

**MICHIGAN PUBLIC SERVICE COMMISSION**

**ANNUAL REPORT OF NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)**

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

Report submitted for year ending:	December 31, 2004
Present name of respondent:	Michigan Consolidated Gas Company
Present DBA name in Michigan if different from legal name:	N/A
Address of principal place of business:	2000 2nd Avenue Detroit, Michigan 48226-1279
Utility representative to whom inquiries regarding this report may be directed:	Name: Daniel G. Brudzynski Title: Vice President and Controller Address: 2000 2nd Avenue City: Detroit State: Michigan Zip Code: 48226-1279 Telephone, Including Area Code: E-mail: (313) 235-8485
If the utility name has been changed during the past year:	Prior Name: N/A Date of Change: N/A
Two copies of the published annual report to stockholders:	<input checked="" type="checkbox"/> were forwarded to the Commission (two copies of Annual Report on Form 10K) <input type="checkbox"/> will be forwarded to the Commission on or about April 27, 2005
Annual reports to stockholders:	<input type="checkbox"/> are published <input checked="" type="checkbox"/> are not published

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

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

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

INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF  
NATURAL GAS UTILITIES (MAJOR AND NONMAJOR)

GENERAL INFORMATION

I. Purpose:

By authority conferred upon the Michigan Public Service Commission by 1919 PA 419, as amended, being MCL 460.51 et seq. and 1969 PA 306, as amended, being MCL 24.201 et seq., this form is a regulatory support requirement. It is designed to collect financial and operational information from public utilities, licensees and others subject to the jurisdiction of the Michigan Public Service Commission. This report is a nonconfidential public use form.

II. Who Must Submit:

Each major and nonmajor gas company, as classified by the Commission's Uniform System of Accounts must submit this form.

NOTE: Major- A gas company having annual natural gas sales over 50 million Dth in each of the 3 previous calendar years.

Nonmajor - A gas company having annual natural gas sales at or below 50 million Dth in each of the 3 previous calendar years.

The class to which any utility belongs shall originally be determined by the average of its annual gas sales for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas sales for each of the three immediately preceding years exceeds the upper limit, or is less than the lower limit of the classification previously applicable to the utility.

III. What and Where to Submit:

- (a) Submit an original copy of this form to:

Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

Retain one copy of this report for your files.

- (b) Submit immediately upon publication, one (1) copy of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analyst, or industry association. (Do not include monthly and quarterly reports. If reports to stockholders are not prepared, enter "NA" in column (c) on Page 5, the List of Schedules.) Mail these reports to:

Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission of the form, a letter or report prepared in conformity with current standards of reporting which will:

- (i) contain a paragraph attesting to the conformity, in all material aspects, of the schedules and pages listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

- (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications).

<u>Schedules</u>	<u>Reference Page</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

When accompanying this form, insert the letter or report immediately following the cover sheet. Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_ we have also reviewed schedules \_\_\_\_\_ of Form P-522 for the year filed with the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (d) Federal, state and local governments and other authorized users may obtain additional blank copies to meet their requirements for a charge from:

Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

IV. When to Submit

Submit this report form on or before April 30 of the year following the year covered by this report.

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (USOA). Interpret all accounting words and phrases in accordance with the USOA.
- II. Enter in whole number (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required). The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to

determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.

- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to respondent, either
- (a) Enter the words "NOT APPLICABLE" on the particular page(s), or
  - (b) Omit the page(s) and enter "NA", "NONE", or "NOT APPLICABLE" in column <sup>c</sup> on the List of Schedules, pages 2, 3 and 4.
- V. Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. The copies, however, may be carbon copies or other similar means of reproduction provided the impression are clear and readable.
- VI. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (See VIII, below).
- VII. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ( ).
- VIII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the identification and Attestation page, page 1. Mail dated resubmissions to:
- Michigan Public Service Commission  
Market Monitoring & Enforcement Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909
- IX. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and page number supplemented.
- X. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- XI. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XII. Report all gas volumes on a pressure base of 14.65 psia and a temperature base 60° F.
- XIII. Respondents may submit computer printed schedules (reduced to 8 1/2 x 11 inch size) instead of the preprinted schedules if they are in substantially the same format


#### DEFINITIONS

- I. BTU per cubic foot - The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.65 cm. Per sec.<sup>2</sup>) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)

- II. Commission Authorization (Comm. Auth.) - The authorization of the Michigan Public Service Commission, or any other Commission. Name the Commission whose authorization was obtained and give the date of the authorization.
- III. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

MPSC FORM P-521

ANNUAL REPORT OF ELECTRIC UTILITIES, LICENSEES AND OTHERS (Major and Nonmajor)

IDENTIFICATION		
01 Exact Legal Name of Respondent  The Detroit Edison Company		02 Year of Report  Dec. 31, 2004
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, St., Zip)  2000 2nd Avenue, Detroit, Michigan 48226-1279		
05 Name of Contact Person  Daniel G. Brudzynski	06 Title of Contact Person  Vice President & Controller	
07 Address of Contact Person (Street, City, St., Zip)  2000 2nd Avenue, Detroit, Michigan 48226-1279		
08 Telephone of Contact Person  (313) 235-8484	09 This Report is:  (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr)
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
01 Name  Daniel G. Brudzynski	03 Signature  	04 Date Signed (Mo, Da, Yr)  4-29-2005
02 Title  Vice President & Controller		

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
LIST OF SCHEDULES (Natural Gas Company)			
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
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Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
Gas Plant in Service	M 204-212B		
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Accumulated Provision for Depreciation and Amortization of Nonutility Property	221		
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Investments in Subsidiary Companies	224-225		
Gas Prepayments Under Purchase Agreements	226-227	NONE	
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Prepayments	230		
Extraordinary Property Losses	230	NONE	
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
LIST OF SCHEDULES (Natural Gas Company) (Continued)			
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Notes & Accounts Receivable Summary for Balance Sheet	228A		
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Summary of Costs Billed to Associated Companies	358-359		
Summary of Costs Billed from Associated Companies	360-363	363 Not Used	

## GENERAL INFORMATION

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

**Mr. Daniel G. Brudzynski, Vice President and Controller**  
**2000 2nd Avenue, Detroit, Michigan 48226-1279**

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

**Michigan - January 12, 1898**

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

**Not Applicable**

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

**Gas Utility - Michigan**

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

(1) ☐ YES ...Enter the date when such independent accountant was initially engaged:\_\_\_\_\_.

(2) ☒ NO

## CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organization jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.
2. List any entities which respondent did not control either directly or indirectly and which did not control respondent but which were associated companies at any time during the year.
3. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

The above requested information is available on the joint filing by DTE Energy Company and DTE Enterprises, Inc. and Michcon Holdings, Inc. for the Securities and Exchange Commission Filing of Form U-3A-2 "Statement by Holding Company Claiming Exemption Under Rule U-3A-2 from the Provisions of the Public Utility Holding Company Act of 1935" for the year ended December 31, 2004 that was filed as part of their annual SEC report filing requirements. The applicable portion of the U-3A-2 filing is attached (pages 102.1 - 102.17).

## I. NATURE OF BUSINESS OF CLAIMANTS AND EVERY SUBSIDIARY THEREOF

### Claimant: DTE Energy Company

DTE Energy Company ("Company" or "DTE") is a Michigan corporation. DTE owns directly and indirectly, four utilities, The Detroit Edison Company ("Detroit Edison"), Michigan Consolidated Gas Company ("MichCon"), Citizens Gas Fuel Company ("Citizens"), and Southern Missouri Gas Company, L.P. ("SMGC"), and non-regulated subsidiaries engaged in energy marketing and trading, energy services, and various other electricity, coal and gas related businesses. The Company's address is 2000 2nd Avenue, Detroit, Michigan 48226-1279.

### Claimant: DTE Enterprises, Inc.

DTE Enterprises, Inc. ("DTEE") owns directly and indirectly, three utilities, MichCon, Citizens, SMGC, and non-regulated subsidiaries primarily involved in natural gas production, gathering, processing, transmission, storage, distribution and marketing in the Midwest-to-Northeast corridor. DTEE is organized under the laws of the state of Michigan and has its principal executive offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.

### Claimant: MichCon Holdings, Inc.

MichCon Holdings, Inc. is the holding company for MichCon and MichCon Enterprises, Inc. MichCon is a public utility engaged in the distribution and transmission of natural gas in the state of Michigan. MichCon's principal executive offices are located at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MichCon conducts substantially all of its business in the state of Michigan and is subject to the jurisdiction of the Michigan Public Service Commission ("MPSC") as to various phases of its operations, including gas sales rates, service, and accounting. MichCon Enterprises, Inc. (a non-regulated affiliate) was formed to engage in non-regulated activities.

#### 1. DTE Energy Company

A. DTE Energy Resources, Inc. ("DTE ER") is a Michigan corporation. DTE ER is a wholly owned subsidiary of the Company with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTE ER is engaged in energy services, electric generation, electric and gas marketing and trading and landfill gas projects.

1. DTE Biomass Energy, Inc. ("DTE Biomass") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTE Biomass is a wholly owned subsidiary of DTE ER and is engaged in landfill gas projects.

a. Belleville Gas Producers, Inc. ("Belleville") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan, 48104. Belleville is a wholly owned subsidiary of DTE Biomass and it is engaged in landfill gas projects.

b. Birmingham Gas Producers, L.L.C. (1) ("Birmingham"), is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Birmingham is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.

c. Coopersville Gas Producers, L.L.C. ("Coopersville"), was a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Coopersville was a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects. Coopersville was sold on July 1, 2004.

d. DTE Arbor Gas Producers, Inc. ("DTE Arbor") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTE Arbor is a wholly owned subsidiary of DTE Biomass and it is engaged in landfill gas projects.

e. Escambia Gas Producers, Inc., formerly ESCA Gas Producers, Inc., ("Escambia") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Escambia is a wholly owned subsidiary of DTE Biomass and it is engaged in landfill gas projects.

f. Fayetteville Gas Producers, L.L.C., formerly Fayetteville Gas Company, L.L.C. ("Fayetteville") is a North Carolina company with offices located at 425 S. Main, Ann Arbor, Michigan 48104. Fayetteville is a wholly owned subsidiary of DTE Biomass and it is engaged in landfill gas projects.

- g. Fort Worth Gas Producers, L.L.C. ("Fort Worth") was a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Fort Worth was a wholly owned subsidiary of DTE Biomass and was engaged in landfill gas projects. Fort Worth was dissolved on February 13, 2004.
- h. Hillside Gas Producers, L.L.C. ("Hillside") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Hillside is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- i. Kansas City Gas Producers, L.L.C. ("Kansas City") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Kansas City is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- j. Montgomery Gas Producers, L.L.C. ("Montgomery"), is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Montgomery is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- k. Oklahoma Gas Producers, L.L.C. ("Oklahoma"), is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Oklahoma is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- l. Orlando Gas Producers, Inc. ("Orlando"), is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Orlando is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- m. Phoenix Gas Producers, L.L.C. ("Phoenix"), is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Phoenix is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- n. Plainville Gas Producers, Inc., formerly Sumpter Gas Producers, Inc., ("Plainville") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Plainville is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- o. Polk Gas Producers, L.L.C. ("Polk") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Polk is a 99% owned subsidiary of DTE Biomass and it is engaged in landfill gas projects.
- p. RES Power, Inc. ("RESP") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. RESP is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- q. Riverview Gas Producers, Inc. ("Riverview") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Riverview is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- r. Roxana Gas Producers, Inc. ("Roxana") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Roxana is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- s. Sonoma Energy Systems, Inc. ("Sonoma") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. Sonoma is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- t. South Side Gas Producers, L.L.C. ("South Side") was a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. South Side was a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects. South Side was sold on July 1, 2004.
- u. St. Louis Gas Producers, L.L.C. ("St. Louis") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. St Louis is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- v. Wake Gas Producers, L.L.C. ("Wake") is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Wake is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- w. Westside Gas Producers, L.L.C. ("Westside") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Westside is a wholly owned subsidiary of DTE Biomass and is engaged in landfill gas projects.

- x. Wichita Gas Producers, L.L.C. ("Wichita"), formerly BES/LES Gas Producers I, L.L.C., is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Wichita is a 90% owned subsidiary of DTE Biomass and is engaged in acquiring rights to, developing, collecting and selling landfill gas and related constituent products.
- y. Winston Gas Producers, L.L.C. ("Winston") is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Winston is a 99% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- z. Salt Lake Gas Producers, L.L.C. ("Salt Lake") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Salt Lake is a wholly owned subsidiary of DTE Biomass and is engaged in a landfill gas-to-energy project.
- aa. Sunshine Energy Producers, L.L.C. ("Sunshine") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Biomass holds 50% of this entity, which is engaged in a landfill gas-to-energy project.
- bb. Pinnacle Gas Producers, L.L.C. ("Pinnacle") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Pinnacle is a wholly owned subsidiary of DTE Biomass and is engaged in a landfill gas-to-energy project.
- cc. Federal Renewable Energy Producers, L.L.C. ("Federal"), formerly Kansas City Energy Producers, LLC, was a Michigan company with offices located at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Biomass held 50% of this entity which was engaged in a landfill gas-to-energy project. Federal was dissolved on February 6, 2004.
- dd. DTE Methane Resources, L.L.C. ("DTE Methane"), is a Michigan company with offices at 425 S. Main St., Ann Arbor, Michigan 48104. DTE Methane is a wholly owned subsidiary, 50% by DTE Biomass and 50% by DTE Coal Services, and is engaged in coal mine methane projects.
- ee. Adrian Gas Producers, L.L.C. ("Adrian Gas") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Adrian Gas is a 50% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- ff. Adrian Energy Associates, LLC ("Adrian Energy") is a Michigan company with offices at 29261 Wall Street, Wixom, Michigan 48393. Adrian Energy is a 50% owned subsidiary of DTE Biomass and is engaged in the production of electricity from landfill gas.
- gg. Bellefontaine Gas Producers, L.L.C. ("Bellefontaine Gas") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Bellefontaine Gas is a 50% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- hh. Bellefontaine Leachate Producers, L.L.C. ("Bellefontaine Leachate") is a Michigan company with offices at 6910 Treeline Drive, Brecksville, Ohio 44141. Bellefontaine Leachate is a 50% owned subsidiary of DTE Biomass and is engaged in processing landfill leachate from landfill gas.
- ii. Raleigh Steam Producers, LLC, formerly Enerdyne IV, LLC, ("Raleigh") is a North Carolina company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Raleigh is a 50% owned subsidiary of DTE Biomass and is engaged in production of steam from landfill gas.
- jj. Riverview Energy Systems, a partnership ("Riverview") is a Michigan partnership with offices at 29261 Wall Street, Wixom, Michigan 48393. Riverview is a 50% owned subsidiary of RES Power, Inc. and is engaged in the production of electricity from landfill gas.
- kk. Sacramento Gas Producers, L.L.C. ("Sacramento") is a Michigan company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Sacramento is a 50% owned subsidiary of DTE Biomass and is engaged in landfill gas projects.
- ll. Salem Energy Systems, LLC ("Salem") is a North Carolina company with offices at 29261 Wall Street, Wixom, Michigan 48393. Salem is 50% owned by DTE Biomass and is engaged in the production of electricity from landfill gas.

2. DTE Energy Trading, Inc. ("DTE Energy Trading"), formerly Huron Energy Services, Inc., is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Energy Trading is a wholly owned subsidiary of DTE ER. DTE Energy Trading is engaged in wholesale and retail energy marketing.
3. DTE Generation, Inc. ("DTE Generation") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Generation is a wholly owned subsidiary of DTE ER and is a holding company.
- a. DTE River Rouge, No. 1, LLC ("DTE River") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE River is a wholly owned subsidiary of DTE Generation, Inc. and is involved in a project at River Rouge Power Plant.
4. DTE Energy Services, Inc. ("DTE ES"), formerly Edison Energy Services, Inc., is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE ES is a wholly owned subsidiary of DTE ER and it is engaged in energy services activities.
- a. DTE ES Holdings, Inc. ("DTE ES Holdings") is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE ES Holdings is a wholly owned subsidiary of DTE ES and is a holding company.
  - (1) DTE Indiana Harbor, LLC ("Indiana Harbor") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Indiana Harbor is a wholly owned subsidiary of DTE ES and is a holding company.
    - a. Indiana Harbor Coke Company LP ("Indiana Harbor Coke Company") is a Delaware limited partnership with offices at 414 S. Main, Ann Arbor, Michigan 48104. Indiana Harbor Coke Company is 5% owned by Indiana Harbor.
  - b. PCI Enterprises Company, Inc. ("PCI") is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. PCI is a wholly owned subsidiary of DTE ES and it operates a pulverized coal facility.
  - c. CBC I, L.L.C. ("CBC") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. CBC is a wholly owned subsidiary of DTE ES and is a holding company.
  - d. EES Coke Battery, L.L.C. ("EES") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. EES is 50.5% owned by DTE ES and .5% by CBC and is engaged in coke supply.
  - e. DTE BH Holdings, Inc. ("DTE BH") is a Delaware corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE BH is a wholly owned subsidiary of DTE ES and is a holding company. This entity was dissolved in Michigan only on May 28, 2004. It had been incorporated in both Delaware and Michigan.
  - (1) BH Coke Energy Company, Inc. ("BH Coke") is a Delaware corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. BH Coke is a wholly owned subsidiary of DTE BH and is a holding company.
    - a. DTE Burns Harbor, L.L.C. ("DTE Burns Harbor") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Burns Harbor is 38.77% owned by BH Coke and 12.23% owned by DTE BH and operates a coke battery facility.
  - f. DTE Sparrows Point Operations, Inc. ("Sparrows Point Operations") is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. Sparrows Point Operations is a wholly owned subsidiary of DTE ES, and is engaged in the operation of pulverized coal injection facilities.
  - g. DTE Sparrows Point Holdings, L.L.C. ("Sparrows Point Holdings") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Sparrows Point Holdings is a wholly owned subsidiary of DTE ES, and is a holding company.
  - h. DTE Georgetown Holdings, Inc. ("Georgetown Holdings") is a Delaware corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. Georgetown Holdings is a wholly owned subsidiary of DTE ES, and is a holding company.

- i. DTE Georgetown, LP. ("Georgetown"), is a Delaware limited partnership with offices at 414 S. Main, Ann Arbor, Michigan 48104. Georgetown is a 99% owned subsidiary of DTE ES and 1% owned by Georgetown Holdings, Inc. and is engaged in the generation of electricity.
- j. DTE Northwind Operations, L.L.C. ("Northwind Operations") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Northwind Operations is a wholly owned subsidiary of DTE ES and handles the operation and maintenance of Northwind.
- k. DTE Northwind, L.L.C. ("Northwind") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Northwind is a wholly owned subsidiary of DTE ES and operates a chilled water plant.
- l. DTE Sparrows Point, L.L.C. ("Sparrows Point") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Sparrows Point is a wholly owned subsidiary of DTE ES and is engaged in the operation of a pulverized coal injection plant.
- m. DTE Synfuels, L.L.C. ("Synfuels") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Synfuels is a wholly owned subsidiary of DTE ES and is a holding company for synfuel projects.
  - (1) DTE Buckeye Operations, LLC ("Buckeye Operations") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Buckeye Operations is a wholly owned subsidiary of Synfuels and is engaged in synthetic fuel machine operations.
  - (2) DTE Synfuel Partners, LLC ("Synfuel Partners") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Synfuel Partners is a wholly owned subsidiary of Synfuels and is a holding company for numerous synthetic fuel manufacturing facilities.
    - a. DTE Smith Branch, LLC ("Smith Branch"), formerly CRC No. 5, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Smith Branch is 1% owned by Synfuel Partners, and is engaged in synfuel projects.
      - (1) DTE Pineville, LLC ("DTE Pine") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Pine is a wholly owned by Smith Branch and is engaged in synfuel projects.
    - b. DTE Clover, LLC ("Clover"), formerly CRC No. 6, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Clover is 5% owned by Synfuel Partners, and is engaged in synfuel projects.
    - c. DTE IndyCoke, LLC ("IndyCoke"), formerly CRC No. 1, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. IndyCoke is 1% owned by Synfuel Partners, and is engaged in synfuel projects.
    - d. DTE Belews Creek, LLC ("Belews Creek"), formerly CRC No. 3, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Belews Creek is 1% owned by Synfuels Partners and is engaged in synfuel projects.
    - e. DTE Utah Synfuels, LLC ("Utah Synfuels"), formerly DTE Kentucky, LLC is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Utah Synfuels is 1% owned by Synfuel Partners, and is engaged in synfuel projects.
    - f. DTE Buckeye, LLC ("Buckeye") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Buckeye is 1% owned by Synfuel Partners, and is engaged in synfuel projects. CRC No.2 L.L.C. and CRC No. 4 L.L.C. were merged into Buckeye on April 16, 2002.
    - g. DTE River Hill, L.L.C. ("Riverhill") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Riverhill is .46% owned by Synfuels, .05% by Synfuel Partners, and .49% by DTE ES Holdings and is engaged in synfuel projects.



- h. DTE Red Mountain, L.L.C. ("Red Mountain") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Red Mountain is .05% owned by Synfuel Partners, 46% owned by Synfuels and 9% owned by DTE ES Holdings and is engaged in synfuel projects.
- (3) DTE Smith Branch Operations, LLC ("Smith Branch Operations") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Smith Branch Operations is a wholly owned subsidiary of Synfuels and is engaged in the operation of synthetic fuel facilities.
- (4) DTE Synfuel Operations, LLC ("Synfuel Operations") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Synfuel Operations is a 95% owned subsidiary of Synfuels and 5% owned by Synfuel Partners and provides labor and management services to operate synthetic fuel manufacturing facilities.
- (5) DTE IndyCoke Operations, LLC ("IndyCokeOper") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. IndyCokeOper is a wholly owned subsidiary of Synfuels and is engaged in synthetic fuel machine operations.
- n. DTE Backup Generation Equipment Leasing, L.L.C. ("Backup Generation Equipment Leasing") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Backup Generation Equipment Leasing is a wholly owned subsidiary of DTE ES, and is engaged in the equipment leasing business.
- o. Power Energy Partners, LLC ("Power Energy Partners") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Power Energy Partners is a wholly owned subsidiary of DTE ES, and is a holding company.
- (1) Crete Energy Venture, LLC ("CEV") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. CEV is 50% owned by Power Energy Partners, and is engaged in electricity generation.
- (2) Crete Turbine Holdings, LLC ("CTH") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. CTH is 50% owned by Power Energy Partners, and is engaged in equipment sales.
- p. DTE Moraine, L.L.C. ("Moraine") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Moraine is a wholly owned subsidiary of DTE ES, and is engaged in the development and operation of a compressed air facility.
- q. DTE East China, LLC ("East China"), formerly Woodward Energy, L.L.C., is a Michigan company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. East China is a wholly owned subsidiary of DTE ES and is engaged in electricity generation.
- r. DTE East China Operations, LLC ("East China Operations") is a Delaware company, with offices at 414 S. Main, Ann Arbor, Michigan 48104. East China Operations is a wholly owned subsidiary of DTE ES, and is engaged in the operation and maintenance of an electric generation facility.
- s. DTE Tonawanda, LLC ("Tonawanda") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Tonawanda is a wholly owned subsidiary of DTE ES and is engaged in wastewater treatment and supply of chilled water.
- t. DTE Tonawanda Operations, LLC ("Tonawanda Operations") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Tonawanda Operations is a wholly owned subsidiary of DTE ES and is engaged in the operation of Tonawanda.
- u. DTE Heritage, LLC ("DTE Heritage") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Heritage is a wholly owned subsidiary of DTE ES and is engaged in the ownership and operation of an internal electric distribution system of electricity.
- v. DTE ES Holdings No. 1, LLC ("ES Holdings") is a Delaware company with offices at 414 S. Main Street, Ann Arbor Michigan 48104. ES Holdings is a wholly owned subsidiary of DTE ES and is a holding company.

- w. DTE Lake Road Operations, LLC ("Lake Road") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Lake Road is a wholly owned subsidiary of DTE ES and is engaged in the operation and maintenance of an electric generation facility.
- x. DTE La Paloma Operations, LLC ("La Paloma") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. La Paloma is a wholly owned subsidiary of DTE ES and is engaged in the operation and maintenance of an electric generation facility.
- y. DTE ES Finance, LLC ("ES Finance") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. ES Finance is 100% owned by DTE ES and is involved in financing and investing activities.
  - (1) DTE Crete Operations, LLC ("Crete Operations") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Crete Operations is a wholly owned subsidiary of ES Finance and operates and maintains electric generating facilities.
- z. DTE Mobile, LLC ("Mobile") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Mobile is a wholly owned subsidiary of DTE ES and is a holding company.
  - (1) MESC Capital, LLC ("MESC Cap"), formerly DTE Capital, LLC is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. MESC Cap is 50% owned by Mobile and is involved in financing and investing activities.
    - a. Mobile Energy Services Company, LLC ("Mobile Energy") is an Alabama company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Mobile Energy is a wholly owned subsidiary of MESC Cap and owns and operates the energy and recovery complex and related facilities located at the pulp and tissue mill in Mobile, Alabama.
- aa. Ziegler-DTE Energy Producers, LLC ("Energy Prod") was a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Energy Prod was a wholly owned subsidiary of DTE ES. A Certificate was filed to cancel this entity in Delaware on November 6, 2003.
- bb. Ziegler-DTE Gas Producers, LLC ("Gas Prod") was a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Gas Prod was a wholly owned subsidiary of DTE ES. A Certificate was filed to cancel this entity in Delaware on November 6, 2003.
- cc. MESC Capital, LLC ("MESC Cap"), formerly DTE Capital, LLC is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. MESC Cap is 50% owned by Mobile and is involved in financing and investing activities
- dd. DTE PetCoke, LLC formerly DTE Utility Services Holdings, LLC ("Utility Serv Hold") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Utility Serv Hold is wholly owned subsidiary of DTE ES, and is engaged in the supply of petroleum coke.
- ee. DTE Utility Services, LLC ("Utility Serv") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Utility Serv is a wholly owned subsidiary of DTE ES.
- ff. DTE Energy Center, LLC ("Energy Center") is a Delaware company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. Energy Center is 50% owned by Utility Serv Hold, and is involved in providing utility and energy conservation services.
- gg. DTE Coke Operations, LLC ("DTE Coke") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Coke is a wholly owned subsidiary of DTE ES and is involved in synthetic fuel activities.
- hh. DTE Mobile Operations, LLC ("DTE Mobile"), formerly DTE Carneys Point, LLC, is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Mobile is a wholly owned subsidiary of DTE ES and is involved in the operation of Mobile Energy.

- ii. DTE Cedar Bay Operations, LLC ("DTE Cedar") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Cedar is a wholly owned subsidiary of DTE ES. This LLC is to be dissolved in early 2005.
  - jj. DTE Energy Center Operations, LLC ("DTE Energy Cent Oper") is a Delaware company with offices at 414 S. Main, Ann Arbor, Michigan 48104. DTE Energy Cent Oper is a wholly owned subsidiary of DTE ES and is involved in the operation of Energy Center.
  - kk. Mobile Energy Services Company, LLC ("Mobile Energy") is an Alabama company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Mobile Energy is a wholly owned subsidiary of DTE ES and owns and operates the energy and recovery complex and related facilities located at the pulp and tissue mill in Mobile, Alabama.
5. DTE Coal Services, Inc. ("DTE Coal") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTE Coal is a wholly owned subsidiary of DTE ER and it is engaged in selling and transporting coal to third parties.
- a. DTE Rail Services, Inc., formerly DTE CS Rail Services, Inc., ("DTE Rail") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTE Rail is a wholly owned subsidiary of DTE Coal and it is engaged in rail car repair and maintenance.
  - b. DTECS Holdings, Inc. ("DTECS Holdings") is a Michigan corporation with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTECS Holdings is a wholly owned subsidiary of DTE Coal and is engaged in the business of administering coal contracts. DTECS Holdings owns a 1% general partnership interest in DTECS Limited Partnership.
    - (1) DTECS Limited Partnership is a Michigan limited partnership with offices at 425 S. Main, Ann Arbor, Michigan 48104. DTECS Limited Partnership is a 99% owned subsidiary of DTE Coal, which holds a limited partnership interest, and is engaged in the acquisition, storage and reselling of coal. DTECS Holdings holds a general partnership interest in DTECS Limited Partnership.
  - c. DTE Peptec, Inc. ("DTE Peptec") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Peptec is involved in coal preparation and cleaning activities. DTE Peptec is a wholly owned subsidiary of DTE Coal.
    - (1) DTE Dickerson, L.L.C. ("DTE Dickerson") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Dickerson is involved in coal preparation and cleaning activities. DTE Dickerson is a wholly owned subsidiary of DTE Peptec.
    - (2) Peptec, Inc. ("Peptec") is a Pennsylvania company with offices at 425 S. Main, Ann Arbor, Michigan 48104. Peptec is a wholly owned subsidiary of DTE Peptec.
  - d. DTE DuQuoin, LLC ("DTE DuQuoin") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE DuQuoin is involved in slurry and mining, waste processing. DTE DuQuoin is a wholly owned subsidiary of DTECoal.
  - e. DTE Osage, LLC ("Osage") is a Michigan company with offices at 414 S. Main, Ann Arbor, Michigan 48104. Osage is a wholly owned subsidiary of DTE Coal and is engaged in coal cleaning and processing.
- B. Syndeco Realty Corporation ("Syndeco") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Syndeco is a wholly owned subsidiary of DTE. Syndeco is engaged in real estate projects.
- 1. Syndeco Plaza L.L.C. ("Syndeco Plaza") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Syndeco Plaza is a wholly owned subsidiary of Syndeco and is engaged real estate projects.
  - 2. Ashley Mews L.L.C. ("Ashley") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Ashley is a wholly owned subsidiary of Syndeco and is engaged in real estate projects.

3. Stratford Village, L.L.C. ("Stratford") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Stratford is a wholly owned subsidiary of Syndeco and is engaged in a residential condominium development in Orion Township.
  4. Delray Land, L.L.C. ("Delray") was a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Syndeco held 20% of this entity, which was engaged in real estate development in Detroit. Syndeco sold its interest in this company in November, 2004.
  5. 23/Mound, L.L.C. ("23/Mound") was a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. 23/Mound was a wholly owned subsidiary of Syndeco and owned 4 acres of land in Shelby Township. 23/Mound was dissolved on October 8, 2004.
  6. F. J. Waterman, L.L.C. ("Waterman") was a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Syndeco held 29% of this entity, which constructed a manufacturing building in Detroit. Syndeco sold its interest in this company in November, 2004.
  7. Syndeco Meadowbrook, LLC ("Meadowbrook") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Syndeco holds 50% of this entity, which owns property in Novi for future development.
  8. Syndeco Plaza Unit Acquisition LLC ("Plaza Unit") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Syndeco holds 100% of this entity.
- C. The Detroit Edison Company ("Detroit Edison") is incorporated in Michigan and is a Michigan public utility. It is engaged in the generation, purchase, distribution and sale of electric energy in Southeastern Michigan. It also owned and operated a steam heating system in Detroit, Michigan, which was sold in January, 2003. On January 1, 1996, Detroit Edison became a wholly owned subsidiary of the Company. Detroit Edison's address is 2000 2nd Avenue, Detroit, Michigan 48226-1279.
1. Midwest Energy Resources Company ("MERC") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MERC is a wholly owned subsidiary of Detroit Edison and is engaged in operating a coal-transshipment facility in Superior, Wisconsin.
  2. The Edison Illuminating Company of Detroit ("EIC") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. EIC is a wholly owned subsidiary of Detroit Edison and holds real estate.
  3. St. Clair Energy Corporation ("St. Clair") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. St. Clair is a wholly owned subsidiary of Detroit Edison and is engaged in fuel procurement.
  4. The Detroit Edison Securitization Funding, L.L.C. ("Securitization Funding") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Securitization Funding is a wholly owned subsidiary of Detroit Edison and is a special purpose entity established to recover certain stranded costs, called Securitization Property by Michigan Statute.
  5. Detroit Edison Trust I ("DET I") is a Delaware statutory trust with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DET I may offer from time to time trust preferred securities.
  6. Detroit Edison Trust II ("DET II") is a Delaware statutory trust with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DET II may offer from time to time trust preferred securities.
  7. Detroit Edison Trust III ("DET III") is a Delaware statutory trust with offices at 2000 2<sup>nd</sup> Avenue, Detroit, Michigan 48226-1279. DET III may offer from time to time trust preferred securities.
- D. Wolverine Energy Services, Inc. ("Wolverine") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Wolverine is a wholly owned subsidiary of the Company and is a holding company.
1. DTE Edison America, Inc. ("Edison America") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Edison America is a wholly owned subsidiary of Wolverine, which is licensed to market energy and energy related products.

2. DTE Energy Technologies, Inc. ("Technologies") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Technologies is a wholly owned subsidiary of Wolverine and is engaged in energy solutions for industrial, commercial and small businesses.
  - a. Alliance Energy Companies, Ltd. ("Alliance") is a Minnesota corporation with offices at 1715 Lake Drive West, Chanhassen, Minnesota 55317-8580. Alliance is a wholly owned subsidiary of Technologies and is the holding company for the following entities:
    - (1) Alliance Energy Systems, Inc. ("Energy Systems") was a Minnesota corporation with offices at 1715 Lake Drive West, Chanhassen, Minnesota 55317-8580. Energy Systems was a wholly owned subsidiary of Alliance and was engaged in selling electric generators in the U.S. market. Energy Systems merged with Alliance on July 16, 2004.
    - (2) Alliance Energy Services, Inc. ("Energy Services") was a Minnesota corporation with offices at 1715 Lake Drive West, Chanhassen, Minnesota 55317-8580. Energy Services was a wholly owned subsidiary of Alliance and was engaged in servicing electric generators (primarily those sold by Energy Systems) in the U.S. market. Energy Services merged with Alliance on July 16, 2004.
    - (3) DTE Energy Technologies-Canada, Inc., ("DTE ET Canada") formerly Alliance Energy Systems Canada, Ltd. is an Ontario, Canada corporation with offices at 2425 Matheson Boulevard East, Mississauga, Canada L4W 5K4. DTE ET Canada is a wholly owned subsidiary of Alliance and is engaged in selling electric generators in the Canadian market.
3. DTE Energy Solutions, Inc. ("Solutions") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Solutions is a wholly owned subsidiary of Wolverine and is engaged in system based energy related products and services.
  - a. DTE Engineering Services, Inc., ("DTE Engineering Services") formerly UTS Systems, Inc., is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Engineering Services is a wholly owned subsidiary of Solutions. DTE Engineering Services is engaged in professional engineering services.
  - b. DTE Energy Solutions Canada, Ltd. ("Energy Solutions") which prior to May 8, 2002 was a joint venture between DTE Probyn Energy Solutions, Inc. and Probyn Company. This joint venture was organized June 23, 1998 under the Ontario Business Corporations Act. On May 8, 2002 Solutions acquired a 100% interest and changed the name to Energy Solutions. Energy Solutions has offices at 197 Glengarry Avenue, Toronto, Canada M5M 1E1.
  - c. Global View Technologies, L.L.C. ("Global") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Solutions holds a 19% interest in Global.
- E. DTE Energy Ventures, Inc. ("DTE Ventures"), formerly Edison Development Corporation is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Ventures is a wholly owned subsidiary of DTE. DTE Ventures is engaged in business development.
  1. DTE Solar Company of California ("Solar") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Solar is a wholly owned subsidiary of DTE Ventures. Solar is engaged in solar photovoltaic leasing.
- F. DTE Enterprises, Inc. ("DTEE") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Except where otherwise indicated, DTEE owns directly or indirectly all of the outstanding common stock of MichCon Holdings, Inc., Citizens Gas Fuel Company ("Citizens"), MCN Energy Enterprises Inc. ("MCNEE"), and a 100% interest in Southern Missouri Gas Company, L.P.
  1. MichCon Holdings, Inc. is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279, is the holding company for MichCon, a Michigan corporation, MichCon Enterprises, Inc., and MichCon Power Company, Inc. MichCon is a public utility engaged in the distribution and transmission of natural gas in the state of Michigan. MichCon's principal executive offices are located at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MichCon conducts

substantially all of its business in the state of Michigan and is subject to the jurisdiction of the Michigan Public Service Commission ("MPSC") as to various phases of its operations, including gas sales rates, service, and accounting. MichCon Enterprises, Inc. (a non-regulated affiliate) was formed to engage in non-regulated activities.

Except where otherwise indicated, the companies set forth below are wholly owned subsidiaries of MichCon:

- a. MichCon Development Corporation is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Through its various partnership arrangements, MichCon Development owned an interest in Harbortown, a residential and small commercial development constructed along the Detroit River in Detroit, Michigan, which was sold in December 2003.
- b. Blue Lake Holdings, Inc. is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It holds a 25% interest in Blue Lake Gas Storage Company, a partnership that has converted a depleted natural gas field in northern Michigan into a 46 billion cubic feet (Bcf) natural gas storage field, which it now operates.
- c. MichCon Pipeline Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Through the subsidiaries below, is engaged in pipeline and gathering projects in Michigan:
  - (1) MichCon Gathering Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It owns and operates the Antrim Expansion Pipeline.
  - (2) Saginaw Bay Pipeline Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It currently owns and operates a 68-mile pipeline that transports natural gas and natural gas liquids from reserves in east-central Michigan to natural gas processing plants in northern Michigan.
  - (3) Saginaw Bay Lateral Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It is the sole general partner and owns 46% of a partnership that owns and operates lateral pipelines interconnecting with the 68-mile pipeline previously described.
  - (4) Westside Pipeline Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It owns 80.2% of the Jordan Valley Partnership, a partnership that owns and operates two pipeline systems.
  - (5) Thunder Bay Gathering Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It owns and operates a pipeline system, consisting of 44 miles of gathering lines situated in Alpena and Alcona Counties in northeast Michigan.
  - (6) MichCon Lateral Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It owns and operates a 210 mile pipeline and 325 miles of gathering lines in northern Michigan.
- d. Huron Pipeline Company, was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It was originally formed in 1996 to acquire a 50% ownership interest in the ANR Link Interstate Pipeline, which transports natural gas to Canada through a pipeline owned by Niagara Gas Transmission Limited, a subsidiary of the Consumers Gas Co. Ltd. Huron Pipeline was merged with MichCon on December 14, 2004.
  - (1) Huron Gas Services Company was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Huron Gas Services Company was originally formed in 1996 to market pipeline transportation services. Huron Gas Services was merged with Huron Pipeline Company on December 13, 2004.
- e. Kalkaska Gas Storage Limited Partnership ("Kalkaska") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Kalkaska of which MichCon owns 31%, held 53.5% general partnership interest in the Cold Springs Gas Storage Limited Partnership, which was dissolved in 2001.

