MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NONMAJOR) WITH ANNUAL SALES OF LESS THAN 200,000 MCF

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

| Report submitted for year ending: |
|--|
| December 31, 2006 |
| Present name of respondent: |
| Superior Energy Company LLC |
| Address of principal place of business: |
| 14428 Wuoksi Ave., Kaleva, MI 49645 |
| Utility representative to whom inquires regarding this report may be directed: |
| Name: Randy Stanford Title: Controller |
| Address: 2674 S. Huron Road P.O. Box 158 |
| City: Kawkawlin State: MI Zip: 48631 |
| Direct Telephone, Include Area Code: XXX-XXX-XXX (989) 684-5121 |
| If the utility name has been changed during the past year: |
| Prior Name: |
| Date of Change: |
| Two copies of the published annual report to stockholders: |
| [] were forwarded to the Commission |
| [] will be forwared to the Commission |
| on or about |
| Annual reports to stockholders: |
| [X] are published |
| [] are not published |

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

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

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

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| | NONMAJOR GAS UTILITIES WITH ANNUAL SALES OF LESS THAN 200,000 MCF |
|---|--|
| | ANNUAL REPORT OF: |
| | |
| | (Name of Company) |
| | TO THE |
| | AICHIGAN PUBLIC SERVICE COMMISSION |
| | For the Calendar Year: |
| (R | ead Instructions on Last Page Carefully Before Filling Out Report) |
| Name of Company: | Superior Energy Company LLC |
| Post Office Address: | 14428 Wuoksi Ave., Kaleva, MI 49645 |
| Organization: | LLC Partnership (Corporation, Partnership or Individual) |
| Date of Organization: | January 5, 1998 Under the laws of what state? Michigan |
| Signature of person who prepared | this report: |
| | Title <u>Address</u> |
| | |
| | e and address of owner or owners and the extent of their respective interests: Address |
| Matthew J. Coffey | 13231 Frost Rd Hemlock, MI 48626 33 1/3% |
| Robert P. Roese | 604 Shirmor Midland, MI 48640 33 1/3% |
| Richard F. Roese Name of any stockholders owning each said stockholder is entitled: | 3328 Catalina Bay City, MI 48706 33 1/3% or controlling 10% or more of the stock, and number of votes to which |
| <u>Name</u> | Address Number of Votes |
| | |

| Name | e of Respondent | This Report Is: (1) [] An Original (2) [] A Resubmissio | n | Date of Report (Mo, Da, Yr) | Year of Report |
|-------------|---|---|--------------------------|----------------------------------|-------------------------|
| | | PROPERTIES USED IN (| OPERATION | | |
| Line No. | Description and Locati County and City or (a) | on, Including Township | Date Purchased (b) | Date Placed In Service (c) | Original Cost (d) |
| 1 | 11428 Wuoksi Ave., | Kaleva, MI | 11-18-98 | 3 11-18-98 | 15,000.00 |
| 2 | Manistee Twp. MI 4 | 9645 | | | |
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| | s to Financial Statements | | | | |
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| Name | (1 | nis Report Is:)[] An Original)[] A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report |
|------|---|---|--|-------------------------------|
| | I | BALANCE SHEET | | |
| Line | Title of Account (a) | | Balance at Beginning of Year (b) | Balance at End of Year (c) |
| 1 | INVESTMENTS | | | |
| 2 | Total Utility Plant in Service | | 1,778,889 | 1,814,495 |
| 3 | Construction Work in Progress | | | |
| 4 | Total Utility Plant (2 + 3) | | 1,778,889 | 1,814,495 |
| 5 | Accumulated Provision for Depreciation | | 272,585 | 323,261 |
| 6 | Net Utility Plant (4 - 5) | | 1,506,304 | 1,491,234 |
| 7 | Other Property | | 27,107 | 25,625 |
| 8 | Other Investments (please describe here) | | | |
| 9 | Total Property and In | vestments (6 thru 8) | 1,533,411 | 1,516,859 |
| 10 | CURRENT ASSETS | | | |
| 11 | Cash | | 351,741 | 128,827 |
| 12 | Notes Receivable - Net | | | |
| 13 | Accounts Receivable - Net | | 79,187 | 39,007 |
| 14 | Material and Supplies | | | |
| 15 | Prepayments | | 2,345 | 2,464 |
| 16 | Other Current and Accrued Assets | | 20,810 | 9,401 |
| 17 | Total Current and Accrued Assets (10 thru 1 | 5) | 454,083 | 179,699 |
| 18 | Deferred Debits | | | and the second second |
| 19 | Total | Assets (9 + 17 + 18) | 1,987,494 | 1,696,558 |
| 20 | LIABILITIES & STOCKHOLDERS EQU | TY | | |
| 21 | STOCKERHOLDER EQUITY | | | |
| 22 | Capital Stock Contributed C | Capital | 182,200 | 182,200 |
| 23 | Retained Earnings Accumulated | Profit | 241,449 | 367,530 |
| 24 | Total Stockhold | lers Equity (22 + 23) | 423,649 | 549,730 |
| 25 | Long -Term Debt | | 1,189,412 | 783,002 |
| 26 | CURRENT AND ACCRUED LIABILITIE | S | | |
| 27 | Notes Payable | | | |
| 28 | Accounts Payable | | 358,506 | 355,428 |
| 29 | Customer Deposits | | | |
| 30 | Other Current and Accrued Liabilities | | 15,927 | 8,398 |
| 31 | Total Current and Accrued L | iabilities (27 thru 30) | 374,433 | 363,826 |
| 32 | Deferred Credits | | | |
| 33 | Total Liabilities and Ed | quity (24+25+31+32) | 1,987,494 | 1,696,558 |

