				33

NOTES

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec, 31, 2007
---	--	--	-------------------------------------

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 subclasses.

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 use except space heating.
 - B. Residential Space Heating. This class includes all sales of gas for space heating including gas for other residential uses only when measured through the same meter.
- CD. Commercial Service. This class includes service rendered primarily to commercial establishments such as restaurants, hotels, clubs, hospitals, recognized rooming and boarding houses, 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 therefor are at tariff or other specific rates.
- I. Other Sales. This class includes all service to ultimate consumers not included in the foregoing described classifications.
- * A - I. Total Sales to Ultimate Customers. 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 Revenue. 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, commission 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 respondents 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.

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	-------------------------------------

625-A. SALES DATA FOR THE YEAR
(For the State of Michigan)

Line No.	Class of Service (a)	Average Number of Customers per Month (b)	Gas Sold Mcf* (c)	Revenue (Show to nearest dollar) (d)	AVERAGES		
					Mcf* per Customer (e)	Revenue per Customer (f)	Revenue per Mcf* (g)
1	AB. Residential Service	7,735	548,542	7,694,410	70.92	994.75	14.03
2	A. Residential Service						
3	B. Residential Space Heating Service						
4	CD. Commercial Service	233	65,480	794,191	281.03	3,408.55	12.13
5	C. Commercial Service, except space heating						
6	D. Commercial Space Heating						
7	E. Industrial Service	2	6,479	73,039	3,239.50	36,519.50	11.27
8	F. Public Street & Highway Lighting						
9	G. Other Sales to Pubic Authorities	111	35,295	441,035	317.97	3,973.29	12.50
10	H. Interdepartmental Sales						
11	I. Other Sales						
12	A - I. Total Sales to Ultimate Consumers	8,081	655,796	9,002,675	81.15	1,114.05	13.73
13	J. Sales to Other Gas Utilities for Resale						
14	A - J. TOTAL SALES OF GAS	8,081	655,796	9,002,675	81.15	1,114.05	13.73
15	K. Other Gas Revenues			90,591		0.00	0.00
16	A - K. TOTAL GAS OPERATING REVENUE	8,081	655,796	9,093,266	81.15	1,125.26	13.87

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

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

625-B. SALES DATA BY RATE SCHEDULES FOR THE YEAR

- Report below the distribution of customers, sales and revenues for the year by individual rate schedules. (See definition 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 625-A, column (a), indicate the class or classes of customers served under each rate schedule, e.g. (A) for Residential Service, (B) Heating Service, etc.
- Column (d) - Give the average number of customers billed under each rate schedule during the year. The total of this column will approximate the total number of ultimate customers, line 12, Schedule 625-A.
- Columns (e) and (f) - For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule. The totals of these columns should equal the totals shown on line 12, Schedule 625-A. If the utility sells gas to ultimate customers under special contracts, the totals for such sales should be entered on a line on this page in order to make the totals of columns (e) and (f) check with those entered on line 12, Schedule 625-A.
- When a rate schedule was not in effect during the entire year, indicate in a footnote the period in which it was effective.

Line No.	Rate Schedule Designation (a)	Type of Service to which Schedule is applicable (b)	Class of Service (c)	Average Number of Customers per Month (d)	Mcf Sold (e)	Revenue (Show to nearest dollar) (f)
1	Residential	Residential	AB	7,735	548,542	7,694,410
2	Commercial	Commercial	CD	233	65,480	794,191
3	Industrial	Industrial	E	2	6,479	73,039
4	Public	Public Buildings	G	111	35,295	441,035
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	TOTALS			8,081	655,796	9,002,675

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

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 Cubic Ft.) (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

OFF-SYSTEM SALES - NATURAL GAS (Continued)

Revenue for Year (See Instr. 5) (e)	Average Revenue per Mcf (in cents) (f)	Peak Day Delivery to Customers			Line No.
		Date (g)	Mcf		
			Noncoin- cidental (h)	Coin- cidental (i)	
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

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. 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) (a)	Distance Transported (in miles) (b)
1		
2		
3	Miscellaneous Customers	Local
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		
TOTAL		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

REVENUE FROM TRANSPORTATION OF GAS OF OTHERS--NATURAL (Acct. 489) (Cont'd)

- 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 degrees 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), 284.233(b), and 284.224. Details for each transportation are reported in separate annual reports required under Part 284 of the Commission's regulations."

Mcf of Gas Received (c)	Mcf of Gas Delivered (d)	Revenue (e)	Average Revenue per Mcf of Gas Delivered (in cents) (f)	FERC Tariff Rate Schedule Designation (g)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
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					29
					30

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	-------------------------------------

SALES OF PRODUCT EXTRACTED FROM NATURAL GAS (Account 490)

1. Report particulars (details) concerning sales of gasoline, butane, propane, and other products extracted from natural gas, including sales of any such products which may have been purchased from others for resale.

2. If the purchasers are numerous, it is permissible to group the sales by kind of product. Show the number of purchasers grouped. Show separately, however, sales to associated companies or to companies which were associated at the time the applicable sales contracts were made.

Line No.	Name of Purchaser (Designate associated companies with an asterisk) (a)	Name of Product (b)	Quantity (in gallons) (c)	Amount of Sales (in dollars) (d)	Sales Amount per Gallon (in cents) (d/c) (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

REVENUES FROM NATURAL GAS PROCESSED BY OTHERS (Account 491)

1. Report particulars (details) concerning royalties and other revenues derived from permission granted to others for the right to remove products from the respondent's natural gas.

2. If the respondent's natural gas is processed by others for removal of saleable products and no revenue therefrom is derived by the respondent, complete only columns (a) and (b) below, and include the date of contract in column (a).

Line No.	Name of Processor and Description of Transaction (Designate associated companies with an asterisk) (a)	Mcf of Respondent's Gas Processed (14.73 psia at 60 F) (b)	Revenue (in dollars) (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Wells Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Enter Total of lines 7 thru 17)		
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Enter Total of lines 19 thru 28)		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)		
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 Other		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility - Credit		
46	783 Rents		
47	TOTAL Operation (Enter Total of lines 33 thru 46)		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (e)	Amount for Current Year (b)	Amount for Previous Year (c)
	B2. Products Extraction (Continued)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Reg. Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Enter Total of lines 61 and 64)	0	0
	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		
72	804 Natural Gas City Gate Purchases	5,785,021	4,788,585
73	804.1 Liquefied Natural Gas Purchases		
74	805 Other Gas Purchases		
75	(Less) 805.1 Purchases Gas Cost Adjustments		
76	(Less) 805.2 Incremental Gas Cost Adjustments		
77	TOTAL Purchased Gas (Enter Total of lines 67 and 76)	5,785,021	4,788,585
78	806 Exchange Gas		
79	Purchased Gas Expenses		
80	807.1 Well Expenses - Purchased Gas		
81	807.2 Operation of Purchased Gas Measuring Stations		
82	807.3 Maintenance of Purchased Gas Measuring Stations		
83	807.4 Purchased Gas Calculations Expense		
84	807.5 Other Purchased Gas Expenses TRANSPORTATION	135,676	147,427
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 and 84)	135,676	147,427
86	808.1 Gas Withdrawn from Storage - Debit		
87	(Less) 808.2 Gas Delivered to Storage - Credit		
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		
92	811 Gas Used for Products Extraction - Credit		
93	812 Gas Used for Other Utility Operation - Credit		
94	TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93)	0	0
95	813 Other Gas Supply Expenses	18,342	18,300
95a	813.1 Synthetic Gas Supply Expenses		
95b	813.2 Gas Cost Recovery Expenses - Royalties		
96	TOTAL Other Gas Supply Exp (Total of lines 77, 78, 85, 86 thru 89, 94, 95)	5,939,039	4,954,312
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)	5,939,039	4,954,312

