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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

BORROWER DESIGNATION MI0049

PERIOD ENDED 12/2004

BORROWER NAME AND ADDRESS
MIDWEST ENERGY COOPERATIVE
901 E. State St.
P.O. Box 127
Cassopolis, MI 49031-

CERTIFICATION

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

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

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

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

[X] All of the obligations under the RUS loan documents have been fulfilled in all material respects

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

John H. Miner, Vice President of Finance — 03/21/2005 DATE

Robert L. Hance, CEO & President — 03/21/2005 DATE

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS-See RUS Bulletin 1717B-2

BORROWER DESIGNATION: MI0049

PERIOD ENDED: 12/2004

Part A. Statement of Operations

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	35,468,629	38,380,950	36,651,119	3,699,936
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	19,780,793	22,557,186	20,774,527	2,346,730
4. Transmission Expense	1,615	0	0	0
5. Distribution Expense - Operation	1,300,239	1,214,930	1,353,766	167,457
6. Distribution Expense - Maintenance	2,586,140	3,360,188	2,760,941	353,747
7. Customer Accounts Expense	2,046,898	2,098,044	2,142,886	194,925
8. Customer Service and Informational Expense	211,804	243,938	264,448	13,290
9. Sales Expense	157,189	165,811	206,062	19,045
10. Administrative and General Expense	1,797,058	2,434,657	1,715,514	731,850
11. Total Operation & Maintenance Expense (2 thru 10)	27,881,736	32,074,754	29,218,144	3,827,044
12. Depreciation and Amortization Expense	3,042,545	3,138,021	3,301,398	269,527
13. Tax Expense - Property & Gross Receipts	1,276,631	1,346,202	1,358,594	100,824
14. Tax Expense - Other	159,882	159,232	180,000	(5,768)
15. Interest on Long-Term Debt	2,415,090	2,500,752	2,472,907	217,117
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	114,924	46,633	139,508	5,450
18. Other Deductions	42,350	22,368	32,900	532
19. Total Cost of Electric Service (11 thru 18)	34,933,158	39,288,162	36,703,451	4,414,726
20. Patronage Capital & Operating Margins (1 minus 19)	535,471	(907,212)	147,668	(714,790)
21. Non Operating Margins - Interest	71,222	100,185	72,768	36,304
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	196,954	(234,444)	177,064	(96,475)
24. Non Operating Margins - Other	48,799	26,078	13,799	7,096
25. Generation and Transmission Capital Credits	409,961	340,807	25,278	261,831
26. Other Capital Credits and Patronage Dividends	55,243	84,764	54,412	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	1,317,650	(589,802)	490,989	(506,034)

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)
1. New Services Connected	601	774
2. Services Retired	63	72
3. Total Services in Place	35,464	36,199
4. Idle Services (Exclude Seasonal)	2,429	2,591
5. Miles Transmission	14.46	14.46
6. Miles Distribution - Overhead	3,131.86	3,145.35
7. Miles Distribution - Underground	555.73	596.92
8. Total Miles Energized (5 + 6 + 7)	3,702.05	3,756.73

USDA-RUS **FINANCIAL AND STATISTICAL REPORT**	BORROWER DESIGNATION MI0049
	PERIOD ENDED 12/2004
INSTRUCTIONS-See RUS Bulletin 1717B-2	

Part C. Balance Sheet

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	105,181,953	29. Memberships	0
2. Construction Work in Progress	1,626,411	30. Patronage Capital	31,707,204
3. Tota. Utility Plant (1 + 2)	106,808,364	31. Operating Margins - Prior Years	(310,585)
4. Accum. Provision for Depreciation and Amort.	25,494,718	32. Operating Margins - Current Year	(481,622)
5. Net Utility Plant (3 - 4)	81,313,646	33. Non-Operating Margins	(108,181)
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	(1,397,778)
7. Investments in Subsidiary Companies	3,743,329	35. Total Margins & Equities (29 thru 34)	29,409,038
8. Invest. in Assoc. Org. - Patronage Capital	4,766,623	36. Long-Term Debt - RUS (Net)	41,451,071
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,565,143	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	0	38. Long-Term Debt - FFB - RUS Guaranteed	0
12. Other investments	0	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	36,209	40. Long-Term Debt Other (Net)	12,051,552
14. Total Other Property & Investments (6 thru 13)	10,211,304	41. Total Long-Term Debt (36 thru 40)	53,502,623
15. Cash - General Funds	893,958	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	90	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,402,160
17. Special Deposits	300		
18. Temporary Investments	0	44. Total Other Noncurrent Liabilities (42 + 43)	1,402,160
19. Notes Receivable (Net)	91,723	45. Notes Payable	1,400,000
20. Accounts Receivable - Sales of Energy (Net)	1,797,685	46. Accounts Payable	3,111,628
21. Accounts Receivable - Other (Net)	430,920	47. Consumers Deposits	493,367
22. Materials and Supplies - Electric & Other	656,773	48. Current Maturities Long-Term Debt	0
23. Prepayments	147,588	49. Current Maturities Long-Term Debt-Economic Development	0
24. Other Current and Accrued Assets	14,953		
25. Total Current and Accrued Assets (15 thru 24)	4,033,990	50. Current Maturities Capital Leases	0
26. Regulatory Assets	0	51. Other Current and Accrued Liabilities	6,159,549
27. Other Deferred Debits	198,136	52. Total Current & Accrued Liabilities (45 thru 51)	11,164,544
28. Total Assets and Other Debits (5+14+25 thru 27)	95,757,076	53. Regulatory Liabilities	0
		54. Other Deferred Credits	278,711
		55. Total Liabilities and Other Credits (35+41 +44 + 52 thru 54)	95,757,076

Part N. Long-Term Debt and Debt Service Requirements:

Billed this year - interest - column (b) Total	$1,820,269
Plus: RUS Interest Deferral	680,483
equals the	
Total Interest Long Term Debt	
Per Statement of Operations, Part A, Line 15(b)	$ 2,500,752
Form 7, Part A, Line	

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS-See RUS Bulletin 1717B-2

BORROWER DESIGNATION: MI0049

PERIOD ENDED: 12/2004

Part E. Changes in Utility Plant

PLANT ITEM	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
Distribution Plant	86 769,182	7,577,254	1,064,331	0	93,282,105
General Plant	6 463,628	452,478	197,659	0	6,718,447
Headquarters Plant	4,362,759	59,904	0	0	4 422,663
Intangibles	0	0	0	0	0
Transmission Plant	758,737	0	0	0	756 737
All Other Utility Plant	0	0	0	0	0
Total Utility Plant in Service (1 thru 6)	98,354,306	8,089,636	1,261,990	0	105,181,952
Construction Work in Progress	1,302,514	323,897			1,626,411
TOTAL UTILITY PLANT (7 + 8)	99,656,820	8,413,533	1,261,990	0	106,808,363

Part F. Materials and Supplies

ITEM	Balance Beginning of Year (a)	Purchased (b)	Salvaged (c)	Used (Net) (d)	Sold (e)	Adjustment (f)	Balance End of Year (g)
1. Electric	465,170	883,212	0	751,092	0	0	597,290
2. Other	13,949	87,855	0	0	44,814	2,493	59,483

Part G. Service Interruptions

ITEM	Avg. Hours per Consumer by Cause Power Supplier (a)	Avg. Hours per Consumer by Cause Extreme Storm (b)	Avg. Hours per Consumer by Cause Prearranged (c)	Avg. Hours per Consumer by Cause All Other (d)	TOTAL (e)
1. Present Year	5.26	7.94	0.22	4.50	17.92
2. Five-Year Average	2.55	4.36	0.10	5.34	12.35

Part H. Employee-Hour and Payroll Statistics

	Amount
1. Number of Full Time Employees	84
2. Employee - Hours Worked - Regular Time	166,489
3. Employee - Hours Worked - Overtime	12 419
4. Payroll - Expensed	3,039,033
5. Payroll - Capitalized	976,089
6. Payroll - Other	398,725

USDA-RUS	BORROWER DESIGNATION
FINANCIAL AND STATISTICAL REPORT	MI0049
	PERIOD ENDED
INSTRUCTIONS-See RUS Bulletin 1717B-2	12/2004

Part I. Patronage Capital

ITEM	DESCRIPTION	This Year (a)	Cumulative (b)
1. Capital Credits Distributions	a. General Retirements	0	7,869,538
	b. Special Retirements	118,475	2,034,882
	c. Total Retirements (a + b)	118,475	9,904,420
2. Capital Credits Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	16,032	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	58,144	
	c. Total Cash Received (a + b)	74,176	

Part J. Due from Consumers for Electric Service

	Amount
1. AMOUNT DUE OVER 60 DAYS	92,371
2. AMOUNT WRITTEN OFF DURING YEAR	85,513

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS-See RUS Bulletin 1717B-2

BORROWER DESIGNATION: MI0049

PERIOD ENDED: 12/2004

Part K. kWh Purchased and Total Cost

Line No.	ITEM (a)	RUS Use Only Supplier Code (b)	kWh Purchased (c)	Total Cost (d)	Average Cost (Cents/kWh) (e)	Included in Total Cost Fuel Cost Adjustment (f)	Included in Total Cost Wheeling and Other Charges (or credits) (g)
1	Wabash Valley Power Assn, Inc	40211	497,666,766	21,994,169	4.42	0	0
2	Buckeye Rural Elec Coop, Inc	2502	16,403,461	652,023	3.97	0	0
3	Consumers Power, Inc	4743	0	(89,006)	0.00	0	0
4		0	0	0	0.00	0	0
5		0	0	0	0.00	0	0
6		0	0	0	0.00	0	0
7		0	0	0	0.00	0	0
8		0	0	0	0.00	0	0
9		0	0	0	0.00	0	0
10		0	0	0	0.00	0	0
11		0	0	0	0.00	0	0
12		0	0	0	0.00	0	0
13		0	0	0	0.00	0	0
14		0	0	0	0.00	0	0
15		0	0	0	0.00	0	0
16		0	0	0	0.00	0	0
17		0	0	0	0.00	0	0
18		0	0	0	0.00	0	0
19		0	0	0	0.00	0	0
20		0	0	0	0.00	0	0
	Total		514,070,227	22,557,186	4.39	0	0

USDA-RUS **FINANCIAL AND STATISTICAL REPORT**	BORROWER DESIGNATION MI0049
	PERIOD ENDED 12/2004
INSTRUCTIONS-See RUS Bulletin 1717B-2	

Part L. Long Term Leases

Name of Lessor (a)	Type of Property (b)	Rental This Year (c)
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
Total		0

USDA-RUS **FINANCIAL AND STATISTICAL REPORT**	BORROWER DESIGNATION MI0049
	PERIOD ENDED 12/2004
INSTRUCTIONS-See RUS Bulletin 1717B-2	