| Nam | e of Respondent | This Report Is: (1) [] An Original (2) [] A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report |
|------|-------------------------------------|--|--|-------------------------------|
| | | STATEMENT OF INC | OME | |
| Line | Title of Acco (a) | punt | Balance at Beginning of Year (b) | Balance at End of Year (c) |
| 1 | Operating Revenues | | 1,316,123 | 1,558,667 |
| 2 | Natural Gas Production Expense | | | |
| 3 | Cost of Purchased Gas | | 641,256 | 879,179 |
| 4 | Transmission Expense | | | |
| 5 | Distribution Expense Operation | | 175,766 | 143,065 |
| 6 | Distribution Expense - Maintenance | | | |
| 7 | Administrative & General Expense | | 119,143 | 126,890 |
| 8 | Other Expenses | | | |
| 9 | Total Operation & Mainten | ance Expense (2 thru 8) | 936,165 | 1,149,134 |
| 10 | Depreciation & Amoritization Expens | е | 53,973 | 54,991 |
| 11 | Tax Expense | | | 1 m |
| 12 | Interest Expense | | 87,385 | 59,729 |
| 13 | Other Deductions | | | |
| 14 | Total Cost of | f Gas Service (9 thru 13) | 1,077,523 | 1,263,854 |
| 15 | Income From Operations (1 - 14) | | 238,600 | 294,813 |
| 16 | Miscellaneous Non-Operating Incom | е | | |
| 17 | Miscellaneous Non-Operating Deduc | tions | | |
| 18 | Total Non-Operating Income (Loss) | | | |
| 19 | | NET INCOME (15 + 18) | 238,600 | 294,813 |

| Name of Respondent | This Report Is: (1) [] An Original (2) [] A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report |
|--------------------|--|--------------------------------|----------------|
| | SALES DATA BY RATE SCHEDULE FOR | R THE YEAR | |

1 Report below the distribution of customers, sales and revenue for the year by individual rate schedules.

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

3 Column (b): Give the type of service to which rate schedule is applicable (ex. Commercial heating, space heating, etc)

4 Column (c): Indicate the class or classes of customers served under each rate schedule.

5 Column (d): Give the average number of customers billed under each rate schedule during the year.

6 Columns (e) and (f): For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule.

7 If a rate schedule was not in effect during the entire year, indicate in a foot note the period in which it was in effect.

| Line No. | Rate Schedule Designation (a) | Type of Service to Type of Service to (b) | Class of Service (c) | Ave Number of Customers per Month (d) | Mcf Sold (e) | Revenue (f) |
|-------------|-------------------------------------|---|-------------------------|--|--------------------|----------------|
| 1 | Residenta | 1 | | 1040 | 76,055 | 843,156 |
| 2 | | | | | 10.005 | 101.050 |
| 3 | Commercia | 1 | | 90 | 16,665 | 191,059 |
| 4 | | | | | | |
| 5 | Governmer | ital | | 23 | 5,050 | 56,104 |
| 6 | | | | | | |
| 7 | Churches | | | 22 | 6,820 | 75,250 |
| 8 | | | | | | |
| 9 | Industria | 1 | | 2 | 3,750 | 37,366 |
| 10 | | | | | | |
| 11 | Schools | | | 7 | 14,860 | 156,963 |
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Notes to Financial Statements