The company set forth below is a wholly owned subsidiary of MichCon Enterprises, Inc.:

1. MichCon Fuel Services Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It markets natural gas as a vehicular fuel and markets energy to residential and commercial customers through a transportation brokerage pilot program. MichCon Fuel Services Company became inactive in 2001.

The companies set forth below are wholly owned subsidiaries of DTE Enterprises, Inc.

1. Citizens Gas Fuel Company ("Citizens"), a Michigan corporation is a public utility engaged in the distribution of natural gas in Michigan. Citizens' principal executive offices are located at 127 N. Main Street, Adrian, Michigan 49221.
2. Southern Missouri Gas Company, L.P. ("SMGC"), a Missouri company, is a public utility engaged in the distribution and transmission of natural gas in Missouri. DTEE acquired an additional 5% interest in SMGC during 2003 and currently holds a 100% interest in SMGC. The principal executive offices of SMGC are located at 301 East 17th Street, Mountain Grove, Missouri 65711.
3. MCN Energy Enterprises, Inc. ("MCNEE"), formerly MCN Investment Corporation, is the holding company for DTEE's various diversified energy subsidiaries. MCNEE, through its subsidiaries and joint ventures, provides gathering, processing and transmission services; engages in energy marketing activities and storage services; engages in gas and oil exploration, development and production; and is involved in other energy-related businesses. Except where otherwise indicated, the companies set forth below are wholly owned subsidiaries of MCNEE:
  - a. DTE Gas Storage, Pipelines and Processing Company, formerly MCNIC Pipeline & Processing Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It engages in pipeline and processing projects through the following subsidiaries and partnerships:
    - (1) MCNIC Offshore Pipeline & Processing Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It holds 100% of MCNIC Black Marlin Offshore Company, which held a 33.3% interest in the Black Marlin Pipeline System, which was sold in January 2001 and held a 33% interest in the Blue Dolphin System, which was sold in February 2002.
    - (2) DTE Michigan Holdings, Inc., formerly MCNIC Michigan Holdings, Inc. is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
      - (a) Bagley Processing Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. (47% general partnership interest in natural gas carbon dioxide ("CO2") removal facility).
      - (b) Warner Treating Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. (90% interest in natural gas CO2 removal facility)
      - (c) Terra-Westside Processing Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. (85% interest in natural gas CO2 removal facility).
    - (3) DTE East Coast Pipeline Company, formerly MCNIC East Coast Pipeline Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It held a 16.4% interest in the 292-mile Portland Natural Gas Transmission System Pipeline Project, which was sold in September 2003.
    - (4) MCNIC General Methanol Company was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It held a 1% general partnership interest in Lyondell Methanol Co. L.P. The partnership interest was sold in May 2002. MCNIC General Methanol was merged with DTE Gas Storage, Pipelines and Processing Company on June 10, 2004.
    - (5) MCNIC Methanol Holdings Company was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It held a 24% limited partnership interest in Lyondell Methanol Co. L.P. The partnership interest was sold in May 2002. MCNIC Methanol Holdings merged with DTE Gas Storage, Pipelines and Processing Company on June 10, 2004.

- (6) Crown Asphalt Ridge, L.L.C. (100% interest) is a Utah company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
- (7) MCNIC East Texas Gathering Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It held a 39.9% limited partnership interest in American Central Eastern Texas Gas Company, L.P., a natural gas NGL removal facility. The interest was sold in January 2004.
- (8) MCNIC East Texas Pipeline & Processing Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It held a 0.1% general partnership interest in American Central Eastern Texas Gas Company, L.P., a natural gas NGL removal facility. The interest was sold in January 2004.
- (9) MCNIC Permian Basin Company was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It held a 0.99% general partnership interest in PSCO2, L.P., which was sold in February 2002. MCNIC Permian Basin merged with DTE Gas Storage, Pipelines and Processing Company on February 12, 2004.
- (10) MCNIC CO2 Investment Company was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It held a 41.5% general partnership interest in PSCO2, L.P., which it sold in February 2002. MCNIC CO2 Investment merged with DTE Gas Storage, Pipelines and Processing Company on February 12, 2004.
- (11) DTE Millennium Company, formerly MCNIC Millennium Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It was formed to hold a 10.5% interest in the Millennium Pipeline Company, L.P.
- (12) DTE LLC Millennium Company, formerly MCNIC L.L.C. Millennium Company is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-12796. It was formed to hold a 10.5% interest in the Millennium Pipeline Management Company, L.L.C., which holds a 1% interest in the Millennium Pipeline Company L.P.
- (13) DTE Vector Company, formerly MCNIC Vector Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It was formed to hold a 39.6% limited partnership interest in Vector Pipeline, L.P., a Delaware Limited Partnership, which owns and operates the Vector Pipeline.
- (14) DTE Vector II Company, formerly MCNIC Vector II Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It was formed in January 2000 to hold a 40% interest in Vector Pipeline Inc., which owns a 1% general partnership interest in Vector Pipeline, L.P., a Delaware Limited Partnership, which owns and operates the Vector Pipeline.
- (15) DTE Vector Canada, formerly MCNIC Vector Canada, Inc. is a New Brunswick corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MCNIC Vector Canada, Inc. holds a 39.6% limited partnership interest in Vector Pipeline L.P., an Alberta, Canada limited partnership, which owns the Canadian portion of the Vector Pipeline.
- (16) DTE Vector Canada II, Inc. formerly MCNIC Vector Canada II, Inc. is a New Brunswick corporation holds 40% interest in Vector Pipeline Limited, which owns a 1% general partnership interest in Vector Pipeline L.P., an Alberta, Canada limited partnership, which owns the Canadian portion of the Vector Pipeline.
- (17) MCNIC Compression GP, Inc. holds a 0.1% general partnership interest in the KCI Compression Company, L.P. The partnership interest in KCI Compression Company, L.P. was sold in July 2001.
- (18) MCNIC Compression L.P., Inc. was formed to hold the 42.9% limited partnership interest in the KCI Compression Company, L.P. The partnership interest in KCI Compression Company, L.P. was sold in July 2001.
- (19) MCNIC Black Marlin Offshore Company is a Michigan company and is inactive.



- (20) MCNIC Mobile Bay Gathering Company is a Michigan company and is inactive.
  - (21) MCNIC Mobile Bay NGL Pipeline, LLC is a Michigan company and is inactive.
  - (22) Coal Recovery Holdings, LLC is a Delaware company and is inactive.
  - (23) DTE Thunder Bay Processing, LLC is Michigan company with offices at 2000 2<sup>nd</sup> Avenue, Detroit, Michigan 48226-1279.
- b. MCN Power Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279 that pursues domestic power generation related opportunities.
- (1) South Norwalk Power Partners, L.L.C., is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It was formed to participate in power projects.
  - (2) Metro Energy, L.L.C. is a Michigan company with offices at 414 S. Main Street, Ann Arbor, Michigan 48104. It provides energy related services. MCN Power holds a 50% interest in Metro Energy, L.L.C.
  - (3) Summit Computing is a Delaware company with offices at 2000 2<sup>nd</sup> Avenue, Detroit, Michigan 48226-1279. It is a wholly owned subsidiary of MCN Power Company.
  - (4) Columbus Power Partners, L.L.C. is inactive. Its registered office is at 2000 2<sup>nd</sup> Avenue, Detroit, Michigan 48226-1279.
  - (5) Source Co-Generation Company is inactive. Its registered office is at 2000 2<sup>nd</sup> Avenue, Detroit, Michigan 48226-1279.
- c. MCN International Corporation is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It was formed as a holding company for DTEE's international subsidiaries.
- (1) MCNIC Nepal Limited of Grand Cayman, Cayman Island, owns 100% of the Class B Capital Stock of Panda Bhote Koshi, which gives MCNIC Nepal rights to an 85% distribution of Panda Bhote Koshi, a Cayman Island company that holds a 100% interest in Panda of Nepal. Panda of Nepal holds a 75% interest in Bhote Koshi Power Company Private Limited, which owns a 36 Megawatt ("MW") hydroelectric power project in Nepal.
  - (2) MCNIC UAE Limited of Grand Cayman, Cayman Island, was formed to hold a 39% interest in an United Arab Emirate fertilizer plant project. Subsequently, MCNIC UAE Limited converted its equity interest into a loan. The loan was sold in 2004 leaving MCNIC UAE with no remaining assets.
  - (3) MCNIC GP International Holdings of Grand Cayman, Cayman Islands is an inactive company.
  - (4) MCNIC International Holdings of Grand Cayman, Cayman Islands is an inactive company.
  - (5) IG One (Mauritius) Ltd. Of Grand Cayman, Cayman Islands is an inactive company.
- d. CoEnergy Trading Company ("CoEnergy Trading") is a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104. It is engaged in the purchase and sale of natural gas to large-volume gas users and gas and electric utilities.
- (1) CoEnergy Sales Company, a Michigan corporation with offices at 414 S. Main, Ann Arbor, Michigan 48104, was formed in 1998 to hold the membership interest in DTE-CoEnergy, L.L.C., which has been dissolved. CoEnergy Sales Company merged with CoEnergy Trading on February 12, 2004.
- e. DTE Gas Storage Company, formerly MCNIC Gas Storage Company is a Michigan Corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It engages in the storage of natural gas.

- (1) South Romeo Gas Storage Company ("South Romeo"), is a Michigan partnership with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. South Romeo has a 50% interest, owns and operates the Washington 28 Gas Storage Field, a 10 Bcf storage field in southeastern Michigan that provides storage services to MCNEE's Energy Marketing operations. South Romeo holds a 50% interest in South Romeo Gas Storage Corporation.
  - (2) W-10 Holdings, Inc., is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. It holds a 50% interest in Washington 10 Storage Partnership, a partnership that developed and operates the Washington 10 Storage Field, a 60.5 Bcf storage field in southeastern Michigan.
    - a. Washington 10 Storage Partnership, is a Michigan partnership with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. The partnership is owned 50% by DTE Gas Storage Company and 50% by W-10 Holdings, Inc. and the purpose of the partnership is to lease and operate the project as a natural gas storage facility.
  - (3) The Orchards Golf Limited Partnership ("Orchards Golf"), a Michigan partnership in which Orchards Golf has a 50% interest, developed, owns and operates a residential community and golf course on 520 acres of land above the South Romeo gas storage field in southeastern Michigan.
  - (4) Shelby Storage LLC is a Michigan company with offices at 2000 2<sup>nd</sup> Avenue, Detroit, Michigan 48226-1279. It is used to procure storage, mineral and load rights for a storage field.
- f. DTE Gas & Oil Company ("DTE Gas & Oil") formerly MCN Oil & Gas Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Gas & Oil is engaged in natural gas and oil exploration, development and production through the following subsidiaries:
- (1) Green Oak Development Company is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
  - (2) Otsego Exploration Company, L.L.C. is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
  - (3) MCNIC Enhanced Production, Inc., which has a 75% interest in Otsego EOR, L.L.C. is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
  - (4) MCNIC Oil & Gas Midcontinent, Inc. is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
  - (5) MCNIC Oil & Gas Properties, Inc. is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
  - (6) Pageant Corporation was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Pageant was merged with DTE Gas & Oil on December 13, 2004.
  - (7) Otsego EOR, LLC is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279.
- g. Bridgewater Holdings, Inc. ("Bridgewater") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Bridgewater owns undeveloped real property in western Michigan.
- h. Combustion Concepts, Inc. ("Combustion Concepts") was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. Combustion Concepts held patents for the development of pressurized combustion technologies that provide increased fuel efficiency, heat uniformity and compactness of equipment. Combustion Concepts was merged with MCNEE on November 10, 2004.

- i. MCN Energy Holdings Inc. was a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MCN Energy Holdings Inc. primarily consists of gas gathering and processing investments. MCN Energy Holdings was merged with MCNEE on November 10, 2004.
4. MCN Michigan Limited Partnership ("MCN Michigan") was a Michigan limited partnership with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MCN was the 1% general partner in MCN Michigan. MCN Michigan existed for the sole purpose of issuing its limited partnership interests in the form of preferred securities and investing the gross proceeds thereof in MCN debt securities. The preferred securities were redeemed in February 2002. MCN Michigan Limited Partnership was dissolved on August 9, 2004.
5. MCN Financing I was a Delaware business trust with offices located at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MCN was the sole owner of MCN Financing I. MCN Financing I existed for the sole purpose of issuing preferred securities and investing the gross proceeds thereof in MCN debt securities. The preferred securities were redeemed in February 2002. The certificate was cancelled on July 2, 2004.
6. MCN Financing II was a Delaware business trust with offices located at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MCN was the sole owner of MCN Financing II. MCN Financing II existed for the sole purpose of issuing preferred securities and investing the gross proceeds thereof in MCN debt securities. The preferred securities were redeemed in January 2004. The certificate was cancelled on July 2, 2004.
7. MCN Financing III was a Delaware business trust with offices located at 2000 2nd Avenue, Detroit, Michigan 48226-1279. MCN was the sole owner of MCN Financing III. MCN Financing III existed for the sole purpose of issuing preferred securities and investing the gross proceeds thereof in MCN debt securities. The certificate was cancelled on July 2, 2004.
8. DTE Ozark, Inc ("DTE Ozark") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Ozark was formed to hold a limited partnership interest in Southern Missouri Gas Company, L.P., a Missouri limited partnership, organized as a public utility engaged in the distribution and transmission of natural gas. DTE Ozark holds a 4% limited partnership interest in Southern Missouri Gas Company, L.P.
- G. DTE Gas Resources, Inc. formerly DTE Exploration & Development, Inc. ("DTE Exp") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Gas Resources is a wholly owned subsidiary of DTE. DTE Exp holds the stock in DTE Yates Center, Inc.
- a. DTE Yates Center, Inc. ("DTE Yates") is a Michigan corporation with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Yates was involved in coal-bed methane activities, which have now been divested.
- (1). Patrick DTE Exploration, L.L.C. ("Patrick DTE") is a Kansas company with offices at 515 South Kansas Avenue, Topeka, Kansas 66603. Patrick DTE is a wholly owned subsidiary of DTE Yates. Patrick DTE was involved in coal-bed methane activities, which have now been divested.
- H. DTE Energy Trust I ("DTE I") is a Delaware statutory trust with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE I issued the 7.8% Trust Preferred Securities and trust common securities, purchased DTE Energy debt securities, fully and unconditionally guaranteed by DTE Energy Company.
- I. DTE Energy Trust II ("DTE II") is a Delaware statutory trust with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE II may offer from time to time trust preferred securities.
- J. DTE Energy Trust III ("DTE III") is a Delaware statutory trust with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE III may offer from time to time trust preferred securities.
- K. DTE Services I, LLC ("DTE Serv") is a Michigan company with offices at 2000 2nd Avenue, Detroit, Michigan 48226-1279. DTE Serv is a single member L.L.C., which holds the lease for the jet used for corporate travel. The lease is through Lear Investments Company, L.L.C. DTE Serv is a wholly owned subsidiary of DTE.

- L. Plug Power Inc. ("Plug") is a New York corporation, with offices at 468 Albany-Shaker Road, Latham, New York 12110. DTE Energy Company currently holds a 15.3% interest in Plug, which is involved with fuel cell technology.

## CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If Control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K and this report are compatible.

## DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
Blue Lake Holdings, Inc.	A 25% general partner in Blue Lake Gas Storage Company	100%	
MichCon Development Corporation	Real estate development. The corporation owned an interest in Harbortown a residential and small commercial development constructed along the Detroit River in Detroit Michigan. The assets of Harbortown were sold in December 2003.	100%	
MichCon Pipeline Company	Holding company parent holding 100% of the outstanding common stock of MichCon Gathering Company, MichCon Lateral Company, Saginaw Bay Lateral Company, Thunder Bay Gathering Company, Westside Pipeline Company and Saginaw Bay Pipeline Company.	100%	(1)
Huron Pipeline Company	The corporation was formed to participate in the proposed ANR Link Interstate Pipeline Project and holds 100% of the outstanding common stock of Huron Gas Services Company. Both corporations are inactive.	100%	
Kalkaska Gas Storage Limited Partnership	Respondent owned an interest in this limited partnership, which was dissolved in 2001.	31%	

(1) See page 102.1 for additional information.

## OFFICERS

1. Report below the name, title and salary for the top five executive officers.
2. Report in column (b) salaries and wages accrued during the year including deferred compensation
3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc. and explain in a footnote what the amounts represent.
4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.
5. Upon request, the Company will provide the Commission with supplemental information on officers' and other employees' salaries.

Line No.	Name and Title (a)	Base Wages (b)	Other Compensation (c) <sup>(1)</sup>	Total Compensation (d) <sup>(2)</sup>
1	Anthony F. Earley, Jr. Chairman of the Board, Chief Executive Officer and Chief Operating Officer	\$ 1,079,423	\$ 2,117,362	\$ 3,196,785
2				
3				
4	Gerard M. Anderson President and Chief Operating Officer DTE Energy Resources	556,731	984,442	1,541,173
5				
6	Robert J. Buckler President and Chief Operating Officer DTE Energy Distribution	526,731	505,276	1,032,007
7				
8	Stephen E. Ewing President and Chief Operating Officer DTE Energy Gas	526,731	491,076	1,017,807
9				
10	David E. Meador Executive Vice President Chief Financial Officer	424,615	348,505	773,120
11				
12	<sup>(1)</sup> Includes bonuses and matching contributions to savings plans.			
13	<sup>(2)</sup> Includes compensation for services provided to DTE Energy Company and subsidiary companies, including Michigan Consolidated Gas Company.			
14				
15				
16				
17				
18				

## DIRECTORS

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

Name (and Title) of Director (a)	Principal Business Address (b)	Number of Directors' Meetings During Year (c)(1)	Fees During Year (d)
Anthony F. Earley, Jr. Chairman, Chief Executive Officer and Chief Operating Officer	2000 2nd Avenue Detroit, MI 48226-1279	0	0
Susan M. Beale Vice President and Corporate Secretary	2000 2nd Avenue Detroit, MI 48226-1279	0	0
David E. Meador Executive Vice President and Chief Financial Officer	2000 2nd Avenue Detroit, MI 48226-1279	0	0

(1) MichCon Board of Directors held no scheduled meetings during 2004. As permitted by law, the Board acted on numerous matters by written consent.

## SECURITY HOLDERS AND VOTING POWERS

1. (A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders. (B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondent of each officer and director not included in the list of 10 largest security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

Not Applicable

2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such vote cast by proxy

Not Applicable

3. Give the date and place of such meeting:

MichCon Board of Directors held no scheduled meetings during 2004. As permitted by law, the Board acted on numerous matters by written consent.



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		DECEMBER 31, 2004	
SECURITY HOLDERS AND VOTING POWERS (Continued)					
Line No.		VOTING SECURITIES			
		Number of votes as of (date): December 31, 1998			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	10,300,000	10,300,000	0	
5	TOTAL number of security holders	1	1	0	
6	TOTAL votes of security holders listed below	10,300,000	10,300,000	0	
7					
8	MichCon Holdings, Inc.				
9	2000 2nd Avenue				
10	Detroit, MI 48226-1279	10,300,000	10,300,000	0	
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## IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none" or "not applicable" 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 therefore 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 operation 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. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceeding pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instructions 1 to 11 above, such notes may be attached to this page.

1. None.
2. None.
3. None.

## IMPORTANT CHANGES DURING THE YEAR

4. None.
5. None.
6. None.
7. None.
8. None.
9. None.
10. None.
11. None.
12. Important Changes

See Notes to Consolidated Financial Statements starting on page 123.1.

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)					
Line No.	Title of Account  (a)	Ref.  Page No.  (b)	Balance at Beginning of Year  (c)	Balance at End of Year  (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114, 118)	200-201	\$2,932,862,335	\$2,933,627,612	
3	Construction Work in Progress (107)	200-201	61,756,247	64,665,940	
4	TOTAL Utility Plant (Enter Total of lines 2 & 3)		2,994,618,582	2,998,293,552	
5	(Less) Accum. Prov. for Depr. Amort., Depl. (108,111,115,119)	200-201	1,675,314,904	1,685,220,690	
6	Net Utility Plant (Enter Total of line 4 less 5)		1,319,303,678	1,313,072,862	
7	Nuclear Fuel (120.1 - 120.4, 120.6)	---	---	---	
8	(Less) Accum. Prov. for Amort. of Nuclear Fuel Assemblies (120.5)	---	---	---	
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		---	---	
10	Net Utility Plant (Enter Total of lines 6 and 9)		1,319,303,678	1,313,072,862	
11	Utility Plant Adjustments (116)	122-123	---	---	
12	Gas Stored Underground-Noncurrent (117)	220	24,535,995	24,274,684	
13	OTHER PROPERTY AND INVESTMENTS				
14	Nonutility Property (121)	221	2,286,425	2,289,050	
15	(Less) Accum. Prov. for Depr.and Amort.(122)	221	225,045	286,301	
16	Investments in Associated Companies (123)	222-223	218,880,006	246,362,000	
17	Investment in Subsidiary Companies (123.1)	224-225	63,320,756	73,760,560	
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)				
19	Noncurrent Portion of Allowances	---			
20	Other Investments (124)	222-223,229	1,976,036	1,982,432	
21	Special Funds (125-128)	---	1,727	0	
22	TOTAL Other Property and Investments (Enter Total of lines 14 thru 21)		286,239,905	324,107,741	
23	CURRENT AND ACCRUED ASSETS				
24	Cash (131)	---	1,245,680	324,887	
25	Special Deposits (132-134)	---	---	---	
26	Working Funds (135)	---	(97,181)	---	
27	Temporary Cash Investments (136)	222-223	---	---	
28	Notes Receivable (141)	228A	477,653	890,270	
29	Customer Accounts Receivable (142)	228A	217,672,197	238,210,430	
30	Other Accounts Receivable (143)	228A	35,155,161	36,498,121	
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	228A	43,127,440	70,707,213	
32	Notes Receivable from Associated Companies (145)	228B	3,150,597	3,191,121	
33	Accounts Receivable from Assoc. Companies (146)	228B	70,356,416	62,797,833	
34	Fuel Stock (151)	228C	---	---	
35	Fuel Stock Expense Undistributed (152)	228C	---	---	
36	Residuals (Elec) and Extracted Products (Gas) (153)	228C	---	---	
37	Plant Material and Operating Supplies (154)	228C	12,909,964	14,203,360	
38	Merchandise (155)	228C	---	---	
39	Other Material and Supplies (156)	228C	---	---	
40	Nuclear Materials Held for Sale (157)	228C	---	---	

## COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Page No. (b)	Balance at Beginning of Year (d)	Balance at End of Year (d)
41	Allowances (158.1 and 158.2)	—	—	—
42	(Less) Noncurrent Portion of Allowances	—	—	—
43	Stores Expenses Undistributed (163)	228C	1,317,941	1,130,561
44	Gas Stored Underground - Current (164.1)	220	116,505,329	88,646,228
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220	—	—
46	Prepayments (165)	226,230	2,300,218	3,508,121
47	Advances for Gas (166-167)	229	—	—
48	Interest and Dividends Receivable (171)	---	—	—
49	Rents Receivable (172)	---	1,053,546	1,160,904
50	Accrued Utility Revenues (173)	---	117,451,355	166,888,344
51	Miscellaneous Current and Accrued Assets (174)	---	20,860,059	57,953,472
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		557,231,495	604,696,439
53	DEFERRED DEBITS			
54	Unamortized Debt Expense (181)	---	7,952,777	6,409,247
55	Extraordinary Property Losses (182.1)	230	41,167	—
56	Unrecovered Plant & Regulatory Study Costs (182.2)	230	—	—
57	Other Regulatory Assets	232	50,856,408	47,194,608
58	Prelim. Survey & Invest. Charges (Electric)(183)	---	—	—
59	Prelim. Survey & Invest. Charges (Gas) (183.1, 183.2)	231	(166)	1,521
60	Clearing Accounts (184)	---	3,005	(57,204)
61	Temporary Facilities (185)	---	—	—
62	Miscellaneous Deferred Debits (186)	233	474,765,801	479,862,902
63	Def. Losses from Disposition of Utility Plt. (187)	---	---	---
64	Research, Devel. and Demonstration Expend. (188)	352-353	—	—
65	Unamortized Loss on Reacquired Debt (189)	---	31,812,366	33,602,891
66	Accumulated Deferred Income Taxes (190)	234-235	222,936,394	264,606,766
67	Unrecovered Purchased Gas Costs (191)	---	—	—
68	TOTAL Deferred Debits (Enter Total of lines 54 thru 67)		788,367,752	831,620,731
69	TOTAL Assets and Other Debits (Enter Total of lines 10, 11, 12, 22, 52, and 68)		\$2,975,678,825	\$3,097,772,457

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)					
Line No.	Title of Account  (a)	Ref. Page No.  (b)	Balance at Beginning of Year  (c)	Balance at End of Year  (d)	
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	250-251	\$10,300,000	\$10,300,000	
3	Preferred Stock Issued (204)	250-251	—	—	
4	Capital Stock Subscribed (202,205)	252	—	—	
5	Stock Liability for Conversion (203,206)	252	—	—	
6	Premium on Capital Stock (207)	252	—	—	
7	Other Paid-In Capital (208-211)	253	432,541,122	432,541,122	
8	Installments Received on Capital Stock (212)	252	—	—	
9	(Less) Discount on Capital Stock (213)	254	—	—	
10	(Less) Capital Stock Expense (214)	254	—	—	
11	Retained Earnings (215,215.1,216)	118-119	387,015,908	350,736,696	
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	8,718,460	14,139,258	
13	(Less) Reacquired Capital Stock (217)	250-251	—	—	
14	Accumulated Other Comprehensive Income (219)	122(a)(b)	(195,649)	(1,442,389)	
15	TOTAL Proprietary Capital (Enter Total of lines 2 thru 14)		838,379,841	806,274,687	
16	LONG-TERM DEBT				
17	Bonds (221)	256-257	772,327,000	785,000,000	
18	(Less) Reacquired Bonds (222)	256-257	—	—	
19	Advances from Associated Companies (223)	256-257	—	—	
20	Other Long-Term Debt (224)	256-257	—	—	
21	Unamortized Premium on Long-Term Debt (225)	258-259	1,359,375	1,265,625	
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	258-259	1,320,373	1,688,621	
23	TOTAL Long-Term Debt (Enter Total of lines 17 thru 22)		772,366,002	784,577,004	
24	OTHER NONCURRENT LIABILITIES				
25	Obligations Under Capital Leases - Noncurrent (227)	—	615,473	111,601	
26	Accumulated Provision for Property Insurance (228.1)	—	—	—	
27	Accumulated Provision for Injuries and Damages (228.2)	—	15,177,826	16,738,514	
28	Accumulated Provision for Pensions and Benefits (228.3)	—	—	—	
29	Accumulated Miscellaneous Operating Provisions (228.4)	—	—	—	
30	Asset Retirement Obligations (230)	—	4,002,983	1,844,573	
31	TOTAL Other Noncurrent Liabilities (Enter Total of lines 25 thru 30)		19,796,282	18,694,688	
32	CURRENT AND ACCRUED LIABILITIES				
33	Notes Payable (231)	260A	232,939,533	232,990,089	
34	Accounts Payable (232)	—	109,207,088	137,738,486	
35	Notes Payables to Associated Companies (233)	260B	31,834,208	37,523,584	
36	Accounts Payable to Associated Companies (234)	260B	24,779,935	16,006,085	
37	Customer Deposits (235)	—	14,977,062	15,513,341	
38	Taxes Accrued (236)	262-263	(1,076,082)	30,637,841	
39	Interest Accrued (237)	—	12,833,521	13,691,996	
40	Dividends Declared (238)	—	12,500,000	12,500,000	
41	Matured Long-Term Debt (239)	—	—	—	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)					
Line No.	Title of Account  (a)	Ref.  Page No.  (b)	Balance at Beginning of Year  (c)	Balance at End of Year  (d)	
42	Matured Interest (240)	---	---	---	
43	Tax Collections Payable (241)	---	1,097,741	145,895	
44	Miscellaneous Current and Accrued Liabilities (242)	268	67,322,604	68,516,958	
45	Obligations Under Capital Leases-Current (243)	---	463,442	503,672	
46	Federal Income Taxes Accrued for Prior Years (244)	---	7,151,257	4,351,257	
47	Michigan Single Business Taxes Accrued for Prior Years (244.1)	---	---	---	
48	Federal Income Taxes Accrued for Prior Years-Adj. (245)	---	---	---	
49	Michigan Single Business Taxes Accrued for Prior Years-Adj. (245.1)	---	---	---	
50	TOTAL Current and Accrued Liabilities (Enter Total of lines 33 thru 49)		514,030,309	570,119,204	
51	DEFERRED CREDITS		---	---	
52	Customer Advances for Construction (252)	268	1,599,273	1,599,273	
53	Accumulated Deferred Investment Tax Credits (255)	266-267	20,254,254	18,420,435	
54	Deferred Gains from Disposition of Utility Plant (256)	---	---	---	
55	Other Deferred Credits (253)	269	261,624,823	277,169,728	
56	Other Regulatory Liabilities	278	50,598,946	46,937,146	
57	Unamortized Gain on Reacquired Debt (257)	260	---	---	
58	Accumulated Deferred Income Taxes (281-284)	272-277	497,029,095	573,980,292	
59	TOTAL Deferred Credits (Enter Total of lines 52 thru 58)		831,106,391	918,106,874	
60	Total Liabilities and Other Credits  (Enter Total of lines 15, 23, 31, 50, and 59)		\$2,975,678,825	\$3,097,772,457	



## STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as account 412 and 413 above.
3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use page 122 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$1,615,394,178	\$1,458,762,964
3	Operating Expenses			
4	Operation Expenses (401)	320-325	1,391,514,629	1,185,734,472
5	Maintenance Expenses (402)	320-325	26,844,015	27,534,878
6	Depreciation Expense (403)	336-338	93,119,338	92,274,408
7	Amort. & Depl. of Utility Plant (404-405)	336-338	9,815,880	9,389,575
8	Amort. of Utility Plant Acq. Adj. (406)	336-338	-	-
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		41,167	62,334
10	Amort. of Conversion Expenses (407)	-	-	-
11	Regulatory Debits (407.3)	-	-	-
12	(Less) Regulatory Credits (407.4)	-	-	-
13	Taxes Other Than Income Taxes (408.1)	262-263E	46,122,002	51,353,338
14	Income Taxes - Federal (409.1)	262-263E	(46,625,445)	13,982,104
15	- Other (409.1)	262-263E	-	113,255
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	26,920,420	16,930,454
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-277	(4,885,552)	25,654,349
18	Investment Tax Credit Adj. - Net (411.4)	266	(1,833,819)	(1,845,482)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains/Losses from Disposition of Allowances (411.8-411.9)		-	-
22	Accretion Expense (411.10)		123,856	253,115
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		1,550,927,595	1,370,147,502
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		\$64,466,583	\$88,615,462

## STATEMENT OF INCOME FOR THE YEAR (Continued)

from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		\$1,615,394,178	\$1,458,762,964			2
						3
		1,391,514,629	1,185,734,472			4
		26,844,015	27,534,878			5
		93,119,338	92,274,403			6
		9,815,530	9,389,575			7
		-	-			8
		41,157	32,334			9
		-	-			10
		-	-			11
		-	-			12
		46,122,002	51,353,335			13
		(46,625,445)	13,982,104			14
		-	113,255			15
		26,920,420	16,930,454			16
		(4,885,552)	25,654,949			17
		(1,833,819)	(2,845,482)			18
		-	-			19
		-	-			20
		-	-			21
		123,856	253,115			22
		1,550,927,595	1,370,147,502			23
		\$64,466,593	\$38,615,462			24

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
STATEMENT OF INCOME FOR THE YEAR (Continued)					
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL		
			Current Year (c)	Previous Year (d)	
25	Net Utility Operating Income (Carried forward from page 114)	-	\$64,466,583	\$88,615,462	
26	Other Income and Deductions				
27	Other Income				
28	Nonutility Operating Income				
29	Revenues From Merchandising, Jobbing and Contract Work (415)		2,578,871	4,402,511	
30	(Less) Costs and Exp. of Merchandising, Jobbing & Contract Work (416)		2,423,997	4,805,494	
31	Revenues From Nonutility Operations (417)		-	-	
32	(Less) Expenses of Nonutility Operations (417.1)		-	-	
33	Nonoperating Rental Income (418)		111,310	131,640	
34	Equity in Earnings of Subsidiary Companies (418.1)	119	5,420,798	8,093,950	
35	Interest and Dividend Income (419)		8,946,628	9,973,910	
36	Allowance for Other Funds Used During Construction (419.1)		1,654,240	1,227,750	
37	Miscellaneous Nonoperating Income (421)		519,941	3,599,582	
38	Gain on Disposition of Property (421.1)		-	0	
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		16,807,791	22,623,849	
40	Other Income Deductions				
41	Loss on Disposition of Property (421.2)		(2,891,540)	17,353,866	
42	Miscellaneous Amortization (425)	340	-	-	
43	Miscellaneous Income Deductions (426.1-426.5)	340	2,530,501	800,993	
44	TOTAL Other Income Deductions (Enter Total of lines 41 thru 43)		(361,039)	19,154,859	
45	Taxes Applicable to Other Income and Deductions				
46	Taxes Other Than Income Taxes (408.2)	262-263E	30,000	20,007	
47	Income Taxes-Federal (409.2)	262-263E	806,702	(10,481,427)	
48	Income Taxes-Other (409.2)	262-263E	-	-	
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277	0	8,571,925	
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272-277	(3,440,134)	906,482	
51	Investment Tax Credit Adj. - Net (411.5)		-	-	
52	(Less) Investment Tax Credits (420)		-	-	
53	TOTAL Taxes on Other Income & Deductions (Enter Total of 46 - 52)		4,276,836	(2,795,977)	
54	Net Other Income and Deductions (Enter Total of lines 39, 44, 53)		12,831,994	7,264,967	
55	INTEREST CHARGES				
56	Interest on Long-Term Debt (427)		50,623,556	52,734,645	
57	Amort. of Debt Disc. and Expense (428)	258-259	803,662	899,557	
58	Amortization of Loss on Reacquired Debt (428.1)		1,495,119	1,218,954	
59	(Less) Amort. of Premium on Debt-Credit (429)	258-259	93,750	165,000	
60	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		-	-	
61	Interest on Debt to Assoc. Companies (430)	340	1,525,856	972,746	
62	Other Interest Expense (431)	340	5,329,518	3,111,607	
63	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		1,466,969	1,088,759	
64	Net Interest Charges (Enter Total of 56 thru 63)		58,216,992	57,683,750	
65	Income Before Extraordinary Items (Enter Total of lines 25, 54, and 64)		19,141,585	38,196,679	
66	EXTRAORDINARY ITEMS				
67	Extraordinary Income (434)		-	-	
68	(Less) Extraordinary Deductions (435)		-	-	
69	Net Extraordinary Items (Enter Total of line 67 less line 68)		-	-	
70	Income Taxes-Federal and Other (409.3)	262-263E	-	-	
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		-	-	
72	Net Income (Enter Total of lines 65 and 71)		\$19,141,585	\$38,196,679	

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## RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284.

2. The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on this page. In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on this page, then provide the additional information requested in instruction #3, on a separate page.