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	-------------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering		
102	815 Maps and Records		
103	816 Wells Expenses		
104	817 Lines Expenses		
105	818 Compressor Station Expenses		
106	819 Compressor Station Fuel and Power		
107	820 Measuring and Regulating Station Equipment		
108	821 Purification Expenses		
109	822 Exploration and Development		
110	823 Gas Losses		
111	824 Other Expenses		
112	825 Storage Well Royalties		
113	826 Rents		
114	TOTAL Operation (Enter Total of lines 101 thru 113)		
115	Maintenance		
116	830 Maintenance Supervision and Engineering		
117	831 Maintenance of Structures and Improvements		
118	832 Maintenance of Reservoirs and Wells		
119	833 Maintenance of Lines		
120	834 Maintenance of Compressor Station Equipment		
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment		
123	837 Maintenance of Other Equipment		
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)		
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)		
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 thru 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 and Regulating Equipment		
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)		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering		
150	844.2 LNG Processing Terminal Labor and Expenses		
151	844.3 Liquefaction Processing Labor and Expenses		
152	844.4 Liquefaction Transportation Labor and Expenses		
153	844.5 Measuring and Regulating Labor and Equipment		
154	844.6 Compressor Station Labor and Expenses		
155	844.7 Communication System Expenses		
156	844.8 System Control and Load Dispatching		
157	845.1 Fuel		
158	845.2 Power		
159	845.3 Rents		
160	845.4 Demurrage Charges		
161	(Less) 845.5 Wharfage Receipts - Credit		
162	845.6 Processing Liquefied or Vaporized Gas by Others		
163	846.1 Gas Losses		
164	846.2 Other Expenses		
165	TOTAL Operation (Enter Total of lines 149 thru 164)		
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering		
168	847.2 Maintenance of Structures and Improvements		
169	847.3 Maintenance of LNG Processing Terminal Equipment		
170	847.4 Maintenance of LNG Transportation Equipment		
171	847.5 Maintenance of Measuring and Regulating Equipment		
172	847.6 Maintenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)		
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)		
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)		
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering		
181	851 System Control and Load Dispatching		
182	852 Communication System Expenses		
183	853 Compressor Station Labor and Expenses		
184	854 Gas for Compressor Station Fuel		
185	855 Other Fuel and Power for Compressor Stations		
186	856 Mains Expenses		
187	857 Measuring and Regulating Station Expenses		
188	858 Transmission and Compression of Gas by Others		
189	859 Other Expenses		
190	860 Rents		
191	TOTAL Operation (Enter Total of lines 180 thru 190)		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	3. TRANSMISSION EXPENSES (Continued)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering		
194	862 Maintenance of Structures and Improvements		
195	863 Maintenance of Mains		
196	864 Maintenance of Compressor Station Equipment		
197	865 Maintenance of Measuring and Reg. Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)		
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	15,070	16,361
205	871 Distribution Load Dispatching		
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		
208	874 Mains and Services Expenses	133,493	174,058
209	875 Measuring and Regulating Station Expenses - General	11,783	9,644
210	876 Measuring and Regulating Station Expenses - Industrial	1,322	4,395
211	877 Measuring and Regulating Station Expenses - City Gate Check Station	14,688	14,453
212	878 Meter and House Regulator Expenses	817	1,551
213	879 Customer Installations Expenses	5,611	7,753
214	880 Other Expenses	28,692	27,570
215	881 Rents		
216	TOTAL Operation (Enter Total of lines 204 thru 215)	211,476	255,785
217	Maintenance		
218	885 Maintenance Supervision and Engineering	2,742	2,681
219	886 Maintenance of Structures and Improvements		
220	887 Maintenance of Mains	6,155	14,336
221	888 Maintenance of Compressor Station Equipment		
222	889 Maintenance of Meas. and Reg. Sta. Equip. - General	7,493	1,651
223	890 Maintenance of Meas. and Reg. Sta. Equip. - Industrial		
224	891 Maintenance of Meas. and Reg. Sta. Equip. - City Gate Check Station	11,484	10,266
225	892 Maintenance of Services	68,867	62,583
226	893 Maintenance of Meters and House Regulators	2,019	14,969
227	896 Maintenance of Other Equipment	5,237	6,777
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	103,997	113,263
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	315,473	369,048
230	5. CUSTOMER ACCOUNTS EXPENSE		
231	Operation		
232	901 Supervision	14,105	15,104
233	902 Meter Reading Expenses	48,004	51,387
234	903 Customer Records and Collection Expenses	158,292	145,309
235	904 Uncollectible Accounts	20,529	44,978
236	905 Miscellaneous Customer Accounts Expenses		
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	240,930	256,778

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo. Da. Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision		
241	908 Customer Assistance Expenses	150	30
242	909 Informational and Instructional Expenses	22,904	22,805
243	910 Miscellaneous Customer Service and Informational Expenses		
244	TOTAL Customer Service and Informational Expenses (Lines 240 thru 243)	23,054	22,835
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision		
248	912 Demonstrating and Selling Expenses		
249	913 Advertising Expenses		
250	916 Miscellaneous Sales Expenses		
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	0	0
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Supervision	71,337	56,242
255	921 Office Supplies and Expenses	47,450	49,736
256	(Less) (922) Administrative Expenses Transferred - Cr.		
257	923 Outside Services Employed	103,694	8,872
258	924 Property Insurance	37,483	21,329
259	925 Injuries and Damages	16,919	23,817
260	926 Employee Pensions and Benefits	197,740	152,619
261	927 Franchise Requirements		
262	928 Regulatory Commission Expenses		
263	(Less) (929) Duplicate Charges - Cr.		
264	930.1 General Advertising Expenses		
265	930.2 Miscellaneous General Expenses	5,575	8,062
266	931 Rents		
267	TOTAL Operations (Enter Total of lines 254 thru 266)	480,198	320,677
268	Maintenance		
269	935 Maintenance of General Plant	35,490	32,429
270	TOTAL Administrative and General Exp. (Total of lines 267 and 269)	515,688	353,107
271	TOTAL Gas O. and M. Exp (Lines 97, 177, 201, 229, 237, 244, 251, and 270)	7,034,184	5,956,079

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data 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)	11/02/07
2	Total Regular Full-Time Employees	10
3	Total Part-Time and Temporary Employees	2
3a	Employees with Joint Functions	30
4	Total Employees	42

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec 31, 2007
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EXPLORATION AND DEVELOPMENT EXPENSES (Accounts 795, 796, 798)
(Except Abandoned Leases, Account 797)

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.
 2. Provide subheadings and subtotals for exploration and development costs for each State.
 3. Explain in a footnote any differences between the 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.

Line No.	Field (a)	County (b)	Delay Rentals (Account 795) (c)	Nonproductive Well Drilling (Account 796)		Other Exploration Costs (Account 798) (f)	Total (g)
				Number of Wells (d)	Amount (e)		
1	NOT APPLICABLE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27	TOTAL						

ABANDONED LEASES (Account 797)

Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	TOTAL	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 and 805)

<p>1. Report particulars of gas purchases during the year in the manner prescribed below.</p> <p>2. Provide subheadings and totals for prescribed accounts as follow:</p> <p style="padding-left: 40px;">800 Natural Gas Well Head Purchases. 801 Natural Gas Field Line Purchases. 802 Natural Gas Gasoline Plant Outlet Purchases. 803 Natural Gas Transmission Line Purchases. 803.1 Off - System Gas Purchases. 804 Natural Gas City Gate Purchases. 804.1 Liquefied Natural Gas Purchases. 805 Other Gas Purchases.</p> <p>Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (h) and (i) and should agree with the books of accounts, or any differences reconciled.</p> <p>In some cases, two or more lines will be required to report a purchase, as when it is charged to more than one account.</p> <p>3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect the sellers at each price are to be listed separately.</p> <p>4. Purchases of less than 100,000 Mcf per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (b). Only Columns (a), (b), (h), (i), and (j) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.</p>	<p>5. Column instructions are as follows:</p> <p><u>Column (b)</u> - Report the names of all sellers. Abbreviations may be used where necessary.</p> <p><u>Column (c)</u> - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchase from gasoline outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.</p> <p><u>Columns (d) and (e)</u> - Designate the state and country where the gas is received. Where gas is received in more than one county, use the name of the county having the largest volume and by footnote list the other counties involved.</p> <p><u>Column (f)</u> - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract, show the date of the original contract and the date of the renegotiated contract on the following line in brackets. If new acreage is dedicated by ratification of an existing contract show the date of the ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56(f)(2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.</p> <p>If the purchase was permanently discontinued during the reporting year, so indicate by an asterick (*) in Column (f).</p> <p><u>Column (g)</u> - Show for each purchase the approximate Btu per cubic foot.</p> <p><u>Column (h)</u> - State the volume of purchased gas as measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid in prior years.</p> <p><u>Column (i)</u> - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (h).</p> <p><u>Column (j)</u> - State the average cost per Mcf to the nearest hundredth of a cent. [Column (i) divided by Column (h) multiplied by 100].</p>
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 & 805) (Continued)

Line No.	Account No. (a)	Name of Seller Designate Associated Companies (b)	Name of Producing Field or Gasoline Plant (c)	State (d)
1		SEE ATTACHED		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

GAS PURCHASES (Account 800, 801, 802, 803, 803.1, 804, 804.1, & 805) (Continued)

County (e)	Date of Contract (f)	Approx. Btu Per Cu. ft. (g)	Gas Purchased-Mcf (14.73 psia 60 F) (h)	Cost of Gas (i)	Cost Per Mcf (cents) (j)	Line No.
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25

SYSTEM GAS PURCHASES

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCH	PURCHASE PRICE	TOTAL COST
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January, 2007

