

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION MI0029

PERIOD ENDED December, 2018 (Prepared with Audited Data)

BORROWER NAME The Ontonagon County Rural Electrification Ass

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

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

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

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

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

Deborah Miles

3/29/2019

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	6,139,962	6,381,536	6,321,472	541,545
2. Power Production Expense				
3. Cost of Purchased Power	2,332,389	2,258,962	2,379,566	197,841
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	310,796	372,015	438,722	28,118
7. Distribution Expense - Maintenance	599,186	563,274	661,314	32,698
8. Customer Accounts Expense	202,945	222,932	265,732	19,480
9. Customer Service and Informational Expense	120,168	124,926	129,000	10,497
10. Sales Expense				
11. Administrative and General Expense	567,229	523,967	549,076	38,374
12. Total Operation & Maintenance Expense (2 thru 11)	4,132,713	4,066,076	4,423,410	327,008
13. Depreciation and Amortization Expense	768,683	827,214	786,600	69,018
14. Tax Expense - Property & Gross Receipts	264,620	300,171	270,000	33,671
15. Tax Expense - Other				
16. Interest on Long-Term Debt	642,464	688,844	725,776	58,825
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	79,808	11,915		923
19. Other Deductions	20,404	20,188	20,436	1,821
20. Total Cost of Electric Service (12 thru 19)	5,908,692	5,914,408	6,226,222	491,266
21. Patronage Capital & Operating Margins (1 minus 20)	231,270	467,128	95,250	50,279
22. Non Operating Margins - Interest	10,852	6,888	5,180	976
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	50,138	51,205	32,000	13,416
25. Non Operating Margins - Other	145,767	93,522	72,000	35,318
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	110,704	153,786	95,000	4,182
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	548,731	772,529	299,430	104,171

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			MI0029		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2018		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	35	37	5. Miles Transmission		
2. Services Retired	6	49	6. Miles Distribution - Overhead	817.54	817.66
3. Total Services in Place	5,841	5,828	7. Miles Distribution - Underground	146.77	147.05
4. Idle Services (Exclude Seasonals)	648	629	8. Total Miles Energized (5 + 6 + 7)	964.31	964.71
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	28,649,339		30. Memberships		22,765
2. Construction Work in Progress	1,833,532		31. Patronage Capital		5,047,938
3. Total Utility Plant (1 + 2)	30,482,871		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	9,464,820		33. Operating Margins - Current Year		620,915
5. Net Utility Plant (3 - 4)	21,018,051		34. Non-Operating Margins		151,615
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		32,497
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)		5,875,730
8. Invest. in Assoc. Org. - Patronage Capital	257,010		37. Long-Term Debt - RUS (Net)		122,313
9. Invest. in Assoc. Org. - Other - General Funds	664,905		38. Long-Term Debt - FFB - RUS Guaranteed		3,469,673
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	75,944		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)		12,532,858
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)		0
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	997,859		43. Total Long-Term Debt (37 thru 41 - 42)		16,124,844
15. Cash - General Funds	298,102		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	7		45. Accumulated Operating Provisions and Asset Retirement Obligations		156,812
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)		156,812
18. Temporary Investments	0		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		259,030
20. Accounts Receivable - Sales of Energy (Net)	615,829		49. Consumers Deposits		14,200
21. Accounts Receivable - Other (Net)	109,098		50. Current Maturities Long-Term Debt		620,000
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		0
23. Materials and Supplies - Electric & Other	227,783		52. Current Maturities Capital Leases		0
24. Prepayments	30,672		53. Other Current and Accrued Liabilities		336,521
25. Other Current and Accrued Assets	0		54. Total Current & Accrued Liabilities (47 thru 53)		1,229,751
26. Total Current and Accrued Assets (15 thru 25)	1,281,491		55. Regulatory Liabilities		56,066
27. Regulatory Assets	0		56. Other Deferred Credits		27,258
28. Other Deferred Debits	173,060		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		23,470,461
29. Total Assets and Other Debits (5+14+26 thru 28)	23,470,461				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2018
PART D. NOTES TO FINANCIAL STATEMENTS	
Long Range Plan	\$ 49,087
Mapping System	80,387
Work Plan	24,087

<p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p>	<p>BORROWER DESIGNATION MI0029</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2018</p>
<p>PART D. CERTIFICATION LOAN DEFAULT NOTES</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2018

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	25,845,714	424,156	81,800	(27,490)	26,160,580
2. General Plant	1,916,557	43,780			1,960,337
3. Headquarters Plant	527,073				527,073
4. Intangibles	1,349				1,349
5. Transmission Plant	0				0
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	0				0
8. Total Utility Plant in Service (1 thru 7)	28,290,693	467,936	81,800	(27,490)	28,649,339
9. Construction Work in Progress	943,883	889,649			1,833,532
10. Total Utility Plant (8 + 9)	29,234,576	1,357,585	81,800	(27,490)	30,482,871