Part M. Annual Meeting and Board Data

1. Date of Last Annual Meeting	2. Total Number of Members	3. Number of Members Present at Meeting	4. Was Quorum Present (Y/N) ?
04/22/2004	28,574	9	Y
5. Number of Members Voting by Proxy or Mail	**6. Total Number of Board Members**	**7. Total Amount of Fees and Expenses for Board Members**	**8. Does Manager Have Written Contract (Y/N) ?**
0	9	116,559	Y

USDA-RUS	BORROWER DESIGNATION
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Part N. Long-Term Debt and Debt Service Requirements

ITEM	Balance End of Year (a)	Billed This Year Interest (b)	Billed This Year Principal (c)	Billed This Year Total (d)
Rural Utilities Service (Excludes RUS - Economic Development Loans)	40,141,071	1,194,100	370.522	1,564,622.00
National Rural Utilities Cooperative Finance Corporation	12,051,552	626,169	751,745	1,377,914.00
Bank for Cooperatives	0	0	0	0.00
Federal Financing Bank	0	0	0	0.00
RUS - Economic Development Loans	0	0	0	0.00
Other (List Separately)	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
TOTAL	52,192,623	1,820,269	1,122,267	2,942,536.00

USDA-RUS **FINANCIAL AND STATISTICAL REPORT** INSTRUCTIONS-See RUS Bulletin 1717B-2	BORROWER DESIGNATION MI0049 PERIOD ENDED 12/2004

Part O. Power Requirements Data Base - Annual Summary

CLASSIFICATION	Consumer Sales & Revenue Data	December (a)	Average No. Consumers Served (b)	Total Year to Date (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	29,644	29,298	
	b. kWh Sold			336,918,411
	c. Revenue			27,239,367
2. Residential Sales - Seasonal	a. No. Consumers Served	223	238	
	b. kWh Sold			1,448,634
	c. Revenue			157,236
3. Irrigation Sales	a. No. Consumers Served	0	79	
	b. kWh Sold			6,889,866
	c. Revenue			552,956
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	3,738	3,627	
	b. kWh Sold			123,947,898
	c. Revenue			8,922,956
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	3	2	
	b. kWh Sold			14,940,240
	c. Revenue			1,001,748
6. Public Street & Highway Lighting	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
7. Other Sales to Public Authorities	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
8. Sales for Resales - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kwh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. TOTAL No. of Consumers (lines 1a thru 9a)		33,608	33,244	
11. TOTAL kWh Sold (lines 1b thru 9b)				484,145,051
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				37,874,263
13. Other Electric Revenue				506,687
14. kWh - Own Use				1,155,721
15. TOTAL kWh Purchased				514,070,227
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation and Transmission Expense				22,557,186
18. Interchange - kWh - Net				0
19. System Peak - Sum Annual Peak kW Input from all Sources (Metered)				106,220

Non-coincident____ Coincident_X__

USDA-RUS	BORROWER DESIGNATION
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INSTRUCTIONS-See RUS Bulletin 1717B-2	12/2004

7a - Part I. Investments

Line No.	Description (a)	Included ($) (b)	Excluded ($) (c)	Income or Loss ($) (d)	Rural Development (e)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS					
1	123.18 Midwest Energy, Inc.	-2,756,771	0	(234,444)	
2	123.25 Midwest Energy, Inc. - 100 Shares Stock	6,500,100	0	0	
3	123.10 Patronage Capital - NRUCFC	0	239,553	53,951	
4	123.11 Patronage Capital - WVPA	0	3,635,074	297,465	
5	123.12 Patronage Capital - NISC	87,583	0	0	
6	123.13 Patronage Capital - Resco MI	17,877	0	0	
7	123.15 Patronage Capital - Resco OH	20,105	0	0	
8	123.16 Patronage Capital - Resco WI	101,850	0	9,676	
9	123.17 Patronage Capital - Buckeye	0	664,580	43,341	
10	123.22 Capital Term Certificates - CFC	0	1,277,470	0	
11	123.23 MI Electric Coop Association	54,034	0	0	
12	123.24 Federated - Reciprocal Stock	42,982	0	1,008	
13	123.24 Federated - Preferred Stock	12,450	0	20,139	
14	123.24 Federated - Insurance Stock	100,000	0	0	
15	123.24 Federated - Member Equity	35,260	0	0	
16	123.24 NRUCFC Membership Fee	0	1,000	0	
17	123.24 WVPA Membership Fee	5	0	0	
18	123.24 NRTC	826	0	0	
19	124.00 American Seating Park-SBT	128,617	0	0	
20	124.10 Cooperative Response Center	12,500	0	0	
Total: 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS		**4,357,418**	**5,817,677**	**191,146**	
5. SPECIAL FUNDS					
21	128.50 Deferred Compensation	36,209	0		
Total: 5. SPECIAL FUNDS		**36,209**	**0**		
6. CASH - GENERAL					
22	131.10,131.12,131.13,131.30 Std. Federal	742,553	100,000		
23	131.14 Fifth Third Bank	0	27,537		
24	131.15 Bank of Lenawee	0	21,417		
25	135.00 Working Funds - Petty Cash	2,051	0		
26	131.20 Fifth Third Construction Acct.	90	0		
27	131.23 Revolving Loan fund	400	0		
Total: 6. CASH - GENERAL		**745,094**	**148,954**		
7. SPECIAL DEPOSITS					
28	134.00 U.S. Post Office	300	0		
Total: 7. SPECIAL DEPOSITS		**300**	**0**		
8. TEMPORARY INVESTMENTS					
29	136.00 Temporary Investments	0	0		
Total: 8. TEMPORARY INVESTMENTS		**0**	**0**		
9. ACCOUNTS & NOTES RECEIVABLE - NET					
30	Accounts Receivable - Other (Net)	432,920	0	0	
31	Notes Receivable (Net)	91,723	0	0	

USDA-RUS **FINANCIAL AND STATISTICAL REPORT** INSTRUCTIONS-See RUS Bulletin 1717B-2	BORROWER DESIGNATION MI0049 PERIOD ENDED 12/2004

Line No.	Description (a)	Included ($) (b)	Excluded ($) (c)	Income or Loss ($) (d)	Rural Development (e)
	Total: 9. ACCOUNTS & NOTES RECEIVABLE - NET	522,643	0	0	
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					

11. TOTAL INVESTMENTS	5,661,664	5,966,631	191,146	

USDA-RUS	BORROWER DESIGNATION
FINANCIAL AND STATISTICAL REPORT	MI0049
	PERIOD ENDED
INSTRUCTIONS-See RUS Bulletin 1717B-2	12/2004

7a - Part II. Loan Guarantees/Part III. Ratio

Line No.	Organization (a)	Maturity date (b)	Original Amount ($) (c)	Loan Balance ($) (d)	Rural Development (e)
1	Midwest Energy, Inc.	09/30/2009	1,710,000	508,440	
2			0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
TOTALS			1,710,000	508,440	
TOTAL (included Loan Guarantees only)			0	0	

Ratio of Investments and Loan Guarantees to Utility Plant [Total of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)] 5.3 %

USDA-RUS **FINANCIAL AND STATISTICAL REPORT**	BORROWER DESIGNATION MI0049
	PERIOD ENDED 12/2004
INSTRUCTIONS-See RUS Bulletin 1717B-2	

7a - Part IV. Loans

Line No.	Organization (a)	Maturity date (b)	Original Amount ($) (c)	Loan Balance ($) (d)	Rural Development (e)
1	Employees, Officers, Directors		2,000	1,400	
2	Energy Resource Conservation Loans		127,366	63,644	
3	W/H Loans 141.13		31,064	28,080	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
11			0	0	
12			0	0	
13			0	0	
14			0	0	
15			0	0	
TOTALS			160,430	93,124	

MICHIGAN PUBLIC SERVICE COMMISSION

ADDITIONAL SCHEDULES FOR AN ELECTRIC UTILTY COOPERATIVE

This form is authorized by Case No. U-12134, the Code of Conduct.
Filing of this form is mandatory.

Report submitted for year ending: 2004

Present legal name of respondent: Midwest Energy Cooperative

Present DBA name in Michigan if different from legal name:

Address of principal place of business: 901 E. State St. Cassopolis, MI 49031

Utility representative to whom inquiries regarding this report may be directed:

Name John H. Miner Title V.P. Of Finance

Address 901 E. State St.

City Cassopolis, State MI Zip Code 49031

Telephone: (269) 445-1064 E-mail: JohnM@teammidwest.com

If the utility name has been changed during the past year:

Prior Name

Date of Change

One copy of the same annual report, Form 7, you submit to the RUS or CFC:

[x] was forwarded to the Commission
[ ] will be forwarded to the Commission

on or about March 28 , 2005 .

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

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

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

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) X An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	2004 Dec. 31, 20__

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 customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.

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 and materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. (Reserved.)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be included on this page.

See attached Midwest Energy Cooperative's Notes to the Financial Statements, 2004 Annual Audit Report.

HARRIS GROUP
Certified Public Accountants

Independent Auditor's Report

The Board of Directors
Midwest Energy Cooperative
Cassopolis, Michigan

We have audited the accompanying balance sheets of Midwest Energy Cooperative as of December 31, 2004 and 2003, and the related statements of revenue, patronage capital, and cash flows for the years then ended. These financial statements are the responsibility of Midwest Energy Cooperative'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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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.

Generally accepted accounting principles require that all majority-owed subsidiaries be included in financial statements with the parent corporation. If the financial statements of the company had been consolidated with its majority-owed subsidiaries, total assets and total liabilities would have increased by $4,456,332 and $1,873,492 as of December 31, 2004 and 2003, respectively.

In our opinion, except for the effect of not including the wholly-owned subsidiary's activities, the financial statements referred to above present fairly, in all material respects, the financial position of Midwest Energy Cooperative as of December 31, 2004 and 2003, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 17, 2005, on our consideration of Midwest Energy Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplementary material in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Midwest Energy Cooperative. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Harris Group

February 17, 2005

MIDWEST ENERGY COOPERATIVE
STATEMENT OF CHANGES IN PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Total	Patronage Capital Assigned	Patronage Capital Assignable	Non-Assignable Non-Operating Margins	Pre- 1951 Operating Margins	Unappropriated Undistributed Subsid. Earnings	Retired Capital credits -Gain	Capital Gains & Losses	Donated Capital
Balance, December 31, 2002	$ 28,728,892	$ 29,759,593	$ 741,434	$ (288,648)	$ 4,595	$ (2,719,382)	$ 64,719	$	$ 1,166,581
Adjustments	33,881	741,434	(741,434)						33,881
Net margins (loss)	1,317,651		1,043,025	77,672		196,954			
Capital credits retired	(40,930)	(57,021)							16,091
Balance, December 31, 2003	30,039,494	30,444,006	1,043,025	(210,976)	4,595	(2,522,428)	64,719		1,216,553
Adjustments	51,008	999,604	(1,043,025)	43,423				(1,074)	52,080
Net margins (loss)	(589,803)		(481,622)	126,263		(234,444)			
Capital credits retired	(91,661)	(118,476)							26,815
Balance, December 31, 2004	$ 29,409,038	$ 31,325,134	$ (481,622)	$ (41,290)	$ 4,595	$ (2,756,872)	$ 64,719	$ (1,074)	$ 1,295,448

The accompanying notes are an integral part of these statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the accounting policies adopted by Midwest Energy Cooperative which have a significant effect on the financial statements.