WPS ENERGY SERVICE 4/8/2004	4,991	\$5.7100	\$28,498.61
WPS ENERGY SERVICE 5/18/2004	4,991	\$6.1800	\$30,844.38
WPS ENERGY SERVICE 6/7/2004	10,013	\$6.1700	\$61,780.21
WPS ENERGY SERVICE 7/28/2004	10,013	\$6.3700	\$63,782.81
WPS ENERGY SERVICE 9/21/2004	4,991	\$6.6400	\$33,140.24
WPS ENERGY SERVICE 11/10/2004	4,991	\$7.4100	\$36,983.31
WPS ENERGY SERVICE 12/20/2004	4,991	\$7.3900	\$36,883.49
WPS ENERGY SERVICE 1/3/2005	10,013	\$6.9200	\$69,289.96
WPS ENERGY SERVICE 2/15/2005	3,999	\$7.2900	\$29,152.71
WPS ENERGY SERVICE 4/19/2005	4,991	\$8.1700	\$40,776.47
WPS ENERGY SERVICE 5/16/2005	4,991	\$8.0500	\$40,177.55
WPS ENERGY SERVICE 6/21/2005	4,991	\$8.8300	\$44,070.53
WPS ENERGY SERVICE 7/19/2005	4,991	\$8.9200	\$44,519.72
WPS ENERGY SERVICE 9/20/2005	4,991	\$11.4300	\$57,047.13
WPS ENERGY SERVICE 10/18/2005	4,991	\$12.1200	\$60,490.92
WPS ENERGY SERVICE 11/30/2005	4,991	\$11.8000	\$58,893.80
WPS ENERGY SERVICE 1/10/2006	10,013	\$11.5300	\$115,449.89
PROLIANCE ENERGY 1/10/2006	10,039	\$11.5350	\$115,799.87
PROLIANCE ENERGY 1/18/2006	20,000	\$11.6150	\$232,300.00
WPS ENERGY SERVICE 1/18/2007	(3,353)	\$6.2000	(\$20,788.60)
WPS ENERGY SERVICE 1/19/2007	(10,059)	\$6.4000	(\$64,377.60)
WPS ENERGY SERVICE 1/22/2007	(3,353)	\$7.0200	(\$23,538.06)
WPS ENERGY SERVICE 1/23/2007	(3,353)	\$7.2500	(\$24,309.25)
WPS ENERGY SERVICE 1/24/2007	(3,353)	\$7.2200	(\$24,208.66)
WPS ENERGY SERVICE 1/29/2007	(3,353)	\$7.1600	(\$24,007.48)
WPS ENERGY SERVICE 1/30/2007	(3,353)	\$7.0800	(\$23,739.24)
	103,805	\$9.5844	\$994,912.71

February, 2007

WPS ENERGY SERVICE 4/8/2004	5,012	\$5.6200	\$28,167.44
WPS ENERGY SERVICE 5/18/2004	4,004	\$6.1800	\$24,744.72
WPS ENERGY SERVICE 6/7/2004	7,000	\$6.1800	\$43,260.00
WPS ENERGY SERVICE 7/28/2004	4,004	\$6.2700	\$25,105.08
WPS ENERGY SERVICE 9/21/2004	5,012	\$6.6000	\$33,079.20
WPS ENERGY SERVICE 11/10/2004	4,004	\$7.4000	\$29,629.60
WPS ENERGY SERVICE 12/20/2004	4,004	\$7.4000	\$29,629.60
WPS ENERGY SERVICE 1/3/2005	9,996	\$6.8200	\$68,172.72
WPS ENERGY SERVICE 2/15/2005	4,004	\$7.2800	\$29,149.12
WPS ENERGY SERVICE 4/19/2005	4,004	\$8.1600	\$32,672.64
WPS ENERGY SERVICE 5/16/2005	5,012	\$8.0200	\$40,196.24
WPS ENERGY SERVICE 6/21/2005	4,004	\$8.8900	\$35,595.56
WPS ENERGY SERVICE 7/19/2005	4,004	\$8.9800	\$35,955.92
WPS ENERGY SERVICE 9/20/2005	4,004	\$11.5500	\$46,246.20
WPS ENERGY SERVICE 10/18/2005	4,004	\$11.8000	\$47,247.20
WPS ENERGY SERVICE 11/30/2005	4,004	\$11.7600	\$47,087.04
WPS ENERGY SERVICE 1/10/2006	9,996	\$11.5500	\$115,453.80
PROLIANCE ENERGY 1/10/2006	10,044	\$11.5550	\$116,058.42

SYSTEM GAS PURCHASES

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCH	PURCHASE PRICE	TOTAL COST
PROLIANCE ENERGY	1/18/2006	20,000	\$11.6150	\$232,300.00
		116,116	\$9.1267	\$1,059,750.50

March, 2007

WPS ENERGY SERVICE	4/8/2004	3,999	\$5.5600	\$22,234.44
WPS ENERGY SERVICE	5/18/2004	3,007	\$6.0200	\$18,102.14
WPS ENERGY SERVICE	6/7/2004	3,999	\$5.9700	\$23,874.03
WPS ENERGY SERVICE	7/28/2004	3,007	\$6.1400	\$18,462.98
WPS ENERGY SERVICE	9/21/2004	4,991	\$6.4800	\$32,341.68
WPS ENERGY SERVICE	11/10/2004	3,007	\$7.2100	\$21,680.47
WPS ENERGY SERVICE	12/20/2004	3,007	\$7.2100	\$21,680.47
WPS ENERGY SERVICE	1/3/2005	10,013	\$6.7400	\$67,487.62
WPS ENERGY SERVICE	2/15/2005	3,007	\$7.0900	\$21,319.63
WPS ENERGY SERVICE	4/19/2005	3,999	\$8.0400	\$32,151.96
WPS ENERGY SERVICE	5/16/2005	4,991	\$7.8800	\$39,329.08
WPS ENERGY SERVICE	6/21/2005	3,007	\$8.8600	\$26,642.02
WPS ENERGY SERVICE	7/19/2005	3,999	\$8.9400	\$35,751.06
WPS ENERGY SERVICE	9/20/2005	3,999	\$11.2500	\$44,988.75
WPS ENERGY SERVICE	10/18/2005	3,999	\$11.7200	\$46,868.28
WPS ENERGY SERVICE	11/30/2005	3,999	\$11.4600	\$45,828.54
WPS ENERGY SERVICE	1/10/2006	10,013	\$11.3700	\$113,847.81
PROLIANCE ENERGY	1/10/2006	10,017	\$11.4050	\$114,243.88
PROLIANCE ENERGY	1/18/2006	15,000	\$11.4350	\$171,525.00
WPS ENERGY SERVICE	3/27/2007	(2,453)	\$7.3200	(\$17,955.96)
WPS ENERGY SERVICE	3/28/2007	(2,453)	\$7.6400	(\$18,740.92)
WPS ENERGY SERVICE	3/29/2007	(4,906)	\$7.5100	(\$36,844.06)
		91,248	\$9.2585	\$844,818.90

April, 2007

WPS ENERGY SERVICE	4/8/2004	3,000	\$5.1000	\$15,300.00
WPS ENERGY SERVICE	5/18/2004	2,010	\$5.5800	\$11,215.80
WPS ENERGY SERVICE	7/28/2004	2,010	\$5.4900	\$11,034.90
WPS ENERGY SERVICE	9/21/2004	2,010	\$5.8300	\$11,718.30
WPS ENERGY SERVICE	11/10/2004	2,010	\$6.1900	\$12,441.90
WPS ENERGY SERVICE	12/20/2004	2,010	\$6.1100	\$12,281.10
WPS ENERGY SERVICE	1/3/2005	5,010	\$5.9300	\$29,709.30
WPS ENERGY SERVICE	2/15/2005	2,010	\$6.1900	\$12,441.90
WPS ENERGY SERVICE	4/19/2005	2,010	\$6.9000	\$13,869.00
WPS ENERGY SERVICE	5/16/2005	3,000	\$6.8700	\$20,610.00
WPS ENERGY SERVICE	6/21/2005	2,010	\$7.8100	\$15,698.10
WPS ENERGY SERVICE	7/19/2005	2,010	\$7.7900	\$15,657.90
WPS ENERGY SERVICE	9/20/2005	2,010	\$9.7700	\$19,637.70
WPS ENERGY SERVICE	10/18/2005	3,000	\$9.8700	\$29,610.00
WPS ENERGY SERVICE	11/30/2005	3,000	\$9.4000	\$28,200.00
WPS ENERGY SERVICE	1/10/2006	3,000	\$9.5800	\$28,740.00
WPS ENERGY SERVICE	3/21/2006	3,000	\$9.0100	\$27,030.00
WPS ENERGY SERVICE	5/16/2006	3,000	\$9.4400	\$28,320.00
WPS ENERGY SERVICE	6/19/2006	3,000	\$8.7100	\$26,130.00
WPS ENERGY SERVICE	7/13/2006	3,000	\$8.5200	\$25,560.00
WPS ENERGY SERVICE	8/15/2006	3,990	\$8.7200	\$34,792.80