3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on this page. (b) Identify all contra accounts (other than accounts 190 and 281-284). (c) Identify the company's regulatory authority to utilize a contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Line No.		Electric Utility	Gas Utility
1			
2	Debits to Account 410 from:		
3			
4	Account 190		(\$21,109,490)
5	Account 281		0
6	Account 282		641,837
7	Account 283		47,388,073
8	Account 284		0
9	Reconciling Adjustments		0
10	Total Account 410.1 (on pages 114-15 line 16)		\$26,920,420
11	Total Account 410.2 (on pages 117 line 49)		
12			
13			
14	Credits to Account 411 from:		
15			
16	Account 190		\$20,560,879
17	Account 281		0
18	Account 282		(20,492,073)
19	Account 283		(4,954,358)
20	Account 284		0
21	Reconciling Adjustments A/C 186-96		0
22	Total Account 411.1 (on pages 114-15 line 17)		(\$4,885,552)
23	Total Account 411.2 (on page 117 line 50)		
24			
25			
26	Net ITC Adjustment		
27			
28	ITC Utilized for the Year DR		\$0
29	ITC Amortized for the Year CR		(1,833,819)
30	ITC Adjustments:		
31	Adjust last year's estimate to actual per		0
32	filed return		0
33	Other (specify) Paysop Credit A/C 411-41		0
34	Net Reconciling Adjustments Account 411.4*		(\$1,833,819)
35	Net Reconciling Adjustments Account 411.5**		
36	Net Reconciling Adjustments Account 420***		

\* on pages 114-15 line 18

\*\* on page 117 line 51

\*\*\* on page 117 line 52



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
STATEMENT OF RETAINED EARNINGS FOR THE YEAR			
<p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first account 439, Adjustments to Retained Earnings reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> <p>5. Show dividends for each class and series of capital stock. Show amounts of dividends per share.</p> <p>6. Show separately the state and federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.</p>			
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		\$387,015,908
2	Changes (Identify by prescribed retained earnings accounts)		0
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	TOTAL Credits to Retained Earnings (Account 439)		0
9	Debit:		0
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (Account 439)		0
14	Balance Transferred from Income (Account 433 less Account 418.1)		13,720,788
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		0
22	Dividends Declared - Preferred Stock (Account 437)		
23	Redeemable Cumulative Preferred Stock - \$2.05 - Series		0
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)					
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)		
29	Dividends Declared - Common Stock (Account 438)				
30	Cash (Note)		50,000,000		
31	Non-Cash				
32					
33	(Note) As a wholly owned subsidiary of MCN Corporation dividends				
34	were not declared on a per share basis.				
35	TOTAL Dividends Declared - Common Stock (Account 438)		50,000,000		
36	Transfers from Acct. 216.1, Unappropriated Undistrib. Subsidiary Earnings		0		
37	Balance - End of Year (Enter Total of lines 1 thru 36)		\$350,736,696		
APPROPRIATED RETAINED EARNINGS (Account 215)					
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated earnings during the year.					
38					
39					
40					
41					
42					
43	TOTAL Appropriated Retained Earnings (Account 215)		0		
APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)					
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.					
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)		0		
45	TOTAL Appropriated Retained Earnings (Accounts 215,215.1)		0		
46	TOTAL Retained Earnings (Account 215,215.1,216)		0		
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)					
47	Balance - Beginning of Year (Debit or Credit)		(\$8,718,460)		
48	Equity in Earnings for Year (Credit) (Account 418.1)		(5,420,798)		
49	(Less) Dividends Received (Debit)		0		
50	Other Changes (Explain) (below)		0		
51	Balance - End of Year ( Enter Total of lines 47 thru 50)		(\$14,139,258)		



## STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be attached to page 122. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 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 page 122 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)	\$19,141,585
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	111,981,581
5	Amortization of (Specify)	
6		
7		
8	Deferred Income Taxes (Net)	34,414,197
9	Investment Tax Credit Adjustment (Net)	(1,833,819)
10	Net (Increase) Decrease in Receivables	(36,220,350)
11	Net (Increase) Decrease in Inventory	27,859,101
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	48,578,100
14	Net (Increase) Decrease in Other Regulatory Assets	3,661,800
15	Net Increase (Decrease) in Other Regulatory Liabilities	(3,661,800)
16	(Less) Allowance for Other Funds Used During Construction	1,654,240
17	(Less) Undistributed Earnings from Subsidiary Companies	5,536,260
18	Other:	
19	Other Investments	(1,444,947)
20	Other Current and Deferred Assets and Liabilities	(52,975,067)
21	Loss/(Gain) of the Disposition of Property and Subsidiary Investments	0
22	Stock and Debt Expense Amortization	(221,793)
23		
24	Net Cash Provided by (Used in) Operating Activities:	
25	(Total of lines 2 thru 22)	\$142,088,088
26		
27	Cash Flows from Investment Activities:	
28	Construction and Acquisition of Plant (including land):	
29	Gross Additions to Utility Plant (less nuclear fuel)	(106,543,095)
30	Gross Additions to Nuclear Fuel	
31	Gross Additions to Common Utility Plant	
32	Gross Additions to Nonutility Plant	(2,625)
33	(Less) Allowance for Other Funds Used During Construction	(1,654,240)
34	Other:	
35	Net Property Retirements	(8,847,720)
36		
37	Cash Outflows for Plant (Total of lines 28 thru 36)	(113,739,200)
38		
39	Acquisition of Other Noncurrent Assets (d)	
40	Proceeds from Disposal of Noncurrent Assets (d)	3,778,025
41		
42	Investment in & Advances to Assoc. and Subsidiary Companies	0
43	Contributions & Advances from Assoc. and Subsidiary Companies	
44	Disposition of Investments in (and Advances to)	
45	Associated and Subsidiary Companies	
46		
47	Purchase of Investment Securities (a)	
48	Proceeds from Sales of Investment Securities (a)	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
STATEMENT OF CASH FLOWS (Continued)			
4.	Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant costs on page 122.		
5.	Codes used:		
	(a) Net proceeds or payments.		
	(b) Bonds, debentures and other long-term debt.		
	(c) Include commercial paper.		
	(d) Identify separately such items as investments, fixed assets, intangibles, etc.		
6.	Enter on page 122 clarifications and explanations.		
Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)	
49	Loans Made or Purchased		
50	Collections on Loans		
51			
52	Net (Increase) Decrease in Receivables	(412,617)	
53	Net (Increase) Decrease in Inventory		
54	Net (Increase) Decrease in Allowances Held for Speculation		
55	Net Increase (Decrease) in Payables and Accrued Expenses	5,689,377	
56	Other:		
57	Other		
58			
59			
60			
61	Net Cash Provided by (Used in) Investing Activities		
62	(Total of lines 36 thru 55)	(104,684,414)	
63			
64	Cash Flows from Financing Activities:		
65	Proceeds from Issuance of:		
66	Long-Term Debt (b)	119,512,800	
67	Preferred Stock		
68	Common Stock		
69	Other:		
70	Other		
71	Net Increase in Short-Term Debt (c)	50,556	
72	Other:		
73	Equity Investment	0	
74			
75	Cash Provided by Outside Sources (Total of lines 66 thru 73)	119,563,356	
76			
77	Payments for Retirement of:		
78	Long-Term Debt (b)	(107,790,642)	
79	Preferred Stock		
80	Common Stock		
81	Other:		
82	Other	0	
83	Net Decrease in Short-Term Debt (c)		
84	Dividends on Preferred Stock		
85	Dividends on Common Stock	(50,000,000)	
86	Net Cash Provided by (Used in) Financing Activities		
87	(Total of lines 75 thru 85)	(36,227,286)	
88			
89	Net Increase (Decrease) in Cash and Cash Equivalents		
90	(Total of lines 24, 61, 87)	(5823,612)	
91			
92	Cash and Cash Equivalents at Beginning of Year	1,148,499	
93			
94	Cash and Cash Equivalents at End of Year	\$324,887	



MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME , AND HEDGING ACTIVITIES						
Line No.	Other Cash Flow Hedges (Specify) (f)	Other Cash Flow Hedges (Specify)* (g)	Totals for each category of items Account 219 (h)	Net Income (Carried Forward from Page 117, Line 72) (i)	Total Comprehensive Income (j)	
1		-	(1,898,118)			
2						
3		92,957	1,702,469			
4		92,957	1,702,469	38,196,679	39,899,148	
5		92,957	(195,649)			
6						
7		(1,438,550)	(1,246,740)			
8		(1,438,550)	(1,246,740)	19,141,585	\$17,894,845	
9		(1,345,593)	(1,442,389)			
	*Cash flow hedge related to debt issuance					

## NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform Systems of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be attached hereto.

## A. Cash Flow Statement

## 1. Cash And Cash Equivalents (Lines 92 and 94)

	2004	2003
Cash (131)	\$324,887	\$1,245,680
Working Funds (135)	0	(97,181)
Temporary Cash Investments (136)	0	0
Total Cash and Cash Equivalents	<u>\$324,887</u>	<u>\$1,148,499</u>

Interest Paid (Net of amount capitalized)	\$56,620,545	\$56,836,993
Income Taxes Paid	\$73,287,501	(\$26,685,088)

## 3. Reconciliation of Capital Leases

	2004	2003
Leases Capitalized		
Property Under Capital Leases (101-10)	\$5,232,322	\$5,232,322
Accumulated Amortization of		
Capital Leases (101-11)	(4,617,050)	(4,153,408)
Total Leases Capitalized	<u>\$615,272</u>	<u>\$1,078,914</u>

Obligations Under Capital Leases		
Capital Leases - Non-Current (227-10)	\$111,601	\$615,473
Capital Leases - Current Included in (227-10)		
Capital Leases - Current (243-10)	503,672	463,442
Total Obligations Under Capital Leases	<u>\$615,273</u>	<u>\$1,078,915</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

B. These financial statements were prepared in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in the applicable Uniform System of Accounts and published releases. Such requirements and published releases constitute a basis of accounting other than generally accepted accounting principles. The principal differences of this basis of accounting from generally accepted accounting principles include accounting for majority-owned subsidiaries on the equity basis, the classification of certain deferred income taxes and related regulatory assets and liabilities, and the exclusion of current maturities of long-term debt from current liabilities.

The "Notes to the Consolidated Financial Statements" from MichCon's 2004 Annual Report on Form 10K are filed within this report on pages 123.1 through 123.25.

1. The consolidation policy discussed in Note 1, Significant Accounting Policies, on page 123.1 of the incorporated notes is not applicable for this report as MichCon's subsidiaries are accounted for using the equity method of accounting for the purpose of this report.
2. The application of SFAS 133 is discussed in Note 8, Financial and Other Derivative Instruments, on pages 123.13 to 123.14 of the incorporated notes. During 2002, MichCon had interest rate swap derivatives that arose out of interest rate swap contracts that the company uses to manage its interest rate risk exposure. These derivative instruments did not qualify for hedge accounting treatment as defined in SFAS 133. MichCon recorded the derivative instrument at fair value within "Other Deferred Assets or Liabilities". Unrealized gains or losses from marking to market these swap derivatives were recognized as an adjustment to interest expense. Specifically, the interest rate swap derivative was terminated in August 2003.

#### Accounting for the Guardian Building

In 2003, MichCon recorded a \$17 million loss in the MPSC Form P-522 from the sale of the Guardian Building, which was its former headquarters prior to the merger with DTE Energy. The loss recorded in the 2003 Annual Report on Form 10-K was \$3 million.

MichCon recorded a \$5 million and \$33 million pre-tax impairment loss in its 2003 and 2002 Annual Report on Form 10-K, respectively, to comply with Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. This statement requires that "assets held for sale" shall be measured at the lower of its carrying amount or fair value less costs to sell.

The concept of "assets held for sale" is not recognized in the Michigan Public Service Commission (MPSC) Uniform System of Accounts. Utility property is either treated as sold or recognized as a retirement. Since the Guardian Building had been neither sold nor retired at the time of impairment, MichCon reversed previously recorded impairment, and recorded a loss in conjunction with the sale of the Guardian Building in 2003. The appropriateness of this accounting was reviewed with the MPSC Staff, who indicated they have no objection to the treatment of the Guardian Building as an unimpaired asset. Also, MichCon did retire certain assets related to the Guardian Building that were deemed to no longer be used or useful.

Therefore, the net loss reported in 2003 by MichCon for regulatory purposes will differ from generally accepted accounting principles based on different net book values used to calculate loss on sale.

**MICHIGAN CONSOLIDATED GAS COMPANY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1– SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Structure**

Michigan Consolidated Gas Company (MichCon) is a public utility engaged in the purchase, storage, transmission, distribution and sale of natural gas in the State of Michigan. MichCon is subject to the accounting requirements of and rate regulation by the Michigan Public Service Commission (MPSC) with respect to the distribution and intrastate transportation of natural gas. The major services provided by MichCon are gas sales, end user transportation and intermediate transportation. MichCon serves more than 1.2 million residential, commercial and industrial customers throughout Michigan. MichCon's non-regulated operations are not significant. MichCon is an indirect, wholly owned subsidiary of DTE Enterprises Inc. (Enterprises), an exempt holding company under the Public Utility Holding Company Act of 1935. Enterprises is a wholly owned subsidiary of DTE Energy Company (DTE Energy).

References in this report to “we,” “us,” and “our” are to MichCon.

**Principles of Consolidation**

We consolidate all majority owned subsidiaries and investments in entities in which we have controlling influence. Non-majority owned investments are accounted for using the equity method when the Company is able to influence the operating policies of the investee. Non-majority owned investments include investments in limited liability companies, partnerships or joint ventures. When we do not influence the operating policies of an investee, the cost method is used. We eliminate all intercompany balances and transactions.

For entities that are considered variable interest entities, we apply the provisions of Financial Accounting Standards Board (FASB) Interpretation No. (FIN) 46-R, “*Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51.*” For a detailed discussion of FIN 46-R see Note 2 – New Accounting Pronouncements.

**Basis of Presentation**

The accompanying consolidated financial statements are prepared using accounting principles generally accepted in the United States of America. These generally accepted accounting principles require us to use estimates and assumptions that impact reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results may differ from our estimates.

We reclassified certain prior year balances to match the current year's financial statement presentation.

**Revenues and Cost of Gas**

Revenues from the transportation and storage of natural gas are recognized as services are provided. We record revenues for gas services provided but unbilled at the end of each month.

Our accrued revenues include a component for the cost of gas sold that is recoverable through the Gas Cost Recovery (GCR) mechanism. Annual GCR proceedings before the MPSC permit MichCon to recover prudent and reasonable supply costs. Any overcollection or undercollection of costs, including interest, will be reflected in future rates.

### Comprehensive Income

We comply with Statement of Financial Accounting Standards (SFAS) No. 130, "*Reporting Comprehensive Income*," that established standards for reporting comprehensive income. SFAS No. 130 defines comprehensive income as the change in common shareholders' equity during a period from transactions and events from non-owner sources, including net income. As shown in the following table, amounts recorded to other comprehensive income at December 31, 2004 include unrealized gains and losses from derivatives accounted for as cash flow hedges under SFAS No. 133, "*Accounting for Derivative Instruments and Hedging Activities*."

(in Millions)	Net Unrealized Losses on Derivatives	Accumulated Other Comprehensive Loss
Beginning balance.....	\$ -	\$ -
Current - period change.....	(1)	(1)
Ending balance.....	<u>\$ (1)</u>	<u>\$ (1)</u>

### Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and temporary investments purchased with remaining maturities of three months or less.

### Inventories

Materials and supplies are valued at average cost. Gas inventory is determined using the last-in, first-out (LIFO) method. At December 31, 2004, the replacement cost of gas remaining in storage exceeded the \$89 million LIFO cost by \$330 million. At December 31, 2003, the replacement cost of gas remaining in storage exceeded the \$117 million LIFO cost by \$251 million. During 2004, MichCon liquidated 5.7 billion cubic feet of prior years' LIFO layers. The liquidation benefited 2004 cost of gas by approximately \$7 million, but had no impact on earnings as a result of the GCR mechanism.

### Property, Retirement and Maintenance, and Depreciation and Depletion

Property is stated at cost and includes construction-related labor, materials, overheads and an "allowance for fund used during construction" (AFUDC). The cost of properties retired, less salvage are charged to accumulated depreciation. Expenditures for maintenance and repairs are charged to expense when incurred.

We base depreciation provisions on straight-line and units of production rates approved by the MPSC. Unit of production depreciation and depletion is used for certain production and transmission property. Our composite depreciation rate was 3.6% in 2004, 3.5% in 2003 and



3.6% in 2002.

The average estimated useful life for gas distribution and transmission property was 26 years and 28 years, respectively, at December 31, 2004.

### **Long-Lived Assets**

Long-lived assets that we own are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the carrying amount of the asset exceeds the expected future cash flows generated by the asset, an impairment loss is recognized resulting in the asset being written down to its estimated fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell.

### **Intangible Assets, Including Software Costs**

Our intangible assets consist primarily of software. We capitalize the costs associated with computer software we develop or obtain for use in our business. We amortize intangible assets on a straight-line basis over expected periods of benefit. Intangible assets amortization expense was \$10 million in 2004, \$9 million in 2003 and \$10 million in 2002. The gross carrying amount and accumulated amortization of intangible assets at December 31, 2004 were \$162 million and \$55 million, respectively. The gross carrying amount and accumulated amortization of intangible assets at December 31, 2003 were \$161 million and \$50 million, respectively. Amortization expense of intangible assets is estimated to be \$10 million annually for 2005 through 2009.

### **Excise and Sales Taxes**

We record the billing of excise and sales taxes as receivable with an offsetting payable to the applicable taxing authority, with no impact on the consolidated statement of operations.

### **Deferred Debt Costs**

The costs related to the issuance of long-term debt are deferred and amortized over the life of each debt issue. In accordance with MPSC regulations, the unamortized discount, premium and expense related to debt redeemed with a refinancing are amortized over the life of the replacement issue.

### **Insured and Uninsured Risks**

We have a comprehensive insurance program in place to provide coverage for various types of risks. Our insurance policies cover risk of loss from various events, including property damage, general liability, workers' compensation, auto liability and officers' liability.

Under our risk management policy, we self-insure portions of certain risks up to specified limits, depending on the type of exposure. We periodically review our insurance coverage. During 2003, we reviewed our process for estimating and recognizing reserves for self-insured risks. As a result of this review, we revised the process for estimating liabilities under our self-insured layers to include an actuarially determined estimate of "incurred but not reported" (IBNR) claims. We have an actuarially determined estimate of our IBNR liability prepared annually and adjust the related reserve as appropriate.

## Investments in Debt and Equity Securities

We generally classify investments in debt and equity securities as trading and have recorded such investments at market value with unrealized gains or losses included in earnings.

See the following notes for other accounting policies impacting our financial statements:

Note	Title
2	New Accounting Pronouncements
3	Regulatory Matters
4	Income Taxes
8	Financial and Other Derivative Instruments
10	Retirement Benefits and Trusteed Assets

## NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS

### Asset Retirement Obligations

On January 1, 2003, we adopted SFAS No. 143, “*Accounting for Asset Retirement Obligations*,” which requires the fair value of an asset retirement obligation be recognized in the period in which it is incurred. We believe that adoption of SFAS No. 143 results primarily in timing differences in the recognition of legal asset retirement costs that we are currently recovering in rates and are deferring such differences under SFAS No. 71, “*Accounting for the Effects of Certain Types of Regulation*.”

If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, such as assets with an indeterminate life, the liability is to be recognized when a reasonable estimate of fair value can be made. Generally, distribution assets have an indeterminate life, retirement cash flows cannot be determined and there is a low probability of retirement, therefore no liability has been recorded for these assets. The adoption of SFAS No. 143 had an immaterial impact on the consolidated financial statements.

A reconciliation of the asset retirement obligation for 2004 follows:

(in Millions)		
Asset retirement obligations at January 1, 2004 .....	\$	5
Accretion .....		-
Liabilities settled .....		(-)
Asset retirement obligations at December 31, 2004 .....	\$	5

SFAS No. 143 also requires the quantification of the estimated cost of removal obligations, arising from other than legal obligations, which have been accrued through depreciation charges. At December 31, 2003, we reclassified approximately \$417 million of previously accrued asset removal costs, which had been previously netted against accumulated depreciation to regulatory liabilities. There is a generic case before the MPSC to determine the accounting and regulatory treatment of removal costs for Michigan utilities.

### Consolidation of Variable Interest Entities

In January 2003, FASB Interpretation No. (FIN) 46, "*Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin (ARB) No. 51*," was issued and requires an investor with a majority of the variable interests (primary beneficiary) in a variable interest entity to consolidate the assets, liabilities and results of operations of the entity. A variable interest entity is an entity in which the equity investors do not have controlling interests, the equity investment at risk is insufficient to finance the entity's activities without receiving additional subordinated financial support from other parties, or equity investors do not share proportionally in gains or losses.

In October 2003 and December 2003, the FASB issued Staff Position No. FIN 46-6 and FIN 46-Revised (FIN 46-R), respectively, which clarified and replaced FIN 46 and also provided for the deferral of the effective date of FIN 46 for certain variable interest entities. We have evaluated all of our equity and non-equity interests and have adopted all current provisions of FIN 46-R. The adoption of FIN 46-R did not have a material effect on our financial statements.

### **Medicare Act Accounting**

In December 2003, the "*Medicare Prescription Drug, Improvement and Modernization Act of 2003*" (Medicare Act) was signed into law. The Medicare Act provides for a non-taxable federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least "actuarially equivalent" to the benefit established by law. We elected at that time to defer the provisions of the Medicare Act, and its impact on our accumulated postretirement benefit obligation and net periodic postretirement benefit cost, pending the issuance of specific authoritative accounting guidance by the FASB.

In May 2004, FASB Staff Position (FSP) No. 106-2 was issued on accounting for the effects of the Medicare Act. The guidance in this FSP is applicable to sponsors of single-employer defined benefit postretirement health care plans for which (a) the employer has concluded the prescription drug benefits available under the plan to some or all participants are "actuarially equivalent" to Medicare Part D and thus qualify for the subsidy under the Medicare Act and (b) the expected subsidy will offset or reduce the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based. We believe we qualify for the subsidy under the Medicare Act and the expected subsidy will partially offset our share of the cost of postretirement prescription drug coverage.

In June 2004, we adopted FSP No. 106-2, retroactive to January 1, 2004. As a result of the adoption, our accumulated postretirement benefit obligation for the subsidy related to benefits attributed to past service was reduced by approximately \$24 million and was accounted for as an actuarial gain. The effects of the subsidy reduced net postretirement costs by \$3 million in 2004.

## NOTE 3 - REGULATORY MATTERS

### Regulation

We are subject to the regulatory jurisdiction of the MPSC, which issues orders pertaining to rates, recovery of certain costs, including the costs of regulatory assets, conditions of service, accounting and operating-related matters.

### Regulatory Assets and Liabilities

We apply the provisions of SFAS No. 71, "*Accounting for the Effects of Certain Types of Regulation*." SFAS No. 71 requires the recording of regulatory assets and liabilities for certain transactions that would have been treated as revenue and expense in non-regulated businesses. Continued applicability of SFAS No. 71 requires that rates be designed to recover specific costs of providing regulated services and be charged to and collected from customers. Future regulatory changes or changes in the competitive environment could result in the Company discontinuing the application of SFAS No. 71 for some or all of its business and require the write-off of the portion of any regulatory asset or liability that was no longer probable of recovery through regulated rates. Management believes that currently available facts support the continued application of SFAS No. 71.

The following are the balances of the regulatory assets and liabilities as of December 31:

(in Millions)	2004	2003
<b>Assets</b>		
Deferred environmental costs .....	\$ 29	\$ 27
Unamortized loss on reacquired debt.....	34	32
Accrued GCR revenue .....	55	19
Recoverable minimum pension liability .....	1	2
	<u>119</u>	<u>80</u>
Less amount included in current assets.....	(55)	(19)
	<u>\$ 64</u>	<u>\$ 61</u>
<b>Liabilities</b>		
Asset removal costs .....	\$ 429	\$ 417
Refundable income taxes.....	135	146
Accrued GCR potential disallowance .....	28	26
Other.....	2	3
	<u>594</u>	<u>592</u>
Less amount included in current liabilities and other liabilities.....	(30)	(29)
	<u>\$ 564</u>	<u>\$ 563</u>

### ASSETS

- *Deferred environmental costs* — The MPSC approved the deferral and recovery of investigation and remediation costs associated with former manufactured gas plant sites.
- *Unamortized loss on reacquired debt* — The unamortized discount, premium and expense related to debt redeemed with a refinancing are deferred, amortized and recovered over the life of the replacement issue.

- *Accrued GCR revenue* — Receivable for the temporary under-recovery of and a return on gas costs incurred by MichCon which are recoverable through the GCR mechanism.
- *Recoverable minimum pension liability* — An additional minimum pension liability was recorded under generally accepted accounting principles due to the current under funded status of certain pension plans. The traditional rate setting process allows for the recovery of pension costs as measured by generally accepted accounting principles. Accordingly, the minimum pension liability associated with utility operations is recoverable. See Note 10.

## LIABILITIES

- *Asset removal costs* — The amount collected from customers for the funding of future asset removal activities.
- *Refundable income taxes* — Income taxes refundable to MichCon's customers representing the difference in property-related deferred income taxes payable and amounts recognized pursuant to MPSC authorization.
- *Accrued GCR potential disallowance* — Potential refund resulting from an MPSC order in MichCon's 2002 GCR plan case that required MichCon to reduce revenues in the calculation of its 2002 GCR expense.

## Gas Rate Case

*Rate Request* - In September 2003, MichCon filed an application with the MPSC for an increase in service and distribution charges (base rates) for its gas sales and transportation customers. The filing requests an overall increase in base rates of \$194 million per year (approximately 7% increase, inclusive of gas costs), beginning January 1, 2005. MichCon requested that the MPSC increase base rates by \$154 million per year on an interim basis by April 1, 2004.

*MPSC Interim Rate Order* - In September 2004, the MPSC issued an order granting interim rate relief to MichCon in the amount of \$35 million. The interim rate order was based on a 50% debt and 50% equity capital structure, and an 11.5% rate of return on common equity. Amounts collected are subject to a potential refund pending a final order in this rate case.

*MPSC Staff Recommendation on Final Rate Relief* - The Staff has recommended a \$76 million increase in base rates compared to MichCon's requested base rate relief of \$194 million. The Staff also supports a provision, proposed by MichCon, that would allow MichCon to recover or refund 90% of uncollectible accounts receivables expense above or below the amount that is reflected in base rates. In addition, the Staff proposed a 50% debt and 50% equity capital structure utilizing a reduced rate of return on common equity of 11%. MichCon's current allowed rate of return on common equity is 11.5%.

*MPSC Proposal for Decision (PFD)* - The Administrative Law Judge (ALJ) issued a PFD on MichCon's rate request on December 10, 2004. The PFD provides for an increase in base rates of \$60 million. The PFD supports the Staff's recommendations for capital structure, rate of return on common equity and for the proposed reconciliation of uncollectible accounts receivables. MichCon expects a final order in the first quarter of 2005.

## Gas Industry Restructuring

In December 2001, the MPSC approved MichCon's application for a voluntary, expanded permanent gas Customer Choice program, which replaced the experimental program that expired in March 2002. The number of customers eligible to participate in the gas Customer Choice

program increased over a three-year period. Effective April 2004, all of MichCon's 1.2 million customers could elect to participate in the Customer Choice program thereby purchasing their gas from suppliers other than MichCon. The MPSC also approved the use of deferred accounting for the recovery of implementation costs of the gas Customer Choice program. As of December 2004, approximately 111,000 customers are participating in the gas Customer Choice program.

### **Gas Cost Recovery Proceedings**

*2002 Plan Year* - In December 2001, the MPSC issued an order that permitted MichCon to implement GCR factors up to \$3.62 per thousand cubic feet (Mcf) for January 2002 billings and up to \$4.38 per Mcf for the remainder of 2002. The order also allowed MichCon to recognize a regulatory asset of approximately \$14 million representing the difference between the \$4.38 factor and the \$3.62 factor for volumes that were unbilled at December 31, 2001. The regulatory asset is subject to the 2002 GCR reconciliation process. In March 2003, the MPSC issued an order in MichCon's 2002 GCR plan case. The MPSC ordered MichCon to reduce its gas cost recovery expenses by \$26.5 million for purposes of calculating the 2002 GCR factor due to MichCon's decision to utilize storage gas during 2001 that resulted in a gas inventory decrement for the 2001 calendar year.

Although we recorded a \$26.5 million reserve in 2002 to reflect the impact of this order, a final determination of actual 2002 revenue and expenses including any disallowances or adjustment, will be decided in MichCon's 2002 GCR reconciliation case that was filed with the MPSC in February 2003. The Staff and various intervening parties in this proceeding are seeking to have the MPSC disallow an additional \$26 million, representing unbilled revenues at December 2001. One party has also proposed the disallowance of half of an \$8 million payment made to settle Enron bankruptcy issues. The other parties to the case have recommended that the Enron bankruptcy settlement be addressed in the 2003 GCR reconciliation case. An MPSC Administrative Law Judge has recommended disallowances of \$26.5 million related to the use of storage gas in 2001 and \$26 million related to the December 2001 unbilled issue, and recommended that the \$8 million related to the Enron issue be addressed in the 2003 GCR reconciliation case. We have included this item in our testimony in the 2003 GCR reconciliation filed in February 2004. The Staff has recommended that MichCon be allowed to recover the entire \$8 million related to the Enron issue. A final order in this proceeding is expected in 2005. In addition, we filed an appeal of the March 2003 MPSC order with the Michigan Court of Appeals. In November 2004, the Michigan Court of Appeals denied the appeal.

*2003 Plan Year* - In July 2003, the MPSC approved an increase in MichCon's 2003 GCR rate to a maximum of \$5.75 per Mcf for the billing months of August 2003 through December 2003. MichCon's 2003 GCR reconciliation case was filed with the MPSC in February 2004. In November 2004, the ALJ issued a PFD in the 2003 reconciliation case. The ALJ recommended that MichCon recover the full \$8 million related to the Enron issue since MichCon had reason to believe at that time that cancellation of the contract was in the best interests of customers and since customers ultimately realized a benefit from the cancellation. The ALJ agreed with the MPSC Staff that a \$2 million accounting adjustment related to exchange gas be disallowed.

*2004 Plan Year* - In September 2003, MichCon filed its 2004 GCR plan case proposing a maximum GCR factor of \$5.36 per Mcf. MichCon agreed to switch from a calendar year to an operational year as a condition of its settlement in the 2003 GCR plan case. The operational GCR year would run from April to March of the following year. To accomplish the switch, the 2004 GCR plan case reflects a 15-month transitional period, January 2004 through March 2005. Under the transition proposal, MichCon would file two reconciliations pertaining to the transition

period; one addressing the January 2004 to March 2004 period, the other addressing the remaining April 2004 to March 2005 period. The plan also proposes a quarterly GCR ceiling price adjustment mechanism. This mechanism allows MichCon to increase the maximum GCR factor to compensate for increases in market prices, thereby reducing the possibility of a GCR under recovery. Due to the sustained increase in market prices for natural gas, in June 2004 the MPSC approved a temporary increase in the maximum GCR factor and a contingent factor which resulted in a new temporary maximum factor of \$6.62 per Mcf, effective from July 1, 2004 until the MPSC issues its final order in this case. As of December 31, 2004, MichCon has accrued a \$55 million regulatory asset representing the under-recovery of actual gas costs incurred in 2004, and the 2003 and 2002 GCR under-recovery.

*2005-2006 Plan Year* - In December 2004, MichCon filed its 2005-2006 GCR plan case proposing a maximum GCR factor of \$7.99 per Mcf. The plan includes a quarterly GCR ceiling price adjustment mechanism. This mechanism allows MichCon to increase the maximum GCR factor to compensate for increases in market prices, thereby reducing the possibility of a GCR under recovery.

### Other

We are unable to predict the outcome of the regulatory matters discussed herein. Resolution of these matters is dependent upon future MPSC orders, which may materially impact the financial position, results of operations and cash flows of the Company.

### NOTE 4 - INCOME TAXES

We are part of the consolidated federal income tax return of DTE Energy. Our federal income tax expense is determined on an individual company basis with no allocation of tax benefits or expenses from other affiliates of DTE Energy.

Total income tax expense (benefit) varied from the statutory federal income tax rate for the following reasons:

(Dollars in Millions)	2004	2003	2002
Effective federal income tax rate.....	<u>(98.3)%</u>	<u>16.5%</u>	<u>37.2%</u>
Statutory federal income taxes at a rate of 35%.....	\$ 3	\$ 19	\$ 11
Investment tax credit .....	(1)	(1)	(2)
Depreciation .....	(7)	(7)	(1)
Grantor Trust .....	-	(1)	(1)
Employee Stock Ownership Plan Dividends.....	(1)	(2)	(1)
Medicare Benefits.....	(1)	-	-
Other, net.....	(2)	1	6
Total .....	<u>\$ (9)</u>	<u>\$ 9</u>	<u>\$ 12</u>

Components of income tax expense (benefit) were as follows:

(in Millions)	2004	2003	2002
Current federal and other income tax expense (benefit).....	\$ (44)	\$ 8	\$ 9
Deferred federal and other income tax expense.....	35	1	3
Total .....	<u>\$ (9)</u>	<u>\$ 9</u>	<u>\$ 12</u>

Deferred tax assets and liabilities are recognized for the estimated future tax effect of temporary differences between the tax basis of assets or liabilities and the reported amounts in the financial statements. Deferred tax assets and liabilities are classified as current or noncurrent according to the classification of the related assets or liabilities. Deferred tax assets and liabilities not related to assets or liabilities are classified according to the expected reversal date of the temporary differences.

Deferred income tax assets (liabilities) were comprised of the following at December 31:

(in Millions)	2004	2003
Property.....	\$ (90)	\$ (63)
Employee benefits.....	(65)	(53)
Other, net.....	(16)	(8)
	<u>\$ (171)</u>	<u>\$ (124)</u>
Deferred income tax liabilities.....	\$ (483)	\$ (398)
Deferred income tax assets .....	312	274
	<u>\$ (171)</u>	<u>\$ (124)</u>

The Internal Revenue Service is currently conducting audits of MichCon for the years 1999 through 2001. The Company accrues tax and interest related to tax uncertainties that arise due to actual or potential disagreements with governmental agencies about the tax treatment of specific items. At December 31, 2004, the Company had accrued approximately \$4 million for such uncertainties. We believe that our accrued tax liabilities are adequate for all years.

## NOTE 5 – LONG-TERM DEBT AND PREFERRED SECURITIES

### Long-Term Debt

Our long-term debt outstanding and interest rates of debt outstanding at December 31 were:

(in Millions)	2004	2003
<b>First Mortgage Bonds, interest payable semi-annually</b>		
7.15% series due 2006 .....	\$ 40	\$ 40
7.21% series due 2007 .....	30	30
7.06% series due 2012 .....	40	40
8.25% series due 2014 .....	80	80
<b>Remarketable securities, interest payable semi-annually</b>		
6.45% series due 2038 .....	75	75
<b>Senior notes, interest payable semi-annually</b>		
6.125% series due 2008 .....	200	200
5.0% series due 2019 .....	120	-
5.7% series due 2033 .....	200	200



**Senior notes, interest payable quarterly**

6.85% series due 2038 .....	-	52
6.85% series due 2039 .....	-	55
Other long-term debt .....	-	2
Long-term capital lease obligations .....	-	1
Total	<u>\$ 785</u>	<u>\$ 775</u>

In October 2004, we issued \$120 million of 5.0% senior notes due in 2019. The proceeds will be principally used to redeem the following two issues: \$52 million of 6.85% senior notes due 2038 and \$55 million of 6.85% senior notes due 2039. These securities were called for redemption in November 2004 at a price of 100 percent of the principal amount plus accrued and unpaid interest from September 1, 2004.

In 2003, we redeemed various issues of long-term debt totaling \$192 million. The redeemed debt securities had an average interest rate of 6.8% and were due in 2003 - 2038. We issued \$200 million of 5.7% senior secured notes due 2033.

In 1998, we issued a total of \$150 million of remarketable debt securities with various interest rates. These securities are structured such that the interest rates of the issues can be reset at various remarketing dates over the life of the debt. In June 2003, we redeemed \$75 million of the remarketable securities. The remarketing date on the remaining \$75 million is in June 2008. In the event that a remarketing fails, we would be required to purchase these securities.

Our remarketable securities and senior notes are secured by "fall-away mortgage" debt and, as such, are secured debt as long as our other first mortgage bonds are outstanding and become senior unsecured debt thereafter.

In 2004, we paid \$4 million and terminated a nonrecourse credit agreement for our non-utility subsidiaries.

In 2003, we terminated a variable interest rate swap agreement with notional principal amount of \$40 million issued in connection with our first mortgage bonds.

Substantially all of the net utility property of MichCon is subject to the lien of a Mortgage and Deed of Trust (Mortgage). Should we fail to timely pay our indebtedness under the Mortgage, such failure will create cross defaults in the indebtedness of DTE Energy.

Maturities and sinking fund requirements during the next five years for long-term debt outstanding at December 31, 2004 are \$40 million in 2006, \$30 million in 2007 and \$275 million in 2008. There are no long-term debt maturities due in 2005 and 2009.

**Preferred and Preference Securities – Authorized and Unissued**

At December 31, 2004, MichCon had 7 million shares of preferred stock with a par value of \$1 per share and 4 million shares of preference stock with a par value of \$1 per share authorized, with no shares issued.

**NOTE 6 – SHORT-TERM CREDIT ARRANGEMENTS AND BORROWINGS**

In October 2004, we entered into a \$243.75 million, five-year unsecured revolving credit facility and lowered our existing three-year revolving credit facility from \$162.5 million to \$81.25 million. The five-year facility replaces the October 2003 364-day facility, which expired. The three-year revolving credit facility expires in October 2006. The five- and three-year credit facilities are with a syndicate of banks and may be utilized for general corporate borrowings, but primarily are intended to provide liquidity support for our commercial paper program. Borrowings under the facilities will be available at prevailing short-term interest rates. The agreements require us to maintain a debt to total capitalization ratio of no more than .65 to 1 and an "earnings before interest, taxes, depreciation and amortization" (EBITDA) to interest ratio of no less than 2 to 1. We currently are in compliance with these financial covenants.

At December 31, 2004, we had outstanding commercial paper of \$232 million and other short-term borrowings of \$10 million. As of December 31, 2003, we had outstanding commercial paper of \$232 million and other short-term borrowings of \$3 million.

The weighted average interest rates for short-term borrowings were 2.4% and 1.1% at December 31, 2004 and 2003, respectively.

#### NOTE 7 – CAPITAL AND OPERATING LEASES

*Lessee* - We lease certain property under capital and operating lease arrangements expiring at various dates to 2024. Some leases contain renewal options.

(in Millions)	Operating Leases
2005.....	\$ 3
2006.....	1
2007.....	1
2008.....	-
2009.....	-
Thereafter.....	-
Total minimum lease payments.....	<u>\$ 5</u>

Rental expense for operating leases was \$3 million in 2004 and \$2 million in 2003 and 2002.

*Lessor* - We lease a portion of our pipeline system to the Vector Pipeline Partnership through a capital lease contract that expires in 2020, with renewal options extending for five years. The components of the net investment in the capital lease at December 31, 2004 were as follows:

(in Millions)	\$
2005.....	9
2006.....	9
2007.....	9
2008.....	9
2009.....	9
Thereafter.....	98
Total minimum future lease receipts.....	<u>143</u>
Residual value of leased pipeline.....	40
Less - unearned income.....	<u>(101)</u>
Net investment in direct financing lease.....	82

Less - current portion .....	(1)
	\$ 81

## NOTE 8 – FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS

We comply with SFAS No. 133, “*Accounting for Derivative Instruments and Hedging Activities*.” SFAS No. 133, established accounting and reporting standards for derivative instruments and hedging activities.

Listed below are important SFAS No. 133 requirements:

- All derivative instruments must be recognized as assets or liabilities and measured at fair value, unless they meet the normal purchases and sales exemption.
- The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it is designated as a hedge and qualifies for hedge accounting.
- Special accounting is allowed for a derivative instrument qualifying as a hedge and designated as a hedge for the variability of cash flow associated with a forecasted transaction. Gain or loss associated with the effective portion of the hedge is recorded in other comprehensive income. The ineffective portion is recorded to earnings. Amounts recorded in other comprehensive income will be reclassified to net income when the forecasted transaction affects earnings. If a cash flow hedge is discontinued because it is likely the forecasted transaction will not occur, net gains or losses are immediately recorded to earnings.
- Special accounting is also allowed for a derivative instrument qualifying as a hedge and designated as a hedge of the changes in fair value of an existing asset, liability or firm commitment. Gain or loss on the hedging instrument is recorded into earnings. An offsetting loss or gain on the underlying asset, liability or firm commitment is also recorded to earnings.