| | | sales. | Peak Day Delivery to Cusotomers | Mcf | oin- Coin- Ital cidental | (i) (i) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------------|--|---------------------------------|----------|--|---------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| | | ate schedule | ak Day Delivery | | Date cidental | (h) (h) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year of Report | | Off-system sales include all sales other than MPSC approved rate schedule sales. | Pe | Average | Revenue Per Mcf D | (f) (f | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ye | ATURAL GAS | all sales other tha | | | Revenue For Year | (e) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date of Report (Mo, Da, Yr) | OFF-SYSTEM SALES OF NATURAL GAS | m sales include | Mcf of | Gas Sold | (apprx BTU per CubicFt) | (p) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | F-SYSTEN | | | | Account | (c) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| This Report Is: (1) [] An Original (2) [] A Resubmission | OF | erning off-system sales. | | | Point of Delievery (City/Town, State) | (q) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of Respondent | | Report the details concerning off-system sales. | | | Name | (a) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of | | | | Line | No. | | 1 | 2 | 3 | 4 | 5 | 9 | 7 | 8 | 6 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |

| OM TRANSPORTATION OF GAS OF OTHERS - NATURAL GAS (Account 489) e from transportation or compression (by respondent) of natural gas for others. as unmixed or natural and manufactured gas. ansported or compression (by respondent) of natural gas for others. ansported or compression (by respondent) of natural gas. and the for (b) 6 If on (b) (c) If on (b) (c) If on (c) (d) If on (c) (e) If on (c) (e) | Name | Name of Respondent [1] (1) (2) | This Report Is: (1) [] An Original (2) [] A Resubmission | | Date of Report (Mo, Da, Yr) | | Year of Report | | |
|--|-------|---|--|---------------------|--------------------------------------|--|--------------------------------------|----------------|----------------------|
| Report below the details of revenue from transportation or compression for restance polieve or compression for relateral and manufactured gas. Naturel gas manued, or any mixture of natural and manufactured gas. Naturel gas manued, or any mixture of natural and manufactured gas. The set enserties of polieve of compression for natural and manufactured gas. The set enserties of the nature of companies and others. Naturel gas manufactured gas. The set enserties of the nature of companies and companies and companies and companies and companies with an acteristic if gas transported or compression for natural and manufactured gas. The set enserties of the companies and the induced and the induced gas was received and to which delivered. Also specify the Commission order or regulation authorizing such transaction. Team within gas was received and to which delivered. Also specify the Commission order or regulation authorizing such transaction. Teams Mart of Company and Description from them gas was received and to which delivered for the second gas. Revenue of Service Performed of Service Performed (in miles) (in | | REVENUE F | FROM TRANSPORT | ATION OF | GAS OF OTHE | ERS - NATURA | L GAS (Account | 489) | |
| Activity are service and and activity of natural and manufactured data. Success there rankers of comparise and contract and manufactured data. Designate with an acterist if gas transported or compressed is other than natural gas. Designate points of receipt and delivery, and names of companie from which gas was received and of which delivered. Also specify the Commission order or regulation authorizing such transaction. Designate points of receipt and delivery so that they can map of the respondent's pipeline system. Designate points of receipt and delivery so that they can be grouped and of gases Fahrenheit. Distance Name of Company and Description of Service Performed (in miles) (a) (b) (c) (c) (c) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f | - | Report below the details of reve | enue from transportation | n or compres | ision (by respon | dent) of natural g | as for others. | | |
| Designate with an asterisk if gas transported or compressed is other than naturelings. The column space derived, print of freceint and delivery, and harnes of comparison order or regulation authorizing such transaction. The normality gas was received and to with deliveres. Has specified at the nature of comparise framemet. The model of the nature o | ~ | Subaivide revenue between trai Natural das means either naturs | al das unmixed or anv | mixture of na | state pipeline co | impanies and our factured das | ers. | | |