SYSTEM GAS PURCHASES

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCH	PURCHASE PRICE	TOTAL COST
WPS ENERGY SERVICE	11/21/2006	5,010	\$8.2800	\$41,482.80
		61,110	\$7.7153	\$471,481.50

May, 2007

WPS ENERGY SERVICE	5/18/2004	992	\$5.5000	\$5,456.00
WPS ENERGY SERVICE	7/28/2004	992	\$5.3600	\$5,317.12
WPS ENERGY SERVICE	9/21/2004	992	\$5.7500	\$5,704.00
WPS ENERGY SERVICE	11/10/2004	992	\$6.0700	\$6,021.44
WPS ENERGY SERVICE	12/20/2004	992	\$6.1000	\$6,051.20
WPS ENERGY SERVICE	1/3/2005	4,991	\$5.7100	\$28,498.61
WPS ENERGY SERVICE	2/15/2005	992	\$6.0600	\$6,011.52
WPS ENERGY SERVICE	4/19/2005	992	\$6.7500	\$6,696.00
WPS ENERGY SERVICE	5/16/2005	2,015	\$6.7500	\$13,601.25
WPS ENERGY SERVICE	6/21/2005	992	\$7.7300	\$7,668.16
WPS ENERGY SERVICE	7/19/2005	992	\$7.6500	\$7,588.80
WPS ENERGY SERVICE	9/20/2005	992	\$9.7800	\$9,701.76
WPS ENERGY SERVICE	10/18/2005	992	\$9.1300	\$9,056.96
WPS ENERGY SERVICE	11/30/2005	992	\$9.2500	\$9,176.00
WPS ENERGY SERVICE	1/10/2006	992	\$9.3800	\$9,304.96
WPS ENERGY SERVICE	3/21/2006	2,015	\$8.8500	\$17,832.75
WPS ENERGY SERVICE	5/16/2006	2,015	\$9.2200	\$18,578.30
WPS ENERGY SERVICE	6/19/2006	2,015	\$8.6900	\$17,510.35
WPS ENERGY SERVICE	7/13/2006	2,015	\$8.3300	\$16,784.95
WPS ENERGY SERVICE	8/15/2006	2,015	\$8.5500	\$17,228.25
WPS ENERGY SERVICE	11/21/2006	3,007	\$8.1900	\$24,627.33
		32,984	\$7.5314	\$248,415.71

June, 2007

WPS ENERGY SERVICE	7/28/2004	990	\$5.3600	\$5,306.40
WPS ENERGY SERVICE	9/21/2004	990	\$5.9500	\$5,890.50
WPS ENERGY SERVICE	1/3/2005	2,010	\$5.7300	\$11,517.30
WPS ENERGY SERVICE	5/16/2005	990	\$6.8100	\$6,741.90
WPS ENERGY SERVICE	11/30/2005	990	\$9.2500	\$9,157.50
WPS ENERGY SERVICE	1/10/2006	990	\$9.4300	\$9,335.70
WPS ENERGY SERVICE	3/21/2006	990	\$8.8600	\$8,771.40
WPS ENERGY SERVICE	5/16/2006	990	\$9.3400	\$9,246.60
WPS ENERGY SERVICE	6/19/2006	990	\$8.7300	\$8,642.70
WPS ENERGY SERVICE	7/13/2006	990	\$8.4700	\$8,385.30
WPS ENERGY SERVICE	8/15/2006	990	\$8.6400	\$8,553.60
WPS ENERGY SERVICE	11/21/2006	990	\$8.3000	\$8,217.00
		12,900	\$7.7338	\$99,765.90

July, 2007

WPS ENERGY SERVICE	9/21/2004	992	\$6.1600	\$6,110.72
WPS ENERGY SERVICE	1/3/2005	992	\$5.7900	\$5,743.68
WPS ENERGY SERVICE	5/16/2005	992	\$6.8300	\$6,775.36
WPS ENERGY SERVICE	3/21/2006	992	\$9.0000	\$8,928.00
WPS ENERGY SERVICE	5/16/2006	992	\$9.4600	\$9,384.32
WPS ENERGY SERVICE	6/19/2006	992	\$8.7400	\$8,670.08
WPS ENERGY SERVICE	7/13/2006	992	\$8.4000	\$8,332.80

SYSTEM GAS PURCHASES

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCH	PURCHASE PRICE	TOTAL COST
WPS ENERGY SERVICE	8/15/2006	992	\$8.7400	\$8,670.08
WPS ENERGY SERVICE	11/21/2006	992	\$8.4000	\$8,332.80
		8,928	\$7.9467	\$70,947.84

August, 2007

WPS ENERGY SERVICE	9/21/2004	992	\$5.8800	\$5,832.96
WPS ENERGY SERVICE	1/3/2005	992	\$5.7800	\$5,733.76
WPS ENERGY SERVICE	5/16/2005	992	\$6.8500	\$6,795.20
WPS ENERGY SERVICE	3/21/2006	992	\$9.1600	\$9,086.72
WPS ENERGY SERVICE	5/16/2006	992	\$9.5800	\$9,503.36
WPS ENERGY SERVICE	6/19/2006	992	\$8.9400	\$8,868.48
WPS ENERGY SERVICE	7/13/2006	992	\$8.5800	\$8,511.36
WPS ENERGY SERVICE	8/15/2006	992	\$8.8300	\$8,759.36
WPS ENERGY SERVICE	11/21/2006	992	\$8.4600	\$8,392.32
		8,928	\$8.0067	\$71,483.52

September, 2007

WPS ENERGY SERVICE	11/10/2004	990	\$6.0600	\$5,999.40
WPS ENERGY SERVICE	12/20/2004	990	\$6.2100	\$6,147.90
WPS ENERGY SERVICE	1/3/2005	2,010	\$5.8000	\$11,658.00
WPS ENERGY SERVICE	5/16/2005	990	\$6.8500	\$6,781.50
WPS ENERGY SERVICE	9/20/2005	990	\$9.5700	\$9,474.30
WPS ENERGY SERVICE	10/18/2005	990	\$9.2800	\$9,187.20
WPS ENERGY SERVICE	11/30/2005	990	\$9.5000	\$9,405.00
WPS ENERGY SERVICE	1/10/2006	990	\$9.5500	\$9,454.50
WPS ENERGY SERVICE	3/21/2006	990	\$9.1300	\$9,038.70
WPS ENERGY SERVICE	5/16/2006	990	\$9.6700	\$9,573.30
WPS ENERGY SERVICE	6/19/2006	990	\$9.6100	\$9,513.90
WPS ENERGY SERVICE	7/13/2006	990	\$8.6800	\$8,593.20
WPS ENERGY SERVICE	8/15/2006	990	\$8.9300	\$8,840.70
WPS ENERGY SERVICE	11/21/2006	990	\$8.5100	\$8,424.90
WPS ENERGY SERVICE	2/20/2007	990	\$7.8500	\$7,771.50
WPS ENERGY SERVICE	3/20/2007	2,010	\$7.6400	\$15,356.40
WPS ENERGY SERVICE	5/16/2007	2,010	\$8.3800	\$16,843.80
		19,890	\$8.1480	\$162,064.20

October, 2007

WPS ENERGY SERVICE	11/10/2004	2,015	\$6.1000	\$12,291.50
WPS ENERGY SERVICE	12/20/2004	2,015	\$6.2400	\$12,573.60
WPS ENERGY SERVICE	1/3/2005	2,015	\$5.7700	\$11,626.55
WPS ENERGY SERVICE	2/15/2005	992	\$6.1100	\$6,061.12
WPS ENERGY SERVICE	4/19/2005	2,015	\$6.8500	\$13,802.75
WPS ENERGY SERVICE	5/16/2005	3,007	\$6.8600	\$20,628.02
WPS ENERGY SERVICE	6/21/2005	2,015	\$7.5500	\$15,213.25
WPS ENERGY SERVICE	7/19/2005	2,015	\$7.7800	\$15,676.70
WPS ENERGY SERVICE	9/20/2005	2,015	\$9.9000	\$19,948.50
WPS ENERGY SERVICE	10/18/2005	2,015	\$9.2800	\$18,699.20
WPS ENERGY SERVICE	11/30/2005	2,015	\$9.7000	\$19,545.50
WPS ENERGY SERVICE	1/10/2006	2,015	\$9.6000	\$19,344.00
WPS ENERGY SERVICE	3/21/2006	2,015	\$9.1100	\$18,356.65