Our primary market risk exposure is associated with commodity prices, credit and interest rates. We have risk management policies to monitor and decrease market risks. We use derivative instruments to manage some of the exposure.

### Commodity Price Risk

We purchase, store, transmit and distribute and sell natural gas. We have fixed-priced contracts for portions of our expected gas supply requirements through 2005. These contracts are designated and qualify for the normal purchases and sales exemption and are therefore accounted for under the accrual method. Our commodity price risk is limited due to the GCR mechanism (Note 1).

### Credit Risk

We are exposed to credit risk if our customers or counterparties do not comply with their contractual obligations. We maintain credit policies that significantly minimize overall credit risk. These policies include an evaluation of potential customers’ and counterparties’ financial condition, credit rating, collateral requirements or other credit enhancements such as letters of credit or guarantees. We use standardized agreements that allow the netting of positive and negative transactions associated with a single counterparty.

## Interest Rate Risk

We occasionally use treasury locks and other interest rate derivatives to hedge the risk associated with interest rate market volatility. In 2004, we entered into an interest rate derivative to limit our sensitivity to market interest rate risk associated with the issuance of long-term debt. Such instrument was designated as a cash flow hedge. We subsequently issued long-term debt and terminated the hedge at a cost that is included in other comprehensive loss.

## Fair Value of Financial Instruments

The fair value of financial instruments is determined by using various market data and other valuation techniques. The table below shows the fair value relative to the carrying value for long-term debt securities. The carrying value of certain other financial instruments, such as notes payable, customer deposits and notes receivable approximate fair value and are not shown.

	2004		2003	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Long-Term Debt .....	\$834 million	\$785 million	\$835 million	\$777 million

## NOTE 9 - COMMITMENTS AND CONTINGENCIES

### Environmental Matters

*Contaminated Sites* – Prior to the construction of major interstate natural gas pipelines, gas for heating and other uses was manufactured locally from processes involving coal, coke or oil. We own, or previously owned, 17 such former manufactured gas plant (MGP) sites.

During the mid-1980's, we conducted preliminary environmental investigations at former MGP sites, and some contamination related to the by-products of gas manufacturing was discovered at each site. The existence of these sites and the results of the environmental investigations have been reported to the Michigan Department of Environmental Quality (MDEQ).

We are remediating eight of the former MGP sites and conducting more extensive investigations at four other former MGP sites. We received MDEQ closure of one site and a determination that we are not a responsible party for three other sites. We received closure from the EPA in 2002 for one site.

In 1984, we established a \$12 million reserve for costs associated with environmental investigation and remediation activities. During 1993, we received MPSC approval of a cost deferral and rate recovery mechanism for investigation and remediation costs incurred at former MGP sites in excess of this reserve. We employed outside consultants to evaluate remediation alternatives for these sites, to assist in estimating its potential liabilities and to review its archived insurance policies. As a result of these studies, we recorded an additional liability and a

insurance policies. As a result of these studies, we recorded an additional liability and a corresponding regulatory asset of \$32 million during 1995. In early December 2004, we retained multiple environmental consultants to estimate the projected cost to remediate each MGP facility. The results of the evaluation indicated that the MGP reserve should be set at \$22 million.

During 2004, 2003 and 2002, we spent \$2.3 million, \$1.5 million and \$3.2 million, respectively, investigating and remediating these former MGP sites. At December 31, 2004, the reserve balance was \$21.5 million, of which \$4.5 million was classified as current. Any significant change in assumptions, such as remediation techniques, nature and extent of contamination and regulatory requirements, could impact the estimate of remedial action costs for the sites and, therefore, have an effect on our financial position and cash flows. However, we anticipate the cost deferral and rate recovery mechanism approved by the MPSC will prevent environmental costs from having a material adverse impact on our results of operations.

### **Personal Property Taxes**

Prior to 1999, MichCon and other Michigan utilities asserted that Michigan's valuation tables result in the substantial overvaluation of utility personal property. Valuation tables established by the Michigan State Tax Commission (STC) are used to determine the taxable value of personal property based on the property's age. In November 1999, the STC approved new valuation tables that more accurately recognize the value of a utility's personal property. The new tables became effective in 2000 and are currently used to calculate property tax expense. However, several local taxing jurisdictions have taken legal action attempting to prevent the STC from implementing the new valuation tables and have continued to prepare assessments based on the superseded tables. The legal actions regarding the appropriateness of the new tables were before the Michigan Tax Tribunal (MTT) which, in April 2002, issued its decision essentially affirming the validity of the STC's new tables. In June 2002, petitioners in the case filed an appeal of the MTT's decision with the Michigan Court of Appeals. In January 2004, the Michigan Court of Appeals upheld the validity of the new tables. With no further appeal by the petitioners available, the MTT began to schedule utility personal property valuation cases for Prehearing General Calls. MichCon has filed motions and the MTT agreed to place their cases in abeyance pending the conclusion of settlement negotiations being conducted by State of Michigan Treasury officials. On February 14, 2005, MTT issued a scheduling order that lifts the prior abeyances in a significant number of our appeals. The scheduling order sets litigation calendars for these cases extending into mid-2006.

We continue to record property tax expense based on the new tables. We will continue through settlement or litigation to seek to apply the new tables retroactively and to ultimately resolve the pending tax appeals related to 1997 through 1999. This is a solution supported by the STC in the past. To the extent that settlements cannot be achieved with the jurisdictions, litigation regarding the valuation of utility property will delay any recoveries by MichCon.

### **Other Commitments**

At December 31, 2004, we have entered into numerous long-term purchase commitments relating to a variety of goods and services required for our business. These agreements primarily consist of long-term gas purchase and transportation agreements. We estimate that these commitments will be approximately \$1.1 billion through 2011. We also estimate that our 2005 base level capital expenditures will be approximately \$115 million. We have made certain commitments in connection with such expected capital expenditures.

### **Bankruptcies**

We sell gas to numerous companies operating in the steel, automotive, energy and retail industries. A number of customers have filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. We have negotiated or are currently involved in negotiations with each of the companies, or their successor companies, that have filed for bankruptcy protection. We regularly review contingent matters relating to sale contracts and record provisions for amounts considered probable of loss. We believe our previously accrued amounts are adequate for probable losses. The final resolution of these matters is not expected to have a material effect on our financial statements in the period they are resolved.

#### **Other**

We are involved in certain legal, regulatory, administrative and environmental proceedings before various courts, arbitration panels and governmental agencies concerning matters arising in the ordinary course of business. These proceedings include certain contract disputes, environmental reviews and investigations, audits, inquiries from various regulators, and pending judicial matters. We cannot predict the final disposition of such proceedings. We regularly review legal matters and record provisions for claims that are considered probable of loss. The resolution of pending proceedings is not expected to have a material effect on our operations or financial statements in the period they are resolved.

See Note 3 for a discussion of contingencies related to Regulatory Matters.

### **NOTE 10- RETIREMENT BENEFITS AND TRUSTEED ASSETS**

#### **Measurement Date**

In the fourth quarter of 2004, we changed the date for actuarial measurement of our obligations for benefit programs from December 31 to November 30. We believe the one-month change of the measurement date is a preferable change as it allows time for management to plan and execute its review of the completeness and accuracy of its benefit programs results and to fully reflect the impact on its financial results. The change did not have a material effect on retained earnings as of January 1, 2004, and net income amounts for any interim period in 2004. Accordingly, all amounts reported in the following tables for balances as of December 31, 2004 are based on a measurement date of November 30, 2004. Amounts reported in tables for the year ended December 31, 2003 and for balances as of December 31, 2002 are based on a measurement date of December 31, 2003 and December 31, 2002.

#### **Pension Plan Benefits**

We have a defined benefit retirement plan for MichCon represented employees and participate in a defined benefit retirement plan for other DTE Energy represented and nonrepresented employees. The plans are noncontributory, cover substantially all employees and provide retirement benefits to MichCon employees based on the employee's years of benefit service, average final compensation and age at retirement. Certain nonrepresented employees are covered under cash balance benefits based on annual employer contributions and interest credits. Currently these plans meet the full funding requirements of the Internal Revenue Code. Accordingly, no contributions for the 2004, 2003 or 2002 plan years were made. We do not anticipate making a contribution to our qualified pension plan in 2005.

Effective December 31, 2001, the MCN Energy Group Retirement Plan, that covered nonrepresented employees, merged into the DTE Energy Company Retirement Plan. Detroit Edison operates as the sponsor of the merged DTE Energy represented and nonrepresented plan, which is treated as a plan covering employees of various affiliates of DTE Energy from the affiliates' perspective. Accordingly, the liabilities and assets associated with this Plan are no longer reflected in the tables below, and the associated prepaid pension asset of \$246 million and \$219 million at December 31, 2004 and December 31, 2003, respectively, are now reflected as an amount due from affiliate. We are allocated income or an expense each year as a result of our participation in the DTE Energy Retirement Plan. The annual income for 2004, 2003 and 2002 was \$27 million, \$31 million and \$44 million, respectively.

Net pension credit includes the following components:

(in Millions)	2004	2003	2002
Service Cost.....	\$ 5	\$ 4	\$ 3
Interest Cost.....	15	14	14
Expected Return on Plan Assets.....	(28)	(29)	(33)
Amortization of			
Net gain.....	-	-	(4)
Prior service cost.....	1	2	2
Net transition asset.....	-	(1)	(1)
Net Pension Credit.....	\$ (7)	\$ (10)	\$ (19)

The following table reconciles the obligations, assets and funded status of the plans as well as the amounts recognized as prepaid pension cost in the consolidated statement of financial position at December 31:

(in Millions)	2004	2003
Measurement Date.....	November 30	December 31
Accumulated Benefit Obligation - End of Period.....	\$ 242	\$ 239
Projected Benefit Obligation - Beginning of Period.....	\$ 247	\$ 212
Service Cost.....	5	4
Interest Cost.....	15	14
Actuarial Loss.....	7	31
Benefits Paid.....	(13)	(14)
Plan Amendments.....	(5)	-
Projected Benefit Obligation - End of Period.....	\$ 256	\$ 247

Benefits Paid.....		(13)	(14)
Plan Assets at Fair Value - End of Period.....	\$	<u>330</u>	\$ <u>319</u>
Funded Status of the Plans.....	\$	74	\$ 72
Unrecognized			
Net loss.....		41	30
Prior service cost .....		6	12
Prepaid Pension Cost.....	\$	<u>121</u>	\$ <u>114</u>

Assumptions used in determining the projected benefit obligation and net pension costs are listed below:

	2004	2003	2002
Projected Benefit Obligation			
Discount rate.....	6.00 %	6.25 %	6.75 %
Annual increase in future compensation levels.....	4.0 %	4.0 %	4.0 %
Net Pension Costs			
Discount rate.....	6.25 %	6.75 %	7.25 %
Annual increase in future compensation levels.....	4.0 %	4.0 %	4.0 %
Expected long-term rate of return on Plan assets.....	9.0 %	9.0 %	9.5 %

At December 31, 2004, the benefits expected to be paid in each of the next five years and in the aggregate for the five fiscal years thereafter are as follows:

(in Millions)	
2005 .....	\$ 14
2006 .....	14
2007 .....	14
2008 .....	15
2009 .....	15
2010 - 2014.....	82
Total .....	\$ <u>154</u>

We employ a consistent formal process in determining the long-term rate of return for various asset classes. We evaluate input from our consultants, including their review of historic financial market risks and returns and long-term historic relationships between the asset classes of equities, fixed income and other assets, consistent with the widely accepted capital market principle that asset classes with higher volatility generate a greater return over the long-term. Current market factors such as inflation, interest rates, asset class risks and asset class returns are evaluated and



considered before long-term capital market assumptions are determined. The long-term portfolio return is also established employing a consistent formal process, with due consideration of diversification, active investment management and rebalancing. Peer data is reviewed to check for reasonability.

We employ a total return investment approach whereby a mix of equities, fixed income and other investments are used to maximize the long-term return of plan assets consistent with prudent levels of risk. The intent of this strategy is to minimize plan expenses over the long term. Risk tolerance is established through consideration of future plan cash flows, plan funded status, and corporate financial considerations. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, growth and value investment styles, and large and small market capitalizations. Other assets such as private equity and absolute return funds are used judiciously to enhance long term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews.

Our plan's weighted-average asset allocations by asset category at December 31 were as follows:

	2004	2003
Equity Securities.....	69 %	67 %
Debt Securities.....	26	27
Other .....	5	6
	<u>100 %</u>	<u>100 %</u>

Our plan's weighted-average asset target allocations by asset category at December 31, 2004 were as follows:

Equity Securities.....	65 %
Debt Securities.....	28
Other .....	7
	<u>100 %</u>

We also sponsor a defined contribution retirement savings plan for union employees, the MichCon Investment and Stock Ownership Plan, and participate in a defined contribution plan for nonunion employees. Effective December 31, 2001, the MCN Energy Group Savings and Stock Ownership Plan, that covered nonunion employees of MichCon, MCN Energy and MCN Energy Enterprises, merged into the DTE Energy Company Savings and Stock Ownership Plan. Participation in one of these plans is available to substantially all union and nonunion employees. We match employee contributions up to certain predefined limits based upon eligible compensation, the employee's contribution rate and, in some cases, years of credited service. The cost of these plans was \$5 million in 2004, \$5 million in 2003, and \$4 million in 2002.

these plans is available to substantially all union and nonunion employees. We match employee contributions up to certain predefined limits based upon eligible compensation, the employee's contribution rate and, in some cases, years of credited service. The cost of these plans was \$5 million in 2004, \$5 million in 2003, and \$4 million in 2002.

#### Other Postretirement Benefits

We provide certain postretirement health care and life insurance benefits for retired employees who are eligible for these benefits. Our policy is to fund certain trusts to meet our postretirement benefit obligations. Separate qualified Voluntary Employees' Beneficiary Association (VEBA) trusts exist for represented and nonrepresented employees. No contributions were made to the VEBA trusts in 2004, 2003 or 2002. Net postretirement cost includes the following components:

(in Millions)	2004	2003	2002
Service Cost .....	\$ 8	\$ 6	\$ 5
Interest Cost .....	23	20	18
Expected Return on Plan Assets .....	(11)	(14)	(17)
Amortization of			
Net (gain) loss .....	2	(2)	(6)
Prior service cost .....	1	1	1
Net transition obligation .....	8	9	10
Net Postretirement Cost .....	<u>\$ 31</u>	<u>\$ 20</u>	<u>\$ 11</u>

The following table reconciles the obligations, assets and funded status of the plans including amounts recorded as accrued postretirement cost in the consolidated statement of financial position at December 31:

(in Millions)	2004	2003
	November 30	December 31
Measurement Date .....		
Accumulated Postretirement Benefit Obligation - Beginning of Period.....	\$ 379	\$ 352
Service Cost .....	8	6
Interest Cost .....	23	20
Actuarial Loss .....	39	38
Benefits Paid .....	(15)	(18)
Plan Amendments .....	(15)	(19)
Accumulated Postretirement Benefit Obligation - End of Period.....	<u>\$ 419</u>	<u>\$ 379</u>
Plan Assets at Fair Value - Beginning of Period .....	\$ 117	\$ 111
Actual Return on Plan Assets .....	9	23
Benefits Paid .....	-	(17)
Plan Assets at Fair Value - End of Period .....	<u>\$ 126</u>	<u>\$ 117</u>
Funded Status of the Plans .....	\$ (293)	\$ (262)
Unrecognized		
Net loss.....	114	75
Prior service cost.....	16	7
Net transition obligation.....	<u>51</u>	<u>84</u>
Accrued Postretirement Liability at Measurement Date .....	(112)	(96)
Company Contribution And Benefit Payments in December 2004.....	(6)	-
Accrued Postretirement Liability - End of Period .....	<u>\$ (118)</u>	<u>\$ (96)</u>

Assumptions used in determining the projected benefit obligation and net benefit cost are listed below:

	2004	2003	2002
Projected Benefits Obligation			
Discount rate.....	6.00 %	6.25 %	6.75 %
Net Benefit Costs			
Discount rate.....	6.25 %	6.75 %	7.25 %
Expected long-term rate of return on Plan assets.....	9.0 %	9.0 %	9.5 %

Benefit costs were calculated assuming health care cost trend rates beginning at 9.0% for 2005 and decreasing to 5.0% in 2010 and thereafter for persons under age 65 and decreasing from 8.0% to 5.0% for persons age 65 and over. A one-percentage-point increase in health care cost trend rates would have increased the total service cost and interest cost components of benefit costs by \$5 million and increased the accumulated benefit obligation by \$49 million at December 31, 2004. A one-percentage-point decrease in the health care cost trend rates would have decreased the total service cost and interest cost components of benefit costs by \$4 million and would have decreased the accumulated benefit obligation by \$43 million at December 31, 2004.

Effective 2005, we amended our postretirement health care plan. The changes decreased our expected 2005 postretirement cost by \$1 million.

At December 31, 2004, the benefits expected to be paid, including prescription drug benefits, in each of the next five years and in the aggregate for the five fiscal years thereafter are as follows:

(in Millions)		
2005 .....	\$	23
2006 .....		25
2007 .....		26
2008 .....		26
2009 .....		28
2010 - 2014 .....		157
Total .....	\$	<u>285</u>

The process used in determining the long-term rate of return for assets and the investment approach for our other postretirement benefits plans is similar to those previously described for our pension plans.

Our plan's weighted-average asset allocations by asset category at December 31 were as follows:

	2004	2003
Equity Securities .....	67 %	66 %
Debt Securities .....	33	34
	<u>100 %</u>	<u>100 %</u>

Our plan's weighted-average asset target allocations by asset category at December 31, 2004 were as follows:

Equity Securities .....	65 %
Debt Securities .....	28
Other .....	7
	<u>100 %</u>

In December 2003, the Medicare Act was signed into law which provides for a non-taxable federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least "actuarially equivalent" to the benefit established by law. As discussed in Note 2, we adopted FSP No. 106-2 in 2004, which provides guidance on the accounting for the Medicare Act. As a result of the adoption, our accumulated postretirement benefit obligation for the subsidy related to benefits attributed to past service was reduced by approximately \$24 million at January 1, 2004 and was accounted for as an actuarial gain. The effects of the subsidy reduced net periodic postretirement benefit costs by \$3 million in 2004. The impact of the Medicare Act on the components of other postretirement benefit costs for the year ended December was as follows:

---

(in Millions)

2004

Reduction in service cost.....	\$	-
Reduction in interest cost .....		2
Amortization of actuarial gain.....		1
Decrease in postretirement benefit cost.....	\$	3

---

At December 31, 2004, the gross amount of federal subsidies expected to be received in each of the next five years and in the aggregate for the five fiscal years thereafter was as follows:

---

(in Millions)

2005.....	\$	-
2006.....		2
2007.....		2
2008.....		2
2009.....		2
2010 - 2014.....		16
Total.....	\$	24

---

### Grantor Trust

We maintain a Grantor Trust that invests in life insurance contracts and income securities. Employees and retirees have no right, title or interest in the assets of the Grantor Trust, and we can revoke the trust subject to providing the MPSC with prior notification. We account for our investment at fair value with unrealized gains and losses recorded to earnings.

### NOTE 11- RELATED PARTY TRANSACTIONS

We have transactions with affiliated companies to provide transportation and storage services and for the purchase of natural gas. Under a service agreement with DTE Energy, various DTE affiliates, including MichCon provide corporate support services and various financial, auditing, tax, legal, treasury and cash management, human resources, information technology, regulatory and other services, which were billed to DTE Energy corporate. These administrative and general expenses along with interest and financing costs were then billed down to various subsidiaries of DTE Energy, including MichCon. The net amount of such expenses included in the consolidated statement of operations was \$100 million in 2004, \$106 million in 2003 and \$68 million in 2002. The increase in 2003 corporate expenses is related primarily to costs incurred by an affiliate to upgrade our customer service operations and higher benefit costs associated with corporate support staff.

In addition, we had intercompany revenue of \$11 million, \$14 million and \$13 million in 2004, 2003 and 2002, respectively. We had intercompany expenses of \$20 million, \$29 million and \$15 million in 2004, 2003 and 2002, respectively.

Our accounts receivable from affiliated companies totaled \$57 million and \$70 million, and accounts payable to affiliated companies totaled \$10 million and \$25 million at December 31, 2004 and 2003, respectively.

We had a short-term note payable to DTE Energy and our parent company of \$9 million in 2004 and \$2 million to our parent company in 2003. This note is subject to a credit agreement with DTE Energy whereby short-term excess cash or cash shortfalls are remitted to or funded by DTE Energy. This credit arrangement involves the charge and payment of interest at approximate market rates.

We had an exchange gas payable of \$1 million in 2004 related to an operational balancing agreement with an affiliate owned gas storage facility.

We declared and paid dividends of \$50 million to our parent company in 2004. We declared dividends of \$62.5 million and paid dividends of \$50 million to our parent company in 2003. We received a \$200 million capital contribution from our parent company in 2002.

#### **NOTE 12 – UNUSUAL CHARGES**

##### **Property Write-down**

In 2002, we recorded a \$33 million pre-tax (\$22 million net of taxes) charge from the sale of our former headquarters. An additional \$5 million pre-tax (\$4 million net of taxes) charge was recorded in 2003 to further reduce the carrying value of the property to fair value based on the estimated selling price less cost to sell.

##### **Contract Loss**

In 2002, we recorded a \$15 million pre-tax (\$10 million net of taxes) charge related to the termination of a contract for computer services with an unrelated third party.

##### **Sale of Assets**

In 2003, we recorded a \$3 million pre-tax (\$2 million net of taxes) loss from the sale of our former headquarters. In 2004, we recorded a \$3 million pre-tax (\$2 million net of taxes) gain from sales of a storage facility and land.

##### **Joint Ventures**

In 2003, we recorded a \$6 million pre-tax (\$4 million net of taxes) gain from the sale of our interests in a series of partnerships.

**NOTE 13 – SUPPLEMENTARY QUARTERLY FINANCIAL INFORMATION  
(UNAUDITED)**

Due to the seasonal nature of MichCon's business, revenues and net income tend to be higher in the first and fourth quarters of the calendar year.

(in Millions)	<u>First Quarter</u>	<sup>(1)</sup> <u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Year</u>
<b>2004</b>					
Operating Revenues.....	\$ 715	\$ 271	\$ 155	\$ 504	\$ 1,645
Operating Income (Loss) .....	\$ 93	\$ (37)	\$ (39)	\$ 39	\$ 56
Net Income (Loss) .....	\$ 70	\$ (37)	\$ (53)	\$ 39	\$ 19
<b>2003</b>					
Operating Revenues.....	\$ 652	\$ 284	\$ 142	\$ 414	\$ 1,492
Operating Income (Loss) .....	\$ 111	\$ (5)	\$ (42)	\$ 26	\$ 90
Net Income (Loss) .....	\$ 75	\$ (11)	\$ (37)	\$ 18	\$ 45

(1) Previously reported first quarter 2004 amounts have been adjusted to reflect the retroactive adoption of FSP No. 106-2, relating to the impact of the Medicare Act on postretirement benefit costs (Note 2).

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	2,931,756,061	
4	Property Under Capital Leases	615,272	
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	TOTAL (Enter Total of lines 3 thru 7)	2,932,371,334	
9	Leased to Others		
10	Held for Future Use	1,256,278	
11	Construction Work in Progress	64,665,940	
12	Acquisition Adjustments		
13	TOTAL Utility Plant (Enter Total of lines 8 - 12)	2,998,293,552	
14	(Less) Accum. Prov. for Depr., Amort., & Depl.	1,685,220,690	
15	Net Utility Plant(Enter Total of line 13 less 14)	1,313,072,862	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	1,684,368,888	
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights		
20	Amort. of Underground Storage Land and Land Rights		
21	Amort. of Other Utility Plant		
22	TOTAL In Service (Enter Total lines 18 - 21)	1,684,368,888	
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total lines 24 & 25)		
27	Held for Future Use		
28	Depreciation	851,802	
29	Amortization		
30	TOTAL Held for Future Use(Enter Total lines 28 & 29)	851,802	
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adj.		
33	TOTAL Accum. Prov. (Should agree with line 14 above) (Enter Total lines 22, 26, 30, 31 & 32)	1,685,220,690	

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS**  
**FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
2,931,756,061					3
615,272					4
-					5
-					6
-					7
2,932,371,334					8
-					9
1,256,278					10
64,665,940					11
-					12
2,998,293,552					13
1,685,220,690					14
1,313,072,862					15
					16
					17
1,684,368,888					18
					19
					20
					21
1,684,368,888					22
					23
					24
					25
					26
					27
851,802					28
					29
851,802					30
					31
					32
1,685,220,690					33

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004				
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106)				
1. Report below the original cost of gas plant in service according to the prescribed account.				
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Gas.				
3. Include in column (c) or (d) as appropriate, corrections of additions and retirements for the current or preceding year.				
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.				
5. Classify Account 106, according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provisions. Include also in column (d) reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		1. Intangible Plant		
2	301	Organization	8,235	-
3	302	Franchises and Consents	-	-
4	303	Miscellaneous Intangible Plant	138,055,642	23,039,394
5		TOTAL Intangible Plant	138,063,877	23,039,394
6		2. Production Plant		
7		Manufactured Gas Production Plant		
8	304.1	Land	-	-
9	304.2	Land Rights	-	-
10	305	Structures and Improvements	-	-
11	306	Boiler Plant Equipment	-	-
12	307	Other Power Equipment	-	-
13	308	Coke Ovens	-	-
14	309	Producer Gas Equipment	-	-
15	310	Water Gas Generating Equipment	-	-
16	311	Liquefied Petroleum Gas Equipment	-	-
17	312	Oil Gas Generating Equipment	-	-
18	313	Generating Equipment - Other Processes	-	-
19	314	Coal, Coke and Ash Handling Equipment	-	-
20	315	Catalytic Cracking Equipment	-	-
21	316	Other Reforming Equipment	-	-
22	317	Purification Equipment	-	-
23	318	Residual Refining Equipment	-	-
24	319	Gas Mixing Equipment	-	-
25	320	Other Equipment	-	-
26		TOTAL Manufactured Gas Production Plant	-	-

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

(c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits and credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchases or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					1
-	-	-	8,235	301	2
-	-	-	0	302	3
(4,821,446)	-	-	156,273,591	303	4
(4,821,446)	-	-	156,281,825		5
					6
					7
-	-	-	-	304.1	8
-	-	-	-	304.2	9
-	-	-	-	305	10
-	-	-	-	306	11
-	-	-	-	307	12
-	-	-	-	308	13
-	-	-	-	309	14
-	-	-	-	310	15
-	-	-	-	311	16
-	-	-	-	312	17
-	-	-	-	313	18
-	-	-	-	314	19
-	-	-	-	315	20
-	-	-	-	316	21
-	-	-	-	317	22
-	-	-	-	318	23
-	-	-	-	319	24
-	-	-	-	320	25
-	-	-	-		26

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004				
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
27		Natural Gas Production and Gathering Plant		
28	325.1	Producing Lands	17,180	-
29	325.2	Producing Leaseholds	1,989	-
30	325.3	Gas Rights	-	-
31	325.4	Rights-of-Way	702,121	-
32	325.5	Other Land	3,000	-
33	325.6	Other Land Rights	-	-
34	326	Gas Well Structures	-	-
35	327	Field Compressor Station Structures	30,051	-
36	328	Field Meas. and Reg. Sta. Structures	588,031	-
37	329	Other Structures	-	-
38	330	Producing Gas Wells - Well Construction	226,872	-
39	331	Producing Gas Wells - Well Equipment	121,148	-
40	332	Field Lines	11,244,260	-
41	333	Field Compressor Station Equipment	321,003	-
42	334	Field Meas. and Reg. Sta. Equipment	2,513,201	23,472
43	335	Drilling and Cleaning Equipment	-	-
44	336	Purification Equipment	35,414	-
45	337	Other Equipment	-	-
46	338	Unsuccessful Exploration & Devel. Costs	1,163,272	-
47		TOTAL Production and Gathering Plant	16,967,543	23,472
48		Products Extraction Plant		
49	340.1	Land	-	-
50	340.2	Land Rights	-	-
51	341	Structures and Improvements	-	-
52	342	Extraction and Refining Equipment	-	-
53	343	Pipe Lines	-	-
54	344	Extracted Products Storage Equipment	-	-
55	345	Compressor Equipment	-	-
56	346	Gas Meas. and Reg. Equipment	-	-
57	347	Other Equipment	-	-
58		TOTAL Products Extraction Plant	-	-
59		TOTAL Natural Gas Production Plant	16,967,543	23,472
60		SNG Production Plant (Submit Supplemental Stmt)		
61		TOTAL Production Plant	16,967,543	23,472
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land	9,221,780	5,479

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004					
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					27
-	-	-	17,180	325.1	28
-	-	-	1,989	325.2	29
-	-	-	-	325.3	30
-	-	-	702,121	325.4	31
-	-	-	3,000	325.5	32
-	-	-	-	325.6	33
-	-	-	-	326	34
-	-	-	30,051	327	35
-	-	-	588,031	328	36
-	-	-	-	329	37
-	-	-	226,872	330	38
-	-	-	121,148	331	39
-	-	-	11,244,260	332	40
-	-	-	321,003	333	41
-	-	-	2,536,673	334	42
-	-	-	-	335	43
-	-	-	35,414	336	44
-	-	-	-	337	45
-	-	-	1,163,272	338	46
-	-	-	16,991,015		47
					48
-	-	-	-	340.1	49
-	-	-	-	340.2	50
-	-	-	-	341	51
-	-	-	-	342	52
-	-	-	-	343	53
-	-	-	-	344	54
-	-	-	-	345	55
-	-	-	-	346	56
-	-	-	-	347	57
-	-	-	-	348	58
-	-	-	16,991,015		59
					60
-	-	-	16,991,015		61
					62
					63
(741,051)	-	-	8,486,208	350.1	64

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL December 31, 2004				
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
65	350.2	Rights-of-Way	56,167	-
66	351	Structures and Improvements	11,034,399	1,613,226
67	352	Wells	70,583,838	1,817,823
68	352.1	Storage Leaseholds and Rights	1,351,079	-
69	352.2	Reservoirs	-	-
70	352.3	Non-Recoverable Natural Gas	264,806	-
71	353	Lines	22,150,817	991,296
72	354	Compress Station Equipment	67,261,249	1,712,518
73	355	Measuring and Reg. Equipment	6,542,991	838,199
74	356	Purification Equipment	11,328,021	64,773
75	357	Other Equipment	-	-
76	358	Gas in Underground Storage - Noncurrent	227,735	-
77		TOTAL Underground Storage Plant	200,022,883	7,043,314
78		Other Storage Plant		
79	360.1	Land	-	-
80	360.2	Land Rights	-	-
81	361	Structures and Improvements	-	-
82	362	Gas Holders	-	-
83	363	Purification Equipment	-	-
84	363.1	Liquefaction Equipment	-	-
85	363.2	Vaporizing Equipment	-	-
86	363.3	Compressor Equipment	-	-
87	363.4	Meas. and Reg. Equipment	-	-
88	363.5	Other Equipment	-	-
89		TOTAL Other Storage Plant	-	-
90		Base Load Liquefied Natural Gas Terminating and Processing Plant		
91	364.1	Land	-	-
92	364.1a	Land Rights	-	-
93	364.2	Structures and Improvements	-	-
94	364.3	LNG Processing Terminal Equipment	-	-
95	364.4	LNG Transportation Equipment	-	-
96	364.5	Measuring and Regulating Equipment	-	-
97	364.6	Compressor Station Equipment	-	-
98	364.7	Communications Equipment	-	-
99	364.8	Other Equipment	-	-
100		TOTAL Base Load LNG Terminating and Processing Plant	-	-
101				
102		TOTAL Nat. Gas Storage and Proc. Plant	200,022,883	7,043,314

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004					
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
-	-	-	56,167	350.2	65
(689,707)	-	-	11,957,918	351	66
(5,471,121)	-	-	66,930,540	352	67
(223,264)	-	-	1,127,815	352.1	68
-	-	-	-	352.2	69
(621,398)	-	-	(356,592)	352.3	70
(1,040,411)	-	-	22,101,702	353	71
(976,937)	-	-	67,996,831	354	72
(45,009)	-	-	7,336,180	355	73
-	-	-	11,392,794	356	74
-	-	-	-	357	75
(69,641)	-	-	158,094	358	76
(9,878,540)	-	-	197,187,656		77
					78
-	-	-	-	360.1	79
-	-	-	-	360.2	80
-	-	-	-	361	81
-	-	-	-	362	82
-	-	-	-	363	83
-	-	-	-	363.1	84
-	-	-	-	363.2	85
-	-	-	-	363.3	86
-	-	-	-	363.4	87
-	-	-	-	363.5	88
-	-	-	-		89
					90
-	-	-	0	364.1	91
-	-	-	0		92
-	-	-	0	364.2	93
-	-	-	0	364.3	94
-	-	-	0	364.4	95
-	-	-	0	364.5	96
-	-	-	0	364.6	97
-	-	-	0	364.7	98
-	-	-	0	364.8	99
					100
-	-	-	0		
					101
(9,878,540)	-	-	197,187,656		102



MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL December 31, 2004				
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
103		4. Transmission Plant		
104	365.1	Land	1,183,081	105,796
105	365.2	Land Rights	2,544,026	-
106	365.3	Rights-of-way	4,537,773	
107	366	Structures and Improvements	9,588,040	160,401
108	367	Mains	269,127,456	333,496
109	368	Compressor Station Equipment	55,734,408	579,256
110	369	Measuring and Reg. Station Equipment	24,730,717	3,508,820
111	370	Communication Equipment	-	-
112	371	Other Equipment	-	-
	372	Asset Retire Cost Transmission	177,237	-
113		TOTAL Transmission Plant	367,622,737	4,687,768
114		5. Distribution Plant		
115	374.1	Land	2,120,554	2,128
116	374.2	Land Rights	29,082	-
117	375	Structures and Improvements	10,560,795	-
118	376	Mains	903,661,845	18,544,974
119	377	Compressor Station Equipment	-	-
120	378	Meas. & Reg. Station Equip.-General	77,455,854	3,409,549
121	379	Meas. & Reg. Station Equip.-City Gate	36,046,435	119,398
122	380	Services	567,344,523	33,635,891
123	381	Meters	168,118,932	3,472,843
124	382	Meter Installations	136,168,720	1,780,532
125	383	House Regulators	-	-
126	384	House Reg. Installations	-	-
127	385	Industrial Meas. & Reg. Station Equip.	59,120,740	2,673,773
128	386	Other Prop. on Customer's Premises	-	-
129	387	Other Equipment	-	-
	388	Asset Retire Cost Distribution	248,884	-
130		TOTAL Distribution Plant	1,960,876,364	63,639,088
131		6. General Plant		
132	389.1	Land	1,725,827	-
133	389.2	Land Rights	-	-
134	390	Structures and Improvements	69,358,291	(2,627)
135	391	Office Furniture and Equipment	4,487,614	-
136	391.1	Computers & Computer Related Equipment	29,475,673	207,692
137	392	Transportation Equipment	58,785,718	3,227,157
138	393	Stores Equipment	848,187	-
139	394	Tools, Shop & Gargage Equipment	16,437,364	1,422,631
140	395	Laboratory Equipment	1,848,844	-

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004					
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					103
-	-	-	1,288,877	365.1	104
(220)	-	-	2,543,806	365.2	105
(2,748)	-	-	4,535,025	365.3	106
(12,792)	-	-	9,735,649	366	107
(77,732)	-	-	269,383,220	367	108
(31,181)			56,282,482	368	109
(44,636)	-		28,194,901	369	110
-	-	-	-	370	111
-	-	-	-	371	112
-	-	-	177,237		
(169,309)	-	-	372,141,196		113
					114
(190,048)	-	-	1,932,634	374.1	115
-	-	-	29,082	374.2	116
-	-	-	10,560,795	375	117
(1,281,217)	-		920,925,602	376	118
-	-		-	377	119
	-	-	80,865,403	378	120
(27,420)	-		36,138,414	379	121
(1,931,958)	-		599,048,456	380	122
(933,313)	-	-	170,658,462	381	123
(403,408)	-	-	137,545,845	382	124
-	-	-	-	383	125
-	-	-	-	384	126
-	-	-	61,794,513	385	127
-	-	-	-	386	128
-	-	-	-	387	129
			248,884	388	
(4,767,364)	-	-	2,019,748,088		130
					131
-	-	-	1,725,827	389.1	132
-	-	-	-	389.2	133
-	-	-	69,355,663	390	134
(75,424)	-	-	4,412,190	391	135
(9,871,824)	-	-	19,811,541	391.1	136
(3,431,468)	-	-	58,581,407	392	137
(9,545)	-	-	838,642	393	138
(83,722)	-	-	17,776,273	394	139
-	-	-	1,848,844	395	140

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL	December 31, 2004
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
141	396	Power Operated Equipment	10,783,908	237,933
142	397	Communication Equipment	48,844,421	24,281
143	398	Miscellaneous Equipment	4,377,892	873
144		Subtotal (Lines 132 thru 143)	246,973,739	5,117,940
145	399	Other Tangible Property	-	-
146		TOTAL General Plant	246,973,739	5,117,940
147		TOTAL (Account 101 and 106)	2,930,527,143	103,550,977
148	101.1	Property Under Capital Leases	1,078,913	
149	102	Gas Plant Purchased (See Instr. 8)	-	-
150	(Less)	Gas Plant Sold (See Instr. 8)	-	-
	102		-	-
151	103	Experimental Gas Plant Unclassified	-	-
152		TOTAL Gas Plant in Service	2,931,606,056	103,550,977

NOTE: Respondent does not have Manufactured Gas Production Plant facilities.