Organization

Midwest Energy Cooperative (Midwest) is a non-profit organization generally exempt from income tax under Section 501(c)(12) of the United States Internal Revenue Code. Midwest is subject to the Single Business Tax Act of the State of Michigan. The Cooperative is engaged principally in the distribution and sale of electricity in Southwest and Southeast Michigan, Northern Indiana and Northern Ohio.

It is the Cooperatives policy not to charge membership fees and all previously collected membership fees have been refunded.

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.

Accounting Records

The Cooperative maintains its records in accordance with policies prescribed or permitted by the Michigan Public Service Commission (MPSC) and United States Department of Agriculture Rural Utilities Service (RUS). The applicable uniform system of accounts prescribed by these regulatory commissions conform in all material respects with generally accepted accounting principles as applied to rate regulated utilities.

Electric 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 also charged to the accumulated depreciation account.

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, Midwest considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Unbilled Revenues

Unbilled revenues for the year were determined to be immaterial and therefore not recorded.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts receivable

Accounts receivable consist primarily of amounts due from members for electric 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 Director's approve all accounts charged off.

Purchased Power Billing

Refundable or recoverable PSCR credit-over collections as well as under collections of the cost of electricity purchased not recovered or refunded through rates are deferred and are being refunded or recovered in accordance with procedures approved by the MPSC.

Materials and Supplies

Electrical materials and supplies are valued at average cost.

Regulation

The MPSC has jurisdiction over Rural Electric Cooperatives in Michigan. This agency regulates the Cooperative's utility business operations and rates. The financial statements of the Cooperative are based on generally accepted accounting principles, which give recognition to the rate-making and accounting practices of this agency.

Revenue Recognition

Revenue, and its related receivable, are recorded as of the monthly meter reading date and accordingly, does not include the consumption for the balance of the month. Although this accounting policy is not a generally accepted accounting principle, the effect on the financial statements is immaterial. Electric rates used in the determination of revenues are approved by the MPSC.

Recognition of Patronage Revenue

Patronage revenue of associated organizations is recognized in the year in which the associated organization allocates its earnings to their respective members.

Unclaimed Property

Unclaimed property represents refunds to members of deposits, membership fees received and patronage refunds received which have not been claimed. After five years and appropriate notification, such amounts may be credited back to the cooperative as donated capital

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

Cash and cash equivalents includes cash in bank. The Cooperative places its cash in investments with high credit quality financial institutions. At times, such investments may be in excess of the FDIC insurance limit.

Advertising

The cost of advertising is expensed as incurred.

Compensated Absences

The Cooperative's policy on accumulated extended sick leave is to grant 96 hours annually with any unused hours available to be carried forward to future years up to a maximum of 800 hours. It is the Cooperative's policy to pay one-half of the employee's accumulated unused sick leave upon normal retirement by the employee. However, upon termination of employment, other than by normal retirement, the employee forfeits all rights to the accumulated unused hours. For the years ended December 31, 2004 and 2003 an accrual has been made for individuals who informed the Cooperative of their pending retirement date in 2005 and 2004, respectively, by the balance sheet date.

NOTE 2: ASSETS PLEDGED

Substantially all assets are pledged as collateral on long-term debt payable to the Rural Utilities Service (RUS) of the United States of America and the National Rural Utilities Cooperative Finance Corporation (CFC).

NOTE 3: ELECTRIC PLANT AND DEPRECIATION RATES AND PROCEDURES

Major classes of electric plant as of December 31, 2004 and 2003 consisted of:

	2004	2003
Cost:		
General plant	$ 11,141,109	$ 10,826,386
Transmission plant	758,737	758,737
Distribution plant	93,282,107	86,769,183
Construction in progress	1,626,411	1,302,514
	106,808,364	99,656,820
Accumulated depreciation an amortization	25,494,718	23,591,017
Net Electric Plant	$ 81,313,646	$ 76,065,803

Provision has been made for depreciation of the distribution plant at a straight-line composite rate of 3.0 percent per annum, except for yard lights and street lighting systems which are being depreciated at the rate of 4.2 percent per annum.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 2004

STATEMENT OF CASH FLOWS See Attachment

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be include them on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description *(See instructions for Explanation of Codes)* (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income (Line 72(c) on page 117)	
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	
5	Amortization of (Specify)	
6		
7		
8	Deferred Income Taxes (Net)	
9	Investment Tax Credit Adjustment (Net)	
10	Net (Increase) Decrease in Receivables	
11	Net (Increase) Decrease in Inventory	
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net Increase (Decrease) in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other:	
19		
20		
21		
22	Net Cash Provided by (Used in) Operating Activities *(Total of lines 2 thru 21)*	
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant *(including land)*:	
26	Gross Additions to Utility Plant *(less nuclear fuel)*	
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant *(Total of lines 26 thru 33)*	
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

MIDWEST ENERGY COOPERATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from consumers	$ 38,929,698	$ 35,981,866
Cash paid to suppliers and employees	(30,719,580)	(27,427,384)
Interest received	100,185	71,555
Interest paid	(1,848,091)	(2,256,528)
Taxes paid	(1,323,161)	(1,259,593)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,139,051	5,109,916
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction and acquisition of plant, net of retirements	(8,594,211)	(6,637,104)
Net proceeds from sale of plant	28,148	16,943
(Increase) decrease in:		
Materials inventory	(177,654)	(11,228)
Deferred charges	116,577	151,995
Notes receivable	11,071	31,375
Investments – associated organizations	(66,841)	82,804
Investment in subsidiary	(122)	(221,230)
NET CASH (USED IN) INVESTING ACTIVITIES	(8,683,032)	(6,586,445)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from RUS and CFC	6,700,000	9,275,000
Advances from financial institutions		5,396,284
Retirement of patronage capital credits, net	(103,757)	(41,464)
Payments on debt	(3,422,267)	(12,597,679)
Increase (decrease) in:		
Consumer deposits and advances	82,039	75,080
NET CASH PROVIDED BY FINANCING ACTIVIES	3,256,015	2,107,221
Net Increase (Decrease) in Cash and Temporary Cash Investments	(287,966)	630,692
CASH AND TEMPORARY CASH INVESTMENTS – beginning	1,182,315	551,623
CASH AND TEMPORARY CASH INVESTMENTS - ending	$ 894,349	$ 1,182,315

The accompanying notes are an integral part of these statements.

MIDWEST ENERGY COOPERATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

	2004	2003
RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net margins	$ (589,803)	$ 1,317,651
Adjustments to reconcile net margins to net cash provided by Operating activities:		
Depreciation and amortization	3,330,598	3,217,933
G & T capital credits	(425,590)	(465,204)
(Gain) Loss on disposal of assets	(12,378)	(29,091)
(Income) Loss from subsidiary	234,444	(196,954)
(Increase) decrease in assets:		
Customer and other accounts receivable	260,079	(185,447)
Current and accrued assets – other	32,784	262,621
Post-retirement benefits other than pensions	95,383	143,983
Increase (decrease) in:		
Accounts payable	691,282	778,598
Current and accrued liabilities – other	1,522,252	265,826
Total Adjustments	5,728,854	3,792,265
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 5,139,051	$ 5,109,916
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital credits	$ 425,590	$ 465,204
Income (Loss) from subsidiary	(234,444)	196,954
(Gain) Loss on disposition of plant	(12,378)	(29,091)
Materials salvaged from plant	10,931	12,859
Capitalized depreciation	134,379	138,021

The accompanying notes are an integral part of these statements.

NOTE 3: ELECTRIC PLANT AND DEPRECIATION RATES AND PROCEDURES - continued

General plant depreciation rates have been applied on a straight-line basis as follows:

Structures and improvements	2.0%
Office furniture, fixtures, data processing and laboratory equipment	4.8-20.0%
Transportation equipment	10.0-33.3%
Stores, tools and power operated equipment	6.0%
Communications	8.4%
Miscellaneous	9.6%

Depreciation and amortization of electric plant in service was charged as follows for the years ended December 31, 2004 and 2003:

	2004	2003
Charged to operations-		
Classified as depreciation	$ 3,138,021	$ 3,042,545
Classified in other operating expenses	192,577	175,388
	3,330,598	3,217,933
Capitalized	134,379	138,021
TOTAL DEPRECIATION	$ 3,464,977	$ 3,355,954

NOTE 4: INVESTMENTS IN ASSOCIATED ORGANIZATIONS

Investments in associated organizations consisted of the following at December 31, 2004 and 2003:

	2004	2003
Capital term certificates, at cost, issued by National Rural Utilities Cooperative Finance Corp. (CFC)	$ 1,277,470	$ 1,277,952
Patronage capital:		
CFC	239,553	237,667
National Information Solutions Cooperative	87,582	87,596
Wabash Valley Power Association	3,635,074	3,337,609
Buckeye Power, Inc.	565,691	535,949
Midwest Energy, Inc.	3,743,228	3,977,672
Michigan Electric Cooperative Assn.	54,034	54,034
Federal Rural Electric Insurance Cooperative, at cost	192,522	176,962
Buckeye Power, Inc. – membership	98,889	98,889
American Seating, LLC	128,617	
Other	152,436	132,678
TOTAL	$ 10,175,096	$ 9,917,008

NOTE 4: INVESTMENTS IN ASSOCIATED ORGANIZATIONS - continued

The accounting policies for recognition of patronage revenue are described in Note 1. Investments are pledged to secure long-term debt as described in Note 8.

The following is a detailed schedule of investments in affiliated and subsidiary companies:

	Midwest Energy, Inc.
Original Investment	$ 100
Capital contributions, to date, December 31, 2003	6,500,000
Undistributed loss, to date, December 31, 2003	(2,522,428)
Book value as of December 31, 2003	3,977,672
Undistributed loss during 2004	(234,444)
Book value as of December 31, 2004	$ 3,743,228

Midwest Energy, Inc. provides telecommunication services and owns a 100% interest in Midwest Propane, LLC. Midwest Energy Cooperative owns 100% of the outstanding stock and accounts for the investment on the equity basis.