SYSTEM GAS PURCHASES

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCH	PURCHASE PRICE	TOTAL COST
WPS ENERGY SERVICE	5/16/2006	2,015	\$9.8600	\$19,867.90
WPS ENERGY SERVICE	6/19/2006	2,015	\$9.2400	\$18,618.60
WPS ENERGY SERVICE	7/13/2006	2,015	\$8.9500	\$18,034.25
WPS ENERGY SERVICE	8/15/2006	2,015	\$9.0600	\$18,255.90
WPS ENERGY SERVICE	10/16/2006	2,015	\$8.3400	\$16,805.10
WPS ENERGY SERVICE	11/21/2006	2,015	\$8.5700	\$17,268.55
WPS ENERGY SERVICE	2/20/2007	2,015	\$7.9500	\$16,019.25
WPS ENERGY SERVICE	3/20/2007	2,015	\$7.7900	\$15,696.85
WPS ENERGY SERVICE	5/16/2007	2,015	\$8.4800	\$17,087.20
WPS ENERGY SERVICE	6/20/2007	3,007	\$7.9800	\$23,995.86
WPS ENERGY SERVICE	10/23/2007	(1,525)	\$6.5900	(\$10,049.75)
WPS ENERGY SERVICE	10/24/2007	(1,525)	\$6.3200	(\$9,638.00)
WPS ENERGY SERVICE	10/25/2007	(1,525)	\$6.2100	(\$9,470.25)
WPS ENERGY SERVICE	10/26/2007	(1,525)	\$6.5800	(\$10,034.50)
WPS ENERGY SERVICE	10/27/2007	(1,525)	\$6.5700	(\$10,019.25)
WPS ENERGY SERVICE	10/28/2007	(1,525)	\$6.5700	(\$10,019.25)
WPS ENERGY SERVICE	10/29/2007	(1,525)	\$6.5700	(\$10,019.25)
WPS ENERGY SERVICE	10/30/2007	(1,525)	\$6.7500	(\$10,293.75)
WPS ENERGY SERVICE	10/31/2007	(1,525)	\$7.1400	(\$10,888.50)
		33,581	\$8.7843	\$294,984.30

November, 2007

WPS ENERGY SERVICE	12/20/2004	3,000	\$6.4800	\$19,440.00
WPS ENERGY SERVICE	1/3/2005	3,000	\$6.1100	\$18,330.00
WPS ENERGY SERVICE	2/15/2005	2,010	\$6.4100	\$12,884.10
WPS ENERGY SERVICE	4/19/2005	3,000	\$7.2100	\$21,630.00
WPS ENERGY SERVICE	5/16/2005	3,990	\$7.1900	\$28,688.10
WPS ENERGY SERVICE	6/21/2005	3,000	\$7.8000	\$23,400.00
WPS ENERGY SERVICE	7/19/2005	3,000	\$8.1200	\$24,360.00
WPS ENERGY SERVICE	9/20/2005	3,000	\$9.6000	\$28,800.00
WPS ENERGY SERVICE	10/18/2005	3,000	\$8.7600	\$26,280.00
WPS ENERGY SERVICE	11/30/2005	3,000	\$10.2000	\$30,600.00
WPS ENERGY SERVICE	1/10/2006	3,000	\$10.1900	\$30,570.00
WPS ENERGY SERVICE	3/21/2006	3,000	\$10.0600	\$30,180.00
WPS ENERGY SERVICE	5/16/2006	3,000	\$10.4800	\$31,440.00
WPS ENERGY SERVICE	6/19/2006	3,000	\$9.9000	\$29,700.00
WPS ENERGY SERVICE	7/13/2006	3,000	\$9.7000	\$29,100.00
WPS ENERGY SERVICE	8/15/2006	3,000	\$9.9900	\$29,970.00
WPS ENERGY SERVICE	9/19/2006	3,000	\$8.8800	\$26,640.00
WPS ENERGY SERVICE	10/16/2006	3,000	\$8.9100	\$26,730.00
WPS ENERGY SERVICE	11/21/2006	3,000	\$8.9400	\$26,820.00
WPS ENERGY SERVICE	2/20/2007	2,010	\$8.4200	\$16,924.20
WPS ENERGY SERVICE	3/20/2007	2,010	\$8.4400	\$16,964.40
WPS ENERGY SERVICE	5/16/2007	3,000	\$9.2200	\$27,660.00
WPS ENERGY SERVICE	6/20/2007	3,000	\$8.8300	\$26,490.00
PROLIANCE ENERGY	7/18/2007	2,010	\$7.6677	\$15,412.04
WPS ENERGY SERVICE	9/19/2007	2,010	\$7.1600	\$14,391.60
WPS ENERGY SERVICE	11/29/2007	(2,300)	\$7.6600	(\$17,618.00)
WPS ENERGY SERVICE	11/30/2007	(2,300)	\$7.5000	(\$17,250.00)
WPS ENERGY SERVICE	2/15/2005	(10)	\$6.4100	(\$64.10)
WPS ENERGY SERVICE	9/19/2007	(10)	\$7.1600	(\$71.60)

SYSTEM GAS PURCHASES

PURCHASED FROM	DATE PURCHASED	AMOUNT PURCH	PURCHASE PRICE	TOTAL COST
WPS ENERGY SERVICE	3/20/2007	(10)	\$8.4400	(\$84.40)
WPS ENERGY SERVICE	2/20/2007	(10)	\$8.4200	(\$84.20)
WPS ENERGY SERVICE	5/16/2005	10	\$7.1900	\$71.90
		66,410	\$8.7081	\$578,304.04

December, 2007

WPS ENERGY SERVICE	1/3/2005	4,991	\$6.4600	\$32,241.86
WPS ENERGY SERVICE	2/15/2005	3,999	\$6.6900	\$26,753.31
WPS ENERGY SERVICE	4/19/2005	3,999	\$7.4800	\$29,912.52
WPS ENERGY SERVICE	5/16/2005	4,991	\$7.5500	\$37,682.05
WPS ENERGY SERVICE	6/21/2005	3,999	\$8.1200	\$32,471.88
WPS ENERGY SERVICE	7/19/2005	3,999	\$8.4200	\$33,671.58
WPS ENERGY SERVICE	9/20/2005	3,999	\$10.7000	\$42,789.30
WPS ENERGY SERVICE	10/18/2005	3,999	\$9.1900	\$36,750.81
WPS ENERGY SERVICE	11/30/2005	3,999	\$10.6000	\$42,389.40
WPS ENERGY SERVICE	1/10/2006	3,999	\$10.7500	\$42,989.25
WPS ENERGY SERVICE	3/21/2006	3,999	\$9.9500	\$39,790.05
WPS ENERGY SERVICE	5/16/2006	4,991	\$11.1400	\$55,599.74
WPS ENERGY SERVICE	6/19/2006	4,991	\$10.6300	\$53,054.33
WPS ENERGY SERVICE	7/13/2006	3,999	\$10.6000	\$42,389.40
WPS ENERGY SERVICE	8/15/2006	4,991	\$10.8800	\$54,302.08
WPS ENERGY SERVICE	9/19/2006	3,999	\$9.3300	\$37,310.67
WPS ENERGY SERVICE	10/16/2006	3,999	\$9.5100	\$38,030.49
WPS ENERGY SERVICE	11/21/2006	4,991	\$9.4300	\$47,065.13
WPS ENERGY SERVICE	2/20/2007	3,999	\$9.0400	\$36,150.96
WPS ENERGY SERVICE	3/20/2007	3,007	\$9.1400	\$27,483.98
WPS ENERGY SERVICE	5/16/2007	3,007	\$9.8200	\$29,528.74
WPS ENERGY SERVICE	6/20/2007	3,007	\$9.5100	\$28,596.57
PROLIANCE ENERGY	7/18/2007	3,000	\$8.4696	\$25,408.72
WPS ENERGY SERVICE	9/19/2007	2,015	\$7.7800	\$15,676.70
PROLIANCE ENERGY	12/31/2007	7	\$7.4230	\$51.96
		95,976	\$9.2533	\$888,091.48

COST OF GAS PURCHASED

651,876 MCF

\$5,785,020.60

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas)

1. Report below the particulars (details) called for concerning the gas volumes and related dollar amounts of natural gas exchange transactions
 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

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	Not Applicable			
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44				
45	TOTAL			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31. 2007
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EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)

paid in performance of gas exchange services.
 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)			
Not	Applicable				1
					2
					3
					4
					5
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)

5. Furnish any additional explanations needed to further explain the accounting for exchange gas transaction.

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) (e)	Charges Paid or Payable by Respondent		Revenues Received or Receivable by Respondent		FERC Tariff Rate Schedule Identification (n)
		Amount (j)	Account (k)	Amount (l)	Account (m)	
1	Not Applicable					
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44						
45	TOTAL					

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811, and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.