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004					
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
(157,627)	-	-	10,864,215	396	141
(1,557,083)	-	-	47,311,619	397	142
(24,414)	-	-	4,354,351	398	143
(15,211,107)	-	-	236,880,572		144
-	-	-	-	399	145
(15,211,107)	-	-	236,880,572		146
(34,847,767)	-	-	2,999,230,353		147
-	(463,641)	-	615,272	101.1	148
-	-	-	0	102	149
-	-	-	0	(102)	150
-	-	-	0		
-	-	-	0	103	151
(34,847,767)	(463,641)	-	2,999,845,625		152

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL DECEMBER 31, 2004

GAS PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natural Gas Lands, Leaseholds, and Gas Rights Held for Future Utility Use (Per Pages 500-501)			\$1,804
2	Compressor Station, Measuring Station, and City Gate	Primarily in October and November 1995	Ongoing usage with the majority of plant to be put into use in 2005	253,272
3	Station Structures and Improvements stored at			
4	Kalkaska Office and Warehouse, Kalkaska Township,			
5	Kalkaska County			
6				
7	Compressor Station and Measuring Station Equipment	Primarily in October, November 1995 and February, December 1996	During 2005	430,710
8	stored at Kalkaska Office and Warehouse, Kalkaska			
9	Township, Kalkaska County	March 2001		
10				
11				
12				
13				
14				
15				
16				
17	Compressor Station and Measuring Station Equipment	Primarily in March 2001	During 2005	153,268
18	stored at Big Rapids Office and Warehouse, Big Rapids,			
19	Mecosta County			
20	Other (3 items)			
21				
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44				
45	TOTAL			\$849,053

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004
PRODUCTION PROPERTIES HELD FOR FUTURE USE (Account 105.1)				
<p>1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.</p> <p>2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.1.</p>				
Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natural Gas Lands, Leaseholds, and Gas Rights Held for Future Utility Use (Per Pages 500-501)			\$407,224
2				
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46	TOTAL			\$407,224

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107).			
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).			
3. Minor projects (less than \$500,000) may be grouped.			
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	The following automatic and blanket work orders are used for routine		
2	construction and are closed to plant monthly. The majority of the		
3	charges in these work orders were incurred in December 2004.		
4			
5			
6	TRANSMISSION PLANT: (1 Item)	67,228	
7			
8	DISTRIBUTION PLANT: (129 Items)	2,588,637	
9	8" C&W MAIN SYS SPLY	588,476	
12	12" C&W MAIN SYS SPLY	727,895	
13	16" C&W MAIN PUB IMP	583,409	
15	UPGRADE SERVICES	890,251	
17	<2" PLAS SVC LN RNWL	2,044,659	
18	2" PLAS MAIN NEW CUST	1,518,112	
19	<2" PLAS SVC NEW CUST	1,750,513	
20			
21	GENERAL PLANT: (4 items)	399,847	
22			
23			
24	The following represents specific work orders		
25	and consists principally of charges to projects		
26	not completed as of December 31, 2004.		
27			
28	INTANGIBLE PLANT: (3 Items)	1,844,978	(1,249,113)
29	MARS	3,202,203	(12,031,800)
30			
31	UNDERGROUND STORAGE : (39 Items)	2,814,334	897,668
32	SIX LAKES FLD HORIZONTAL WELLS	1,787,242	
33	COLUMBUS SAFETY VALVE	1,377,000	
34	GMVC UNIT VALVES BRM	500,488	
35	TRANSMISSION PLANT : (62 Items)	1,049,123	1,250,043
36	30" C-LINE RENEWAL	3,132,206	
37	INSTALL MLV ON A-LINE	525,291	
38	PIPELINE RELOCATION SOUTHEAST	580,381	
40	SOUTHERN STATION INTERCONNECT	2,382,438	
41	30" MILFORD PIPELINE	1,306,593	
42	DISTRIBUTION PLANT : (32 Items)	2,596,840	12,990,498
43	8" PLAS MAIN PUB IMPR	1,362,751	
44	MUSKEGON HUME ST. 12" STEEL MN	569,520	
45	RENEW SVC LINES MERCURY REGUL	624,755	
46	8" N. MUSKEGON TRNSFR MAIN	1,559,683	
47	NATURAL GAS FUELSTAT	851,620	
48	MILLER RD REG STATION	796,839	
49	JAMESTOWN GATE STATION	900,079	
50	GEORGETOWN STATION SUMP	1,126,091	
51	FULTON ST SYSTEM SUPPLY	1,090,106	
52	24" NORTHWESTERN HWY	1,331,820	
53	<2" PLAS SVC MERCURY REGULATO	2,357,058	
54	12" PITTSFIELD LINE CONSTRUCT	3,696,439	
55	16" PITTSFIELD LINE CONSTRUCT	2,528,320	
56	16" PITTSFIELD ROW	670,516	
57	24" EVERGREEN LINE	5,364,681	
58			
59	GENERAL PLANT: (46 items)	4,747,286	2,977,567
60	PHASE II ROOF ALLEN ROAD	586,081	
61	REPLACE HVAC-NOLE 2002	2,130,711	
62	DISTRIBUTION SYS MODEL	745,389	
63	CADD/MARS HARDWARE	502,103	
64			
65			
66			
67			
68			
69			
70			
71			
72			
73	TOTAL	\$67,799,991	\$4,834,863

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
CONSTRUCTION OVERHEADS - GAS					
<p>1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.</p> <p>2. On page 218 furnish information concerning construction overheads.</p> <p>3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.</p> <p>4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.</p>					
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)		
1	General Administration Capitalized	\$7,901,648	N/A		
2	Supervision, Engineering and Transportation -				
3	Joint Expense	923,104	52,235,666		
4	Pensions and Employee Benefits Capitalized	2,121,824	70,828,940		
5	Injuries and Damages	677,495	103,027,160		
6	Allowance for Funds Used During Construction	3,121,209	21,449,841		
7	Payroll Taxes	2,578,680	108,548,331		
8	Canvassing Costs Capitalized	777,355	8,738,887		
9					
10					
11					
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32					
33					
34	Total	\$18,101,315			



**GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.

General Administration Capitalized

Costs of certain administrative departments (i.e. Legal, Corporate Resources, Corporate Planning) are capitalized monthly based on annual estimates of how much work is applicable to construction work in progress. Amounts capitalized are initially debited to a blanket work order (Account 107). These charges are then transferred to construction work orders based on the current month's charges to these construction work orders.

Supervision, Engineering and Transportation - Joint Expense

Supervision, engineering and transportation costs of certain departments are distributed to operation and maintenance accounts and construction work orders on a pro rata basis to direct labor charges.

Pensions and Employees' Benefits Capitalized

Construction and retirement work orders are debited with costs of pensions and employees' benefits distributed on the basis of direct construction and retirement labor charges. The percentage applied to direct labor includes an additional component which represents amounts applicable to indirect labor.

Injuries and Damages

This overhead represents provision for reserve for injuries and damages computed on the basis of a percentage applied to direct labor charges to construction work orders.

Allowance for Funds Used During Construction (A.F.U.D.C.)

An allowance for funds used during construction is computed monthly by applying the A.F.U.D.C. rate to accumulated expenditures for specific major projects of all classes of property. The A.F.U.D.C. rate is equivalent to the most recently authorized overall rate of return as approved by the Michigan Public Service Commission. The composite A.F.U.D.C. rate for 2004 was 8.04% per annum.

Payroll Taxes

Construction and retirement work orders are debited with costs of payroll taxes (FICA, FUTA, MUTA) distributed on the basis of direct construction and retirement labor charges. The percentage applied to direct labor includes an additional component which represents amounts applicable to indirect labor.

Canvassing Costs Capitalized - Non-Area Expansion Programs

Marketing's canvassing costs related to new distribution construction, not designated as Area Expansion Programs, are initially debited to a blanket work order (Account 107). These charges are then transferred to construction work orders related to new distribution mains and services based on current month labor charges to these construction work orders.

Note: See Page 217 for amounts capitalized.

## ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Accounts 108 and 110)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 202-207, column (d), excluding retirements of non-depreciable property.
3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all cost included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

## Section A. Balances and Changes During Year

Line No	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	1,675,314,904	1,674,463,102	851,802	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	93,107,262	93,107,262		
4	(403.1) Depreciation Expense	12,076	12,076		
5	(404 & 405) Amortization Expense Intangible Plant	9,815,880	9,815,880		
6	Transportation Expenses-Clearing	8,271,566	8,271,566		
7	Other Clearing Accounts				
8	Other Accounts (Specify): (411) Accretion Expense	123,856	123,856		
9	TOTAL Deprec. Prov. for Year (Enter total of lines 3 thru 8)	111,330,640	111,330,640	0	
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	34,173,348	34,173,348		
12	Cost of Removal	8,508,828	8,508,828		
13	Salvage (Credit)	(76,488)	(76,488)		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	42,605,688	42,605,688		
15	Other Debit or Credit Items (Describe): (2)	(58,819,166)	(58,819,166)	0	
16					
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	1,685,220,690	1,684,368,888	851,802	

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

18	Production-Manufactured Gas				
19	Production and Gathering-Natural Gas	18,115,818	17,264,016	851,802	
20	Intangible Plant - Gas	54,695,552	54,695,552		
21	Underground Gas Storage	97,182,449	97,182,449		
22	Other Storage Plant (FAS 143)	261,872	261,872		
23	Retirement Work In Progress	(17,584,365)	(17,584,365)		
24	Transmission	180,736,040	180,736,040		
25	Distribution	1,247,605,991	1,247,605,991		
26	General	104,207,333	104,207,333		
27	TOTAL (Enter Total of lines 18 thru 26)	1,685,220,690	1,684,368,888	851,802	

Notes: (2) OTHER DEBIT AND CREDIT ITEMS CONSISTS OF THE FOLLOWING:

RESERVE ADJUSTMENT FOR FAS 143 ARO Costs	(85,660)
RESERVE ADJUSTMENT ON NEW HAVEN SALE	2,620,211
RESERVE ADJUSTMENT ON WET HEADER TRANSFER	(61,292,461)
DEPRECIATION ON NON-UTILITY PLANT	(61,256)
	<u>(58,819,166)</u>

## GAS STORED (ACCOUNT 117, 164.1, 164.2, AND 164.3)

1. If during the year adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited.
2. Give in a footnote a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.
3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year.
4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year.
5. Report pressure base of gas volumes as 14.65 psia at 60° F.

Line No.	Description	Noncurrent (Account 117)	Current (Account 164.1)	LNG (Account 164.2)	LNG (Account 164.3)	Total
	(a)	(b)	(c)	(d)	(e)	(f)
1	Balance at Beginning of Year	\$24,535,995	\$116,505,329	0	0	\$141,041,324
2	Gas Delivered to Storage (contra Account)	0	273,246,217			273,246,217
3	Gas Withdrawn from Storage (contra Account)	(261,311)	(304,609,856)			(304,871,167)
4	Other Debits or Credits (Net)	0	3,504,538			3,504,538
5	Balance at End of Year	\$24,274,684	\$88,646,228	0	0	\$112,920,912
6	Mcf	65,801,805	54,886,257			120,688,062
7	Amount Per Mcf	\$0.36891	\$1.61509			\$0.93564

- 8 State basis of segregation of inventory between current and noncurrent portions:  
Current gas is excess over base pressure gas established for each reservoir.

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004
<b>NONUTILITY PROPERTY (Account 121)</b>				
1. Give a brief description and state the location of nonutility property included in Account 121. 2. Designate with an 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. These items are separate and distinct from those allowed to be grouped under instruction No. 5. 5. Minor items (5% of the Balance at the End of the Year for Account 121) may be grouped. 6. Natural gas companies which have oil property should report such property by State, classified as to (a) oil lands and land rights, (b) oil wells, and (c) other oil property. Gasoline plants and other plants for the recovery from natural gas are classifiable as gas plant and should be reported as such and not shown as 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	(All Properties in Michigan)			
2				
3	Land	\$211,834	\$0	211,834
4	Storage Field Land and Land Rights	0	0	0
5	Edmore Field	761,557	0	761,557
6	Computer Equipment - MRCS	0	0	0
7	Leased Water Heaters	978,785	2,624	981,409
8	Minor Items	334,249	0	334,249
9		\$2,286,425	\$2,625	\$2,289,048
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24				
<b>ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)</b>				
Report below the information called for concerning depreciation and amortization of nonutility property.				
Line No.	Item (a)	Amount (b)		
1	Balance, Beginning of Year	\$225,045		
2	Accruals for Year, Charged to			
3	(417) Income from Nonutility Operations			
4	(418) Nonoperating Rental Income	61,256		
5	Other Accounts (Specify):			
6	403-10 Deprec. Exp. - Computer Equip. - MRCS			
7	403-11 Deprec. Exp. - Computer Equip. - MEMS			
8	403-11 Deprec. Exp. - Other Audit Equip. - MEMS			
9	TOTAL Accruals for Year (Enter Total of lines 3 thru 8)	61,256		
10	Net Charges for Plant Retired			
11	Book Cost of Plant Retired	0		
12	Cost of Removal	0		
13	Salvage (Credit)	0		
14	TOTAL Net Charges (Enter Total of lines 10 thru 13)	0		
15	Other Debit or Credit Items (Describe):			
16	Plant In Service	0		
17	Balance, End of Year (Enter Total of lines 1, 9, 14, and 16)	\$286,301		

INVESTMENTS (Accounts 123, 124, 136)

1. Report below Investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:
  - (a) Investment in Securities - List and describe each security owned giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments, state number of shares, class, and series of stock. Minor Investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
  - (b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any

Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (b)	Purchases or Additions During Year (c)
1	Account 123		
2			
3	Allocation of InterCo. Pension Costs	218,880,006	27,481,994
4			
5	Total Account 123	218,880,006	27,481,994
6			
7	Account 124		
8			
9	Muskegon County Community Foundation.		
10	Series B. Bonds (Acquired 03-28-85)	25,000	-
11	Eagle Picher Industries		
12	9.00% Senior Unsecured Divestiture Note	2,749	-
13	Detroit Investment Fund (Acquired 04-10-95)	1,922,642	59,790
14	Various Promissory And Mortgage Notes.	6,545	-
15	Other.	19,100	-
16			
17			
18	Total Account 124	\$ 1,976,036	\$ 59,790
19			
20			
21			
22			
23	Account 136		
24			
25			
26	Total Account 136	\$ -	\$ -
27			
28			
29			
30			
31			

## INVESTMENTS (Accounts 123, 124, 136) (Continued)

advances due from officers, directors, stockholders, or employess. Exclude amount 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.
					1
					2
-		246,362,000	-	-	3
					4
-		246,362,000	-	-	5
					6
					7
					8
					9
25,000	0	0	-	-	10
					11
2,749	0	0	-	-	12
0	10 units	1,982,432	-	-	13
6,545	0	0	-	-	14
19,100	0	0	-	-	15
					16
					17
\$ 53,394		\$ 1,982,432	\$ -	\$ -	18
					19
					20
					21
					22
					23
					24
					25
\$ -		\$ -	\$ -	\$ -	26
					27
					28
					29
					30
					31

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)					
<p>1. Report below investments in Account 123.1, Investment in Subsidiary Companies.</p> <p>2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).</p> <p>(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.</p> <p>(b) Investment Advances - Report separately the amounts of loans or Investment Advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.</p> <p>3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.</p>					
Line No.	Description of Investment: (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	
1	MICHCON DEVELOPMENT CORPORATION				
2	COMMON STOCK	6-29-84			
3	(PAR VALUE \$1 PER SHARE, 1,000			1,000	
4	SHARES AT 12-31-98				
5	ADDITIONAL PAID-IN CAPITAL			17,162,695	
6	EQUITY IN EARNINGS			(10,895,231)	
7	Total			6,268,464	
8	BLUE LAKE HOLDINGS, INC.				
9	COMMON STOCK	6-25-91			
10	(PAR VALUE \$.01 PER SHARE, *0			0	
11	SHARES AT 12/31/98)				
12	ADDITIONAL PAID-IN CAPITAL			5,477,746	
13	OTHER COMPREHENSIVE INCOME			(288,606)	
14	EQUITY IN EARNINGS			979,222	
15	Total			6,168,362	
16	MICHCON PIPELINE COMPANY				
17	COMMON STOCK	5-26-95			
18	(PAR VALUE \$.01 PER SHARE, 1000			10	
19	SHARES AT 12/31/98)				
20	ADDITIONAL PAID-IN CAPITAL			32,249,452	
21	EQUITY IN EARNINGS			*8,634,468	
22	Total			50,883,930	
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
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39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52	Total Cost of Account 123.1	59,718,099	Total	63,320,756	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)					
4. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge. 5. 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. 6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year. 7. 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 interest adjustment includible in column (f). 8. Report on Line 42, column (a) the total cost of Account 123.1.					
Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or (Loss) from Investment Disposed of (h)	Line No.	
		1.000		1	
				2	
				3	
	0	17,162,695		4	
(450,866)		(11,346,097)		5	
(450,866)	0	5,817,598		6	
				7	
		0		8	
				9	
				10	
	2,009,796 (B)	7,487,542		11	
	191,810 (C)	(96,796)		12	
1,887,954	0 (A)	2,867,176		13	
1,887,954	2,201,606	10,257,922		14	
				15	
		10		16	
	2,817,400 (B)	35,066,852		17	
3,983,710		22,618,178		18	
3,983,710	2,817,400	57,685,040		19	
				20	
				21	
				22	
				23	
				24	
				25	
				26	
				27	
				28	
				29	
				30	
				31	
				32	
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				44	
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				47	
				48	
				49	
				50	
				51	
5,420,798	5,019,006	73,760,560		52	

(A.) Represents dividend revenue to MichCon.  
 (B.) Represents additional capital contribution (to) from MichCon.  
 (C.) Represents SFAS 133 equity adjustment.



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 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)	477,653	890,270
2	Customer Accounts Receivable (Account 142)	217,672,197	238,210,430
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	35,155,161 (1)	36,498,121 (1)
4	Total	253,305,011	275,598,821
5	Less: Accumulated Provision for Uncollectible Accounts - Cr. (Accounts 144)	43,127,440	70,707,214
6	Total, Less Accumulated Provision for Uncollectible Accounts	\$210,177,571	\$204,891,607
7			
8			
9			
10			
11	(1) Includes amount receivable from Officers		
12	and Employees.	55,385	19,675
13			
14			

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - 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	40,891,546	\$0	\$0	\$2,235,894	\$43,127,440
2	Prov. for uncollectibles for year	58,670,951	0	0	3,506,864	62,177,815
3	Accounts written off	(37,270,164)	0	0	(1,185,182)	(38,455,346)
4	Coll. of accounts written off	3,666,691	0	0	190,614	3,857,305
5	Adjustments (explain):	0	0	0	0	0
6	Balance end of Year	\$65,959,024	\$0	\$0	\$4,748,190	\$70,707,214
7						
8						
9						
10						
11						

## 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)	Total for Year		Balance End of Year (e)	Interest For Year (f)
			Debits (c)	Credits (d)		
1	Account 145					
2	MichCon Pipeline Company	3,150,597	31,203,165	31,162,641	3,191,121	110,677
3	DTE Energy Company	-	403,632,174	403,632,174	-	212,174
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14	Total Account 145	\$3,150,597	\$434,835,339	\$434,794,815	\$3,191,121	\$322,851
15	Notes receivable from associated companies arise from the Inter-Company Credit Agreements. Purpose: To provide a line of credit to associated companies. Maturity Date: N/A Interest Rate: The prime rate at Bank One, N.A.					
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146) (Continued)						
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	Account 146					
2						
3	DTE Enterprises, Inc.	290,103	1,665,274	1,805,821	149,556	425
4	MCN Energy Enterprises	533,903	3,299,905	3,577,715	256,093	879
5	Citizens Gas Fuel Company	(5,535)	83,123	75,240	2,347	
6	MichCon Gathering Company	566,668	2,427,050	2,757,828	235,891	
7	MichCon Pipeline Company	308,135	738,173	1,004,312	41,995	
8	MichCon Development Corporation	79	1,418	1,496	0	5
9	Jordan Valley Limited Partnership	77,339	290,797	338,243	29,894	333
10	Saginaw Bay Pipeline Company	47,469	388,802	415,743	20,527	
11	CoEnergy Trading Company	287,932	3,116,265	3,177,285	226,912	
12	Saginaw Bay Lateral Company	6,144	103,151	105,362	3,932	
13	Saginaw Bay Lateral Limited Partnership	2,591	39,648	38,054	4,185	
14	Westside Pipeline Company	28,780	114,623	137,647	5,756	249
15	Washington 10 Holdings, Inc.	130,114	2,307,193	1,050,162	1,387,144	2,728
16	DTE Gas Storage Company	1,531,799	1,663,979	2,998,112	197,666	
17	Thunder Bay Gathering Company	85,150	444,041	488,052	41,139	114
18	Blue Lake Holdings	953	7,783	8,471	265	3
19	Detroit Edison Company	61,466,436	1,754,485	9,243,659	53,977,263	12,587
20	DTE Energy Company	4,659,764	67,203,840	65,903,586	5,960,018	
21	DTE Energy Trading, Inc.	17,267	-	16,967	300	
22	DTE Energy Ventures	5,610	8,302	11,867	2,045	
23	DTE Michigan Holdings, Inc.	3,439	151,138	139,839	14,738	117
24	DTE Gas Resources, Inc.	-	3,584	1,318	2,266	
25	Shelby Storage LLC	-	2,106	229	1,877	
26	MichCon Lateral Company	-	2,503,018	2,429,345	73,673	
27	Washington 10 Storage Partnership	-	241,520	213,932	27,589	
28	DTE River Rouge No. 1, LLC	-	2,100	-	2,100	
29	DTE Energy Services, Inc.	312,277	88,000	349,199	51,078	
30	DTE Gas & Oil Company	-	218,622	137,038	81,583	
31						
32						
33						
34						
35						
36						
37	Total Account 146	\$70,356,416	\$88,867,941	\$96,426,523	\$62,797,834	\$17,438
38						
39	Total of Accounts 145 and 146				\$65,988,955	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004
MATERIALS AND SUPPLIES				
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material. Nonmajor companies may report total on line 4.</p> <p>2. Give an explanation of important inventory adjustments during year (on a supplemental page) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected-debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)	0	0	
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	12,909,964 (1)	14,203,360 (1)	
12	Merchandise (Account 155)			
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)	1,317,941	1,130,561	
16				
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	14,227,905	15,333,922	\$0
(1)	Plant Materials and Operating Supplies (Account 154)			
	Construction and Operating			
	Materials and Supplies:			
	Pipe-steel and plastic	804,218	1,033,001	
	Fittings, valves, regulators, meter connections	2,654,387	2,875,039	
	Automotive and gas plant equipment parts	1,410,831	1,360,926	
	Appliance parts and installation materials	800,625	849,475	
	Gas Odorant	18,764	22,072	
	Truck Stock and other base stock	3,298,389	4,053,240	
	Other Materials	3,092,861	2,748,232	
	Uniforms and hand tools	399,181	445,237	
	Stationary and office supply forms	35,528	34,791	
	Forms	180,194	175,922	
	Sub-Total	12,694,977	13,597,937	
	Materials and supplies in transit	0	0	
	Materials and supplies - Unassigned costs:			
	Freight on materials	(213,786)	116,064	
	Sales and use taxes	415,562	489,360	
	Sub-Total	201,776	605,424	
	Inventory adjustments in suspense	13,211	0	
	TOTAL Account 154	\$12,909,964	\$14,203,360	

## ADVANCES FOR GAS PRIOR TO INITIAL DELIVERIES OR COMMISSION CERTIFICATION

(Accounts 124, 166 and 167)

1. Report below the information called for concerning all advances for gas, as defined in the text of Account 166, Advances for Gas Exploration, Development and Production, and 167, Other Advances for Gas, whether reported in Accounts 166, 167, or reclassified to Account 124, Other Investments. List Account 124 items first.
2. In column (a), give the date the advance was made, the payee (designate associated companies with an asterisk) a brief statement of the purpose, (exploration, development, production, general loan, etc.) and the estimated date of repayment. Do not use the term indefinite in reporting estimated date of repayment. If advances are made to a payee in connection with different projects with different arrangements for repayments, use separate lines for reporting; otherwise all advances may be grouped by payee, subject to the requirements of instruction 3 below.
3. If the beginning balance shown in column (c) does not agree with the prior year's ending balance, column (g), provide a detailed explanation in a footnote. Show all Advances made during the year in column (d) and all repayments or other credits in column (e). Report amounts shown in column (e) separately by account, as reported in column (f).

Line No.	Date of Advance, Payee, Purpose and Estimated Date of Repayment (a)	Account Number (124, 166 or 167) (b)	Balance at Beginning of Year (c)	Advances During Year (d)	Repayments or Other Credits During Year (e)	Accounts Charged (f)	Balance at End of Year (g)
1			0	0	0		0
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26			\$0	\$0	\$0		\$0
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.
2. Report all payments for undelivered gas on line 5 and complete pages 226 to 227 showing particulars (details) for gas prepayments.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	\$0
2	Prepaid Rents	56,092
3	Prepaid Taxes (262-263)	2,964,962
4	Prepaid Interest	-
5	Gas Prepayments (226-227)	-
6	Miscellaneous Prepayments: (1)	487,067
7	TOTAL	\$3,508,121

Notes:

- (1) Miscellaneous Prepayments:
- Employees Insurance Deposits
- Prepaid Sales Tax-Gasoline
- Prepaid Postage
- Prepaid Insurance-Supp D&R Plan
- Prepaid MPSC Fee
- Other

Balance at End of Year (In Dollars)

-

-

-

-

487,067

-

487,067

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss (include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (Mo. yr. to mo. yr).) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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19						
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21						
22						
23						
24						
25						
26						
27						
28	TOTAL	\$0	\$0		\$0	\$0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004		
PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)						
1. Report below particulars (details) concerning the cost of plans, surveys, and investigations made for the purpose of determining the feasibility of projects under contemplation. 2. For gas companies, report separately amounts included in Account 183.1, Preliminary Natural Gas Survey and Investigation Charges, and Account 183.2, Other Preliminary Survey and Investigation Charges. 3. Minor items (less than \$250,000) may be grouped by classes.						
Line No.	Description and Purpose of Project (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3	<u>Account 183.1</u>					
4	Projects at year end	\$0	(\$166)	Various	\$1,687	\$1,521
5						
6						
7						
8						
9						
10	<u>Account 183.2</u>					
11		0	0		0	0
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
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41						
42						
43						
44	Total	\$0	(\$166)		\$1,687	\$1,521

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
OTHER REGULATORY ASSETS					
1. Report below the particulars (details) called for concerning other regulatory asstes which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).					
2. For regulatory assets being amortized, show period of amortization in column (a).					
3. Minor items (amounts less than \$50,000) may be grouped by classes.					
4. Give the number and name of the account(s) where each amount is recorded.					
Line No.	Description and Purpose of Other Regulatory Assets  (a)	Debits  (b)	CREDITS		Balance at End of Year  (e)
			Account Charged  (c)	Amount  (d)	
1	SFAS 109 Plant excess DFIT		286-RA	\$3,661,800	\$46,798,508
2					
3	SFAS 109 Non-Plant excess DFIT				138,638
4					
5	SFAS 109 Non-Plant Regulatory Asset				<u>257,462</u>
6					
7	Total Regulatory Assets				<u>\$47,194,608</u>
8					
9	ANR Transition Costs	424,340	Various	538,020	\$0
10					
11	Deferred Asset - GCR	89,217,319	Various	53,451,864	54,617,628
12					
13	Deferred Environmental Testing/Clean-up Costs	6,612,584	930	4,102,365	29,240,758
14					
15	Unamortized Loss on Retirement of Debt	3,285,644	428	1,495,119	33,602,891
16					
17	Minimum Pension Liability	1,476,000	Various	2,381,000	<u>1,476,000</u>
18					
19	Total Regulatory Assets in Other Accounts				<u>\$118,937,277</u>
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL	\$101,015,887		\$65,630,168	\$166,131,885



MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits.						
2. For any deferred debt being amortized, show period of amortization in column (a).						
3. Minor items (less than \$50,000) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debit  (a)	Balance at Beginning of Year  (b)	Debits  (c)	CREDITS		Balance at End of Year  (f)
				Account Charged  (d)	Amount  (e)	
1	N/R - Vector Pipeline Lease	190,938,099	-	172	9,107,358	181,830,741
2						
3	Prepaid Pension Expense	114,285,997	11,222,412	926	4,605,409	120,903,000
4	Regulatory Asset - FAS 87	2,381,000	1,476,000	186	2,381,000	1,476,000
5	Grantor Trust	73,485,257	1,688,258	426	514,050	74,659,465
6						
7	Deferred Asset - Gas Customer Choice	50,834,198	147,098,623	Various	141,479,463	56,453,358
8						
9	Environmental Costs	22,035,265	3,184,250	186	1,401,584	23,817,931
10						
11	Enviornmental Charges	8,047,970	2,590,258	930	2,517,638	8,120,590
12						
13	Deferred Lost Gas Asset	6,507,560	17,275,701	485	15,421,791	8,361,470
14						
15	Split Week Accrual & Other Misc.	3,213,187	7,423,221	Various	10,475,657	160,751
16						
17	LT Rcvbl - empty Conversion Payment	1,363,980	1,606	Various	83,612	1,281,974
18						
19	N/R - 500 Associates LLC	367,673	29,371	420	-	397,044
20						
21	Deferred Short Term Financing Costs	-	1,884,955	431	157,929	1,727,026
22						
23	Transition Costs	113,680	424,340	803	538,020	-
24						
25	Recovery H.L. Brown Facility Costs	67,145	-	Various	3,707	63,438
26						
27	Accounts Payable Distribution-Clearing Acct	-	44,925	Various	4,518	40,407
28						
29	Accounts Payable Invalid Charges	189	23,289,278	Various	23,274,508	14,959
30						
31	M & S Invalid Charges	-	2,598	Various	2,595	3
32						
33	Accounts Payable First Bank Clearing	-	638,174	Various	638,174	-
34						
35	External Adds To Prop Non-Util 21	-	10,399	Various	10,399	-
36						
37						
38						
39						
40						
41						
42						
43						
44	Misc Work In Progress	1,124,601	4,547,560	Various	5,282,711	489,450
45	Accounts Payable Invoice Clearing	-	613,131	Various	547,836	65,295
46	Labor Distribution Clearing	-	22,375	Various	22,375	-
47						
48						
49	TOTAL	474,765,801	223,567,435		218,470,334	479,862,902

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2. At Other (Specify), include deferrals relating to other income and deductions.

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## CAPITAL STOCK (Accounts 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	COMMON STOCK	15,100,000	\$1.00	-
2				
3	CUMULATIVE PREFERRED STOCK			
4	SERIES:			
5	REDEEMABLE \$2.05 SERIES	7,000,000	\$1.00	N/A
6				
7	CUMULATIVE PREFERENCE STOCK	4,000,000	\$1.00	N/A
8				
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MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004						
CAPITAL STOCK (Accounts 201 and 204) (Continued)						
3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued. 4. The identification of each class of preferred stock should allow the dividend rate and whether the dividends are cumulative or noncumulative. 5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year. 6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.						
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		As Reacquired Stock (Account 217)		In Sinking and Other Funds		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
10,300,000	\$10,300,000	-	-	-	-	1
						2
						3
						4
-	-	-	-	-	-	5
						6
-	-	-	-	-	-	7
						8
						9
						10
						11
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						30

**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,  
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK**  
(Accounts 202 and 205, 203 and 206, 207, 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)
1	None		
2			
3			
4			
5			
6			
7			
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31			
32			
33			
34			
35			
36	Total	0	\$0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)					
Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.					
(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.					
(b) Reduction in Par or Stated Value of Capital Stock (Account 209)-State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.					
(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210)-Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.					
(d) Miscellaneous Paid-In Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.					
Line No.	Item (a)			Amount (b)	
1	<u>ACCOUNT 209 REDUCTION IN PAR OR STATED VALUE OF COMMON STOCK</u>				
2					
3	BALANCE, DECEMBER 31, 2003		\$133,900,000		
4	NO TRANSACTIONS DURING 2004		-		
5					
6	BALANCE, DECEMBER 31, 2004		<u>\$133,900,000</u>	\$133,900,000	
7					
8					
9	<u>ACCOUNT 210 GAIN ON RESALE OR CANCELLATION OF REACQUIRED CAPITAL STOCK</u>				
10					
11	BALANCE, DECEMBER 31, 2003		\$12,525		
12	NO TRANSACTIONS DURING 2004		-		
13					
14	BALANCE, DECEMBER 31, 2004		<u>\$12,525</u>	\$12,525	
15					
16					
17					
18	<u>ACCOUNT 211 MISCELLANEOUS PAID-IN-CAPITAL</u>				
19					
20	BALANCE, DECEMBER 31, 2003		\$298,628,597		
21	NO TRANSACTIONS DURING 2004		-		
22					
23	BALANCE, DECEMBER 31, 2004		<u>\$298,628,597</u>	\$298,628,597	
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38	Total			\$432,541,122	



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
DISCOUNT ON CAPITAL STOCK (Account 213)			
1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	TOTAL	\$0	
CAPITAL STOCK EXPENSE (Account 214)			
1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	TOTAL	\$0	

Name of Respondent Michigan Consolidated Gas Company	This Report Is: <input type="checkbox"/> (1) <input checked="" type="checkbox"/> An Original <input type="checkbox"/> (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
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**SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend

rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance or redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

**Mortgage Bonds Retired**

**6.85% Bond Series due 2038.**

The following payments totaled \$ 52,327,000 were made on the 6.85% Series Bonds.

<u>Settlement Date</u>	<u>Coupon %</u>	<u>Maturity Date</u>	<u>Repurchase Amount</u>	<u>Premium On redemption</u>	<u>Unamortized Expenses</u>
05/01/2004	6.85%	6/1/2038	\$ 46,000		
06/01/2004	6.85%	6/1/2038	30,000		
07/01/2004	6.85%	6/1/2038	17,000		
08/01/2004	6.85%	6/1/2038	15,000		
11/01/2004	6.85%	6/1/2038	\$ 52,219,000		1,872,830
			\$ 52,327,000	\$ -	\$ 1,872,830

\$ - of Redemption Premium were charged to Account 189, Unamortized Loss on Recquired Debt.

\$ 1,872,830 of Unamortized Expenses were charged to Account 189, Unamortized Loss on Recquired Debt.

**6.85% Bond Series due 2039.**

The following payments totaled \$ 55,000,000 were made on the 6.85% Series Bonds.

<u>Settlement Date</u>	<u>Coupon %</u>	<u>Maturity Date</u>	<u>Repurchase Amount</u>	<u>Premium On redemption</u>	<u>Unamortized Expenses</u>
11/01/2004	6.85%	6/1/2039	\$ 55,000,000		1,650,535
			\$ 55,000,000	\$ -	\$ 1,650,535

\$ - of Redemption Premium were charged to Account 189, Unamortized loss on reacquired debt.

\$ 1,650,535 of Unamortized Expenses were charged to Account 189, Unamortized loss on reacquired debt.

**Securities Issued**

**\$120,000,000 2004 Series E 5 % due 2019** were issued on October 4, 2004 at 99.594% to underwriters UBS Securities LLC, Credit Suisse First Boston LLC, Deutsche Bank Securities Inc., KeyBanc Capital Markets, A Division of McDonald Investments Inc., and Scotia Capital (USA) Inc.

The Proceeds were used to redeem bonds of \$107,327,000 and for general corporate purposes.

The Principal amount of \$120,000,000 was credited to Account series 221, and discount \$487,200 was debited to Account series 226 and expenses of Issuance \$2,324,610 was charged to Account series 181.

These costs of issuance will be amortized over the life of the Bond by charging it to Account Series 428.

The issuance and sale of these 2004 series Bonds was authorized by the Michigan Public Service Commission in Order U-10687, dated November 30, 1994.

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, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.

3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.

4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1	<b>Account 221 - Bonds</b>			
2	First Mortgage Bonds:			
3				
4	7.150% Series due 2006	05-30-96	05-30-06	40,000,000
5	7.210% Series due 2007	05-20-97	05-01-07	30,000,000
6	7.060% Series due 2012	05-20-97	05-01-12	40,000,000
7	8.250% Series due 2014	09-26-94	05-01-14	80,000,000
8	6.850% Series due 2038	09-01-93	06-01-38	52,327,000 ®
9	6.850% Series due 2039	09-01-93	06-01-39	55,000,000 ®
10	6.125% Snr Note due 2008	08-22-01	09-01-08	200,000,000
11	5.7% Snr Note due 2033	02-20-03	03-15-33	200,000,000
12	5% Snr Note due 2019	10-04-04	10-01-19	120,000,000
13				
14				
15				
16				
17				
18	<b>Other Bonds:</b>			
19	6.450% MOPPRS Series due 2038	06-23-98	06-30-38	75,000,000
20				
21	<b>Retired Debt in 2004 ®</b>			(107,327,000) ®
22				
23	<b>Total Account 221 Bonds</b>			<b>785,000,000</b>
24				
25				
26	<b>Account 224 - Other</b>			
27	Life Insurance Loans and Other		various	0
28	Deferred Transition Adjustment			0
29	SWAP Mark to Market			0
30				
31	<b>Total Account 224 Other</b>			<b>0</b>
32				
33	<b>TOTAL</b>			<b>\$785,000,000</b>
34				
35	(1) Interest on these instruments is being reported			
36	net of OCI cash flow hedge			
37				
38				
39				
40				
41	<b>Total</b>			<b>\$785,000,000</b>

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)					
advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.					
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.					
7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.					
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt, and Account 430, Interest on Debt to Associated Companies.					
9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.					
Interest for Year		Held by Respondent		Redemption Price Per \$100 at End of Year	Line No.
Rate (in %)	Amount	Reacquired Bonds (Acct. 222)	Sinking and Other Funds		
(e)	(f)	(g)	(h)	(i)	
					1
					2
					3
7.15	2,860,000				4
7.21	2,163,000				5
7.06	2,824,000				6
8.25	6,600,000				7
6.85	3,026,551				8
6.85	3,179,002				9
6.125	12,250,000				10
5.7	11,396,804 (1)				11
5	1,486,609 (1)				12
					13
					14
					15
					16
					17
					18
6.45	4,837,500				19
					20
					21
					22
	50,623,466		-		23
					24
					25
					26
various	90			-	27
					28
					29
					30
	90		-		31
					32
	50,623,556		-		33
					34
					35
					36
					37
					38
					39
					40
	\$ 50,623,556	\$ -	\$ -		41

**UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT**  
(Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period	
				Date From (d)	Date To (e)
1	<b>UNAMORTIZED DEBT EXPENSE ON LONG-TERM DEBT</b>				
2					
3	<b>First Mortgage Bonds:</b>				
4					
5	7.15 % Series Due 2006 - A752	40,000,000	359,277	05-30-96	05-30-06
6	8 1/4% Series Due 2014 -A751	80,000,000	700,000	09-26-94	05-01-14
7	7.06% Series due 2012 -A753	40,000,000	434,119	05-20-97	05-01-12
8	7.21% Series due 2007 - A754	30,000,000	302,758	05-20-97	05-01-07
9	6.125% Snr Note due 2008 - A758	200,000,000	1,612,368	08-22-01	09-01-08
10	5.7% 2003A due 2033 - A759	200,000,000	1,794,965	02-20-03	03-15-33
11	5% 2004E Snr Note due 2019	120,000,000	2,324,610	10-04-04	09-30-19
12					
13					
14	<b>Other Bonds:</b>				
15	6.85% Series due 2038 -A756 (1)	52,237,000	2,277,688	06-09-99	06-01-39
16	6.85% Series due 2039 - A757 (1)	55,000,000	2,287,994	06-09-99	06-01-38
17	6.45 % MOPPRS Series due 2038- A755	75,000,000	839,877	06-30-98	06-30-38
18					
19	<b>TOTAL ACCOUNT 181</b>	<b>\$892,237,000</b>	<b>\$12,933,656</b>		
20					
21					
22	<b>UNAMORTIZED PREMIUM ON OTHER BONDS</b>				
23	6.45 % MOPPRS Series due 2038 A755	75,000,000	(1,875,000)	06-30-98	06-30-13
24					
25	<b>TOTAL ACCOUNT 225</b>	<b>\$75,000,000</b>	<b>(\$1,875,000)</b>		
26					
27					
28	<b>UNAMORTIZED DISCOUNT ON FIRST MORTGAGE BONDS</b>				
29					
30	8 1/4% Series due 2014 -A751	80,000,000	680,000	09-26-94	05-01-14
31	6.45 % MOPPRS Series due 2038-A755	75,000,000	23,250	06-30-98	06-30-38
32	6.125% Snr Note due 2008 - A758	200,000,000	368,000	08-22-01	09-01-08
33	5.7% 2003A due 2033 - A759	200,000,000	726,000	02-20-03	03-15-33
34	5.7% 2004e due 2019 - A760	120,000,000	487,200	10-04-04	09-30-19
35	<b>TOTAL ACCOUNT 226</b>	<b>\$675,000,000</b>	<b>\$2,284,450</b>		
36					
37					
38					
39					
40	(1) The unamortized balances were transferred to the loss on reacquired debt account of the refunding issue.				