NOTE 5: DEFERRED CHARGES AND CREDITS

Following is a summary of the amounts recorded as deferred charges as of December 31, 2004 and 2003:

	2004	2003
Global positioning mapping	$ 123,299	$ 197,279
Other work-in-progress	74,837	117,434
TOTAL	$ 198,136	$ 314,713

Following is a summary of the amounts recorded as deferred credits as of December 31, 2004 and 2003:

	2004	2003
Line extension contributions	$ 82,473	$ 78,340
Prepaid deposits from subsidiary	34,000	34,000
	$ 116,473	$ 112,340

NOTE 6: 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. The detail of these deposits follows:

	Per Institution
Insured	$ 134,944
Uninsured	779,117
	914,061
In-transit transactions	(22,063)
	$ 891,998
Total cash in bank	$ 891,998
Working funds	2,351
Total Cash	$ 894,349

NOTE 7: NOTES RECEIVABLE

Notes receivable includes loans to customers for purchase of electrical equipment, these loans are limited to $10,000.

NOTE 8: MORTGAGE NOTES

Long-term debt is composed of 2.0% to 7.35% mortgage notes payable to the Rural Utilities Service (RUS) of the United States of America and 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 2005 through 2037. Unadvanced loan funds were available from RUS at December 31, 2004 and 2003 in the amounts of $7,785,000 and $10,785,000, respectively.

NOTE 8: MORTGAGE NOTES - Continued

Detail of the long-term debt is as follows:

	2004	2003
Notes payable to CFC in quarterly installments of $345,100, including interest at 3.20%-7.35%, with final maturity ranging from 2005 to 2032. Secured by substantially all assets	$ 12,051,552	$ 12,803,297
Notes, payable to RUS in monthly and quarterly installments ranging from $116,000 to $139,000, including interest at 2.00-5.375% with final maturity ranging from 2005 to 2037. Secured by substantially all assets.	41,451,071	38,821,593
	53,502,623	51,624,890
Less current maturities	1,310,000	876,000
TOTAL LONG-TERM DEBT, less current portion	$ 52,192,623	$ 50,748,890

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

2005	$	1,310,000
2006		1,677,000
2007		1,682,000
2008		1,720,000
2009		1,750,000
Thereafter		45,363,623
	$	53,502,623

During 2000, the Rural Utilities Service has granted Midwest Energy Cooperative a deferment of loan payments under Section 12 of the Rural Electrification Act of 1936, as amended. This deferment covers Midwest's scheduled interest and principal payments on certain notes for a period of up to 5 years. At December 31, 2004, the amount of deferred principal and interest was $16,526,623.

NOTE 9: LINE OF CREDIT

The Cooperative has available a perpetual line of credit with CFC in the amount of $10,000,000 for 2004 and 2003, respectively. The Cooperative had an outstanding balance of $1,400,000 for 2004 and $0 in 2003. Interest at December 31, 2004 was charged at 4.05%

NOTE 10: COMMITMENTS AND CONTINGENCIES

Under its wholesale power agreement, the Cooperative is committed to purchase most of its electric power and energy requirements from WVPA, until March 1, 2027. The rates paid for such purchases are subject to approval of the MSPC. During 2004, the Cooperative exercised its right of termination, whereby the Cooperative may elect to terminate its contract with WVPA in 10 years. Pursuant to the termination agreement, the Cooperative is depositing annually a sum equal to 1.5 mills of KWH purchased by the old Fruit Belt division.

NOTE 11: RETIREMENT PLAN

During the year, the Cooperative split the pension plan into a two groups. The Cooperative chose to fully fund, on an actuarial basis a pension plan that included substantially all retirees. The plan effectively is closed and the Cooperative has met its obligation for funding. The remaining employees are in a new pension plan as described below.

The Cooperative has a defined benefit pension plan covering substantially all of its employees, but none of its subsidiary employees. Prior to July 1, 1995, employees became eligible to participate in the plan after completion of one year of service and attainment of age 20. Beginning July 1, 1995, the plan was amended such that employees are now eligible to participate in the plan after completion of six months of service and attainment of age 20, and the normal retirement age was reduced to age 62. Retirement benefits are based on a percentage of compensation as defined in the plan and benefits vested after completion of five years of service or age 55. The assets of the plan consist primarily of mutual funds. The Cooperative's funding policy is to contribute so as to amortize the unfunded actuarial accrued liabilities over a 30-year period from January 1, 1987.

The following table sets forth the plan's funded status and amounts recognized in the Cooperative's financial statements at December 31, 2004 and 2003:

	2004	2003
Actuarial present value of benefit obligations: Accumulated Benefit obligation, including vested benefits of $5,627,835 For 2004 and $7,505,997 for 2003 respectively	$ 5,857,250	$ 7,858,611
Change in Benefit Obligation		
Benefit obligation at beginning of year	$ 8,837,950	$ 8,289,752
Service cost	416,233	389,983
Interest cost	581,958	547,575
Actuarial (gain) loss	1,120,364	(15,877)
Benefits paid	(441,653)	(373,483)
Effect of settlement	(3,440,551)	
Benefit obligation at end of year	$ 7,704,301	$ 8,837,950
Change in Plan Assets		
Fair value of plan assets at beginning of year	$ 8,341,077	$ 7,525,486
Actual return on plan assets	412,798	768,888
Employer contributions	400,000	420,186
Benefits paid	(441,653)	(373,483)
Effect of settlement	(3,440,551)	
Fair value of plan assets at end of year	$ 5,271,671	$ 8,341,077

NOTE 11: RETIREMENT PLAN - continued

	2004	2003
Reconciliation of Funded Status		
Funded status (underfunded)/overfunded	$ (1,802,630)	$ (496,873)
Unrecognized net actuarial (gain)/loss	1,160,387	392,043
Unrecognized transition (asset)/obligation	9,754	21,756
Unrecognized prior service cost	209,697	228,942
(Accrued)/Prepaid benefit cost	$ (422,792)	$ 145,868
Net pension cost included the following components:		
Service cost- benefits earned during the period	$ 416,233	$ 389,983
Interest cost on projected benefit obligation	581,958	547,575
Actual return on plan assets	(625,104)	(566,853)
Net amortization and deferral	40,364	40,364
Effects of Special Events	564,326	
Net periodic pension cost	$ 977,777	$ 411,069

Prepaid pension cost is included in prepaid assets. Accrued pension cost is included in other current liabilities.

The weighted-average discount rate was 6.50% and 6.75% for 2004 and 2003, respectively. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation was 4.0% for 2004 and 2003. The expected long-term rate of return on assets was 7.5% and 7.5% for 2004 and 2003, respectively.

The Cooperative expects to contribute $400,000 to its pension plan in 2005. Expected benefit payments for 2005 are estimated at $97,000.

NOTE 12: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS

The Cooperative sponsors a defined benefit post-retirement plan that covers both salaried and nonsalaried employees, but none of its subsidiary employees. The plan provides for medical benefits for retirees between the ages of 60 and 65. The Cooperative's funding policy is pay-as-you-go.

The following table sets forth the plan's combined funded status reconciled with the amount shown in the Cooperative's statement of financial position at December 31, 2004 and 2003:

	2004	2003
(Accrued) post-retirement benefit costs, beginning	$ (847,783)	$ (703,800)
Net periodic post-retirement benefit (costs)	(241,637)	(258,860)
Contributions made	146,254	114,877
(Accrued) post-retirement benefit cost, end of year	$ (943,166)	$ (847,783)

NOTE 12: POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - continued

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

	2004	2003
Service cost-benefits attributed to service during the period	$ 92,764	$ 61,387
Interest cost	102,370	93,675
Net amortization and deferral	46,503	46,503
One time early retirement adjustment		57,295
Net periodic post-retirement benefit cost	$ 241,637	$ 258,860

Midwest Energy Cooperative assumes for measurement purposes a 10.0% annual rate of increase in the per capita cost of covered health care benefits for 2004. The rate was assumed to decrease by .5% per year to an ultimate rate of 5%, and remain at that level thereafter. 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 would increase the accumulated post-retirement obligation by $57,071 and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the years then ended by $8,394.

The weighted average discount rate used in determining the accumulated post-retirement benefit obligation was 7.25% and 7.25% for 2004 and 2003, respectively.

NOTE 13: RECLASSIFICATION OF AMOUNTS

Certain amounts previously reported have been reclassified to conform to the 2004 presentation.

NOTE 14: RELATED PARTY TRANSACTIONS

Midwest Energy, Inc. is a wholly-owned subsidiary of Midwest Energy Cooperative. In addition, Midwest Energy Cooperative has furnished some personnel, office space, and other necessary operating facilities such as computer time for Midwest Energy's operations. During the year Midwest Energy Cooperative charged Midwest Energy, Inc.'s operations for such services. The total inter-company receivable was $88 and $67 at December 31 2004 and 2003, respectively.

Report on Compliance and on Internal Control over Financial Reporting

The Board of Directors
Midwest Energy Cooperative
Cassopolis, Michigan

We have audited the financial statements of Midwest Energy Cooperative, as of and for the year ended December 31, 2004, and have issued our report thereon dated February 17, 2005. We conducted our audit in accordance with generally accepted standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Midwest Energy Cooperative's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non compliance which we have reported to the management of Midwest Energy Cooperative in a separate letter dated February 17, 2005.

Internal Control Over Financial Reporting

In planning and performing our audit we considered Midwest Energy Cooperative's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to management of Midwest Energy Cooperative in a separate letter dated February 17, 2005.

This report is intended solely for the information of the Board of Directors, management, the Rural Utilities Service, and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

February 17, 2005

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 2004

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of nonutility property included in Account 121.
2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor items (5% of the Balance at the End of the Year for Account 121 or $ 100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1				
2	N/A			
3				
4				
5				
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17				
	TOTAL			

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

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

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 7, 12, and 14)	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☐ An Original (xx) (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 2004

INVESTMENTS (Accounts 123, 124, 136) (continued)

listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.

3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.

5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).

Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year *(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)* (f)	Revenues for Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
	See Attachment				1
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					7
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Midwest Energy Cooperative

Investment in Associated Organizations - Patronage Capital and Other NonGeneral Funds

Fiscal Year Ending 12/31/04

Account Number	Description	12/31/2003 Beginning Balance	Annual Activity: Annual Allocated	Annual Invested	Annual Profit(loss)	Annual Adjusted Adjustments G/L	Annual Retired (cash received)	12/31/2004 Form 7	12/31/2004 General Ledger
Investment in Subsidiary Companies									
123.25	Midwest Energy-100 shares	$ 6,500,100.00	$ -	$ -	$ -	$ -	$ -	$ 6,500,100	$ 6,500,100.00
123.18	Midwest Energy, Inc.	$ (2,522,326.60)	$ -	$ -	$ (234,443.98)	$ -	$ -	$ (2,756,771)	$ (2,756,770.58)
-		$ 3,977,773.40	$ -	$ -	$ (234,443.98)	$ -	$ -	$ 3,743,329	$ 3,743,329.42
123.10	NRUCFC	$ 237,666.96	$ 53,961.36	$ -	$ -	$ -	$ (52,075.39)	$ 239,553	$ 239,552.93
123.11	Wabash Valley	$ 3,337,609.00	$ 297,465.00	$ -	$ -	$ -	$ -	$ 3,635,074	$ 3,635,074.00
123.12	NISC (formerly CADP)	$ 87,596.43	$ -	$ -	$ -	$ -	$ (13.58)	$ 87,583	$ 87,582.85
123.13	Resco - Michigan	$ 17,877.00	$ -	$ -	$ -	$ -	$ -	$ 17,877	$ 17,877.00
123.15	Resco - Ohio	$ 20,106.05	$ -	$ -	$ -	$ -	$ -	$ 20,106	$ 20,106.05
123.16	Resco - Wisconsin	$ 94,593.00	$ 9,675.87	$ -	$ -	$ -	$ (2,418.97)	$ 101,850	$ 101,849.90
123.17	Buckeye	$ 634,838.15	$ 43,341.53	$ -	$ -	$ -	$ (13,599.45)	$ 664,580	$ 664,580.23
-		$ 4,430,286.59	$ 404,443.76	$ -	$ -	$ -	$ (68,107.39)	$ 4,766,623	$ 4,766,622.96
123.22	CFC Cap. Term Cert.	$ 1,277,952.27	$ -	$ -	$ -	$ -	$ (482.13)	$ 1,277,470	$ 1,277,470.14
123.23	MECA	$ 54,034.00	$ -	$ -	$ -	$ -	$ -	$ 54,034	$ 54,034.00
123.24	NRUCFC Membership	$ 1,000.00	$ -	$ -	$ -	$ -	$ -	$ 1,000	$ 1,000.00
123.24	Wabash Membership	$ 5.00	$ -	$ -	$ -	$ -	$ -	$ 5	$ 5.00
123.24	NRTC (New 6/03)	$ 98.23	$ 1,007.57	$ -	$ -	$ -	$ (280.17)	$ 826	$ 825.63
123.24	Federated Insurance	$ 175,858.37	$ 20,139.17	$ -	$ -	$ -	$ (5,306.00)	$ 190,692	$ 190,691.54
124.00	American Seating Park-SBT	$ -	$ -	$ 128,617.00	$ -	$ -	$ -	$ 128,617	$ 128,617.00
124.10	Cooperative Response Center	$ -	$ -	$ 12,500.00	$ -	$ -	$ -	$ 12,500	$ 12,500.00
		$ 1,508,947.87	$ 21,146.74	$ 141,117.00	$ -	$ -	$ (6,068.30)	$ 1,665,143	$ 1,665,143.31
128.50	Other Special Funds - Def. Comp	$ 62,370.70	$ -	$ -	$ 4,677.46	$ -	$ (30,839.66)	$ 36,209	$ 36,208.50
	Total	$ 9,979,378.56	$ 425,590.50	$ 141,117.00	$ (229,766.52)	$ -	$ (105,015.35)	$ 10,211,304.19	$ 10,211,304.19

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Coop.	(1) ☒ An Original (2) ☐ A Resubmission	04/22/04	Dec. 31, 2004

NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

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

Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141) 141.10 & 141.13	102,794	91,723
2	Customer Accounts Receivable (Account 142) 142.10	2,692,943	2,133,085
3	Other Accounts Receivable (Account 143) 143.01-143.90	109,382	325,080
	(Disclose any capital stock subscriptions received) 146.01-146.95	38,312	117,696
4	TOTAL		
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	(335,400) (16,574)	(335,400) (11,856)
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts		
7	Form 7 L-19,20 & 21	2,591,457	2,320,328
8			
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11			
12			
13			
14			

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

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

Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	335,400	16,574	N/A	N/A	N/A
2	Prov. for uncollectibles for current year	51,975	5,004			
3	Accounts written off	(85,513)	(9,722)			
4	Coll. of accounts written off					
5	Adjusments (explain): Recoveries	33,538				
	.....					
6	Balance end of year	335,400	11,856			
7						
8						
9						
10						
11						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20 4

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

1. Report particulars of notes and accounts receivable from associated companies* at end of year.
2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.
4. If any note was received in satisfaction of an open account, state the period covered by such open account.
5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.
6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

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

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

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2	See Attachment					
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11						
12						
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19						
20						
21						
22						
23						
24						
25	TOTAL					

Midwest Energy Cooperative
Receivables from Associated Companies (Account 145,146)
For Year Ending 12/31/04

Line #	Particulars (a)	Balance Beginning of Year (b)	Debits ©	Credits (d)	Balance End of Year (e)	Interest for Year (f)
1	146.00 Midwest Energy, Inc.- Unbilled	$0	$26,483	$26,483	$0	
2	146.01 Midwest Energy, Inc. Commerce Park	$67	$1,222	$1,200	$88	
3	146.10 Midwest Propane	$0	$460,998	$460,998	$0	
4	146.15 Midwest Energy, Inc. Propane Conversion	$0			$0	
5	146.18 Midwest Energy, Inc. Internet	$0	$12,213	$12,213	$0	
6	146.20 Midwest Energy, Inc. Long Distance	$0	$14,903	$14,903	$0	
7	146.35 Midwest Energy, Inc. Billed	$8,858	$52,702	$50,634	$10,925	
8	146.36 Midwest Propane Billed	$29,068	$458,164	$381,738	$105,495	
9	146.95 Midwest Propance Unreimbursed Medical	$180	$1,429	$420	$1,189	
10	146.96 Midwest Propance Cobra Suspense	$0	$0		$0	
		$38,173	$1,028,113	$948,590	$117,696	$0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☐ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20 04

ALLOWANCES (Continued)

6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales or auction of the withheld allowances.
7. Report on lines 8-14 the names of vendors/transferors of allowances acquired and identify associated companies (See "associated co." under "Definitions" in Uniform System of Accounts).
8. Report on lines 22-27 the names of purchasers/transferees of allowances disposed of and identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.

20__		20__		Future Years		Totals		Line No.
No. (f)	*Amt.* (g)	*No.* (h)	*Amt.* (i)	*No.* (j)	*Amt.* (k)	*No.* (l)	*Amt.* (m)	
								1
								2 -4
								5
								6 -8
								9
								10
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								16-18
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								21-22
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								30-32
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								40
								41-43
								44
								45
								46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20 04

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*.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate *(For new issue, give Commission Authorization numbers and dates)* (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)
1	See Attachment		
2			
3			
4			
5			
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22			
23			
24			
25	TOTAL		

Midwest Energy Cooperative					
CFC Debt Summary					
December 31, 2004					
Account 224.12-Other Long Term Debt-CFC					
	Original Loan	Date Loan	Final Payment	12/31/2004 Principal	Year Ended 12/31/2004
Loan Number	Amount	Executed	Date	Balance	Interest Expense
9001-001	$12,000.00	1/6/1972	3/1/2007	$1,787.53	$ 131.52
9002-001	$90,000.00	9/27/1973	9/1/2008	$22,814.55	$ 1,762.05
9003-001	$35,000.00	5/27/1976	3/1/2011	$14,731.08	$ 692.14
9004-001	$228,000.00	6/23/1977	6/1/2012	$110,621.47	$ 7,418.75
9005-001	$182,000.00	8/17/1979	6/1/2014	$94,654.80	$ 4,963.23
9006-001	$118,000.00	4/29/1982	2/28/2017	$76,926.68	$ 4,064.74
9007-001	$98,000.00	4/30/1984	3/1/2019	$67,025.91	$ 3,555.47
9008-001	$222,680.00	10/30/1986	9/1/2021	$162,791.70	$ 9,904.52
9009-001	$211,454.00	12/9/1988	11/30/2023	$165,849.32	$ 10,223.42
9009-002	$184,379.00	12/9/1988	11/30/2023	$144,606.25	$ 8,913.94
9010-001	$437,500.00	10/31/1991	9/1/2026	$360,813.94	$ 18,372.43
9011-001	$178,980.00	2/29/1996	2/28/1931	$164,777.53	$ 8,359.68
9011-002	$614,020.00	2/29/1996	3/1/1931	$562,381.60	$ 28,531.36
9012-001	$104,000.00	12/15/1971	3/1/2007	$16,549.13	$ 1,384.67
9013-001	$428,000.00	8/13/1973	6/1/2008	$101,738.24	$ 7,927.65
9014-001	$478,000.00	10/7/1974	9/1/2009	$147,703.90	$ 11,108.55
9015-001	$290,000.00	10/22/1975	9/1/2010	$120,139.70	$ 7,157.14
9016-001	$768,000.00	7/27/1978	6/1/2013	$395,093.72	$ 24,148.42
9017-001	$784,000.00	10/23/1979	9/1/2014	$437,274.85	$ 29,206.25
9018-001	$603,000.00	8/18/1982	6/1/2017	$418,645.24	$ 25,936.39
9019-001	$1,273,469.00	1/13/1989	12/1/2023	$1,038,020.13	$ 32,573.76
9020-001	$1,471,000.00	7/1/1997	5/31/1932	$1,459,403.42	$ 106,074.28
9020-002	$1,471,000.00	7/1/1997	5/31/1932	$1,305,143.13	$ 70,734.54
9021-001	$433,574.57	8/8/2003	5/31/2004	$0.00	$ 3,362.91
9021-002	$433,574.57	8/8/2003	5/31/2005	$326,312.44	$ 11,394.14
9021-003	$433,574.57	8/8/2003	5/31/2006	$433,574.57	$ 12,934.18
9021-004	$433,574.57	8/8/2003	5/31/2007	$433,574.57	$ 13,368.94
9021-005	$433,574.57	8/8/2003	5/31/2008	$433,574.57	$ 14,890.60
9021-006	$433,574.57	8/8/2003	5/31/2009	$433,574.57	$ 16,412.28
9021-007	$433,574.57	8/8/2003	5/31/2010	$433,574.57	$ 17,933.94
9021-008	$433,574.57	8/8/2003	5/31/2011	$433,574.57	$ 19,020.84
9021-009	$433,574.57	8/8/2003	5/31/2012	$433,574.57	$ 20,107.76
9021-010	$385,806.78	8/8/2003	5/31/2013	$385,806.78	$ 16,472.74
9021-011	$47,767.79	8/8/2003	5/31/2014	$47,767.79	$ 2,764.59
9021-012	$433,574.57	8/8/2003	5/31/2015	$433,574.57	$ 26,180.77
9021-013	$433,574.53	8/8/2003		$433,574.53	$ 26,180.55
Year Ending 12/31/04 Totals	$15,485,376.80			12,051,551.92	626,169.14