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	217,687	125,329	1,980	95,921		(21,292)	227,783
2. Other	0						0

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	15.430	0.000	.040	.410	15.880
2. Five-Year Average	28.350	32.790	5.350	61.420	127.910

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	13	4. Payroll - Expensed	455,298
2. Employee - Hours Worked - Regular Time	22,392	5. Payroll - Capitalized	246,041
3. Employee - Hours Worked - Overtime	1,220	6. Payroll - Other	180,281

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements		
	b. Special Retirements		
	c. Total Retirements (a + b)		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	102,801	
	c. Total Cash Received (a + b)	102,801	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	\$ 58,512	2. Amount Written Off During Year	\$ 22,948
----------------------------	-----------	-----------------------------------	-----------

ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %	
2. Actual Loan Delinquency %		5. Actual Loan Default %	
3. Total Loan Delinquency Dollars YTD	\$	6. Total Loan Default Dollars YTD	\$

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
INSTRUCTIONS - See help in the online application	PERIOD ENDED December, 2018

PART K. kWh PURCHASED AND TOTAL COST

No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Wisconsin Electric Power Co	20847			3,031,035	255,875	8.44		
2	Wisconsin Public Power Inc	20858			25,319,905	1,658,944	6.55		
3	Upper Peninsula Power Company	19578				344,143	0.00		
	Total				28,350,940	2,258,962	7.97		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2018
PART K. kWh PURCHASED AND TOTAL COST		
No	Comments	
1		
2		
3		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2018	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
	PERIOD ENDED December, 2018

INSTRUCTIONS - See help in the online application.

PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/16/2018	2. Total Number of Members 4,157	3. Number of Members Present at Meeting 57	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 37,055	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2018			
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	122,313	3,952	60,632	64,584
2	National Rural Utilities Cooperative Finance Corporation	4,577,515	206,674	144,852	351,526
3	CoBank, ACB	7,955,342	391,524	368,282	759,806
4	Federal Financing Bank	3,469,673	85,881	43,320	129,201
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	16,124,843	688,031	617,086	1,305,117

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0029		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2018		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,209	3,205	
	b. kWh Sold			17,566,944
	c. Revenue			4,352,758
2. Residential Sales - Seasonal	a. No. Consumers Served	1,265	1,271	
	b. kWh Sold			1,805,648
	c. Revenue			885,943
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	224	220	
	b. kWh Sold			5,003,383
	c. Revenue			989,991
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	135	134	
	b. kWh Sold			102,424
	c. Revenue			15,790
7. Other Sales to Public Authorities	a. No. Consumers Served	26	26	
	b. kWh Sold			62,267
	c. Revenue			19,843
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10.	Total No. of Consumers (lines 1a thru 9a)	4,859	4,856	
11.	Total kWh Sold (lines 1b thru 9b)			24,540,666
12.	Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)			6,264,325
13.	Transmission Revenue			
14.	Other Electric Revenue			117,211
15.	kWh - Own Use			
16.	Total kWh Purchased			28,350,940
17.	Total kWh Generated			
18.	Cost of Purchases and Generation			2,258,962
19.	Interchange - kWh - Net			
20.	Peak - Sum All kW Input (Metered) Non-coincident _____ Coincident _____			3,953

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
	PERIOD ENDED December, 2018

INSTRUCTIONS - See help in the online application.

PART P. ENERGY EFFICIENCY PROGRAMS

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	3,209	78,304	130	3,209	352,611	4,451
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	112	6,431	7	112	76,595	1,259
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
10. Total	3,321	84,735	137	3,321	429,206	5,710

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION MI0029
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	PERIOD ENDED December, 2018

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Federated Rural Electric Insurance Exchange	47,211			
	National Informational Solutions Cooperativ	47,239			
	NRUCFC Pat. Cap. member Cert & CTC's)	39,585	75,944		
	RESCO	65			
	Settler's Cooperative, Inc.	510			
	American Transmission Company	604,130			
	CO Bank	166,359			
	Cooperative Response Center	15,817			
	NRUCFC-Membership	1,000			
	NCSC Membership				
	Totals	921,916	75,944		
6	Cash - General				
	Checking, Savings & Working Funds		298,102		
	Totals		298,102		
9	Accounts and Notes Receivable - NET				
	Various		109,098		
	Totals		109,098		
11	TOTAL INVESTMENTS (1 thru 10)	921,916	483,144		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION MI0029 PERIOD ENDED December, 2018
--	--

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q, SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION MI0029
	PERIOD ENDED December, 2018

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

SECTION III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]	3.02 %
--	--------

SECTION IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				