2. Natural Gas means either natural gas unmixed, or any mixture of natural and manufactured gas.

3. If the reported Mcf for any use is an estimated quantity, state such fact in a footnote.

4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Mcf of gas used, omitting entries in columns (d) and (e).

5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			Mcf of Gas Used (c)	Amount of Credit (d)	Amount per Mcf (in cents) (e)	Mcf of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel - Cr.						
2	811 Gas used for Products Extraction - Cr.						
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.						
4	Gas Shrinkage, Etc. for Respd't's Gas Processed by Others						
5	812 Gas used for Other Util. Oprs. - Cr. (Rpt sep. for each prin. use. Group minor uses)						
6	812.1 Gas used in Util. Oprs. - Cr. (Nonmajor only)						
7							
8							
9							
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25	TOTAL						

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (Account 858)

1. Report below particulars (details) concerning gas transported or compressed for respondent by others equaling 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 payment 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) (a)	Distance Transported (in miles) (b)
1	Not Applicable	
2		
3		
4		
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45		
46	TOTAL	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

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 Payments (in dollars) (e)	Amount per Mcf of Gas Received (in cents) (f)	Line No.
NONE				1
				2
				3
				4
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Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

LEASE RENTALS CHARGED

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.

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, t (description only), f, g and j.

3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.

4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.

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 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 only), f, g and j, unless the lessee has the option purchase the property.

6. In column (a) report the name of the lessor. List lessors which are associated companies* (describing association) followed by non-associated lessors.

7. In column (b) for each leasing arrangement, report in order classified by distribution plant, storage plant, transmission line distribution system, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:

A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES

Name of Lessor (a)	Basic Details of Lease (b)	Termination Date of Lease, Primary (P) or Renewal (R) (c)

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

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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LEASE RENTALS CHARGED (Continued)

Description of the property, whether lease is a sale and leaseback, whether lessee has option to purchase and conditions of purchase, whether lease is cancelable by either party and the cancellation conditions, the tax 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 property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, whichever occurs 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 cancelable leases will not be cancelled when estimating the remaining charges.

* See definition on page 226 (B)

A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES (Continued)

Name of Lessor (a)	Basic Details of Lease (b)	Termination Date of Lease. Primary (P) or Renewal (R) (c)
Not Applicable		

B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)

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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor	Other	Lessor	Other		
		(f)	(g)	(h)	(i)	(j)	(k)
Not Applicable							

B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	Lessor	Other	Lessor	Other	Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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		
2	Letter of Credit -- Supplier	10,000
3		
4	Letter of Credit -- CFC	500
5		
6	Amortization of Tap Fees	1,996
7		
8	Other	5,846
9		
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50	TOTAL	18,342

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

1	Industry association dues	
2	Experimental and general research expenses	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent.	
4	Other expenses (List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,000 by classes if the number of items so grouped is shown.)	
5	NOT APPLICABLE	
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49	TOTAL	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments)**

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. 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 years (1971, 1974 and every fifth year thereafter).

2. Report all available information called for in Section B for the report year 1971, 1974 and every fifth year thereafter. Report only annual changes in the intervals between the report

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant	1,554		
2	Production plant, manufactured gas			
3	Production and gathering plant, natural gas			
4	Products extraction plant			
5	Underground gas storage plant			
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant			
9	Distribution plant	486,328		
10	General plant	16,123		
11	Common plant - gas			
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	504,005		

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 403, 404.1, 404.2, 404.3, 405)

(Except Amortization of Acquisition Adjustments) (Continued)

column (b) balances are obtained. If average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method

is used to determine depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section B the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
		1,554	Intangible plant	1
			Production plant, manufactures gas	2
			Production and gathering plant, natural gas	3
			Production extraction plant	4
			Underground gas storage plant	5
			Other storage plant	6
			Base load LNG terminating and processing plant	7
			Transmission plant	8
		486,328	Distribution plant	9
		16,123	General plant	10
			Common plant - gas	11
				12
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		504,005	TOTAL	25

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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		
4	Underground Gas Storage Plant		
5	Transmission Plant		
6	Offshore		
7	Onshore		
8	General Plant		
9	Distribution Plant		
10	Amortized Plant		

Notes to Depreciation, Depletion, and Amortization of Gas Plant

Name of Respondent	This Report Is:	Date of Report (Mo. Da. Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31. 2007

INCOME FROM UTILITY PLANT LEASED TO OTHERS (Account 412 and 413)

1. Report below the following information with respect to utility property leased to others constituting an operating unit or system.

2. For each lease show: (1) name of lessee and description and location of the leased property; (2) revenues; (3) operating expenses classified as to operation, maintenance, depreciation, rents, amortization; and (4) net income from lease for year. Arrange amounts so that deductions appear as a subtraction from revenues, and income as the remainder.

3. Provide a subheading and total for each utility department in addition to a total for all utility departments.

4. Furnish particulars (details) of the method of determining the annual rental for the property.

5. Designate with an asterisk associated companies.

Line No.	
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2	
3	NONE
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Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo. Da. Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(2) A Resubmission	04/28/2008	Dec. 31, 2007

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

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

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

(b) **Miscellaneous Income Deductions** - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of

the Uniform System of Accounts. Amounts of less than \$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 account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

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

Line No.	Item (a)	Amount (b)
1	(a) Miscellaneous Amortization	
2		
3	Amortization of Franchise Costs	1,554
4		
5		
6	(d) Other Interest Expense	
7		
8	CFC Line of Credit Interest	19,685
9	Interest on Security Deposits	2,650
10		
11	Total	22,335
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	(Mo, Da, Yr) 04/28/2008	Dec. 31, 2007

PARTICULARS CONCERNING CERTAIN 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 operation. Give the bases of any allocation 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 leases which are associated companies.

5. Equity in earnings of subsidiary companies (Account 418 1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.

6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.

7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense the amount for the year. Minor items may be grouped by classes.

Line No.	Item (a)	Amount (b)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

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

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.

2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).

3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2	<u>Non-Utility</u>				
3					
4	NONE				
5					
6					
7					
8					
9					
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12					
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16					
17	Total Gain				0

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Cont'd)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
18	Loss on disposition of property:				
19					
20	NONE				
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES
(Account 426.4)

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

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

magazine editorial services; and (f) other advertising.

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

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

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.

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

Line No.	Item (a)	Amount (b)
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is (1) <input checked="" type="checkbox"/> An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expense: was a party.
 incurred during the current year (or incurred in previous years, if 2. In columns (b) and (c), indicate whether the expenses were
 being amortized) relating to formal cases before a regulatory body assessed by a regulatory body or were otherwise incurred by the
 or cases in which such a body utility.

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)
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46	TOTAL				

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	---------------------------------

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. 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 column (f), (g), and (h) expenses incurred during 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	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186	Contra Account	Amount		
Department	Account No.	Amount					
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & 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 & 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.)

2. Indicate in column (a) the applicable classification, as shown below. Classifications:

A. Gas R, D & D Performed Internally

(1) Pipeline
a. Design
b. Efficiency

(2) Compressor Station
a. Design
b. Efficiency

(3) System Planning, Engineering, and Operation

(4) Transmission Control and Dispatching

(5) LNG Storage and Transportation

(6) Underground Storage

(7) Other Storage

(8) New Appliances and New Uses

(9) Gas Exploration, Drilling, Production, and Recovery

(10) Coal Gasification

(11) Synthetic Gas

(12) Environmental Research

(13) Other (Classify and Include Items in Excess of \$5,000.)

(14) Total Cost Incurred

Line No.	Classification (a)	Description (b)
1	NONE	
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

B. Gas, R, D & D Performed Externally
 (1) Research Support to American Gas Association
 (2) Research Support to Others (Classify)
 (3) Total Cost Incurred

3. Include in column (c) all R, D & 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 & 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.(1) and B.(2)) classify items by type of R, D & D activity.

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).