Midwest Energy Cooperative
RUS Debt Reconciliation
December 31,2004
Account 224.30-Long Term Debt-Construction

	A/C #	Date Loan Issued	Date Of Maturity	12/31/2004 Total RUS Principal Balance	Year Ended 12/31/2004 Interest Expense
1	4190	6/25/1970	6/25/2005	$ 6,027.54	$ 252.50
2	4210	1/6/1972	1/6/2007	$ 4,964.82	$ 125.21
3	B200	1/6/1972	1/6/2007	$ 4,481.45	$ 113.30
4	B202	1/6/1972	1/6/2007	$ 4,481.45	$ 113.30
5	B520	12/15/1971	12/15/2006	$ 38,640.23	$ 976.98
6	B522	12/15/1971	12/15/2006	$ 38,640.23	$ 976.98
7	B260	4/29/1982	4/29/2017	$ 92,018.17	$ 4,613.51
8	B262	4/29/1982	4/29/2017	$ 91,722.40	$ 4,598.71
9	B270	4/30/1984	4/30/2019	$ 80,438.23	$ 4,032.96
10	B271	4/30/1984	4/30/2019	$ 382.32	$ 19.14
11	B273	4/30/1984	4/30/2019	$ 82,962.97	$ 4,159.51
12	B282	10/30/1986	10/30/2021	$ 168,162.12	$ 8,431.13
13	B283	10/30/1986	10/30/2021	$ 34,533.95	$ 1,731.42
14	B290	12/9/1988	12/9/2023	$ 375,580.13	$ 18,830.46
15	B292	12/9/1988	12/9/2023	$ 368,096.87	$ 18,455.27
16	B293	12/9/1988	12/9/2023	$ 4,188.90	$ 210.01
17	B301	10/31/1991	10/31/2026	$ 452,233.86	$ 22,673.70
18	B280	10/30/1986	10/30/2021	$ 201,794.62	$ 10,117.39
19	B591	1/31/1989	3/20/2030	$ 1,375,280.48	$ 68,952.41
20	B596	1/31/1989	3/20/2030	$ 1,375,422.65	$ 68,959.57
21	1B600	7/1/1997	7/1/2032	$ 3,376,866.07	$ 169,305.91
22	1B605			$ 3,359,451.41	$ 164,221.97
23	1B610	8/11/1999	3/12/1934	$ 3,627,002.75	$ 155,558.48
24	1B611	2/9/2000	3/12/1934	$ 3,967,013.09	$ 204,903.40
25	1B612	2/16/2000	3/12/1934	$ 1,038,484.83	$ 48,011.56
26	1B613	1/9/2001	3/12/1934	$ 1,988,030.97	$ 90,248.26
27	1B614	2/27/2001	3/12/1934	$ 2,560,706.30	$ 125,859.84
28	1B615	9/11/2001	3/1/2034	$ 2,260,732.23	$ 102,630.48
29	1B620	3/25/2003	8/1/2037	$ 2,413,103.70	$ 123,088.74
30	1B621	3/31/2003	8/1/2037	$ 2,410,118.60	$ 95,931.16
31	1B622	4/2/2003	8/1/2037	$ 2,406,556.04	$ 69,993.01
32	1B623	12/23/2003	8/1/2037	$ 1,990,272.78	$ 101,717.04
33	1B624	7/8/2005	8/1/2037	$ 2,985,891.22	$ 73,601.88
34	1B316	9/23/1999	2/28/2031	$ 280,097.89	$ 11,585.69
35	B310	2/29/1996	2/28/2031	$ 578,507.34	$ 26,104.15
36	B311	2/29/1996	2/28/2031	$ 89,519.46	$ 4,039.44
37	B312	2/29/1996	2/28/2031	$ 174,705.47	$ 8,540.21
38	B313	2/29/1996	2/28/2031	$ 264,471.22	$ 12,928.31
39	B314	2/29/1996	2/28/2031	$ 21,234.94	$ 1,038.05
40	B315	2/29/1996	2/28/2031	$ 858,253.09	$ 46,257.47
Year Ending 12/31/04 Totals				$ 41,451,072.79	$ 1,873,908.51

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20 04

LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than amortization debited to Account 428, *Amortization of Debt Discount and Expense*, or credited to Account 429, *Amortization of Premium on Debt - Credit*.
12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, *Interest on Long-Term Debt*, and Account 430, *Interest on Debt to Associated Companies*.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue	Date of Maturity	AMORTIZATION PERIOD		Outstanding *(Total amount outstanding without reduction for amounts held by respondent)*	Interest for Year Amount	Line No.
		Date From	Date To			
(d)	(e)	(f)	(g)	(h)	(i)	
						1
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 20 04

PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

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

* See definition on page 226B

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year: Debits (c)	Totals for Year: Credits (d)	Balance End of Year (e)	Interest for Year (f)
1	See Attachment					
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21						
22						
23						
	TOTAL					

Midwest Energy Cooperative
Payables to Associated Companies (Accts 233,234)
For Year Ending 12/31/04

Line #	Particulars (a)	Balance Beginning of Year (b)	Debits ©	Credits (d)	Balance End of Year (e)	Interest for Year (f)
1	232.50 Accounts Payable Midwest Propane payments made with Electric bill that need to be transferred to Propane	($7,054)	$1,750,660	$1,753,912	($10,306)	
2	232.51 Accounts Payable Midwest Propane Gobles location payments made with Electric bill that are NSF's	$0	$120	$120	$0	
3	232.52 Accounts Payable Midwest Energy, Inc. Propane tank cylinder & gas sales	($5)	$5,275	$5,270	$0	
4	233.10 Accounts Payable Midwest Energy, Inc.	($276)	$280,721	$280,445	$0	
5	242.58 Aflac Pretax Deduction-Employee transfer to Propane-due coop	$0	$29	$0	$29	
		($7,336)	$2,036,776	$2,039,747	($10,306)	$0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20_04

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

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

Line No.	N/A MWE is a tax exempt organization & does not file a Federal Income Tax Return.	TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
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:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Coop.	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20 05

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

return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2.

4. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions.

Utility	Other	Line No.
	[redacted]	1
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[redacted]		5
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 20 04

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.	/ See Attachment 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					
3					
4					
5					
6					
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13					
14					
15					
16					
17	Total Gain				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 2004

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

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	See Attachment				
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss				

Midwest Energy Cooperative
Schedule of general plant assets disposed of in 2004
Reconciliation of G/l #421.10 gain or loss on disposition of property

REVISED 2-19-02

Acct #	Item #	Description	CR Cost	DR A/D	Carrying Value	Sales Price	#421.10 Gain (Loss)	Date	Cash Sheet	comment
396.00	5	1980 Boring attachment	1,541.33	1,541.33	0.00	0.00	0.00	1/1/2004	obsolete removed per Phil	i Questioned the status of old when purchased new#5700A Jan 04
392.00	5098	98 chevy trk-Adrian	20,045.00	20,045.00	0.00	4,500.00	4,500.00	1/1/2004	sold to G Karmol AR#24000134	replaced by #50804
392.00	2500	2000 4x4 f550 bucket trk	79,224.40	64,700.09	14,524.31	9,000.00	(5,524.31)	2/23/2004	sold to green leaf ar#24000297	why sold at a loss?
392.00	897	1997 F250 pickup	18,715.28	18,715.28	0.00	1,000.00	1,000.00	2/23/2004	sold to green leaf ar#24000296	veh #897
n/a	n/a	Dell latitude Laptop	0.00	0.00	0.00	100.00	100.00	3/26/2004	ar#24000547 Brian Wierenga	7-8 years old from Adrian not on assets
392.00	ohn Deere	955 John Deere Tractor & Attch	19,535.80	19,535.80	0.00	9,000.00	9,000.00	3/16/2004	ar#24000457 David Bent	coop purch 6/97
392.00	796	1996 f350 4x4	21,321.82	21,321.82	0.00	2,500.00	2,500.00	3/31/2004	ar#24000586 Kurt Schantz	veh#796
391.10	7	pc ser#2753579	1,492.91	1,492.91	0.00	0.00	0.00	3/24/2004	donated to Ch of commerce	partial of item removal
391.10	115	FA #115 CEO PC	2,073.13	1,497.34	575.79	0.00	(575.79)	5/1/2004	replaced with FA #158 hp compaq	not working per J duford-remove from assets
392.00	3997	97 Chevy Astro Van	19,650.28	19,650.28	0.00	2,000.00	2,000.00	9/29/2004	sold to D Adam 10 pymts	replaced by old ceo 2002 Chrysler for co useV#4602
398.00	50	Sears Elliptical Trainer	887.99	266.40	621.59	0.00	(621.59)	9/30/2004	per email disposed not working	to be replaced oct inv new equip
398.00	42	Budget Cardio Inv-2 trmll;1 stepper	5,785.00	5,785.00	0.00	0.00	0.00	9/30/2004	per email disposed not working	partial disposal of item; to be replaced oct inv new equip
391.00	3477	1991 phonemaster system	2,636.00	2,636.00	0.00	0.00	0.00	11/1/2004	per tanya -not used broke to toss	
391.10	98	1 okidata printer tossed-cleanup	267.00	267.00	0.00	0.00	0.00	11/1/2004	tossed in basement cleanup 12-9-04	1 of 3 on invoice
Oct-04		no disposals oct	193,175.94	177,454.25	15,721.69	28,100.00	12,378.31			
G/L balance 2004							12,378.31			
Diff							0.00			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 20 04

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 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.	
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2	See Attachment
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20 04

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	4/22/05	Dec. 31, 20 04

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
						2
						3
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 20 04

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

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

Name of Respondent	This Report Is:	Date of Report	Year of Report
Midwest Energy Cooperative	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr) 4/22/05	Dec. 31, 20 04

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

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

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
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Midwest Energy Cooperative
Charges for Outside Professional and Other Consultive Service
Year Ending 12/31/04