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226) (Continued)						
5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.						
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.						
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.						
Balance at Beginning of Year (f)	Debits During Year (g)		Credits During Year (h)	Balance at End of Year (i)	Line No.	
					1	
					2	
					3	
					4	
86,782			(35,909)	50,873	5	
353,997			(34,258)	319,739	6	
247,185			(29,662)	217,523	7	
103,124			(30,937)	72,187	8	
1,269,835			(272,108)	997,727	9	
1,740,119	102,216		(66,363)	1,775,972	10	
0	2,324,610		(38,081)	2,286,529	11	
					12	
					13	
					14	
1,713,921	(1,635,109)	(2)	(78,812)	0	15	
1,728,558	(1,650,535)	(3)	(78,023)	0	16	
709,256			(20,558)	688,698	17	
					18	
<b>\$7,952,776</b>	<b>(\$858,818)</b>		<b>(\$684,711)</b>	<b>\$6,409,247</b>	19	
					20	
					21	
					22	
(1,359,375)	93,750			(1,265,625)	23	
					24	
<b>(\$1,359,375)</b>	<b>\$93,750</b>		<b>\$0</b>	<b>(\$1,265,625)</b>	25	
					26	
					27	
					28	
					29	
355,473			(34,400)	321,073	30	
20,053			(581)	19,472	31	
241,030			(51,650)	189,380	32	
703,817			(24,200)	679,617	33	
	487,200		(8,120)	479,080	34	
<b>\$1,320,373</b>	<b>487,200</b>		<b>(118,951)</b>	<b>\$1,688,622</b>	35	
					36	
					37	
(1) The unamortized balances were transferred to the loss on reacquired debt account of 2004 bond.						38
(2) \$ 1,635,109 unamortized balance transferred to new bond's unamortized loss on reacquired debt.						39
(3) \$ 1,650,535 unamortized balance transferred to new bond's unamortized loss on reacquired debt.						40

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004		
UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (ACCOUNTS 189, 257)						
1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue. 2. In column (c) show the principal amount of bonds or other long-term debt reacquired. 3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts. 4. Show loss amounts by enclosing the figures in parentheses. 5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.						
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal Amount of Debt Reacquired (c)	Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	<u>Account 189</u>					
2						
3	9 3/4% series due 2000 -					
4	Refunding 7.06%, 1997B due 2012 - A753	6/30/97	12,000,000	1,009,562	563,993	496,314
5						
6	8% series due 2002					
7	Refunding Rmkt Nt 5.45% 1998 MOPPRS 2038-A755	6/30/98	58,686,000	4,345,527	3,727,137	3,619,104
8						
9	9 1/8% series due 2004					
10	Refunding 6.85% 1999 due 2038 - A756	09/30/99	18,000,000	274,113	243,649	-
11						
12	BONDS 9 1/2 SER DUE 2021					
13	Refunding 2001 6 1/8% due 2008-A758	2001	40,000,000	2,769,810	1,868,799	1,468,342
14						
15	Refunding 5.7% 2003A due 2033 - A759	2003	172,174,000	25,916,511	25,408,788	24,535,139
16						
17	Refunding 5.0% 2004E due 2019 - A760 (1)	2004	107,327,000	3,523,365	-	3,483,995
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28			\$ 279,501,000	\$ 37,838,888	\$ 31,812,366	\$ 33,602,891
29	<u>Account 257</u>					
30	None					
31						
32	(1) Refunded on Nov 2004 - Replaced 6.85% due 2038 (\$52,327M), 6.85% due 2039 (\$55M);					
33						
34						
35						
36						
37						
38	* MAPS - MAndatory Putable / remarketable Securities					
39	* MOPPRS - MAndatory Par Put Remarketed Securities					
40						
41						
42						
43						

## NOTES PAYABLE (Account 231)

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

Line No.	Payee (a)	Purpose for which issued (b)	Date of Note (c)	Date of Maturity (d)	Int. rate (e)	Balance end of year (f)
1	Various Lenders of Commercial	For Gas in Underground Storage	Various (1)	Various (1)	Various(1)	\$231,976,416
2	Paper	and Other Working Capital				
3						
4						
5	Detroit Investment Fund—	Investment in Detroit	04/95	See (2) below	Various (2)	\$1,013,674
6	Subscription Promissory Note	Investment Fund, L. P.				
7						
8						
9						
10						
11	(1) MichCon entered into a \$243.75 million, five-year facility and lowered its three-year facility from \$162.5 million to \$81.25 million.					
12	The five-year facilities replace the October 2003 364-day facilities, which expired. The three-year revolving credit facilities					
13	expire in October 2006. The five- and three-year credit facilities are with a syndicate of banks and may be utilized for					
14	general corporate borrowings, but primarily are intended to provide liquidity support for commercial paper programs.					
15						
16	(2) In April of 1995, the Company invested \$2,500,000 in the Detroit Investment Fund as a limited partner. The Company paid					
17	\$625,000 of the Subscription Price in 4/95 and \$861,326 in 2/00 with the balance of \$1,013,674, due in one or more					
18	installment from time to time upon 30 days notice from the General Partner.					
19						
20						
21						
22						
23						
24						
25						
26						
27						
	TOTAL					\$232,990,090



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004		
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.						
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	<u>Account 233</u>					
2	MichCon Development Corporation	\$ 6,364,152	\$ 1,452,503	\$ 1,274,425	\$ 6,186,074	\$ 287,080
3	Saginaw Bay Lateral Limited Partnership	44,817	50,187	54,354	48,984	2,068
4	Westside Pipeline Company	3,153,350	2,081,554	1,888,715	2,960,511	166,580
5	Saginaw Bay Lateral Company	815,954	171,480	385,111	1,029,585	40,085
6	Jordan Valley Limited Partnership	3,858,182	1,919,605	2,256,744	4,195,321	170,978
7	MichCon Gathering Company	10,374,671	14,895,577	12,945,989	8,425,083	463,848
8	Thunder Bay Gathering Company	2,056,567	2,693,679	1,249,287	612,175	100,427
9	Saginaw Bay Pipeline Company	3,127,133	1,448,218	1,898,809	3,577,724	164,283
10	MichCon Holdings, Inc.	2,039,383	370	2,079,298	4,118,311	92,395
11	DTE Energy Company	0	196,506,257	201,148,486	4,642,229	6,750
12	MichCon Lateral Company	0	1,154,237	2,881,825	1,727,588	31,362
13	Total (Account 233)	\$ 31,834,209	\$ 222,373,667	\$ 228,063,043	\$ 37,523,585	\$ 1,525,856
14						
15	Note: Notes Payable to associated companies arise from the Inter-Company Credit Agreement.					
16	Purpose: To provide a line of credit from associated companies.					
17	Maturity Date: N/A					
18	Interest Rate: The prime rate at Bank One, N.A.					
19	<u>Account 234</u>					
20	DTE Energy Company	\$ 20,383,457	\$ 221,643,018	\$ 214,312,361	\$ 13,052,800	\$ -
21	Citizens Gas Fuel Company	(0)	6,018	4,815	(1,204)	0
22	MichCon Gathering Company	57,905	121,391	74,257	10,771	0
23	MichCon Pipeline Company	(0)	662,653	700,350	37,697	0
24	CoEnergy Trading Company	1,561,625	5,090,378	3,528,753	(0)	0
25	DTE Enterprises, Inc.	14,353	49,182	34,829	0	0
26	Saginaw Bay Pipeline Company	31,897	248,663	248,070	31,303	0
27	Detroit Edison Company	2,730,699	40,199,186	40,343,207	2,874,720	0
28	Total (Account 234)	\$ 24,779,936	\$ 268,020,490	\$ 259,246,642	\$ 16,006,087	\$ -
29						
30						
31						
32						
33	Total	\$ 56,614,145	\$ 490,394,157	\$ 487,309,685	\$ 53,529,673	\$ 1,525,856

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MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004		
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
<p>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.</p> <p>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,</p>		
Line No.		Total Amount
1	Utility net operating income (page 114 line 24)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
5	Net income for the year (page 117 line 72)	\$19,141,585
6	Allocation of Net income for the year	
7	Add Federal income tax expenses	(12,406,457)
8		
9	Total pre-tax income	6,735,128
10		
11	Add: Taxable income not reported on books	
12	SEE PAGE 261-C	20,091,323
13		
14		
15	Add: Deductions recorded on books not deducted from return	
16	SEE PAGE 261-C	72,623,674
17		
18		
19	Subtract : Income recorded in books not included in return	
20	SEE PAGE 261-C	(43,464,510)
21		
22		
23	Subtract: Deductions on return not charged against book income	
24	SEE PAGE 261-C	(94,981,990)
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	Federal taxable income for the year	(\$38,996,375)

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
RECONCILIATION OF REPORTED NET INCOME					
WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES					
intercompany amounts to be eliminated in such a consolidated 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.	
	\$64,466,583			1	
				2	
				3	
				4	
				5	
	15,662,761		\$3,478,825	6	
	(16,653,293)		4,246,836	7	
				8	
	(990,532)		7,725,661	9	
				10	
				11	
	20,091,323		0	12	
				13	
				14	
				15	
	72,623,674		0	16	
				17	
				18	
				19	
	(38,043,713)		(5,420,797)	20	
				21	
				22	
				23	
	(94,981,990)		0	24	
				25	
				26	
				27	
				28	
				29	
				30	
				31	
				32	
				33	
				34	
				35	
				36	
				37	
				38	
				39	
				40	
				41	
				42	
	(\$41,301,238)		\$2,304,864	43	

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004		
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
Line No.		Total Amount
1	NOTES	
2	Line 12: Taxable Income Not Reported On Books:	
3	Contributions in aid of construction - A.E.P.	\$598,927
4	Contributions in aid of construction - Service Lines	8,527,873
5	Contributions in aid of construction - CAP Program	9,403,835
6	Reserve for Injuries and Damages	1,560,688
7		
8	Line 12 Subtotal	\$20,091,323
9		
10	Line 16: Deductions Recorded On Books Not Deducted From Return:	
11	Loss on Bond Refunding	\$2,276,171
12	Sec. 162(m) Adjustment	1,170,322
13	Bonus Accrual	2,528,760
14	Retirement Costs Transferred	6,047,693
15	VEBA accrual, net of contribution	19,437,760
16	Reserve for Bad Debts	27,763,651
17	Capitalized Software Costs	3,969,974
18	Capitalized Construction Costs	5,253,591
19	Other miscellaneous	4,175,752
20		
21	Line 16 Subtotal	\$72,623,674
22		
23	Line 20: Income Recorded In Books Not Included In Return:	
24	Pension expense	\$34,108,998
25	Equity earnings in subsidiaries	5,420,797
26	Medicare Reimbursement	2,914,130
27	Grantor Trust	1,020,585
28		
29	Line 20 Subtotal	\$43,464,510
30		
31	Line 24: Deductions On Return Not Charged Against Book Income:	
32	Gas Cost Recovery	\$35,565,217
33	Property tax expense	6,452,960
34	Lost Gas Deferral	1,970,280
35	Capitalized Marketing Costs	1,800,000
36	Loss on ACRS/MACRS Retirements	7,487,384
37	ESOP Dividends Pass Through	4,360,946
38	M.A.R.S. Capitalized Costs	1,023,000
39	Depreciation (tax over book)	35,575,788
40	Environmental Insurance Recoveries	746,415
41		
42	Line 24 Subtotal	\$94,981,990

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES			Line No.
Utility	Other		
			1
			2
\$598,927	\$0		3
8,527,873	0		4
9,403,835	0		5
1,560,688	0		6
			7
\$20,091,323	\$0		8
			9
			10
\$2,276,171	\$0		11
1,170,322	0		12
2,528,760	0		13
6,047,693	0		14
19,437,760	0		15
27,763,651	0		16
3,969,974	0		17
5,253,591	0		18
4,175,752	0		19
			20
\$72,623,674	\$0		21
			22
			23
\$34,108,998	\$0		24
0	5,420,797		25
2,914,130	0		26
1,020,585	0		27
			28
\$38,043,713	\$5,420,797		29
			30
			31
\$35,565,217	\$0		32
6,452,960	0		33
1,970,280	0		34
1,800,000	0		35
7,487,384	0		36
4,360,946	0		37
1,023,000	0		38
35,575,788	0		39
746,415	0		40
			41
\$94,981,990	\$0		42

## CALCULATION OF FEDERAL INCOME TAX

Line No.		Total Amount
1	Estimated Federal taxable income for the current year (page 261A)	(\$38,996,375)
2		
3	Show Computation of estimated gross Federal income tax applicable to line 1:	
4	\$(38,996,375) * 35 %	(13,648,731)
5		
6		
7		
8	TOTAL	(\$13,648,731)
9		
10	Allocation of estimated gross Federal income tax from line 11	
11	Investment tax credits estimated to be utilized for the year (page 264 col (c))	
12		
13	Adjustment of last years estimated Federal income tax to the filed return:	
14		
15	Last year's gross Federal income tax expense per the filed return	(\$23,002,451)
16	Last year's estimated gross Federal income tax expense	6,367,561
17	Increased (decreased) gross Federal income tax expense	(29,370,012)
18		
19	Last year's investment tax credits utilized per the filed return	0
20	Last year's investment tax credits estimated to be utilized	0
21	Increased (decreased) investment tax credits utilized	0
22		
23	Additional Adjustments (Specify)	
24	Adjustments to taxes provided in prior periods	(2,800,000)
25		
26		
27		
28		
29		
30		
31	Total Current Federal Income Tax	(\$45,818,743)
32	Expense:	
33	409.1 (page 114, line 14)	(\$46,625,445)
34	409.2 (page 117, line 47)	\$806,702

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
CALCULATION OF FEDERAL INCOME TAXES (continued)			Line No.
Utility	Other		
			1
			2
			3
			4
			5
			6
			7
			8
			9
(\$14,455,433)	\$806,702		10
			11
			12
			13
			14
(\$23,002,451)	0		15
\$6,367,561	0		16
(\$29,370,012)	\$0		17
			18
			19
			20
			21
			22
			23
(2,800,000)	0		24
			25
			26
			27
			28
			29
			30
(\$46,625,445)	\$806,702		31
			32
(\$46,625,445)			33
	\$806,702		34



## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beginning of Year	
		Taxes Accrued (b)	Prepaid Taxes (c)
1	Federal Taxes		
2			
3	Federal Insurance Contributions	(\$541,220)	-
4	Federal Unemployment	1,144	-
5	Fed. Excise Tax Accrual	(38,627)	-
6	Federal R & E Tax Credit	(2,766,087)	-
7	Federal Income - Accrual	(4,459,836)	-
8	- Prepaid	-	-
9	Superfund Tax	-	-
10	Subtotal Federal Taxes	(7,804,626)	-
11			
12	State Taxes		
13			
14	Michigan Unemployment	4,234	-
15	Michigan General Sales Tax	683,353	-
16	Michigan Use	(57,755)	-
17	Michigan Gasoline	-	-
18	Michigan Severance	16,811	-
19	Michigan Diesel Fuel	-	-
20	Michigan Single Business	3,482,794	-
21	D. C. Franchise	-	-
22	Virginia Income	-	-
23	Subtotal State Taxes	4,129,437	-
24			
25	Local		
26			
27	Property - Accrued	192,630	-
28	- Prepaid	-	1,766,416
29	City Utility Users	2,293,224	-
30	City Income	113,253	-
31	Subtotal Local Taxes	2,599,107	1,766,416
32			
33			
34	Total A/C 236	(\$1,076,082)	\$1,766,416
35	F.I.T. Prior Years - A/C 244, 245	\$7,151,257	-
36	MSBT Prior Years - A/C 244.1, 245.1	\$0	-
37			

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and state income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
					1
					2
\$11,210,412	\$10,485,998	-	\$183,194	-	3
132,425	132,276	-	1,293	-	4
-	8,296	-	(46,923)	-	5
-	-	-	(2,766,087)	-	6
(43,045,724)	(73,287,501)	-	25,781,941	-	7
-	-	-	-	-	8
-	-	-	-	-	9
(31,702,887)	(62,660,931)	-	23,153,418	-	10
					11
					12
					13
400,733	401,251	-	3,716	-	14
64,169,365	61,138,730	-	3,713,988	-	15
2,122,420	1,879,742	-	184,923	-	16
-	-	-	-	-	17
244,399	235,349	-	25,861	-	18
-	-	-	-	-	19
4,463,911	6,914,326	-	1,032,379	-	20
-	-	-	-	-	21
-	-	-	-	-	22
71,400,828	70,569,398	-	4,960,867	-	23
					24
					25
					26
31,451,853	31,644,483	-	-	-	27
(1,198,547)	-	-	-	2,964,963	28
18,998,108	18,881,029	-	2,410,303	-	29
0	-	-	113,253	-	30
49,251,414	50,525,512	0	2,523,556	2,964,963	31
					32
					33
\$88,949,355	\$58,433,979	\$0	\$30,637,841	\$2,964,963	34
(\$2,800,000)	-	-	\$4,351,257	-	35
	-	-	\$0		36
					37

DISTRIBUTION OF TAXES CHARGED			
Line No.	Kind of Tax (See Instruction 5) (a)	Electric (Account 408.1 409.1) (b)	Gas (Account 408.1 409.1) (c)
1	Federal Taxes		
2			
3	Federal Insurance Contributions	\$ -	\$10,200,618
4	Federal Unemployment	-	132,418
5	Fed. Excise Tax Accrual	-	-
6	Federal R & E Tax Credit	-	-
7	Federal Income - Accrual	-	(43,852,426)
8	- Prepaid	-	-
9	Superfund Tax	-	0
10	Subtotal Federal Taxes	0	(33,519,390)
11			
12			
13			
14			
15			
16			
17			
18			
19	State Taxes		
20			
21	Michigan Unemployment	-	400,562
22	Michigan General Sales Tax	-	-
23	Michigan Use	-	-
24	Michigan Gasoline	-	-
25	Michigan Severance	-	244,399
26	Michigan Diesel Fuel	-	-
27	Michigan Single Business	-	4,465,911
28	D. C. Franchise	-	-
29	Virginia Income	-	-
30	Subtotal State Taxes	0	5,110,872
31			
32			
33			
34			
35			
36			
37	Local		
38			
39	Property - Accrued	-	31,421,853
40	- Prepaid	-	(1,198,547)
41	City Utility Users	-	-
42	City Income	-	0
43	Subtotal Local Taxes	0	30,223,306
44			
45			
46	Total A/C 236	\$0	\$1,814,788
47	F.I.T. Prior Years - A/C 244, 245	-	\$0
48	MBST Prior Years - A/C 244.1, 245.1	-	-
49	Total		

MICHIGAN CONSOLIDATED GAS COMPANY AN ORIGINAL December 31, 2004  
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

(Show utility department where applicable and account charged.)						
Other Utility Department (Account 408.1, 409.1) (d)	Other Income and Deductions (Account 408.2 409.2) (e)	Extraordinary Items (Account 409.3) (f)	Other Utility Opn. Income (Account 408.1, 409.1) (g)	Adj. to Ret. Earnings (Account 439) (h)	Other (i)	Line No.
						1
					\$1,009,794	2
					7	3
						4
						5
						6
	806,702					7
						8
						9
0	806,702	0	0	0	1,009,801	10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
					171	21
					64,169,365	22
					2,122,420	23
						24
						25
						26
					(2,000)	27
						28
						29
0	0	0	0	0	66,289,956	30
						31
						32
						33
						34
						35
						36
						37
						38
	30,000					39
						40
					18,998,108	41
						42
0	30,000	0	0	0	18,998,108	43
						44
\$0	\$836,702	\$0	\$0	\$0	\$86,297,865	45
					(\$2,800,000)	46
					\$0	47
						48
						49

DISTRIBUTION OF TAXES CHARGED

Line No.	Kind of Tax (See Instruction 5) (a)	Total Other (b)	Work-In- Progress (c)	Depreciation Reserve (d)
1	Federal Taxes			
2				
3	Federal Insurance Contributions	1,009,794	-	-
4	Federal Unemployment	7	-	-
5	Fed. Excise Tax Accrual	-	-	-
6	Federal R & E Tax Credit	-	-	-
7	Federal Income - Accrual	-	-	-
8	- Prepaid	-	-	-
9	Superfund Tax	-	-	-
10	Subtotal Federal Taxes	1,009,801	0	0
11				
12				
13				
14				
15				
16				
17				
18				
19	State Taxes			
20				
21	Michigan Unemployment	171	-	-
22	Michigan General Sales Tax	64,169,365	-	-
23	Michigan Use	2,122,420	613,748	24,266
24	Michigan Gasoline	-	-	-
25	Michigan Severance	-	-	-
26	Michigan Diesel Fuel	-	-	-
27	Michigan Single Business	(2,000)	-	-
28	D. C. Franchise	-	-	-
29	Virginia Income	-	-	-
30	Subtotal State Taxes	66,289,956	613,748	24,266
31				
32				
33				
34				
35				
36				
37	Local			
38				
39	Property - Accrued	-	-	-
40	- Prepaid	-	-	-
41	City Utility Users	18,998,108	-	-
42	City Income	-	-	-
43	Subtotal Local Taxes	18,998,108	0	0
44				
45				
46	Total A/C 236	\$86,297,865	\$613,748	\$24,266
47	F.I.T. Prior Years - A/C 244, 245	(\$2,800,000)	-	-
48	MBST Pr Years - A/C 244.1, 245.1	\$0	-	-
49	Total			

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004		
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)							
(Show utility department where applicable and account charged)							
General Work Orders	Accounts Receivable	Operation & Maintenance Expenses	Transport. Expenses	Materials & Supplies	Deferred Credit & F.I.T.	Misc. Current & Accrued Assets	Line No.
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
\$1,005,875	3,919	-	-	-	-	-	1
-	7	-	-	-	-	-	2
-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	5
-	-	-	-	-	-	-	6
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	8
-	-	-	-	-	-	-	9
1,005,875	3,926	0	0	0	0	0	10
-	-	-	-	-	-	-	11
-	-	-	-	-	-	-	12
-	-	-	-	-	-	-	13
-	-	-	-	-	-	-	14
-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	16
-	-	-	-	-	-	-	17
-	-	-	-	-	-	-	18
-	-	-	-	-	-	-	19
-	-	-	-	-	-	-	20
171	-	-	-	-	-	-	21
26,635	64,169,365	704,903	-	752,868	-	-	22
-	-	-	-	-	-	-	23
-	-	-	-	-	-	-	24
-	-	-	-	-	-	-	25
-	-	-	-	-	-	-	26
-	-	-	-	-	-	(2,000)	27
-	-	-	-	-	-	-	28
-	-	-	-	-	-	-	29
26,806	64,169,365	704,903	0	752,868	0	(2,000)	30
-	-	-	-	-	-	-	31
-	-	-	-	-	-	-	32
-	-	-	-	-	-	-	33
-	-	-	-	-	-	-	34
-	-	-	-	-	-	-	35
-	-	-	-	-	-	-	36
-	-	-	-	-	-	-	37
-	-	-	-	-	-	-	38
-	-	-	-	-	-	-	39
-	18,998,108	-	-	-	-	-	40
-	-	-	-	-	-	-	41
-	-	-	-	-	-	-	42
0	18,998,108	0	0	0	0	0	43
-	-	-	-	-	-	-	44
\$1,032,681	\$83,171,399	\$704,903	\$0	\$752,868	\$0	(\$2,000)	45
-	-	-	-	-	(\$2,800,000)	-	46
-	-	-	-	-	\$0	-	47
-	-	-	-	-	-	-	48
-	-	-	-	-	-	-	49



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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)					
<p>1. Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and non-utility operations. Explain by footnote any correction adjustments to the account balance shown in column (g) . Include in column (j) the average period over which the tax credits are amortized.</p> <p>2. Fill in columns for all line items as appropriate.</p>					
Line No.	Account Subdivisions (a)	Subaccount Number (b)	Balance at Beginning of Year (c)	Deferred for Year	
				Account Number (d)	Amount (e)
1	Gas Utility				
2	PRE - 1970				
3	3%	255-10	\$414,870		
4	7%	255-10	312,143		
5	Subtotal Pre - 1970		727,013		
6					
7					
8					
9					
10					
11					
12	JDITC: POST - 1970				
13	4%	255-20	784,790		
14	6%	255-20	-		
15	7%	255-20	1,084,184		
16	4% & 6%	255-20	-		
17	8% & 10%	255-20	17,658,267		
18					
19	Subtotal POST - 1970		19,527,241		
20	Total		20,254,254		
21	Other				
22	3%				
23	4%				
24	7%				
25	8%				
26	10%				
27					
28					
29					
30					
31					
32	JDITC				
33					
34					
35	Total				
NOTES					

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)					
Allocations to Current Year's Income					
Account No. (f)	Amount (g)	Adjustments (h)	Balance at End of Year (i)	Average Period of Allocation to Income (j)	Line No.
					1
					2
411-42	(\$92,840)		\$322,030	41.57	3
411-42	(46,868)		265,275	37.43	4
	(139,708)		587,305		5
					6
					7
					8
					9
					10
					11
					12
411-42	(97,773)	-	687,017	39.21	13
411-42	-	-	-		14
411-42	(170,037)	-	914,147	35.69	15
411-42	-	-	-		16
411-42	(1,426,301)	-	16,231,966	34.55	17
	(1,694,111)	-	17,833,130		18
	(\$1,833,819)	-	18,420,435		19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
NOTES (Continued)					

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)			
1. Report the amount and description of other current and accrued liabilities at end of year.			
2. Minor items (Less than \$100,000) may be grouped under appropriate title.			
Line No.	Item (a)	Balance end of year (b)	
1			
2	Accrued Wages	2,745,000	
3	Contingent Liability - Energy Loans	611,071	
4	Royalties and Working Interests Payable	137,870	
5	Unclaimed Balances Payable	1,024,654	
6	Unemployment Contributions	49,032	
7	Employees' Paid Absences Accrual		
8	Salaried Weekly and Union	7,239,593	
9	Salaried Semi-Monthly	7,062,483	
10	Exchange Gas	6,882,252	
11	ANR Pipeline - Transportation of Gas	1,634,479	
12			
13	Reserve for Environmental Testing Expense	5,582,152	
14	Accrued Credits for Overcollected Gas Sales Revenue	27,702,198	
15	Management Incentive Bonus Plan	4,028,000	
16	Medical/Dental Expense Accrual	2,462,899	
17	Capacity Reservation Charges Refundable - Transportation Service	1,083,818	
18	Other (17 items)	271,456	
19			
20			
21			
22			
23			
24			
25	TOTAL	\$68,516,957	

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)		
Line No.	List Advances by Department (a)	Balance at End of Year (b)
31	Gas Main Extension	\$1,546,794
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	TOTAL	\$1,546,794

## OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$10,000) may be grouped by classes.
4. For any undelivered gas obligations to customers under take-or-pay clauses of sale agreements, show the total amount on this page and report particulars (details) called for by page 267. Show also on this page, but as a separate item, any advance billings or receipts for gas sales or service classified in Account 253 but not related to take-or-pay arrangements.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Unearned Interest Revenue Vector	109,207,515	419	7,946,454	-	101,261,061
2						
3	Postretirement Benefit Obligation	95,807,795	926	2,450,170	24,529,160	117,886,785
4						
5	NonQualified Benefit Plans	17,705,741	Various	4,063,052	3,509,177	17,151,866
6						
7	Environmental Remediation Expenses	16,133,681	Various	2,559,475	3,394,532	16,968,738
8						
9	Property Taxes	8,179,307	236	-	2,817,144	10,996,451
10						
11	Customer advances for construction	4,199,264	186	-	-	4,199,264
12						
13	GCR - MPSC 9C/10 Refund Provision	2,976,522	174	2,761,849	2,290,694	2,505,367
14						
15	Environmental Insurance Recovery - (10 yr Amort.)	3,066,463	930	766,518	183,142	2,483,087
16						
17	Gas Customer Choice Deposits	1,670,643	Various	2,659,469	1,557,309	568,483
18						
19	Unfunded Savings Plan	1,170,945	Various	77,279	364,512	1,458,179
20						
21	FASB 96 Excessive Deferrals	598,843	Various	598,843	-	-
22						
23	Miscellaneous Deferred Credits	382,871	Various	382,871	1,065,194	1,065,194
24						
25	Unearned Revenue - Franklin Bank	279,601	Various	301,461	48,492	26,632
26						
27	Refund Pending Final Disposition	121,349	Various	-	393,116	514,465
28						
29	Lost gas deferral	116,370	Various	5,664,604	5,548,234	-
30						
31	Unearned Revenue - Loan Servicing	7,910	Various	8,329	2,381	1,962
32						
33	Deferred Liability - Transportation	-	Various	164,381	246,572	82,191
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	TOTAL	\$ 261,624,823		\$ 30,404,755	\$ 45,949,659	\$ 277,169,728

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)						
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization. 2. For Other (Specify), include deferrals relating to other income and deductions. 3. Use separate pages as required.						
Line No.	Account Subdivisions (a)	Sub-Acc't. No. (b)	Balance at Beginning of Year (c)	CHANGES DURING YEAR		
				Amounts Debited to (Account 410.1) (d)	Amounts Credited to (Account 411.1) (e)	
1	Account 282					
2	Electric					
3	Gas Sec. 167 Acc Deprec.		\$190,751,096	\$641,837	(\$20,492,073)	
4	Other (Define)		0	0	0	
5	TOTAL (Enter total of lines 2 - 4)	282	190,751,096	641,837	(20,492,073)	
6	Other (Specify) Non-Utility					
7						
8						
9	TOTAL Account 282 (Enter total of lines 5 thru 8)		\$190,751,096	\$641,837	(\$20,492,073)	
10	Classification of Total					
11	Federal Income Tax		\$190,751,096	\$641,837	(\$20,492,073)	
12	State Income Tax					
13	Local Income Tax					
NOTES						
	ACCUMULATED D.F.I.T - LIBERALIZED DEPRECIATION:					
	LINE 3 GAS - UTILITY					
	FASB 109 Plant Reg. Liability	285-RA	\$95,174,884	\$0	\$6,800,000	
	Liberalized Depr. - Pre 1981	282-10	(2,920,618)	0	0	
	Liberalized Depr. - Post 1980	282-20	98,496,830	641,837	(27,292,073)	
			190,751,096	641,837	(20,492,073)	
	LINE 4 GAS					
	SUBTOTAL - LINE 5 GAS		\$190,751,096	\$641,837	(\$20,492,073)	
	LINE 6					
	OTHER - NON UTILITY LIBERALIZED DEPRECIATION					
	SUBTOTAL - LINE 6 OTHER		0	0	0	
	GRAND TOTAL ACCOUNT 282-XX		\$190,751,096	\$641,837	(\$20,492,073)	

MICHIGAN CONSOLIDATED GAS COMPANY				AN ORIGINAL		December 31, 2004	
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)							
See Instructions Page 274							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (l)	Line No.
Amounts Debited (Account 410.2) (f)	Amounts Credited (Account 411.2) (g)	DEBITS		CREDITS			
		Acc't. (h)	Amount (i)	Acc't (j)	Amount (k)		
							1
							2
\$0		See Below	\$160,427	See Below	(\$1)	\$212,045,434	3
			0		0	0	4
0	0		160,427		(1)	212,045,434	5
							6
							7
							8
\$0	\$0		\$160,427		(\$1)	\$212,045,434	9
							10
\$0	\$0		\$160,427		(\$1)	\$212,045,434	11
							12
							13
NOTES (Continued)							
						\$88,374,884	
						(2,920,618)	
		123-33	160,427	Rounding	(1)	126,591,168	
0	0		160,427		(1)	212,045,434	
\$0	\$0		\$160,427		(\$1)	\$212,045,434	
	0						
	0						
0	0		0		0	0	
\$0	\$0		\$160,427		(\$1)	\$212,045,434	

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)						
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283. 2. For Other (Specify), include deferrals relating to other income and deductions. 3. Provide in the space below, the order authorizing the use of the account for each line item.						
Line No.	Account Subdivisions (a)	Sub-Acc't. No. (b)	Balance at Beginning of Year (c)	CHANGES DURING YEAR		
				Amounts Debited (Acc't.410.1) (d)	Amounts Credited (Acc't.411.1) (e)	
1	Account 283					
2	Electric					
3						
4						
5						
6						
7						
8	Other					
9	TOTAL Electric (Total of lines 2 thru 6)					
10	GAS					
11	Loss On Bond Refunding	(283-10)	\$10,863,028	\$0	\$796,660	
12	Property Taxes	(283-20)	3,908,856	0	(8,385,299)	
13	Misc. Deferrals	(283-QI)	236,163,101	20,464,835	0	
14	VEBA	(283-QJ)	40,000,672	6,832,575	(960,005)	
15	ACRS/MACRS & Retirement Plant	(283-QL)	(4,804,490)	5,183,435	2,593,286	
16	MARS Project	(283-QG)	21,580,867	1,359,050	1,001,000	
17	Other		(1,434,035)	13,548,178	0	
18	TOTAL Gas (Total of lines 9 thru 15)		306,277,999	47,388,073	(4,954,358)	
19	Other (Specify)					
20	TOTAL (Account. 283) (Enter Total of lines 7, 16, & 17)		\$306,277,999	\$47,388,073	(\$4,954,358)	
21	Classification of TOTAL					
22	Federal Income Tax		\$304,713,999	\$47,388,073	(\$4,954,358)	
23	State Income Tax					
24	Local Income Tax		\$1,564,000	\$0	\$0	
NOTES						
	Other Gas (Line 15)					
	GCR Undercollections	(283-80)	(\$2,998,035)	\$13,548,178	\$0	
	FAS 133 MTM	(283-00)	0	0	0	
	State & Local Taxes	(283-QM)	1,564,000	0	0	
	FASB 96 Excessive Deferrals	(253-PB)	0	0	0	
	Total Other Gas		(\$1,434,035)	\$13,548,178	\$0	

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

Include amounts relating to insignificant items listed under Other.