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.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Current Year (c)	Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
NONE					1
					2
					3
					4
					5
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

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			
4	Transmission			
5	Distribution	233,361		
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)	233,361		
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution	824,403		
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)	824,403		
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)	0		
19	Transmission (Total of lines 4 and 13)	0		
20	Distribution (Total of lines 5 and 14)	1,057,764		
21	Customer Accounts (Line 6)	0		
22	Customer Service and Informational (Line 7)	0		
23	Sales (Line 8)	0		
24	Administrative and General (Total of lines 9 and 15)	0		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	1,057,764		
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminating and Processing			
32	Transmission			
33	Distribution	148,339		
34	Customer Accounts			
35	Customer Service and Informational	0		
36	Sales	0		
37	Administrative and General			
38	TOTAL Operation (Total of lines 28 thru 37)	148,339		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminating and Processing			
44	Transmission			
45	Distribution	59,345		
46	Administrative and General			
47	TOTAL Maint. (Total of lines 40 thru 46)	59,345		

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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 and 40)			
50	Production - Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)			
51	Other Gas Supply (Lines 30 and 42)			
52	Storage, LNG Terminating and Processing (Lines 31 and 43)			
53	Transmission (Lines 32 and 44)			
54	Distribution (Lines 33 and 45)	207,684		
55	Customer Accounts (Line 34)			
56	Customer Service and Informational (Line 35)	0		
57	Sales (Line 36)	0		
58	Administrative and General (Lines 37 and 46)			
59	TOTAL Oper. and Maint. (Total of lines 49 thru 58)	207,684		
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	1,265,448		1,265,448
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	1,286,502		
66	Gas Plant	943,152		
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	2,229,654		2,229,654
69	Plant Removal (By Utility Departments)			
70	Electric Plant	34,134		
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	34,134		34,134
74	Other Accounts (Specify):			
75				
76				
77	Administrative & General -- Electric & Gas	950,989		
78				
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94				
95	TOTAL Other Accounts	950,989	0	950,989
96	TOTAL SALARIES AND WAGES	4,480,225		4,480,225

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Presque Isle Electric & Gas Co- op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

COMMON UTILITY PLANT AND EXPENSES

1. Furnish a schedule describing the property carried in the utility's accounts as common utility plant and showing the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 14, Common Utility Plant, of the Uniform System of Accounts. Such schedule also shall show the allocation of such plant costs to the respective departments using the common utility plant, explain the basis of allocation used, and give the allocation factors.

2. Furnish a schedule of the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate including explanation of basis of allocation and factors used.

3. Furnish a schedule showing for the year the expenses of operation, maintenance, rents, depreciation and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Such schedule also shall show the allocation of such expenses to the departments using the common utility plant to which such expenses related, explain the basis of allocation used, and give the factors of allocation.

4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Line No.	
1	NOT APPLICABLE
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Name of Respondent	This Report Is:	Date of Report (Mo. Da. Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization, of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

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

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization if contract received Commission approval.

3. Designate with an asterisk associated companies.

Line No.	PAYEE	DESCRIPTION OF SERVICE	AMOUNT	ACCT CHARGED
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: <input checked="" type="checkbox"/> (1) An Original <input type="checkbox"/> (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1					
2					
3					
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TOTAL					

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: <input checked="" type="checkbox"/> (1) X An Original <input type="checkbox"/> (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	---	--	---------------------------------

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
						2
						3
						4
						5
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: <input checked="" type="checkbox"/> (1) An Original <input type="checkbox"/> (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1					
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TOTAL					

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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NATURAL GAS RESERVES AND LAND ACREAGE

1. Report below particulars (details) concerning the remaining recoverable saleable 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 pages 204-205. In column (e) show for each field the year and remaining recoverable saleable gas reserves available to respondent from owned lands, leaseholds, and gas rights.

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
	Domain (a)	Zone (b)				Acres (f)
1			A. PRODUCING GAS LANDS			
2			B. NON-PRODUCING GAS LANDS			
3						
4						
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40	TOTAL					

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
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NATURAL GAS RESERVES AND LAND ACREAGE (Continued)

4. For non-producing gas lands, report the required information alphabetically by State, County, or offshore area by blocks. Report offshore lands in the same manner as producing gas lands. The land leaseholds, and gas rights costs reported should agree with the amounts carried under Account 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 and normally includes such estimates in stating its reserve position in connection with proposed financing or for managerial and other purposes, include such estimates on this page.

5. Report the cost of lands, leaseholds, and gas rights in accordance with provisions of the Uniform System of Accounts for Natural Gas Companies.

6. For columns (j) and (k), do not duplicate acreage 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)	Acres (h)	Cost (i)	Acres (j)	Cost (k)	Acres (l)	
							1
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	-------------------------------------

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

1. Report changes during the year in recoverable saleable 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 lands, leaseholds, or rights, furnish on page 505 a brief explanation of the transactions 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					
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 (Line 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)					
15	Estimate Recoverable Reserves at End of Year (Enter total of lines 1, 7, and 14)					
16	Net Realizable Value at End of Reporting Year (Explain on page 505): \$					

NOTES

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
--	--	--	---------------------------------

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

Name of Respondent Presque Isle Electric & Gas Co- op	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
--	--	---	--

COMPRESSOR STATIONS

1. Report below particulars (details) concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Relatively small field compressor stations may be grouped by production areas. Show the number of stations grouped. Designate any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership, if

Line No.	Name of Station and Location (a)	Number of Employees (b)	Plant Cost (c)
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
---	--	--	-------------------------------------

COMPRESSOR STATIONS (Continued)

jointly owned. Designate any station that was not operated during the past year. State in a footnote whether the book cost of such 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 operation 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.

Expenses (Except depreciation and taxes)			Operation Data			Line No.
Fuel or Power (d)	Other (e)	Gas for Compressor Fuel Mcf (14.73 psia at 60 F) (f)	Total Compressor Hours of Operation During Year (g)	No. of Compressors Operated at Time of Station Peak (h)	Date of Station Peak (i)	
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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 reserves. 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)	DEDUCTIONS 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)	
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original	(Mo, Da, Yr)	Dec. 31, 2007
	(2) A Resubmission	04/28/2008	

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 Accounts 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	
3	Structures and Improvements	
4	Storage Wells and Holders	
5	Storage Lines	
6	Other Storage Equipment	
7	TOTAL (Enter Total of Lines 2 thru 6)	
8	Storage Expenses	
9	Operation	
10	Maintenance	
11	Rents	
12	TOTAL (Enter Total of Lines 9 thru 11)	
13	Storage Operations (In Mcf)	
14	Gas Delivered to Storage	
15	January	
16	February	
17	March	
18	April	
19	May	
20	June	
21	July	
22	August	
23	September	
24	October	
25	November	
26	December	
27	TOTAL (Enter Total of Lines 15 thru 26)	
28	Gas Withdrawn from Storage	
29	January	
30	February	
31	March	
32	April	
33	May	
34	June	
35	July	
36	August	
37	September	
38	October	
39	November	
40	December	
41	TOTAL (Enter Total of Lines 29 thru 40)	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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GAS STORAGE PROJECTS (Continued)

Line No.	Item (a)	Total Amount (b)
	Storage Operations (In Mcf)	
42	Top or Working Gas End of Year	
43	Cushion Gas (Including Native Gas)	
44	Total Gas in Reservoir (Enter Total of Line 42 and 43)	
45	Certified Storage Capacity	
46	Number of Injection - Withdrawal Wells	
47	Number of Observation Wells	
48	Maximum Day's Withdrawal from Storage	
49	Date of Maximum Day's Withdrawal	
50	LNG Terminal Companies	
51	Number of Tanks	
52	Capacity of Tanks	
53	LNG Volumes	
54	a) Received at "Ship Rail"	
55	b) Transferred to Tanks	
56	c) Withdrawn from Tanks	
57	d) "Boil Off" Vaporization Loss	
58	e) Converted to Mcf at Tailgate of Terminal	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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DISTRIBUTION AND TRANSMISSION LINES

1. Report below by States the total miles of pipe lines operated by respondent at end of year.

2. Report separately any lines held under 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 0.1) (b)
1	Distribution Mains	607.6
2		
3		
4		
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19		
20	TOTAL	607.6

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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LIQUEFIED PETROLEUM GAS OPERATION

1. Report the information called for below concerning plants which produce gas from liquefied petroleum gas (LPG) installation which is only an adjunct of a manufactured gas plant, may include or exclude (as appropriate) the plant cost and expenses of any plant used jointly with the respondent's system.

2. For column (a), give city and State or such other designation necessary to locate plant on a map of the manufactured gas facilities on the basis of predominant use. Indicate in a footnote how the plant cost and maintenance expenses of any liquefied petroleum gas above are reported.

3. For columns (b) and (c), the plant cost and operation and expenses for the liquefied petroleum plant described

Line No.	Location of Plant and Year Installed (City, state, etc.) (a)	Cost of Plant (Land struct. equip.) (b)	Expenses	
			Oper. Maintenance, Rents, etc. (c)	Cost of LPG Used (d)
1	Not Applicable			
2				
3				
4				
5				
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40	TOTAL			

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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LIQUEFIED PETROLEUM GAS OPERATIONS (Continued)

Designate any plant held under a title other than full ownership and in a footnote state name of owner or co-owner, nature of respondent's title, and percent ownership if jointly owned.

4. For column (g) report the Mcf that is mixed with natural gas or which is substituted for deliveries normally made from natural gas. Natural gas means either gas unmixed or any mixture of natural and manufactured gas or mixture of natural gas and gasified LPG.

5. If any plant was not operated during the past year, give particulars (details) in a footnote, and state whether the book cost of such plant, or any portion thereof, has been retired in the books of account, or what disposition of the plant and its book cost is contemplated.