Amounting to more than $25,000.00

Name and Address	Description of Services	Basis of Charges	Total Charges for the Year	Account Charged	Amount
American Energy Services P.O. Box 295 Richmond, MI 48062	Pole Testing		$49,745.90	593.00 D 53	**$49,745.90**
Balos Engineering & Electric 10902 Preston Road Constantine, MI 49042	Contractor-Construction		$537,970.11	107.10 107.20 108.90 583.00 D51 584.00 D51 586.00 D51 593.00 D51 595.00 D51 598.00 D51	$437,691.67 $456.00 $68,551.14 $6,968.00 $2,560.00 $5,107.00 $16,077.30 $375.00 $184.00 **$537,970.11**
CC Power Electrical Contracting PO Box 5663 Traverse City, MI 49696	Contractor-Construction		$550,039.43	107.10 108.90 592.00-51 593.00-51	$382,435.23 $101,606.20 $7,420.00 $58,578.00 **$550,039.43**
City of Bay City City Hall 900 S Water Street Bay City, MI 48708	Mutail Aid Assistance		$28,126.58	107.10	**$28,126.58**
Data Image 7708 Green Meadows Dr Ste E Lewis Center, OH 43035	Pre paid postage Statement mailed & Stuffers		$155,926.87	165.21 903.04-21	$107,000.00 $48,926.87 **$155,926.87**
Dykema Gossett 400 Renaissance Center Detroit, MI 48243	Legal Services		$318,558.99	146.00 146.10 146.20 923.00-01 923.01-01	$6,294.78 $1,000.00 $448.00 $234,513.34 $76,302.87 **$318,558.99**
Hydaker Wheatlake 1435 Reliable parkway Chicago, IL 60686	Contractor-Construction		$880,977.28	107.10 108.90 583.00-51 584.00-51 586.00-51 593.00-51 594.00-51 595.00-51	$802,543.08 $38,431.61 $1,551.96 $2,045.96 $736.50 $33,308.51 $1,213.52 $1,146.14 **$880,977.28**
Markur Consulting, LLC 9319 Mockingbird Lane Cadillac, MI 49601	Information Systems Contractor		$60,281.30	146.00 146.10 146.18 391.10 927.00-23 927.10-23 927.20-23	$400.00 $12,347.50 $1,921.60 $1,121.10 $9,099.60 $22,753.50 $12,638.00 **$60,281.30**
Mike McNee Green Leaf Tree Service	Contractor- Tree Work		$1,845,479.00	107.10 416.30-45	$738,447.20 $56,000.00

5280 Engle Rd Middleville, MI 49333			593.30-54	$1,051,031.80 **$1,845,479.00**
Michigan Electric Coop Assoc 2859 W. Jolly Rd Okemos MI 48864	Utility Restructuring Country Line Magazine Deferred Income	$213,714.46	146.10 146.18 146.20 186.30 236.7 (Tax to state) 580.60-45 580.60-50 580.60-50 583.00-51 583.50-51 586.50-51 586.60-51 586.60-60 909.01-70 909.02-70 912.60-70 921.00-11 921.60-01 923.00-01 926.11-50 930.21-03 930.22-01	$3,018.60 $559.44 $279.72 $9,623.85 -$4.80 $275.00 $2,957.95 $100.00 $84.80 $290.00 $285.00 $200.00 $275.00 $83,142.79 $2,655.00 $275.00 $175.00 $295.00 $11,406.86 $17,365.00 $3,194.25 $77,261.00 **$213,714.46**
NISC SDS 12-2053 Minneapolis, MN 55486	Computer System Support	$221,743.65		**$221,743.65**
Power System Engineering 2000 Engle St Suite 100 Madison, WI 53713	Rate Study Consulting	$72,797.44	186.40 923.00-1 923.01-1	$42,382.50 $7,265.00 $23,149.94 **$72,797.44**
Standard Federal Bank Attn: Account Analysis Drawer #0704 PO Box 79001 Detroit, MI 48279	Bank Fees	$29,210.85	921.01-11	**$29,210.85**
TR Cable Service PO Box 301 Three Rivers, MI 49093	Contractor-Construction	$25,486.80	107.10 108.90	$25,220.80 $266.00 **$25,486.80**

Midwest Energy Cooperative
Summary of Costs Billed to Associated Companies
For year 2004

Line #	Company	Affiliation	Desc: nature of Goods and Services	Account Number	Amount Classified Balance Sheet	Amount Classified to Operating Income	Amount Classified to Non-operating	Pricing Method
1	Midwest Energy, Inc.	Wholly owned subsidiary of Midwest Energy Cooperative	Out of pocket expenses	146.00	$ 2,841.71			
			Labor & Benefit Allocation	146.00	$ 21,845.82			
					$ 24,687.53	$ -	$ -	cost
2	Midwest Energy, Inc.- Commerce Park	Owned by Midwest Energy, Inc	Electric Usage	146.01	$ 1,075.40			
			Labor & Benefit Allocation	146.01	$ -			
					$ 1,075.40	$ -	$ -	cost
3	Midwest Energy, Inc.- Midwest Propane	Wholly owned subsidiary of Midwest Energy, Inc.	Labor & Benefit Allocation	146.10	$ 200,424.06			cost
			Out of pocket expenses	146.10	$ 241,000.28			cost
			Facility Lease	146.10	$ 16,740.00			contract
					$ 458,164.34	$ -	$ -	
4	Midwest Energy, Inc.-Connections Plus	Midwest Energy, Inc. Line of Business	Labor & Benefit Allocation	146.18	$ 3,484.96			cost
			Out of pocket expenses	146.18	$ 8,576.28			cost
					$ 12,061.24	$ -	$ -	
5	Midwest Energy, Inc. - Long Distance Telephone	Midwest energy Inc	Labor & Benefit Allocation	146.20	$ 10,923.54			cost
			Out of pocket expenses	146.20	$ 3,953.86			
					$ 14,877.40	$ -	$ -	
		Total Costs billed To Associated Companies			$ 510,865.91	$ -	$ -	

Midwest Energy Cooperative
Summary of Costs Billed to Associated Companies
Worksheet for Year End Code of Conduct Reporting to MPSC
For year 2004

Line #	Company	Affiliation	*Internal use* Desc: nature of Goods and Services	*Form 7 MPSC page* Desc: nature of Goods and Services	Account Number	Amount Classified To Operating Income
1	Midwest Energy, Inc.	Wholly owned subsidiary of Midwest Energy Cooperative	Legal & Professional	Out of Pocket expense	146.00	$ 2,612.71
			General &Office Supplies	Out of Pocket expense	146.00	$ 229.00
			Administrative Services	Labor & Benefit Allocation	146.00	$ 9,026.44
			Accounting Services	Labor & Benefit Allocation	146.00	$ 12,819.38
						$ 24,687.53
2	Midwest Energy, Inc.- Commerce Park	Owned by Midwest Energy, Inc	Commerce Park Expense	Out of Pocket expense	146.01	$ 1,075.40
						$ 1,075.40
3	Midwest Energy, Inc.- Midwest Propane	Wholly owned subsidiary of Midwest Energy, Inc.	Advertising	Out of Pocket expense	146.10	$ 42,745.20
			Bank S/C-Credit Card Pmts	Out of Pocket expense	146.10	$ 10,930.36
			Coop Services	Labor & Benefit Allocation	146.10	$ 200,424.06
			Employee Benefit Costs	Out of Pocket expense	146.10	$ 27,135.15
			Fixed Asset Purchase	Out of Pocket expense	146.10	$ 2,449.00
			Legal & Professional	Out of Pocket expense	146.10	$ 18,920.08
			Legal & Professional-Newago	Out of Pocket expense	146.10	$ 2,915.00
			Meals & entertainment	Out of Pocket expense	146.10	$ 5,522.29
			Miscellaneous charges	Out of Pocket expense	146.10	$ 346.90
			Office Supplies & Postage	Out of Pocket expense	146.10	$ 1,541.19
			Office Space Rental	Facility Lease	146.10	$ 9,300.00
			Office Space Rental	Facility Lease	146.10	$ 7,440.00
			Telephone Expense	Out of Pocket expense	146.10	$ 2,596.04
			Prepaid Comp Ins	Out of Pocket expense	146.10	$ 111,572.24
			Travel Expense	Out of Pocket expense	146.10	$ 192.24
			Vehicle Expense	Out of Pocket expense	146.10	$ 14,134.59
						$ 458,164.34
4	Midwest Energy, Inc.-Connections Plus	Midwest Energy, Inc. Line of Business	Accounting Services	Labor & Benefit Allocation	146.18	$ 266.21
			MIS Services	Labor & Benefit Allocation	146.18	$ 854.56
			Marketing Services	Labor & Benefit Allocation	146.18	$ 2,364.19
			Advertising	Out of Pocket expense	146.18	$ 4,240.27
			Travel Expense	Out of Pocket expense	146.18	$ 1,694.61
			Wild Blue Expenses	Out of Pocket expense	146.18	$ 2,161.40
			Professional Services	Out of Pocket expense	146.18	$ 480.00
						$ 12,061.24
5	Midwest Energy, Inc. - Long Distance Telephone	Midwest energy Inc Line of Business	Accounting Services	Labor & Benefit Allocation	146.20	$ 2,885.14
			Marketing Services	Labor & Benefit Allocation	146.20	$ 8,038.40
			Travel & Entertainment	Out of Pocket expense	146.20	$ 96.98
			Legal & Professional	Out of Pocket expense	146.20	$ 448.00
			Advertising	Out of Pocket expense	146.20	$ 3,408.88
						$ 14,877.40
		Total Costs billed To Associated Companies				$ 510,865.91