4. Fill in all columns for all line items as appropriate.

5. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (l)	Line No.
Amounts Debited (Acc't.410.2) (f)	Amounts Credited (Acc't.411.2) (g)	DEBITS		CREDITS			
		Acc't (h)	Amount (i)	Acc't (j)	Amount (k)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
\$0	\$0					\$10,066,368	11
0	0			Rounding	(1)	12,294,156	12
3,440,134	0					260,068,070	13
0	0	Rounding	(1)			47,793,251	14
0	0					(2,214,341)	15
0	0					21,938,917	16
0	0	See Below	1		125,707	11,988,437	17
3,440,134	0		0		125,706	361,934,858	18
							19
\$3,440,134	\$0		\$0		\$125,706	\$361,934,858	20
							21
\$3,440,134	\$0		\$0		\$125,706	\$360,370,858	22
							23
\$0	\$0		\$0		\$0	\$1,564,000	

NOTES (Continued)

\$0	\$0	Rounding	1			\$10,550,144	
0	0			427-00	724,550	(724,550)	
0	0					1,564,000	
0	0			253-PB	(598,843)	598,843	
\$0	\$0		\$1		\$125,707	\$11,988,437	



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
OTHER REGULATORY LIABILITIES					
1. Report below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).					
2. For regulatory liabilities being amortized, show period of amortization in column (a).					
3. Minor items (amounts less than \$50,000) may be grouped by classes.					
4. Give the number and name of the account(s) where each amount is recorded.					
Line No.	Description and Purpose of Other Regulatory Liabilities  (a)	DEBITS		Credits  (d)	Balance at End of Year  (e)
		Account Credited  (b)	Amount  (c)		
1	SFAS 109 Non-Plant Excess DFIT (Account				\$138,638
2	286-RB)				
3	SFAS 109 Plant Reg Liability (Account 286-RA)	191-RA	\$3,661,800		<u>46,798,508</u>
4					
5	Total Regulatory Liabilities				<u>\$46,937,146</u>
6					
7					
8	Refunds Payable (Account 242-33 and 253-16)	142-10		393,116	\$515,626
9					
10	Unamortized Investment Tax Credits (Account	411-42	1,833,819		18,420,435
11	255-10 and 255-20)				
12					
13	SFAS 109 Plant Excess DFIT (Account 285-RA)	411-11	6,800,000		88,374.884
14					
15					
16					
17	Accrued Credits for Overcollected Gas Sales Revenue				
18	(Account 242-73)				26,529,000
19					
20	Accrued Credits for 80/20 &90/10				
21	(Account 253-AB)		2,690,290	2,290,694	<u>2,290,694</u>
22					
23	Total Regulatory Liabilities in Other Accounts				<u>\$136,130,639</u>
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL		\$14,985,909	\$2,683,810	\$183,067,785

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
GAS OPERATING REVENUES (Account 400)					
1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.					
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.					
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.					
4. Report quantities of natural gas sold in Mcf (14.73 psia at 60°F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.					
Line No.	Title of Account (a)	OPERATING REVENUES			
		Amount for Year (b)	Amount for Previous Year (c)		
1	GAS SERVICE REVENUES				
2	480 Residential Sales	1,024,758,262	915,571,810		
3	481 Commercial & Industrial Sales				
4	Small (or Comm.) (See Instr. 6)	327,245,243	289,521,225		
5	Large (or Ind.) (See Instr. 6)	10,592,214	10,546,925		
6	482 Other Sales to Public Authorities	0	0		
7	484 Gas Customer Choice Revenue (2)	3,756,011	24,407,984		
8	TOTAL Sales to Ultimate Consumers	1,366,351,730	1,240,047,944		
9	483 Sales for Resale	0	0		
10	TOTAL Nat. Gas Service Revenues	1,366,351,730	1,240,047,944		
11	Revenues from Manufactured Gas	0	0		
12	TOTAL Gas Service Revenues	\$1,366,351,730	\$1,240,047,944		
13	OTHER OPERATING REVENUES				
14	485 Intracompany Transfer	0	0		
15	487 Forfeited Discounts	\$10,957,274	\$13,396,902		
16	488 Misc. Service Revenues	27,738,653	21,915,757		
17	489 Rev. from Trans. of Gas of Others	159,914,553	177,285,241		
18	490 Sales of Prod. Ext. from Nat. Gas	0	0		
19	491 Rev. from Nat. Gas Proc. by Others	0	0		
20	492 Incidental Gasoline and Oil Sales	0	0		
21	493 Rent from Gas Property	45,803	63,182		
22	494 Interdepartmental Rents	600,000	253,344		
23	495 Other Gas Revenues	12,398,333	14,207,302		
24	TOTAL Other Operating Revenues	211,654,617	227,122,228		
25	TOTAL Gas Operating Revenues	1,578,006,346	1,467,170,172		
26	(Less) 485 Provision for Rate Refunds				
	Provision for Gas Sales Refunds	(35,417,551)	3,090,878		
	Lost Gas Deferred (1)	(1,970,280)	5,316,329		
	Total Provision for Rate Refunds	(37,387,831)	8,407,208		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	\$1,615,394,178	\$1,458,762,964		
28	Sales by Communities (Incl. Main Line Sales to Resid. and Comm. Custrs.)	\$1,352,003,505			
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	10,592,214			
30	Sales for Resale	0			
31	Other Sales to Pub. Auth. (Local Dist. Only)	0			
32	Gas Customer Choice Revenue	3,756,011			
33	TOTAL (Same as Line 10, Columns (b) and (d))	\$1,366,351,730			

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
GAS OPERATING REVENUES (Account 400) (Continued)					
5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote. 6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.) 7. See page 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.					
MCF OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.	
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)		
				1	
125,916,732	128,842,539	1,057,755	1,029,742	2	
				3	
40,525,442	40,910,848	75.707	73.008	4	
1,330,305	1,517,764	396	389	5	
0	0	0	0	6	
612,997	4,824,155	0	0	7	
168,385,476	176,095,337	1,133,858	1,103,139	8	
0	0	0	0	9	
168,385,476	176,095,337	1,133,858	1,103,139	10	
				11	
	NOTES			12	
				13	
				14	
				15	
				16	
				17	
				18	
				19	
	(1) In order to reduce volatility in monthly lost gas expense, month to month deferrals are used. MichCon no longer records cycle end adjustments with resulting 5 year amortization in accordance with MPSC U-10149.			20	
				21	
				22	
				23	
	(2) Gas sales related to reconciliation of Gas Customer Choice Program.			24	
				25	
				26	
				27	
166,442,174				28	
1,330,305				29	
0				30	
0				31	
612,997				32	
168,385,476				33	

Name of Respondent Michigan Consolidated Gas Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
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## RATE AND SALES SECTION

### DEFINITIONS OF CLASSES OF SERVICE AND INSTRUCTIONS PERTAINING TO STATEMENTS ON SALES DATA

In the definitions below, the letters preceding the captions distinguish the main classes from the subclasses. Show the data broken into the subclasses if possible, but if not, report data under the main classes, drawing a dash through the subclass.

When gas measured through a single meter is used for more than one class of service as here defined, as for example, for both commercial and residential purposes, assign the total to the class having the principal use.

**Average Number of Customers.** Number of customers should be reported on the basis of number of meters, plus number of flat-rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for code group of meters so added. The average number of customers means the average of the 12 figures at the close of each month.

**Thousands of Cubic Feet or Therms Sold** (indicate which one by crossing out the one that does not apply). Give net figures, exclusive of respondent's own use and losses.

**Revenues.** This term covers revenues derived from (a) Sale of Gas (exclusive of forfeited discounts and penalties) and (b) Other Gas Revenues, such as rent from gas property, interdepartmental rents, customers' forfeited discounts and penalties, servicing of customers' installations and miscellaneous gas revenues.

**AB. Residential Service.** This class includes all sales of gas for residential uses such as cooking, refrigeration, water heating, space heating and other domestic uses.

**A. Residential Service.** This class includes all sales of gas for residential use except space heating.

**B. Residential Space Heating.** This class includes all sales of gas for space heating including gas for other residential uses only when measured through the same meter.

**CD. Commercial Service.** This class includes service rendered primarily to commercial establishments such as restaurants, hotels, clubs, hospitals, recognized rooming and boarding houses, apartment houses (but not individual tenants therein), garages, churches, warehouses, etc.

**C. Commercial Service.** This class includes all sales of gas for commercial use except space heating.

**D. Commercial Space Heating.** This class includes all sales of gas for space heating including gas for other commercial uses only when measured through the same meter.

**E. Industrial Service.** This class includes service rendered primarily to manufacturing and industrial establishments where gas is used principally for large power, heating and metallurgical purposes.

**F. Public Street and Highway Lighting.** Covers service rendered to municipalities or other governmental units for the purpose of lighting streets, highways, parks and other public places.

**G. Other Sales to Public Authorities.** Covers service rendered to municipalities or other governmental units for lighting, heating, cooking, water heating and other general uses.

**H. Interdepartmental Sales.** This class includes gas supplied by the gas department to other departments of the utility when the charges therefor are at tariff or other specific rates.

**I. Other Sales.** This class includes all service to ultimate consumers not included in the foregoing described classifications.

\* **A - I. Total sales to Ultimate Consumers.** This is the total of the foregoing described classifications.

**J. Sales to Other Gas Utilities for Resale.** This class includes all sales of gas to other gas utilities or to public authorities for resale to ultimate consumers.

**K. Other Gas Revenues.** Revenues derived from operations of the respondent other than sales of gas. They include rent from gas property, interdepartmental rents, customers' forfeited discounts and penalties, services of customers' installations and miscellaneous gas revenues, such as fees and charges for changing, connecting and disconnecting service, profit on sales of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' gas (sold under rates filed by such others), management or supervision fees, sale of steam (except where the respondent furnishes steam-heating service) and rentals from leased property on customers' premises.

\* **A - K. Total Gas Operating Revenues.** The total of all the foregoing accounts.

**Separate Schedules for Each State.** Separate schedules in this section should be filed for each state in which the respondent operates.

**Estimates.** If actual figures are not available for the schedules in this section, give estimates. Explain the methods used and the factual basis of the estimates, using supplementary sheets, if necessary.

MICHIGAN CONSOLIDATED GAS COMPANY				AN ORIGINAL		December 31, 2004	
625-A. SALES DATA FOR THE YEAR							
(For the State of Michigan)							
Line No.	Class of Service	Average Number of Customers per month	Gas Sold Mcf*	Revenue (Show to nearest dollar)	AVERAGES		
					Mcf* per Customer	Revenue Per Customer	Revenue per Mcf*
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	AB. Residential service						
2	A. Residential service	23,117	1,428,840	\$12,700,117	61.81	\$549.38	\$8.89
3	B. Residential space heating service	1,034,638	125,180,434	1,012,058,145	120.99	978.18	8.08
4	CD. Commercial service						
5	C. Commercial service, except space heating	3,929	2,404,934	19,321,009	612.10	4,917.54	8.03
6	D. Commercial space heating	71,778	38,343,398	307,924,234	534.19	4,289.95	8.03
7	E. Industrial service	396	1,337,622	10,592,214	3,377.83	26,748.02	7.92
8	F. Public Street & highway lighting	0	0	0	N/M	0	N/M
9	G. Other Sales to Public Authorities						
10	H. Gas Customer Choice (1)	0	616,368	3,756,011			6.09
11	I. Other sales						
12	A-I. Total sales to ultimate customers	1,133,858	169,311,596	1,366,351,730	149.32	\$1,205.05	\$8.07
13	J. Sales to other gas utilities for resale	0	0	0	N/M	N/M	0.00
14	A-J. TOTAL SALES OF GAS	1,133,858	169,311,596	\$1,366,351,730	149.32	\$1,205.05	\$8.07
15	K. Other gas revenues			\$211,477,507			
16	A-K. TOTAL GAS OPERATING REVENUE			\$1,577,829,237			

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

(1) Gas Customer Choice revenue and volumes associated with reconciliation.

NOTE Revenue; columns d, f and g are net of prior period refunds and revenue deferred under certain surcharge programs (see page 305C).

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

(1) Gas Customer Choice revenue and volumes associated with reconciliation.

NOTE: Revenue, columns d, f and g are net of prior period refunds and revenue deferred under certain surcharge programs (see page 305C).

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

1. Report below the distribution of customers, sales and revenue for the year by individual rate schedules. (See definitions on first page of this section).
2. Column (a).--List all rate schedules by identification number or symbol. Where the same rate schedule designation applies to different rates in different zones, cities or districts, list separately data for each such area in which the schedule is available.
3. Column (b).--Give the type of service to which the rate schedule is applicable, i.e., cooking, space heating, commercial heating, commercial cooking, etc.
4. Column (c).--Using the classification shown in Schedule 625A, column (a), indicate the class or classes of customers served under each rate schedule, e.g., (A) for Residential Service, (B) Heating Service, etc.
5. Column (d).--Give the average number of customers billed under each rate schedule during the year. The total of this column will approximate the total number of ultimate customers, line 12, Schedule 625A, page 305B.
6. Columns (e) and (f).--For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule. The totals of these columns should equal the totals shown on line 12, Schedule 625A. If the utility sells gas to ultimate customers under special contracts, the totals for such sales should be entered on a line on this page in order to make the totals of columns (e) and (f) check with those entered on line 12 Schedule 625A.
7. When a rate schedule was not in effect during the entire year, indicate in a footnote the period in which it was effective.

Line No.	Rate schedule designation	Type of service to which schedule is applicable	Class of service	Average number of customers per month	Mcf Sold*	Revenue (Show to nearest dollar)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Total Integrated Natural Gas System:					
2	No. 1	Non-residential	C,D&E	76,042	40,157,099	\$317,342,993
3	No. 2	Res.& Res. Heat use	A&B	1,009,327	112,477,444	900,959,636
4	No. 2A	Res.& Res. Heat use	A&B	7,140	6,297,205	46,684,955
5	No. 3	Res.& Res. Heat use	A&B	12,968	1,569,427	12,269,694
6	No. 3A	Res. heating	B	28,320	3,753,417	28,106,853
7	No. 6	Comm. & Ind. use	C, D&E	9	375,736	2,836,197
8	No. 7	Fuel for Ind. use	F	0	0	0
9	No. 8	Comm. & Ind. use	C&E	0	0	0
10	No. 9	Comm. & Ind. use	C&E	0	0	0
11	No. 10	Comm. heating	D	52	813,725	6,055,353
12						
13	Customer Refunds					0
14	Surcharges:	Area Expansion Program				(795,823)
15		MichCon Conservation Co.				0
16						
17	Gas Customer Choice		A,B,C,D,E		616,368	3,756,011
18	Total Unbilled				3,251,175	49,135,862
19						
20	Total Company			1,133,858	169,311,596	\$1,366,351,730

\* Volume reported at 14.65 psia dry and a temperature base of 60° F.

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
OFF-SYSTEM SALES - NATURAL GAS					
Report particulars (details) concerning off-system sales. Off-system sales include all sales other than MPSC approved rate schedule sales.					
Line No.	Name (a)	Point of Delivery (City or town and state) (b)	Account (c)	Mcf of Gas Sold (Approx. B.T.U. per Cu. Ft.) Mcf @ 14.73 (d)	
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19				0	
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
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31					
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42					

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
OFF-SYSTEM SALES - NATURAL GAS (Continued)					
Revenue for Year (See Instr. 5)  (e)	Average Revenue Per Mcf (In cents)  (f)	Peak Day Delivery to Customers			Line No.
		Date  (g)	Mcf		
			Noncoin- cidental  (h)	Coin- cidental  (i)	
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
\$0					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40
					41
					42

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS-NATURAL GAS (Account 489)			
1. Report below particulars (details) concerning revenue from transportation or compression (by respondent) of natural gas for others. Subdivide revenue between transportation or compression for interstate pipeline companies and others. 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. Designate with an asterisk, however, if gas transported or compressed is other than natural gas. 3. In column (a) include the names of companies from which revenues were derived, points of receipt and delivery, and names of companies from which gas was received and to which delivered. Also specify the Commission order or regulation authorizing such transaction.			
Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk) (a)	Distance Transported (In miles) (b)	
1	Transportation of Gas		
2	Intrastate Transportation		
3	Aquilla (3) & (6)	Various	
4	* CoEnergy (3)	13 Miles	
5	Coral/Catex (3)	Various	
6	Dominion Midwest (3)	Various	
7	* DTE Oil & Gas (3)	Various	
8	Petroleum Development (3)	Various	
9	Various Other Intermediate Transportation (3)	Various	
10	Transportation - Michigan Production		
11	Hawkins (4)	Various	
12	* MichCon Gathering Company (4)	Various	
13	Shell (4)	Various	
14	Ward Lake Energy (4)	Various	
15	WPS Energy (4)	Various	
16	Various Transportation - Michigan Production (4)	Various	
17	Lateral revenue - various companies attached to Antrim Expansion Pipeline	Various	
18			
19	Various End Users - Volumes Greater Than 1,000,000 Mcf	Various	
20	Various End Users - Volumes Less Than 1,000,000 Mcf	Various	
21	Pilot Transportation /Gas Customer Choice	Various	
22	PTS supplier revenue - adjustments + billing fees		
23	Total Intrastate Transportation		
24			
25	Interstate Transportation		
26	AEC Marketing (5)	Various	
27	Cinergy (5)	Various	
28	ANR Pipeline Company (1) & (7)	142 Miles	
29	* CoEnergy Trading Corporation (5)	Various	
30	BP Canada (5)	Various	
31	Coral (5)	Various	
32	Oneok (5)	Various	
33	Nexen (5)		
34	Proliance (5)	Various	
35	Panhandle (5)	Various	
36	Tenaska (5)	Various	
37	Virginia Power (5)	Various	
38	WPS (5)	Various	
39	Various Interstate Transportation (5)	Various	
40	Title Transfer Charges		
41			
42	ANR Link		
43	Consumers Gas (2)	Various	
44	Various ANR Link (2)	Various	
45			
46	Exelon		
47			
TOTAL			

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS-NATURAL GAS (Account 489)(Continued)						
4. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipe line system.						
5. Enter Mcf at 14.65 psia at 60°F.						
6. Minor items (less than 1,000,000 Mcf) may be grouped.						
*Note: For transportation provided under Part 284 of Title 18 of the Code of Federal Regulations, report only grand totals for all transportation in columns (b) through (g) for the following regulation sections to be listed in column (a): 284.102, 284.122, 284.222, 284.223(a), 284.223(b) and 284.224. Details for each transportation are reported in separate annual reports required under Part 284 of the Commission's regulation."						
Mcf of Gas Received (c)	Mcf of Gas Delivered (d)	Revenue (e)	Average Revenue per Mcf of Gas Delivered (In cents) (f)	FERC Tariff Rate Schedule Designation (g)	Line No.	
					1	
					2	
2,510,536	2,526,795	\$233,342	9.23		3	
4,512,072	4,512,072	\$571,590	12.67 c		4	
1,403,230	1,403,230	\$143,202	10.21		5	
2,905,334	2,905,334	\$354,591	12.20		6	
1,888,911	1,888,911	\$230,543	12.21		7	
2,629,247	2,629,247	\$320,916	12.21		8	
4,337,533	4,365,213	\$772,899	17.71 (19)		9	
					10	
			#DIV/0!		11	
			#DIV/0!		12	
			#DIV/0!		13	
			#DIV/0!		14	
			#DIV/0!		15	
		\$3,252	#DIV/0!		16	
					17	
					18	
92,158,073	90,666,381	\$33,168,653	36.58		19	
34,566,221	33,980,120	\$43,308,347	127.45		20	
20,619,714	20,220,768	\$42,292,731	209.15		21	
		(\$64,512)			22	
167,530,871	165,098,071	\$121,335,554	73.49		23	
					24	
					25	
5,515,332	5,515,332	\$454,240	8.24		26	
2,137,892	2,137,892	\$81,270	3.80		27	
192,322,728	192,700,253	\$16,817,760	8.73	ST92-1997/ST93-4518	28	
58,012,291	57,958,722	\$2,397,440	4.14		29	
8,803,488	8,783,033	\$1,100,535	12.53		30	
3,240,995	3,045,441	\$1,119,315	36.75		31	
3,621,431	3,621,024	\$138,765	3.83		32	
4,624,510	4,617,190	\$873,309	18.91		33	
1,512,255	1,508,420	\$124,155	8.23		34	
4,604,849	4,604,849	\$608,950	13.22		35	
3,290,687	3,290,846	\$79,543	2.42		36	
1,256,677	1,256,991	\$162,400	12.92		37	
14,097,570	14,095,685	\$1,375,533	9.76		38	
7,014,320	6,376,408	\$5,348,008	83.87		39	
		\$1,648,692			40	
					41	
					42	
4,519,990	4,520,056	\$821,244	18.17		43	
0	498,934	\$1,677,840	336.28 (8)		44	
					45	
4,472,974	4,574,947	\$3,750,000	81.97		46	
					47	
486,578,860	484,204,094	\$159,914,553				

MICHIGAN CONSOLIDATED GAS COMPANY	AN ORIGINAL	December 31, 2004
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS-NATURAL GAS (Account 489)(Continued)		
<p>(1) Point of Receipt: Volumes of gas received from ANR Pipeline Company at their Willow Run Meter Station, Ypsilanti Township, Washtenaw County Michigan.</p> <p>(1) Point of Delivery: Volumes of gas delivered to ANR Pipeline Company at their W.G. Woolfolk Compressor Station, Austin Township, Mecosta County, Michigan.</p> <p>(2) Point of Receipt: Volumes of gas received at Willow, Belle River, or Kalkaska.</p> <p>(2) Point of Delivery: Volumes of gas delivered at ANR Link Interconnect Columbus.</p> <p>(3) Point of Receipt: Volumes of gas received at various locations on the Alpena transmission line</p> <p>(3) Point of Delivery: Volumes of gas delivered to Willow, E. Caledonia or Mentor.</p> <p>(4) Point of Receipt: Volumes of gas received from various producers' wells at various locations in the Northern Production trend.</p> <p>(4) Point of Delivery: Volumes of gas delivered to the Kalkaska Inlet Facilities located in Kalkaska County, Michigan.</p> <p>(5) Point of Receipt: Volumes of gas received from ANR, Great Lakes, Consumers Energy, Shell Oil Company, and PEPL at their various ANR, Belle River, Northville, Kalkaska, and Rouge facilities respectively.</p> <p>(5) Point of Delivery: Volumes of gas delivered to Michigan Gas Utilities, Union Gas, Ltd., Great Lakes, or PEPL at their various ANR, Grand Haven, St. Clair, Belle River and Rouge facilities, respectively.</p> <p>(6) Point of Receipt: Volumes of gas received at various locations on the Alpena transmission line.</p> <p>(6) Point of Delivery: Volumes of gas delivered to West Branch/ Saginaw Bay.</p> <p>(7) Point of Receipt: Volumes of gas received from ANR Pipeline Company at their W.G. Woolfolk Compressor Station, Austin Township, Mecosta County, Michigan. (See Page 313C - F.E.R.C. Tariff Schedule ST93-4518)</p> <p>(7) Point of Delivery: Volumes of gas delivered to the interconnection between ANR Pipeline Company and Michigan Consolidated in Kalkaska County, Michigan. (See Page 313C - F.E.R.C. Tariff Schedule ST93-4518)</p> <p>(8) Includes demand charges that may or may not have volumes associated with the charge.</p> <p>(9) Revenue is received by capacity release. Capacity release is shown as a reduction of expense in 858-00.</p> <p>* Affiliated company</p>		

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
SALES OF PRODUCTS EXTRACTED FROM NATURAL GAS (Account 490)					
1. Report the particulars (details) concerning sales of gasoline, butane, propane, and other products extracted from natural gas, including sales of any such products which may have been purchased from others for resale. 2. If the purchasers are numerous, it is permissible to group the sales by kind of product. Show the number of purchasers grouped. Show separately, however, sales to associated companies or to companies which were associated at the time the applicable sales contracts were made.					
Line No.	Name of Purchaser (Designate associated companies with an asterisk) (a)	Name of Product (b)	Quantity (In gallons) (c)	Amount of Sales (In dollars) (d)	Sales Amount per Gallon (In cents) (d / c) (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
REVENUES FROM NATURAL GAS PROCESSED BY OTHERS (Account 491)					
1. Report the particulars (details) concerning royalties and other revenues derived from permission granted to others for the right to remove products from the respondent's natural gas. 2. If the respondent's natural gas is processed by others for removal of saleable products and no revenue therefrom is derived by the respondent, complete only columns (a) and (b) below, and include the date of contract in column (a).					
Line No.	Name of Processor and Description of Transaction (Designate associated companies with an asterisk) (a)	Gas Processed (14.73 psia at 60° F) (b)	Revenue (In dollars) (c)		
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnote.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement) (1)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	\$10,688	\$790
8	751 Production Maps and Records		
9	752 Gas Wells Expenses	219	2,417
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses	345	3,911
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Exps.		
14	757 Purification Expenses	5,040	11,062
15	758 Gas Well Royalties		
16	759 Other Expenses	162,185	155,116
17	760 Rents		
18	TOTAL Operation (Enter Total lines 7 thru 17)	178,477	173,296
19	Maintenance		
20	761 Maintenance Supervision and Engineering	327	
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells	634,126	625,138
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equip.		
25	766 Maintenance of Field Meas. & Reg. Sta. Equip.		
26	767 Maintenance of Purification Equipment		1,910
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		64
29	TOTAL Maintenance (Enter Total of lines 20 - 28)	634,453	627,112
30	TOTAL Natural Gas Production and Gathering (Enter Total of lines 18 and 29)	812,930	800,408
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchases for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility-Cr.		
46	783 Rents		
47	TOTAL Operation (Enter Total of lines 33 thru 46)	0	0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	#NAME? Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
	B2. Products Extraction (Continued)			
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equip.			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equip.			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 - 56)			
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Developemnt (Enter Total of lines 61 thru 64)	0	0	
	D. Other Gas Supply Expenses			
66	Operation			
67	800 Natural Gas Well Head Purchases	2,489,772	1,637,565	
68	801 Natural Gas Field Line Purchases	352,193	2,013,789	
69	802 Natural Gas Gasoline Plant Outlet Purchases			
70	803 Natural Gas Transmission Line Purchases			
71	803.1 Off-System Gas Purchases	849,435,446	581,385,069	
72	804 Natural Gas City Gate Purchases	179,188,308	365,698,522	
73	804.1 Liquefied Natural Gas Purchases			
74	805 Other Gas Purchases			
75	(Less) 805.1 Purchased Gas Cost Adjustments			
76	(Less) 805.2 Incremental Gas Cost Adjustments			
77	TOTAL Purchased Gas (Enter Total of lines 67 - 76)	1,031,465,719	950,734,944	
78	806 Exchange Gas	1,362,475	2,629,344	
79	Purchased Gas Expenses			
80	807.1 Well Expenses - Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expenses			
84	807.5 Other Purchased Gas Expenses	838,489		
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	838,489		
86	808.1 Gas Withdrawn from Storage - Debit	301,106,028	235,407,036	
87	(Less) 808.2 Gas Delivered to Storage - Credit	273,256,607	297,331,806	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing - Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing - Credit			
90	(Less) Gas Used in Utility Operations - Credit			
91	810 Gas Used for Compressor Station Fuel - Credit	7,507,173	6,088,842	
92	811 Gas Used for Products Extraction - Credit			
93	812 Gas Used for Other Utility Operations - Credit	3,991,631	3,172,616	
94	TOTAL Gas Used in Utility Operations - Credit (Enter Total of lines 91 thru 93)	11,498,804	9,261,458	
95	813 Other Gas Supply Expenses			
95a	813.1 Synthetic Gas Supply Expenses			
95b	813.2 Gas Cost Recovery Expenses-Royalties			
96	TOTAL Other Gas Supply Expenses (Enter Total of lines 77, 78, 85, 86 thru 89, 94, 95)	1,050,017,300	882,178,059	
97	TOTAL Production Expenses (Enter Total of lines 30, 58, 65, and 96)	1,050,830,230	882,978,467	



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	439,969	516,316
102	815 Maps and Records		
103	816 Wells Expenses	327,345	49,466
104	817 Lines Expense	486,986	464,307
105	818 Compressor Station Expenses	3,171,059	2,635,455
106	819 Compressor Station Fuel and Power	5,455,676	4,635,481
107	820 Measuring and Regulating Station Expenses	6,619	21,673
108	821 Purification Expenses		
109	822 Exploration and Development		
110	823 Gas Losses	1,275,571	948,060
111	824 Other Expenses	5,792	1,144
112	825 Storage Well Royalties	130,230	140,925
113	826 Rents		
114	TOTAL Operation (Enter Total of lines 101 - 113)	11,299,247	9,412,828
115	Maintenance		
116	830 Maintenance Supervision and Engineering	656,888	654,173
117	831 Maintenance of Structures and Improvements	35,770	11,445
118	832 Maintenance of Reservoirs and Wells	87,523	108,093
119	833 Maintenance of Lines	13,445	6,659
120	834 Maintenance of Compressor Station Equipment	1,433,912	1,760,103
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment		
123	837 Maintenance of Other Equipment	18,023	18,114
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	2,245,561	2,558,588
125	TOTAL Underground Storage Expenses (Enter Total of lines 114 and 124)	13,544,808	11,971,415
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	TOTAL Operation (Enter Total of lines 128 - 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures and Improvements		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring & Regulating Equip.		
144	843.9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	0	0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminating and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering		
150	844.2 LNG Processing Terminal Labor and Expenses		
151	844.3 Liquefaction Processing Labor and Expenses		
152	844.4 Liquefaction Transportation Labor and Expenses		
153	844.5 Measuring and Regulating Labor and Expenses		
154	844.6 Compressor Station Labor and Expenses		
155	844.7 Communication System Expenses		
156	844.8 System Control and Load Dispatching		
157	845.1 Fuel		
158	845.2 Power		
159	845.3 Rents		
160	845.4 Demurrage Charges		
161	(Less) 845.5 Wharfage Receipts - Credit		
162	845.6 Processing Liquefied or Vaporized Gas by Others		
163	846.1 Gas Losses		
164	846.2 Other Expenses		
165	TOTAL Operation (Enter Total of lines 149 - 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering		
168	847.2 Maintenance of Structures and Improvements		
169	847.3 Maintenance of LNG Processing Terminal Equip.		
170	847.4 Maintenance of LNG Transportation Equipment		
171	847.5 Maintenance of Measuring and Regulating Equip.		
172	847.6 Maintenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)		
176	TOTAL Liquefied Natural Gas Terminating and Processing Expenses (Lines 165 & 175)		
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)	13,544,808	11,971,415
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	1,069,010	1,059,276
181	851 System Control and Load Dispatching		
182	852 Communication System Expenses		
183	853 Compressor Station Labor and Expenses	974,147	934,820
184	854 Gas for Compressor Station Fuel	2,248,831	1,604,170
185	855 Other Fuel and Power for Compressor Stations		
186	856 Mains Expenses	1,295,615	1,567,630
187	857 Measuring and Regulating Station Expenses	708,126	813,244
188	858 Transmission and Compression of Gas by Others	7,269,461	6,831,527
189	859 Other Expenses	1,383,130	1,238,343
190	860 Rents		
191	TOTAL Operation (Enter Total of lines 180 - 190)	14,948,320	14,049,011

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861 Maintenance Supervision and Engineering	67,810	72,586	
194	862 Maintenance of Structures and Improvements	268,037	403,338	
195	863 Maintenance of Mains	898,113	599,938	
196	864 Maintenance of Compressor Station Equipment	470,311	527,913	
197	865 Maintenance of Measuring & Reg. Station Equip.	32,179	49,805	
198	866 Maintenance of Communication Equipment	2,608,819	2,702,925	
199	867 Maintenance of Other Equipment	371,421	285,263	
200	TOTAL Maintenance (Enter Total lines 193 - 199)	4,716,691	4,641,767	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	19,665,011	18,690,778	
4. DISTRIBUTION EXPENSES				
203	Operation			
204	870 Operation Supervision and Engineering	425,396	493,840	
205	871 Distribution Load Dispatching			
206	872 Compressor Station Labor and Expenses	58,853	49,324	
207	873 Compressor Station Fuel and Power			
208	874 Mains and Services Expenses	19,724,659	14,489,696	
209	875 Measuring & Regulating Station Exps.-General	828,872	944,037	
210	876 Measuring & Regulating Station Exps.-Industrial			
211	877 Measuring & Regulating Station Exps.-City Gate Check Station	2,594,644	2,347,122	
212	878 Meter and House Regulator Expenses	13,694,037	14,600,062	
213	879 Customer Installations Expenses	20,951,672	21,431,917	
214	880 Other Expenses	12,449,191	10,862,853	
215	881 Rents			
216	TOTAL Operation (Enter Total of lines 204 - 215)	70,727,324	65,218,851	
217	Maintenance			
218	885 Maintenance Supervision and Engineering			
219	886 Maintenance of Structures and Improvements	194	1,531	
220	887 Maintenance of Mains	7,408,171	7,620,217	
221	888 Maintenance of Compressor Station Equipment	794	4,175	
222	889 Maintenance - Meas & Reg Sta. Equip.-General	2,292,188	2,621,475	
223	890 Maintenance - Meas & Reg Sta. Equip.-Industrial			
224	891 Maintenance - Meas & Reg Sta. Equip.-City Gate Check Station	365,412	406,830	
225	892 Maintenance of Services	3,306,101	3,625,798	
226	893 Maintenance of Meters and House Regulators	4,356,115	3,738,343	
227	894 Maintenance of Other Equipment	842,889	776,691	
228	TOTAL Maintenance (Enter Total of lines 218 - 227)	18,571,864	18,795,060	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	89,299,188	84,013,911	
5. CUSTOMER ACCOUNTS EXPENSES				
231	Operation			
232	901 Supervision	241,358	189,294	
233	902 Meter Reading Expenses	8,076,626	9,105,764	
234	903 Customer Records and Collection Expenses	25,700,971	24,596,946	
235	904 Uncollectible Accounts	59,682,103	37,266,214	
236	905 Miscellaneous Customer Accounts Expenses	317,198	237,513	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	94,018,256	71,395,731	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
239	Operation				
240	907 Supervision	61,975	54,611		
241	908 Customer Assistance Expenses	1,406,597	2,402,662		
242	909 Informational and Instructional Expenses	417,205	207,512		
243	910 Miscellaneous Customer Service and Info. Exps.	1,330,683	2,686,181		
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	3,216,460	5,350,965		
245	7. SALES EXPENSES				
246	Operation				
247	911 Supervision	27,559	24,287		
248	912 Demonstrating and Selling Expenses	6,302,270	5,808,755		
249	913 Advertising Expenses	21,583	41,148		
250	916 Miscellaneous Sales Expenses	600,530	803,118		
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	6,951,942	6,677,307		
252	8. ADMINISTRATIVE AND GENERAL EXPENSES				
253	Operation				
254	401 Operating Expenses				
255	920 Administrative and General Salaries	32,411,479	26,995,640		
256	921 Office Supplies and Expenses	19,578,687	24,851,845		
257	921.1 Restructuring charges				
258	921.3 DTE Holding Co. Allocation	1,131,271	23,591,208		
259	921.8 Procurement Card Clearing Acct.	715,852	41,643		
260	(Less) 922 Administrative Expenses Transferred-Cr.	5,457,075	4,179,905		
261	923 Outside Services Employed	6,043,277	3,874,576		
262	924 Property Insurance	2,363,615	1,643,471		
263	925 Injuries and Damages	11,392,807	10,377,422		
264	926 Employee Pensions and Benefits	22,352,259	18,207,037		
265	927 Franchise Requirements				
266	928 Regulatory Commission Expenses	555,488	1,378,825		
267	(Less) 929 Duplicate Charges - Cr.				
268	930.1 General Advertising Expenses				
269	930.2 Miscellaneous General Expenses	2,816,302	14,368,826		
270	930.2 DTE Holding Company Allocation	36,188,316			
271	931 Rents	10,065,028	10,127,835		
272	TOTAL Operation (Enter Total of lines 254 - 270)	140,157,306	131,278,424		
273	Maintenance				
274	935 Maintenance of General Plant	675,445	912,352		
275	TOTAL Administrative and General Expenses (Enter Total of lines 271 and 273)	140,832,751	132,190,776		
276	TOTAL Gas O and M. Expenses (Lines 97, 177, 201, 229, 237, 244, 251 and 274)	\$1,418,358,646	\$1,213,269,350		
NUMBER OF GAS DEPARTMENT EMPLOYEES					
1. The data on number of employees should be reported for the payroll period ending nearest to December 31, or any payroll period ending 60 days before or after December 31.					
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.					
3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.					
1 Payroll Period Ended (Date)				12-31-04	
2 Total Regular Full-Time Employees				2,276	
3 Total Part-Time and Temporary Employees				15	
4 Total Employees				2,291	

**EXPLORATION AND DEVELOPMENT EXPENSES (Accounts 795, 796, 798)**  
**(Except Abandoned Leases, Account 797)**

1. Report below exploration and development costs for the year, exclusive of Account 797, Abandoned Leases, according to the prescribed accounts shown by the column headings.
2. Provide subheadings and subtotals for exploration and development costs for each State.
3. Explain in a footnote any differences between amounts reported in column (f) and the amount shown on page 231, Preliminary Survey and Investigation Charges, for clearance to Account 798 during the year from Account 183.1, Preliminary Natural Gas Survey and Investigation Charges.

Line No.	Field (a)	County (b)	Delay Rentals (Account 795) (c)	Nonproductive Well Drilling (Account 796) Number of Wells (d)	Amount (e)	Other Exploration Costs (Account 798) (f)	Total (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27	Total			0	0	0	0

**ABANDONED LEASES (Account 797)**

1. Report below particulars (details) concerning the provision for the year to cover probable loss on abandonment of natural gas leases included in Account 105, Gas Plant Held for Future Use which have never been productive.
2. Explain the basis of determining the year's provision and state whether the basis is the same as that used for the preceding year. If the year's total provision is comprised of separate determinations with respect to certain groups or classes of leases, show separately the determinations for each such group or class. If the provision was so determined that component amounts may be identified by territories, fields, or counties, show the component amounts identified as such.