6. Report pressure base of gas at 14.73 psia at 60 F. Indicate the Btu content in a footnote.

Gallons of LPG Used (e)	Gas Produced		LPG Storage Cap. Gallons (h)	Function of Plant (Base load, peaking, etc.) (i)	Line No.
	Amount of Mcf (f)	Amount of Mcf Mixed with Natural Gas (g)			
Not Applicable					1
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Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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DISTRIBUTION SYSTEM PEAK DELIVERIES

1. Report below the total distribution system deliveries of gas, excluding deliveries to storage the periods of system peak deliveries indicated below during the calendar year. 2. Report Mcf on a pressure base of 14.73 psia at 60 F

Line No.	Item (a)	Day / Month (b)	Amount of Mcf (c)	Curtailments on Day/Month Indicated (d)
Section A. Three Highest Days of System Peak Deliveries				
1	Date of Highest Day's Deliveries	2/4/2007		
2	Deliveries to Customers Subject to MPSC Rate Schedules			
3	Deliveries to Others		5,612	
4	TOTAL		5,612	
5	Date of Second Highest Day's Deliveries	2/5/2007		
6	Deliveries to Customers Subject to MPSC Rate Schedules			
7	Deliveries to Others		5,227	
8	TOTAL		5,227	
9	Date of Third Highest Day's Deliveries	2/6/2007		
10	Deliveries to Customers Subject to MPSC Rate Schedules			
11	Deliveries to Others		5,217	
12	TOTAL		5,217	
Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)				
13	Dates of Three Consecutive Days Highest System Peak Deliveries	2/4/2007 2/5/2007 2/6/2007		
14	Deliveries to Customers Subject to MPSC Rate Schedules			
15	Deliveries to Others		16,056	
16	TOTAL		16,056	
17	Supplies from Line Pack			
18	Supplies from Underground Storage			
19	Supplies from Other Peaking Facilities			
Section C. Highest Month's System Deliveries				
20	Month of Highest Month's System Deliveries	February, 2007		
21	Deliveries to Customers Subject to MPSC Rate Schedules			
22	Deliveries to Others		118,319	
23	TOTAL		118,319	

Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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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 predominate 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)
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Name of Respondent	This Report Is:	Date of Report (Mo. Da. Yr)	Year of Report
Presque Isle Electric & Gas Co-op	(1) X An Original (2) A Resubmission	04/28/2008	Dec. 31, 2007

SYSTEM MAPS

1. Furnish 2 copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

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 systems.
- (c) Sizes of pipe in 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.

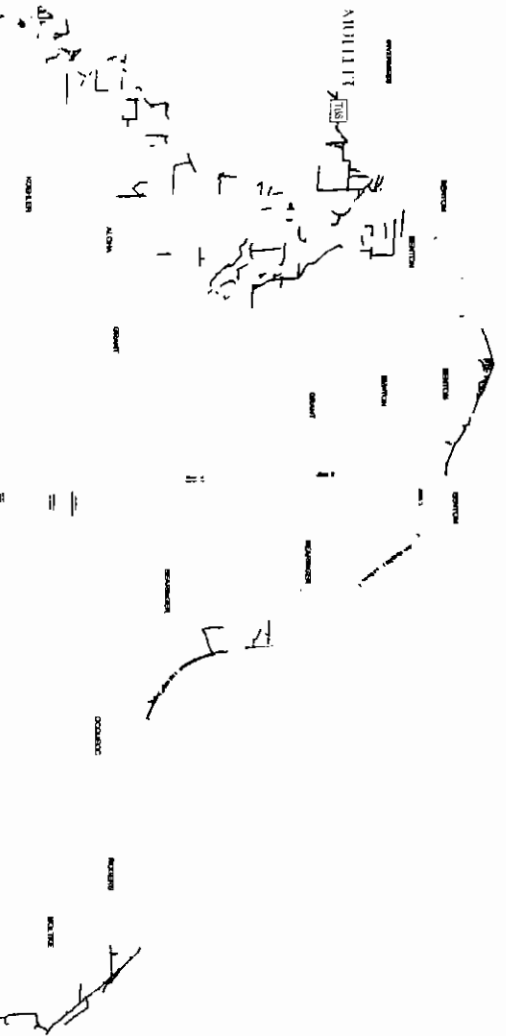
(h) Principal communities in which respondent renders local distribution service.

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; designations 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.

See Attached Map

PRESQUE ISLE ELECTRIC & GAS CO-OP NATURAL GAS DISTRIBUTION SYSTEM



Cheboygan County

Presque Isle County

Osego County

Montgomery County

Alpena County

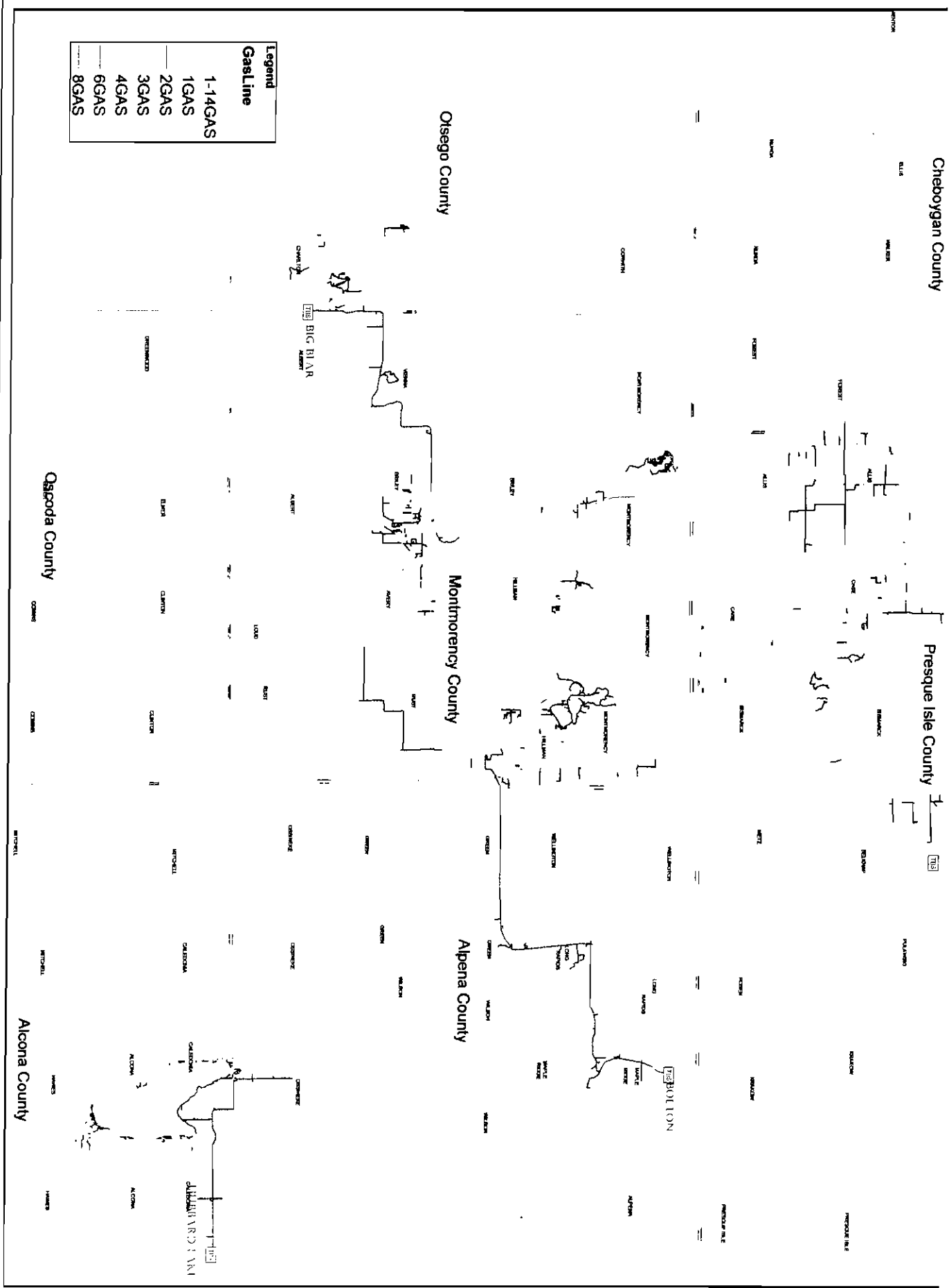
Osgoda County

Alcona County

Legend

GasLine

- 1-14GAS
- 1GAS
- 2GAS
- 3GAS
- 4GAS
- 6GAS
- 8GAS



Name of Respondent Presque Isle Electric & Gas Co-op	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/28/2008	Year of Report Dec. 31, 2007
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FOOTNOTE DATA

Page No. (a)	Line No. (b)	Column No. (c)	Comments (d)