Midwest Energy Cooperative

Annual Affiliate Transactions Report-Defined By Subsidiary

For the Year Ended December 31, 2004

Affiliate	January	February	March	April	May	June	July	August	September	October	November	December	Total Year
Midwest Propane LLC													
Cooperative Employee Labor, Payroll Taxes & Benefits													
Marketing Labor & Benefits	957.50	1,183.18	1,061.22	2,522.19	1,083.49	939.39	1,161.33	606.75	3,287.35	5,778.58	5,941.47	8,633.07	33,155.52
Customer Service Labor & Benefits	799.49	902.14	965.85	1,101.25	765.27	713.94	696.85	879.86	2,487.46	9,794.42	12,016.88	14,569.46	45,692.87
Dispatch Labor & Benefits	547.93	876.50	759.36	1,094.63	813.64	910.01	904.46	1,121.43	2,825.62	1,023.13	1,929.91	3,050.28	15,856.90
MIS Labor & Benefits	176.81	289.11	208.41	175.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	850.21
Operations Labor & Benefits	506.00	1,094.80	862.40	1,372.01	334.48	578.90	906.50	824.63	759.50	980.00	931.00	1,592.50	10,742.72
CEO Labor & Benefits	107.39	204.25	100.24	281.07	200.33	173.81	186.24	151.72	281.67	201.21	202.47	191.62	2,282.02
Accounting Labor & Benefits	5,971.25	8,488.37	6,783.85	9,841.65	7,143.62	6,515.61	5,946.24	6,194.09	9,149.40	7,465.85	7,635.82	10,708.07	91,843.82
Subtotal-Labor, Payroll Taxes & Benefits	**9,066.37**	**13,038.35**	**10,741.33**	**16,388.68**	**10,340.83**	**9,831.66**	**9,801.62**	**9,778.48**	**18,791.00**	**25,243.19**	**28,657.55**	**38,745.00**	**200,424.06**
Regular Monthly Charges													
Office Space Rental - Cass & Adrian	775.00	775.00	775.00	775.00	775.00	775.00	775.00	775.00	775.00	775.00	775.00	775.00	9,300.00
Land & Vehicle Storage-Cassopolis	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	5,000.04
Land & Vehicle Storage-Adrian	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	999.96
Warehouse Space-Cassopolis	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	1,440.00
Total Regular Monthly Charges To Propane	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**1,395.00**	**16,740.00**
Other Charges-Propane													
Advertising	2,954.91	1,396.13	2,673.18	5,218.36	3,340.18	3,782.40	2,603.32	4,872.87	2,553.06	2,902.53	5,803.11	4,645.15	42,745.20
Office Supplies & Postage		685.83				215.84		68.89	321.19	(494.70)	115.11	629.03	1,541.19
Telephone													0.00
Vehicle Expenses	2,559.15	1,841.27	1,268.57	1,125.94	425.62	351.20	1,326.93	35.64	1,156.94	1,201.19	1,197.98	1,644.16	14,134.59
Telephone Expense									262.71	535.09	656.12	1,142.12	2,596.04
Maintenance-Shop Equipment													0.00
Travel Expense											192.24		192.24
Legal & Professional-Regular	563.17	563.17	563.17	563.17		1,797.68	1,772.77	1,123.17	3,563.17	2,803.17	3,764.27	1,843.17	18,920.08
Legal & Professional-Newaygo							1,135.00			1,120.00	660.00		2,915.00
Prepaid Comp Insurance	96,166.54	1,197.27	1,197.27	1,197.27	1,197.27	4,630.27	1,197.27	1,197.27	1,197.27	1,197.27	1,197.27		111,572.24
Fixed Asset Purchase-Storage Tank												2,449.00	2,449.00
Meals & Entertainment					11.60				1,528.30	10.45	237.70	3,734.16	5,522.29
Bank Service Charges-Credit Card Pmts	954.80	1,343.15	1,291.14	1,258.51	1,356.58	769.44	788.42	811.57	534.45	625.42	370.34	826.54	10,930.36
Credit & Collection Costs													0.00
Employee Benefit Costs	2,000.49	2,237.92	2,530.68	1,306.40	1,905.49	3,191.01	2,010.66	3,323.96	1,126.70	3,392.11	1,561.50	2,548.23	27,135.15
Miscellaneous Charges			42.00			150.00		70.00			84.90		346.90
Total Other Charges-Propane	**105,199.06**	**9,264.74**	**9,566.01**	**10,669.65**	**8,236.74**	**14,887.84**	**10,834.37**	**11,503.37**	**12,243.87**	**13,292.53**	**15,840.54**	**19,461.56**	**241,000.28**
Total Charges To Midwest Propane LLC	**115,660.43**	**23,698.09**	**21,702.34**	**28,453.33**	**19,972.57**	**26,114.50**	**22,030.99**	**22,676.85**	**32,429.87**	**39,930.72**	**45,893.09**	**59,601.56**	**458,164.34**

Midwest Energy Cooperative

Annual Affiliate Transactions Report-Defined By Subsidiary

For the Year Ended December 31, 2004

Affiliate	January	February	March	April	May	June	July	August	September	October	November	December	Total Year
Midwest Connections Long Distance Telephone													
Marketing Labor & Benefits	562.13	775.96	650.43	882.71	675.36	563.13	722.74	245.85	775.67	698.64	703.03	782.75	8,038.40
Accounting Labor & Benefits	191.53	271.76	210.73	308.08	227.82	208.83	174.92	187.92	280.54	249.22	230.21	343.58	2,885.14
Advertising	220.23	82.40	437.78	261.08	212.83	212.83	190.81	228.85	355.48	264.85	518.84	422.90	3,408.88
Travel & Entertainment												96.98	96.98
Legal & Professional Expense						448.00							448.00
Total Charges To Midwest Connections L/D	**973.89**	**1,130.12**	**1,298.94**	**1,451.87**	**1,116.01**	**1,432.79**	**1,088.47**	**662.62**	**1,411.69**	**1,212.71**	**1,452.08**	**1,646.21**	**14,877.40**
Midwest Connections Plus Internet													
Marketing Labor & Benefits		104.63	177.39	240.72	184.20	153.58	197.13	67.06	211.56	190.54	191.75	645.63	2,364.19
MIS Labor & Benefits	46.44	76.08	54.82	46.24		168.58	462.40						854.56
Accounting Labor & Benefits	14.36	25.34	19.66	28.57	21.36	19.45	16.43	17.62	26.32	23.36	21.56	32.18	266.21
Advertising	781.19	494.70	645.23	668.80	341.53	341.53	341.53	69.03	542.74	13.99			4,240.27
Travel Expense					1,694.61								1,694.61
Training													0.00
Professional Services											400.00	80.00	480.00
Wild Blue Expenses											1,479.72	681.68	2,161.40
Total Charges To Midwest Internet	**841.99**	**700.75**	**897.10**	**984.33**	**2,241.70**	**683.14**	**1,017.49**	**153.71**	**780.62**	**227.89**	**2,093.03**	**1,439.49**	**12,061.24**
Midwest Energy Inc. Corporate Charges													
Cooperative Labor, Payroll Taxes & Benefits													
Accounting Labor & Benefits	785.61	1,148.58	934.39	1,378.10	988.25	895.25	877.27	949.12	1,359.04	982.80	1,034.72	1,486.25	12,819.38
Marketing Labor & Benefits													0.00
CFO Labor & Benefits	429.56	817.00	400.97	1,124.24	801.25	695.17	744.92	505.69	1,126.61	804.77	809.83	766.43	9,026.44
MIS Labor, Taxes & Benefits													0.00
Subotal - Labor, Taxes & Benefits	**1,215.17**	**1,965.58**	**1,335.36**	**2,502.34**	**1,789.50**	**1,590.42**	**1,622.19**	**1,454.81**	**2,485.65**	**1,787.57**	**1,844.55**	**2,252.68**	**21,845.82**
Other Charges-Midwest Energy, Inc.													
Advertising													0.00
General & Office Supplies								229.00					229.00
Travel Expense													0.00
Commerce Park Expenses	66.88	79.29	67.00	84.52	84.37	86.62	98.07	108.86	108.39	94.65	97.51	99.24	1,075.40
Liability Insurance													0.00
Legal & Professional Expense					1,116.74		1,495.97						2,612.71
Miscellaneous Expense													0.00
Subtotal - Other Charges	**66.88**	**79.29**	**67.00**	**84.52**	**1,201.11**	**86.62**	**1,594.04**	**337.86**	**108.39**	**94.65**	**97.51**	**99.24**	**3,917.11**
Total Charges To Midwest Energy Inc.	**1,282.05**	**2,044.87**	**1,402.36**	**2,586.86**	**2,990.61**	**1,677.04**	**3,216.23**	**1,792.67**	**2,594.04**	**1,882.22**	**1,942.06**	**2,351.92**	**25,762.93** ✓
Total Charges To All Affiliates-Y/E 12/31/01	**118,758.36**	**27,573.83**	**25,300.74**	**33,476.39**	**26,320.89**	**29,907.47**	**27,353.18**	**25,285.85**	**37,216.22**	**43,253.54**	**51,380.26**	**65,039.18**	**510,865.91**

Midwest Energy Cooperative

Annual Affiliate Transactions Report-Defined By Subsidiary

For the Year Ended December 31, 2004

Affiliate	January	February	March	April	May	June	July	August	September	October	November	December	Total Year
Intercompany Invoices	*954.80*	*1,343.15*	*1,291.14*	*1,258.51*	*1,356.58*	*1,590.42*	*788.42*	*811.57*	*19,947.94*	*26,444.38*	*370.34*	*826.54*	
	1,215.17	*7,475.32*	*8,401.30*	*17,514.62*	*7,849.54*	*86.62*	*10,114.02*	*9,806.71*	*534.45*	*12,860.92*	*29,855.53*	*40,389.16*	
	66.88	*14,879.62*	*12,009.90*	*9,680.20*	*10,766.45*	*10,182.86*	*11,128.55*	*12,058.57*	*10,904.48*	*625.42*	*15,667.22*	*18,318.06*	
	841.99	*1,130.12*	*1,335.36*	*2,502.34*	*2,241.70*	*683.14*	*1,088.47*	*662.62*	*2,485.65*	*1,787.57*	*1,844.55*	*2,252.68*	
	973.89	*700.75*	*67.00*	*84.52*	*1,116.01*	*769.44*	*1,017.49*	*153.71*	*108.39*	*94.65*	*97.51*	*99.24*	
	103,080.11	*79.29*	*897.10*	*984.33*	*2,906.24*	*1,432.79*	*98.07*	*1,683.81*	*780.62*	*1,212.71*	*2,093.03*	*1,439.49*	
	11,625.52	*1,965.58*	*1,298.94*	*1,451.87*	*84.37*	*15,162.20*	*3,118.16*	*108.86*	*1,411.69*	*227.89*	*1,452.08*	*1,646.21*	
									1,043.00			*67.80*	
Total Intercompany Invoices-Check Total	118,758.36	27,573.83	25,300.74	33,476.39	26,320.89	29,907.47	27,353.18	25,285.85	37,216.22	43,253.54	51,380.26	65,039.18	510,865.91
Difference To Investigate	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*

Midwest
ENERGY
COOPERATIVE
Your Touchstone Energy® Cooperative

We're your Energy Company and more!

Midwest Connections

Midwest Energy Solutions

Midwest Propane

Corporate Headquarters/
Cassopolis District
Service Center:
901 E. State Street
P.O. Box 127
Cassopolis, MI 49031
Phone: 269-445-1000
Fax: 269-445-3792

Paw Paw District
Service Center:
59825 S. LaGrave Street
Paw Paw, MI 49079
Fax: 269-655-1812

Adrian District
Service Center:
1610 E. Maumee Street
Adrian, MI 49221
Fax: 517-263-0700

Toll Free:
1-800-492-5989

www.TeamMidwest.com

RECEIVED
Michigan Public Service Commission

APR 28 2005

REGULATED ENERGY
DIVISION

April 22, 2005

Mr. Brian Ballinger, Supervisor
Commission Operation Division
State of Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Dear Mr. Ballinger:

Pursuant to your request date February 7, 2005 Midwest Energy Cooperative has enclosed the 2004 Annual Form 7 Report.

Also enclosed are the required schedules in compliance of the Code of Conduct case U-12134.

Please call me at 269-445-1064 if you have any questions.

Sincerely,

John H. Miner
Vice President of Finance
Midwest Energy Cooperative

Enclosures

JM/DT