| The north of the narres of companies from which deliversu. She specify the contrasting such transaction. Designate points of receipt and delivery, and narres of companies from which deliversu. Also specify the commession entrop and transaction. Terme what and the separate delantified on map of the respondent's speline system. Enter Med 14.173 pist at 60 degrees Fahrenheit. Enter Med 14.173 pist at 60 degrees Fahrenheit. Enter Med 14.173 pist at 60 degrees Fahrenheit. It and the for the separate degrees fahrenheit. Trans. Information of the separate description (norted of Service) | 1 | Designate with an asterisk if ga | is transported or compre | essed is othe | er than natural g | as. | | | |
| from which gas was received and to which deliversed. Also specify the Commission order or regulation authorizing such transaction. Terrare March of Service Performed of Service Performed of Service Performed (in miles) (a) (b) (c) (c) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f | с | In column (a), include the name | es of companies from w | hich revenue | ss were derived, | points of receipt | and delivery, and na | ames of compan | ies |
| Designate points of recept and delivery so that they can be learning of the respondent's pipeline system. Enter kind at 14.73 psi at 60 degrees Fahrenheit. Anore thems (less than 1.000,000 Mc) may be grouped. Trans- Name of Company and Description Trans- | | from which gas was received ar | nd to which delivered. | Also specify | the Commission | order or regulation | on authorizing such | transaction. | |
| Distance Distance Mcf of Mcf of Ave Revenue Name of Company and Description Trans. Mcf of Mcf of Ave Revenue of Service Performed (in miles) Received Delivered (in cents) (in miles) Received (jd) (e) (i) (a) (b) (c) (jd) (e) (j) (a) (b) (c) (jd) (e) (j) (a) (b) (c) (jd) (e) (j) (a) (b) (c) (jd) (j) (j) (a) (jd) (jd) (jd) (j) (j) (a) (jd) (jd) (jd) (jd) (jd) (jd) (jd) (jd) (j | 4 v | Designate points of receipt and Enter Mcf at 14.73 psi at 60 dec | delivery so that they ca arees Fahrenheit. | an be identifi 6 | ed on map of the Minor Items (les | e respondent's pij s than 1.000.000 | oeline system. Mcf) mav be groupe | ed. | |
| Name of Company and Description Trans- trans- of Service Performed Mcf of (in miles) Mcf of Revenue per Mcf of (as belivered (in cents) (a) (b) (c) (d) (e) (f) (b) (c) (d) (e) (f) (f) (a) (b) (c) (d) (f) (f) (a) (f) (f) (f) (f) (f) (a) (f) (f) (f) (f) (f) (f) (f) (f) (f) <td></td> <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Ave Revenue</td> <td>FERC</td> | | - | | | | | | Ave Revenue | FERC |
| Matter of control of Services Codes Codes <t< td=""><td>cui -</td><td>ne meening of Comen</td><td>od Description</td><td>Trans-</td><td>Mcf of</td><td>Mcf of</td><td>Deveo</td><td>per Mcf of</td><td>Cohodulo Schodulo</td></t<> | cui - | ne meening of Comen | od Description | Trans- | Mcf of | Mcf of | Deveo | per Mcf of | Cohodulo Schodulo |
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GENERAL INSTRUCTIONS This form for Annual Report should be filled out and copied in duplicate with one copy returned to the 1 office of the Michigan Public Service Commission by April 30, following the year for which made. The remaining copy should be retained by the Utility Company in its permanent files in case correspondence with regard to this report becomes necessary. Additional statements inserted for the purpose of further explanation of accounts or schedules should 2 be made on durable paper the same size as this report and securely attached. There should always appear some notation to indicate that the questions asked have not been 3 overlooked. The word "None" may be used against any particular item or items where that word expresses the fact. The Oath on this page must be administered by a Notary Public or other officer authorize 4 to administer oaths. OATH State of Michigan } ss. County of Midland, acting in Bay Manager I, the undersigned, on oath do say that I am (State official position as owner or officer) of the Utility Company for whom the foregoing annual report was prepared; that the same was prepared by myself or under my direction; that I have full and complete knowledge of the affairs of the said Natural Gas Purchaser and/or Carrier that I have examined the foregoing annual report and declare the same to be a correct and complete statement of the business and affairs of said Utility Company in respect to each and every matter and thing therein set forth, to the best of my knowledge, information and belief. (Signature of person executing this report) 2674 S. Huron Road, Kawkawlin, MI 48631 SUBSCRIBED AND SWORN BEFORE ME (Address of person executing this report) at Kanskawlin, Michigan this5 / 11 YELSIK - STATE OF MICHIGAN NOTARY PUBLIC (Signature of person executing this report) COUNTY OF SAGINAW My Commission Expires 4-7-08 County Acting in My Commission expires (Official Title)