Line No.	Item (a)	Amount (b)
1	NONE	
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	0

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas)					
1. Report below particulars (details) concerning the gas volumes and related dollar amounts of natural gas exchange transactions during the year. Minor transactions (less than 100,000 Mcf) may be grouped. 2. Also give the particulars (details) called for concerning each natural gas exchange where consideration was received or paid in performance of gas exchange services.					
Line No.	Name of Company (Designate associated companies with an asterisk)  (a)	Exchange Gas Received			
		Point of Receipt (City, state, etc.) (b)	Mcf (c)	Debit (Credit) Account 242 (d)	
1	Consumers Energy Company			(1)	
2	Transportation	Received by Displacement	304,801	0	
3					
4	ANR Pipeline Company				
5	Spot Purchases - Post Rate Order 636	Received by Cashout	49,128	0	
6	Interconnect Balancing Agreement	Received by Displacement	1,556,782	(1,439,813)	
7					
8	Great Lakes Transmission Company	Received by Displacement			
9	Transportation (Ethane)		297,167	(486,420)	
10	Transportation		221,046	0	
11					
12	Union Gas	Received by Displacement	178,557	(134,110)	
13					
14	Panhandle	Received by Displacement	433,437	(25,095)	
15					
16	Wet Header	Received by Displacement	887,725	0	
17					
18	Vector Pipeline	Received by Displacement	835,372	74,469	
19					
20	Washington 10 Storage Company*	Received by Displacement	444,482	(1,276,191)	
21					
22	Other Gas Utilities	Received by Displacement	2,266,627	(879,702)	
23					
24					
25					
26					
27					
28					
29					
30	* Respondent records net exchange gas transactions monthly to account 242 or 174 and account 806.				
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45	Total		7,475,124	(\$4,166,861)	

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)					
3. List individually net transactions occurring during the year for each rate schedule.					
4. Indicate points of receipt and delivery of gas so that they may be readily identified on a map of the respondent's pipeline system.					
Exchange Gas Delivered			Excess Mcf Received or (Delivered) (h)	Debit (Credit) Account 806 (i)	Line No.
Point of Delivery (City, state, etc.) (e)	Mcf (f)	Debit (Credit) Account 174 (g)			
		(1)			1
Delivered by Displacement	(314,587)	116,599	(9,786)	(116,599)	2
					3
					4
Delivered by Cashout	(30,250)	(92,584)	18,878	92,584	5
Delivered by Displacement	(1,253,905)	(339,672)	302,877	1,779,485	6
					7
Delivered by Displacement					8
	(134,756)	(411,789)	162,411	898,209	9
	(207,328)	(45,773)	13,718	45,773	10
					11
Delivered by Displacement	(126,049)	(151,747)	52,508	285,857	12
					13
Delivered by Displacement	(433,529)	0	(92)	25,095	14
					15
Delivered by Displacement	(1,262,158)	2,453,161	(374,433)	(2,453,161)	16
					17
Delivered by Displacement	(853,445)	0	(18,073)	(74,469)	18
					19
Delivered by Displacement	(236,929)	0	207,553	1,276,191	20
					21
Delivered by Displacement	(2,278,205)	0	(11,578)	879,702	22
					23
					24
					25
					26
					27
					28
					29
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					43
					44
	(7,131,141)	\$1,528,195	343,983	\$2,638,666	45



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004		
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)						
5. Furnish any additional explanations needed to further explain the accounting for exchange gas transactions. 6. Report the pressure base of measurement of gas volumes at 14.73 psia at 60°F.						
Line No.	Name of Company (Designate associated companies with an asterisk)  (a)	Charges Paid or Payable by Respondent		Revenues Received or Receivable by Respondent		FERC Tariff Rate Schedule Identification (n)
		Amount  (j)	Account  (k)	Amount  (l)	Account  (m)	
1						
2	N/A					
3						
4						
5	N/A					
6	N/A					
7						
8						
9	N/A					
10	N/A					
11						
12	N/A					
13						
14	N/A					
15						
16	N/A					
17						
18	N/A					
19						
20	N/A					
21						
22	Imbalance fees on off-system transportation agreements.			10,914	489	
23						
24						
25						
26						
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32						
33						
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35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	Total	\$0		\$10,914		

## GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
3. If the reported Mcf for any use is an estimated quantity, state such fact in a footnote.
4. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Mcf of gas used, omitting entries in columns (d) and (e).
5. Report pressure base of measurement of gas volumes at 14.73 psia at 60°F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			Mcf of Gas Used (c)	Amount of Credit (d)	Amount per Mcf (In Cents) (e)	Mcf of Gas Used (f)	Amount of Credit (g)
1	810 Gas Used for Compressor Station Fuel-Credit	814 819/854	1,160,794	\$7,507,173	646.73 c		
2	811 Gas Used for Products Extraction-Credit	757	0	0	0.00		
3	812 Gas Used for Other Utility Operations-Credit (Report sep. for each prin. use. Group minor uses.)						
4	Oper. of Dist. Service Bldgs.	184	140,305	907,389	646.73		
5	Oper. of Undgr. Stg. Wells	816	41,128	265,987	646.73		
6	Undgr. Stor. Gas Losses	823	197,235	1,275,571	646.73		
7	Undgr. Storage Well Royalties	825	17,827	115,292	646.73		
8	Construction Work in Progress	107	0	0	#DIV/0!		
9	Oper. of City Gate Stations	877	183,370	1,185,902	646.73		
10	Oper. of Undgr. Stg. Wells	817	35,449	229,259	646.73		
11	Other Operation Expenses	Various	1,891	12,230	646.75		
12							
13	Total account 812		617,205	3,991,630	646.73		
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Total		1,777,999	\$11,498,803	646.73 c	0	\$0

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858)			
<p>1. Report below particulars (details) concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Mcf (Bcf) and amounts of payments for such services during the year. Minor items (less than 1,000,000 Mcf) must be grouped.</p> <p>2. In column (a) give name of companies to which payments were made, points of delivery and receipt of gas, names of companies to which gas was delivered and</p>			
Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk) (a)	Distance Transported (in miles) (b)	
1	ANR Pipeline Company (1)		
2			
3	Panhandle Eastern Pipeline (2)		
4			
5	Vector Pipeline (3)		
6			
7	Great Lakes Gas Transmission (4)		
8			
9	Saginaw Bay (5)		
10			
11	Michcon Gathering (6)		
12			
13			
14			
15			
16	(1) Expenses represent:		
17	a.) Transmission from ANR's Woolfolk Receipt Point to Grand Rapids.		
18	b.) Transmission from the Columbus Meter Station to the Niagara		
19	Interconnection.		
20			
21	(2) Transmission from various points on Panhandle Eastern's system to River Rouge.		
22			
23	(3) Transmission from various points on Vector Pipeline's system to Various MichCon points.		
24			
25	(4) Transmission from various points on Great Lake's system to Various MichCon points.		
26			
27	(5) Transmission of gas between West Branch (Alpena system) and Kalkaska		
28			
29	(6) Transmission of Niagaran gas on the Antrim Header		
30			
31	(7) Mcf of gas rec'd and delivered:		
32	Volumes are moved primarily on a fixed fee basis so volumes are not tracked.		
33			
34			
35			
36			
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39			
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41			
42			
43			
44			
45			
46	TOTAL	0	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858) (Continued)					
<p>from which received. Points of delivery and receipt should be so designated that they can be identified readily on map of respondent's pipeline system.</p> <p>3. If the Mcf of gas received differs from the Mcf delivered, explain in a footnote the reason for difference, i.e., uncompleted deliveries, allowance for transmission loss, etc.</p>					
Mcf of Gas Delivered (14.73 psia at 60°F) (c)	Mcf of Gas Received (14.73 psia at 60°F) (d)	Amount of Payment (in dollars) (e)	Amount per Mcf of Gas Received (in cents) (f)	Line No.	
(7)	(7)	\$5,980,439	¢	1	
				2	
(7)	(7)	95,742	¢	3	
				4	
(7)	(7)	250,588	¢	5	
				6	
(7)	(7)	11,170	¢	7	
				8	
(7)	(7)	928,923	¢	9	
				10	
117,481	117,481	2,599	¢ 2.21	11	
				12	
				13	
				14	
				15	
				16	
				17	
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				39	
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				41	
				42	
				43	
				44	
				45	
117,481	117,481	\$7,269,461	¢	46	

## LEASE RENTALS CHARGED

1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor) conveys an intangible right or land or other tangible property and equipment to another (lessee) for a specified period of one year or more for rent.
2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000 the data called for in columns a, b (descriptions only), f, g and j.
3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.
4. The annual charges referred to in instruction 1 and 2 include the basic lease payment and other payments to or in behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lease. Securities, cost of property replacements\*\* and other expenditures with respect to leased property except the expenses paid by lessee are to be itemized in column f below.
5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (description), f, g and j, unless the lessee has the option to purchase the property.
6. In column (a) report the name of the lessor. List lessors which are associated companies\* (describing association) first, followed by non-associated lessors. \* See

## A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES

Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)
BRIDGEWATER PLACE LLC	GRAND RAPIDS MAIN OFFICE & PARKING	(R) December 2005
LAUREN BOWLER	7 MILE BUSINESS OFFICE	
TOYS R US INC.	DEARBORN BUSINESS OFFICE	
MCKINLEY COMMERCIAL	ANN ARBOR BUSINESS OFFICE	
CENTERPOINTE DEV. CO. LLC	EASTBROOK OFFICE	
BDL PROPERTIES	TRAVERSE CITY - CASS STREET OFFICE	
DORC of MICHIGAN, LLC	E. 8 MILE BUSINESS OFFICE	
500 ASSOCIATES	FIRST STREET PARKING DECK	
FIRST BAPTIST INSTITUTIONAL CHURCH	7 MILE BUSINESS OFFICE PARKING	
R&R LAND DEVELOPMENT	SAULT STE. MARIE OFFICE	
GREEN ALLEN, LTD.	CENTRAL STORE USE Saw and lease back. First right of refusal. (Lease may be cancelled in event of turn under certain conditions. Respondent is responsible for all O&M expenses and replacement of property. All taxes and insurance.	(P) MARCH 2006
ALBERT & CAROLINE STUTZ	NOBLE OFFICE AND STATION	(R) DECEMBER 2005

\*\* See Gas Plant Instruction 5 &amp; Operating Expense Instruction 3 of the Uniform System of Accounts

definition on page 226 (B).

7 In column (b) for each leasing arrangement, report in order, classified by transmission line, distribution system or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications. Description of the property, whether lease is a sale and leaseback, whether lessee has option to purchase and conditions of the purchase, whether lease is cancellable by either party and the cancellation conditions, state the tax treatment used, the accounting treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement of property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, whichever comes first.

8 Report in column (d), as of the date of the current lease term, the original cost of the property leased, estimated if not known, or the fair market value of the property if greater than original cost and indicate as shown. If leased property is part of a large unit, such as part of a building, indicate without associating any cost or value with it.

9 Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancellable leases will not be cancelled when estimating the remaining charges.

A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES							
Original Cost (O) or Fair Market Value (D) or Property (D)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT YEAR				Account Charged (i)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
Part of Large Building	Lease Payments Property Taxes Insurance Other Operating	723,806		14,511,747		87700 87400 87800 87900 88700 90300	723,806
		55,381				87700 87400 87800 87900 88700 90300	55,381
		84,200				87700 87400 87800 87900 88700 90300	84,200
		49,610				87700 87400 87800 87900 88700 90300	49,610
		102,690				87700 87400 87800 87900 88700 90300	234,360
		245,038				87700 87400 87800 87900 88700 90300	686,965
		99,000				87700 87400 87800 87900 88700 90300	453,750
		60,000				87700 87400 87800 87900 88700 90300	235,000
		31,477				87700 87400 87800 87900 88700 90300	72,233
		26,280				87700 87400 87800 87900 88700 90300	48,180
(O) 4,800,000	Lease Payments Property Taxes	483,805		12,752,715		87700 87400 87800 87900 88700 90300	604,756
(O) 432,322	Lease Payments Property Taxes	58,577				87700 87400 87800 87900 88700 90300	58,577

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
LEASE RENTALS CHARGED (continued)			
A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES (continued)			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Renewal (R) (c)	
ICX CORPORATION	VEHICLES		
SUTTON LEASING, INC	VEHICLES		
FIRST BAPTIST	PARKING - 7 MILE OFFICE		
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)			

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004		
LEASE RENTALS CHARGED (continued)							
A. LEASE RENTAL CHARGED TO GAS OPERATING EXPENSES (continued)							
Original Cost (O) or Fair Market Value (D) or Property (D)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT YEAR				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
						75410 75700 83400 86500 87400 87500 87800 87900 88700 88900 89200 89300 90300 92000 92100	
		30,118					
		245,767					
						87700 87400 87800 87900 88700 90300	
		29,738					
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)							



MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
OTHER GAS SUPPLY EXPENSES (Account 813)			
Report other gas supply expenses by descriptive titles which clearly indicate the nature of such expenses. Show maintenance expenses separately. Indicate the functional classification and purpose of property to which any expenses relate.			
Line No.	Description (a)	Amount (In dollars) (b)	
1	813-20 Royalty Expense on Produced Gas	\$0	
2			
3			
4			
5			
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45			
46			
47			
48			
49			
50	Total	\$0	

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930.2) (GAS)			
			Amount (b)
1	Industry Association Dues		\$530,087
2	DTE Holding Company A&G Cost Allocation		528,554
3	Alternative Fuels Vehicle Program		100,966
4	Recoverable Environmental Clean-up Costs		1,402,603
5	Nonoccupational Medical and Dental expense		254,092
6	DTE Holding Company Merger Interest Allocation		36,188,316
7			
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51			
52			
53	Total		\$39,004,617

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT					
(Accounts 403, 404.1, 404.2, 404.3, 405)					
(Except Amortization of Acquisition Adjustments)					
<p>1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.</p> <p>2. Report all available information called for in Section B for the report year 1971, 1974 and every fifth year thereafter. Report only annual charges in the intervals between the report years (1971, 1974 and every fifth year thereafter). Report in column (b) all depreciable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column a). Indicate at the bottom of Section B the manner in which column (b) balances are obtained. If</p>					
Section A. Summary of Depreciation, Depletion, and Amortization Charges					
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Cost (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas	151,368			
4	Products extraction plant				
5	Underground gas storage plant	4,891,656	3,494		
6	Other storage plant				
7	Base load LNG terminating and processing plant				
8	Transmission plant	7,807,281			
9	Distribution plant	69,326,618	8,582		
10	General plant	10,930,339			
11	Common plant-gas				
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
25	Total	93,107,262	12,076		

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## DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT

(Accounts 403, 404.1, 404.2, 404.3, 405)

(Except Amortization of Acquisition Adjustments) (Continued)

average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit of production method is used to determine depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves.

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

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
	9,815,880	9,815,880	Intangible plant	1
			Production plant, manufactured	2
			gas	
			Production and gathering plant,	3
		151,368	natural gas	
			Products extraction plant	4
		4,895,150	Underground gas storage plant	5
			Other storage plant	6
			Base load LNG terminating and	7
			processing plant	
		7,807,281	Transmission plant	8
		69,335,200	Distribution plant	9
		10,930,339	General plant	10
			Common plant-gas	11
				12
				13
				14
				15
				16
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				22
				23
0	9,815,880	102,935,218	Total	25

## DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (CONTINUED)

## Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Depreciation Plant Base (Thousands) (b)	Applied Depr. Rate(s) (Percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Onshore (2)	15,246	0.99%
4	Underground Gas Storage Plant	194,632	2.53%
5	Transmission Plant		
6	Offshore		
7	Onshore	300,089	2.60%
8	General Plant (3)	170,677	6.40%
9	Distribution Plant	1,988,037	3.49%
10			

## Notes to Depreciation, Depletion and Amortization of Gas Plant

- (1) Amounts in column (b) are the average of the beginning and ending balances for 2004
- (2) Not included in the Depreciable Balance for Production Plant are several accounts which are depreciated by the Units Production Method. The average plant balance for these accounts is \$1.7 million. The depreciation expense associated with these accounts is \$0. This approximates to a depreciation rate of 0.0%
- (3) Not included in the Depreciable Balance for General Plant are several transportation Plant Accounts which were depreciated in the clearing accounts. The average plant balance for these accounts is \$69.9 million. The depreciation expense associated with these accounts is \$8,271,566. This approximates to an depreciation rate of 11.83%.

MICHIGAN CONSOLIDATED GAS COMPANY      AN ORIGINAL      December 31, 2004		
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.		
(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortizations charges for the year, and the period of amortization.		
(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$10,000 may be grouped by classes within the above accounts.		
(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open accounts, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.		
(d) Other Interest Expense (Account 431)-Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.		
Line No.	Item (a)	Amount (b)
1		
2	Miscellaneous Amortization (Account 425)	\$0
3		
4	Miscellaneous Income Deductions (Account 426.1-426.6)	
5	Account 426.19 Energy Assistance Program	1,072,368
6	Account 426.2 Life Inc. Supplemental Plan	(357)
7	Account 426.2 Grantor Trust Life Insurance	(1,020,595)
8	Account 426.3 Penalties IRS	10,491
9	Account 426.4 Legislative advocacy costs	955,489
10	Account 426.5 Uncollectible Accounts - Forgiveness	5,517
11	Account 426.5 Promotional Expense	334,632
12	Account 426.5 Uncollectible Reserve - Energy Loan Program	1,107,773
13	Account 426.5 Account reconciliation correction write-offs	65,922
14	Account 426.5 Misc. Other	(737)
15		
16		
17	TOTAL Miscellaneous Deductions	\$2,530,501
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Interest on Debt to Associated Companies (Account 430)	
28	Jordan Valley Limited Partnership	170,978
29	MichCon Development	287,080
30	MichCon Gathering Company	463,848
31	Saginaw Bay Lateral LTD	2,068
32	Westside Pipeline Company	166,580
33	Saginaw Bay Pipeline Company	164,283
34	Saginaw Bay Lateral Company	40,085
35	Thunder Bay Gathering Company	100,427
36	Michcon Holdings	92,395
37	DTE Energy Company	6,750
38	MichCon Lateral	31,362
39	TOTAL Interest on Debt to Associated Companies	\$1,525,856
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43		
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46		

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS			
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortizations charges for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 425.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$10,000 may be grouped by classes within the above accounts.</p> <p>(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open accounts, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) Other Interest Expense (Account 431)-Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>			
Line No.	Item (a)	Amount (b)	
1			
2	<u>Other Interest Expenses (Account 431)</u>		
3	Interest on customer deposits	\$857,268	
4	Interest on gas sales refunds	94,199	
5	Interest Expense - Supplemental Death and Retirement Income Plan	384,986	
6	Interest on commercial paper	1,817,060	
7	Interest on commercial fees line of credit	1,849,470	
8	Interest Expense - Gas Cost Recovery	260,995	
9	Interest on Property tax payments	34,298	
10	Interest on loan - Detroit Investment Fund	11,458	
11	Interest on Gas Choice accounts	22,027	
12	Interest - Other	(\$2,243)	
13	TOTAL Other Interest Expenses	\$5,329,518	
14			
15			
16			
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS			
<p>1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.</p> <p>2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416)-Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the basis of any allocations of expenses between utility and merchandising, jobbing, and contract work activities.</p> <p>3. Nonutility Operations (Accounts 417 and 417.1)-Describe each Nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.</p> <p>4. Nonoperating Rental Income (Account 418)-For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.</p> <p>5. Interest and Dividend Income (Account 419)-Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses, included in Account 419 as required by the Uniform System of Accounts.</p> <p>6. Miscellaneous Nonoperating Income (Account 421)-Give the nature and source of each miscellaneous Nonoperating income, and expense and the amount thereof for the year. Minor items may be grouped by classes.</p>			
Line No.	Item (a)	Amount (b)	
1	<u>Income from Merchandising, Jobbing and Contract Work (Account 415, 416)</u>		
2			
3	Revenue from Merchandise Sales and Contract Work	\$2,578,871	
4	Expense from Merchandise Sales and Contract Work	(2,423,996)	
5			
6		\$154,875	
7	<u>Income from Nonutility Operations (Accounts 417 and 417.1)</u>		
8			
9	None	\$0	
10			
11	<u>Nonoperating Rental Income (Account 418)</u>		
12			
13	Rental Income from Leased Water Heater Program	\$122,486	
14	Rental Expense from Leased Water Heater Program	(11,176)	
15		\$111,310	
16	<u>Interest and Dividend Income (Account 419)</u>		
17			
18			
19			
20	Interest on Grantor Trust	\$199,502	
20	Interest on Financing of Area Expansion Program	196,895	
21	Interest on Notes from MichCon Subsidiaries/Associated companies	8,286,743	
22	Interest on Financing of Customer Attachment Program	236,521	
23	Other (2 items)	26,967	
24	Total before taxes	\$8,946,628	
25			
26			
27			
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35			



## PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.
2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416)-Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing, and contract work activities.
3. Nonutility Operations (Accounts 417 and 417.1)-Describe each Nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.
4. Nonoperating Rental Income (Account 418)-For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.
5. Interest and Dividend Income (Account 419)-Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses, included in Account 419 as required by the Uniform System of Accounts.
6. Miscellaneous Nonoperating Income (Account 421)-Give the nature and source of each miscellaneous Nonoperating income, and expense and the amount thereof for the year. Minor items may be grouped by classes.

Line No.	Item (a)	Amount (b)
1		
2	<u>Miscellaneous Nonoperating Income (Account 421)</u>	
3		
4	Parking Deck Revenue	(\$35,696)
5	Building Revenue	84,503
6	Vehicle Reimbursement Personal Use Revenue	45,289
7	Equity earnings in Detroit Investment Fund	59,790
8	Write off accounting error in labor accounts	(114,368)
9	Reconcile labor reports to payroll paid	(47,002)
10	Holding company allocation billdown	13,676
11	Accounts receivable adjustment to Customer Attachment Program, customer, and miscellaneous	
12	receivable balances	521,308
13	Other	(7,559)
14		519,941
15		
16		
17		
18		
19	TOTAL OTHER INCOME	\$9,732,754
20		
21		
22		
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)					
<p>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.</p> <p>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).</p> <p>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).</p>					
Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of Property:				
2					
3	<u>Utility</u>				
4					
5	One (1) miscellaneous - Site	\$73,400		\$44,299	
6					
7	Sale of 7.67 acres located at 3390 Knapp St.,				
8	Grand Rapids, MI. on December 15, 2004 to				
9	Grand Rapids Township.	\$190,048		\$792,747	
10					
11	Sale of the New Haven Field located in New				
12	Haven and Sumner Townships, Gratiot County,				
13	and Crystal and Farris Townships, Montcalm				
14	County, MI., approximately 475 acres of land,				
15	land rights, and other interests. Per agreement				
16	dated and effective December 15, 2003.	\$8,696,024		\$2,054,494	
17					
18					
19					
20		\$8,959,472		\$2,891,540	
21					
22	Loss on disposition of Property:				
23					
24	<u>Utility</u>				
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	Total loss	\$0			\$0

## EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES

(Account 426.4)

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities; Account 426.4.
2. Advertising expenditures in this Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customers' bills, (d) inserts in reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.
3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions, clearly indicating the nature and purpose of the activity.
4. If respondent has not incurred any expenditures contemplated by the instructions of Account 426.4, so state.
5. For reporting years which begin during the calendar year 1963 only, minor amounts may be grouped by classes if the number of items so grouped is shown.

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

Line No.	Item (a)	Amount (b)
1	State and Federal Legislative Advocacy Expenses	\$955,489
2		
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35	TOTAL	\$955,489

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## REGULATORY COMMISSION EXPENSES

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

Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	<b>GCR Matters</b>				
2	MPSC Case No. U-13902, 2004-05 GCR Plan	---	513,193	\$513,193	---
3	MPSC Case No. U-14401, 2005-06 GCR Plan				
4	MPSC Case No. U-13060-R, 2002 GCR Reconciliation				
5	MPSC Case No. U-13549-R, 2003 GCR Reconciliation				
6	MPSC Case No. U-13902-R, 2004-05 GCR Reconciliation				
7					
8	<b>General Rate Case Matters</b>				
9		---	107,790	107,790	---
10	MPSC Case No. U-13899, Depreciation Rates				
11					
12					
13					
14					
15					
16	<b>General Pricing and Regulation</b>		624,920	624,920	---
17					
18	Various MPSC Cases, Customer Complaints, Certificates of Public Convenience and Necessity				
19					
20					
21					
22					
23					
24	<b>Main Gas Rate Case</b>				
25		---	192,400	192,400	---
26	MPSC Case No. U-13898, General Rate Case				
27					
28					
29					
30					
31					
32					
33					
34	Utility Assessment	1,663,289	---	1,663,289	---
35					
36					
37	<b>TOTAL</b>	<b>\$1,663,289</b>	<b>\$1,438,303</b>	<b>\$3,101,592</b>	<b>---</b>

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL			December 31, 2004	
REGULATORY COMMISSION EXPENSES (Continued)							
4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 233 for Account 186.							
5. List in columns (f), (g), and (h) expenses incurred during the year which were charged currently to income, plant, or other accounts.							
6. Minor items (less than \$25,000) may be grouped.							
EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR			Deferred in Account 186, End of Year (l)	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186 (i)	Contra Account (j)	Amount (k)		
Department (f)	Account No. (g)	Amount (h)					
GAS	928-00	327,332	---		---	---	1
GAS	926-20	162,778					2
GAS	408-14	23,083					3
							4
							5
							6
							7
							8
GAS	928-00	91,920	---		---	---	9
GAS	926-20	13,899					10
GAS	408-14	1,971					11
							12
							13
							14
							15
GAS	928-00	427,765					16
GAS	926-20	172,670					17
GAS	408-14	24,485					18
							19
							20
							21
							22
							23
							24
GAS	928-00	124,733	---		---	---	25
GAS	926-20	59,263					26
GAS	408-14	8,404					27
							28
							29
							30
							31
							32
							33
GAS	408-17	1,415,325	---		---	---	34
	928-00	247,964					35
							36
		\$3,101,592	---		---	---	37

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES			
<p>1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D &amp; D) projects initiated, continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D &amp; D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)</p> <p>2. Indicate in column (a) the applicable classification, as shown below. Classifications:</p> <p style="margin-left: 20px;">A. Gas R, D &amp; D Performed Internally</p> <p style="margin-left: 40px;">(1) Pipeline</p> <p style="margin-left: 60px;">a. Design</p> <p style="margin-left: 60px;">b. Efficiency</p> <p style="margin-left: 40px;">(2) Compressor Station</p> <p style="margin-left: 60px;">a. Design</p> <p style="margin-left: 60px;">b. Efficiency</p> <p style="margin-left: 40px;">(3) System Planning, Engineering, and Operation</p> <p style="margin-left: 40px;">(4) Transmission Control and Dispatching</p> <p style="margin-left: 40px;">(5) LNG Storage and Transportation</p> <p style="margin-left: 40px;">(6) Underground Storage</p> <p style="margin-left: 40px;">(7) Other Storage</p> <p style="margin-left: 40px;">(8) New Appliances and New Uses</p> <p style="margin-left: 40px;">(9) Gas Exploration, Drilling, Production, and Recovery</p> <p style="margin-left: 40px;">(10) Coal gasification</p> <p style="margin-left: 40px;">(11) Synthetic Gas</p> <p style="margin-left: 40px;">(12) Environmental Research</p> <p style="margin-left: 40px;">(13) Other (Classify and Include Items in Excess of \$5,000.)</p> <p style="margin-left: 40px;">(14) Total Cost Incurred</p>			
Line No.	Classification (a)	Description (b)	
1		None	
2			
3			
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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)					
<p>B. Gas R, D &amp; D Performed Externally</p> <p>(1) Research Support to American Gas Association</p> <p>(2) Research Support to Others (Classify)</p> <p>(3) Total Costs Incurred</p> <p>3. Include in column (c) all R, D &amp; D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D &amp; D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped Under Other, (A.(13) and B.(2)) classify items by type of R, D &amp; D activity.</p> <p>4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107 (Construction Work in Progress) first. Show in column (f) the amounts related to the account charged in column (e).</p> <p>5. Show in column (g) the total unamortized accumulation of costs of projects. This total must equal the balance in Account 188 (Research, Development, and Demonstration Expenditures) outstanding at the end of the year.</p> <p>6. If costs have not been segregated for R, D &amp; D activities or projects, submit estimates for columns (c), (d) and (f) with such amounts identified by "Est."</p> <p>7. Report separately research and related testing facilities operated by the respondent.</p>					
Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
	\$0		\$0	-	1
					2
					3
				-	4
	\$0		\$0	-	5
					6
					7
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## DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	N/A		
4	Transmission	N/A		
5	Distribution	N/A		
6	Customer Accounts	N/A		
7	Customer Service and Informational	N/A		
8	Sales	N/A		
9	Administrative and General	N/A		
10	TOTAL Operation (Total of line 3 thru 9)	-		
11	Maintenance			
12	Production	N/A		
13	Transmission	N/A		
14	Distribution	N/A		
15	Administrative and General	N/A		
16	TOTAL Maintenance (Total of line 12 thru 15)	-		
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)	N/A		
19	Transmission (Total of Lines 4 and 13)	N/A		
20	Distribution (Total of lines 5 and 14)	N/A		
21	Customer Accounts (Line 6)	N/A		
22	Customer Service and Informational (Line 7)	N/A		
23	Sales (Line 8)	N/A		
24	Administrative and General (Total of lines 9 and 15)	N/A		
25	TOTAL Operation and Maint. (Total of lines 18 thru 24)	-		
26	Gas			
27	Operation			
28	Production-Manufactured Gas	-		
29	Production-Nat. Gas (Including Expl. and Dev.)	52,002		
30	Other Gas Supply	-		
31	Storage, LNG Terminating and Processing	613,450		
32	Transmission	1,886,158		
33	Distribution	12,019,831		
34	Customer Accounts	17,329,370		
35	Customer Service and Informational	697,976		
36	Sales	1,818,843		
37	Administrative and General	22,859,055		
38	TOTAL Operation (Total of lines 28 thru 37)	57,276,685		
39	Maintenance			
40	Production-Manufactured Gas	-		
41	Production-Nat. Gas	500,901		
42	Other Gas Supply	-		
43	Storage, LNG Terminating and Processing	556,144		
44	Transmission	1,527,261		
45	Distribution	3,000,594		
46	Administrative and General	110,829		
47	TOTAL Maintenance (Total of lines 40 thru 46)	5,695,729		

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)	
	Gas (Continued)				
48	Total Operation and Maintenance				
49	Production-Manufactured Gas (Lines 28 & 40)	-			
50	Production-Natural Gas (Including Expl. and Dev.) (Lines 29 & 41)	552,903			
51	Other Gas Supply (Lines 30 & 42)	-			
52	Storage, LNG Terminating and Processing (Lines 31 & 43)	1,169,594			
53	Transmission (Lines 32 & 44)	3,413,419			
54	Distribution (Lines 33 & 45)	15,020,425			
55	Customer Accounts (Line 34)	17,329,370			
56	Customer Service and Informational (Line 35)	697,976			
57	Sales (Line 36)	1,818,843			
58	Administrative and General (Lines 37 & 46)	22,969,884			
59	TOTAL Operation and Maint. (Total of line 49 thru 58)	62,972,414	45,698,736	108,671,150	
60	Other Utility Departments				
61	Operation and Maintenance				
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	62,972,414	45,698,736	108,671,150	
63	Utility Plant				
64	Construction (By Utility Departments)				
65	Electric Plant	-	-	-	
66	Gas Plant	12,229,458	8,472,895	20,702,353	
67	Other	-	-	-	
68	TOTAL Construction (Enter Total of lines 65 thru 67)	12,229,458	8,472,895	20,702,353	
69	Plant Removal (By Utility Departments)				
70	Electric Plant	-	-	-	
71	Gas Plant	520,317	1,599,677	2,119,994	
72	Other	-	-	-	
73	TOTAL Plant Removal (Total of lines 70 thru 72)	520,317	1,599,677	2,119,994	
74	Other Accounts (Specify):				
75	Deferred Accounts (GWO)	466,436	11,284	477,720	
76	Associated Companies Accounts Receivable	5,427,189	566,677	5,993,866	
77	Merger Expenses included in Misc. NonGas Expense	-	-	-	
78	Other	1,230,744	8,890	1,239,634	
79	Labor Clearing Account	47,372,950	(47,362,326)	10,624	
80	Other Clearing Accounts	8,995,833	(8,995,833)		
81	TOTAL Other Accounts	63,493,152	(55,771,308)	7,721,844	
82	TOTAL SALARIES AND WAGES	139,215,341	-	139,215,341	
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## 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.	Name and Address of Person or Organization Rendering Services (a)	Description of Services (b)	Basis of Charges (c)	Amount (d)	Account Charged (e)
1	ADVANTAGE LANDSCAPE/CONSTRUCTION	LANDSCAPING/	SERVICES	51,343	923, 930
2	AND SUPPLY CENTER	CONSTRUCTION			
3	17355 ALLEN RD.				
4	MELVINDALE, MI 48122				
5					
6	ADVANTICA, INC	COMPUTER	SERVICES	174,936	923
7	1170 HARRISBURG PIKE	SOFTWARE			
8	P.O. BOX 86	DEVELOPMENT			
9	CARLISLE, PA 170130086				
10					
11	ANALYTICAL TESTING & CONSULTING SVCS. INC	CONSULTING AND	SERVICES	27,700	923
12	14625 DOSTER ROAD	TRAINING			
13	PLAINWELL, MI 49080				
14					
15	ASI ENVIRONMENTAL TECHNOLOGIES, INC.	ENVIRONMENTAL	SERVICES	94,699	908, 909
16	239 NORTH JEBABY DRIVE	CONSULTING			
17	LUDINGTON, MI 488431				
18					
19	BLACKWELL, SANDERS PEPER MARTIN, LLP	LEGAL	SERVICES	27,217	921, 946
20	P.O. BOX 892765				
21	KANSAS CITY, MO 641802765				
22					
23					
24					
25	BLAKE, KIRCHNER, SYMONDS, MACFARLANE	LEGAL	SERVICES	30,025	921, 946
26	LARSON & SMITH, P.C.				
27	535 GRISWOLD - SUITE 1432				
28	DETROIT, MI 48226-3695				
29					
30					
31	CEMENTRITE INC	CONSTRUCTION	SERVICES	231,978	107,923
32	2193 NORTHWAY DR.	EXPENSE			
33	MT PLEASANT, MI 48858				
34					
35	CERIDIAN	MEDICAL	SERVICES	29,265	242,143
36	2100 EAST MAPLE RD. - SUITE 100	REIMBURSEMENT			
37	BIRMINGHAM, MI 48009-6514				
38					
39	CLAYTON GROUP SERVICES	ENVIRONMENTAL	SERVICES	145,511	908, 909
40	41650 GARDENBROOK ROAD, SUITE 155	CONSULTING			
41	NOVI, MI 48375				
42					
43	CMS ENERGY	COLLECTION	SERVICES	803,401	921, 946
44	ONE JACKSON SQUARE - SUITE 1060				
45	JACKSON, MI 49201-1406				
46					
47					
48					

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES						
Line No.	Name and Address of Person or Organization Rendering Services (a)	Description of Services (b)	Basis of Charges (c)	Amount (d)	Account Charged (e)	
1	COURT SERVICES	LEGAL	SERVICES	99,077	923	
2	22646 MICHIGAN AVE.					
3	DEARBORN, MI 48124					
4						
5						
6	CUMMINGS MCCLOREY DAVIS ACHO PLLC	LEGAL	SERVICES	123,830	923	
7	33900 SCHOOLCRAFT					
8	LIVONIA MI 481501392					
9						
10						
11	DELL MARKETING L.P.	COMPUTER	SERVICES	70,322	923	
12	C/O DELL USA L.P.	TRAINING				
13	P.O. BOX 371964					
14	PITTSBURG, PA 15250-7964					
15						
16	DELOITTE & TOUCHE LLP	AUDITING	SERVICES	1,308,045	921,923	
17	DEPARTMENT 77393					
18	PO BOX 77000					
19	DETROIT, MI 48277-0393					
20						
21	DENTCO ENTERPRISES, INC.	LANDSCAPING	SERVICES	690,762	923,930	
22	1940 SNOW ROAD					
23	LANSING, MI 48917					
24						
25	DEWEY BALLANTINE LLP	LEGAL	SERVICES	26,614	921, 923	
26	1301 AVENUE OF THE AMERICAS					
27	NEW YORK, NY 100196092					
28						
29	DEWITT, BLAKE & VINCENT, P.L.C.	LEGAL	SERVICES	62,336	921, 923	
30	200 RENAISSANCE CENTER					
31	SUITE 3110					
32	DETROIT MI 48243					
33						
34	DIRECTIONAL DRILLING CONTRACTORS, L.L.C.	CONSTRUCTION	SERVICES	405,485	107,923	
35	P.O. BOX 6155					
36	TRAVERSE CITY, MI 49696-6155					
37						
38	DYKEMA, GOSSETT, SPENCER, GOODNOW AND TRIGG	LEGAL	SERVICES	40,002	921, 923	
39	400 RENAISSANCE CENTER, 35TH FLOOR					
40	DETROIT, MI 48243					
41						
42	EARTH TECH, INC.	ENVIRONMENTAL	SERVICES	53,957	908, 909	
43	5555 GLENWOOD HILLS PKWY SE					
44	GRAND RAPIDS MI 49588-0874					
45						
46	ENVIRONMENTAL RECYCLING TECHNICAL SVCS.	ENVIRONMENTAL	SERVICES	214,937	908, 909	
47	P.O. BOX 640					
48	BOWLING GREEN, OH 43402					
49						
50	ENVIROSOLUTIONS, INC.	ENVIRONMENTAL	SERVICES	91,724	908, 909	
51	3815 ABRUZZI DRIVE					
52	WESTLAND, MI 48195					
53						
54	EXPONET, INC	ENVIRONMENTAL	SERVICES	63,642	908, 909	
55	P.O. BOX 200283 DEPT 002					
56	DALLAS, TX 753200283					
57		ENVIRONMENTAL	SERVICES	45,181	908, 909	
58	FISHBECK THOMPSON, CARR & HUBER INC.					
59	1515 ARBORETUM DR. SE					
60	GRAND RAPIDS, MI 49588-0874					
61						

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES					
Line No.	Name and Address of Person or Organization Rendering Services (a)	Description of Services (b)	Basis of Charges (c)	Amount (d)	Account Charged (e)
1	FOSTER SWIFT, COLLINS AND SMITH, P.C.	LEGAL	SERVICES	114,440	186,921
2	313 S. WASHINGTON SQ				923,228
3	LANSING, MI 48933				
4					
5	GIVE 'EM BRAKE SAFETY	SAFETY	SERVICES	67,477	923
6	2610 SANFORD AVENUE	COMMUNICATION			
7	GRANDVILLE, MI 49418				
8					
9	GLOBAL ENVIRONMENTAL ENGINEERING, INC.	ENVIRONMENTAL/	SERVICES	36,392	908, 909
10	129 BRIDGE ST.	ENGINEERING			107, 923
11	ELK RAPIDS, MI 49629				
12					
13	HOLLAND & HART LLP	LEGAL	SERVICES	61,300	921, 923
14	P.O. BOX 1347				
15	CHEYENE, WY 820031347				
16					
17	HOLLAND ENGINEERING	ENGINEERING	SERVICES	949,669	107, 923
18	418 EAST 8TH ST.				
19	HOLLAND, MI 49423				
20					
21	HONIGMAN MILLER, SCHWARTZ & COHEN	LEGAL	SERVICES	109,909	921, 923
22	222 NORTH WASHINGTON SQUARE, SUITE 400				
23	LANSING, MI 48933				
24					
25	HUNTON & WILLIAMS LLP	LEGAL	SERVICES	135,559	921, 923
26	P.O. BOX 18936				
27	WASHINGTON, DC 20036				
28					
29	INTERGRATED SUPPLY MANAGEMENT, INC.	ENGINEERING	SERVICES	1,833,137	107, 923
30	1401 VERMONT				
31	DETROIT, MI 48216				
32					
33	IRON MOUNTAIN	MANAGEMENT	SERVICES	52,950	923
34	P.O. BOX 65017				
35	CHARLOTTE, NC 28265-0017				
36					
37	K & D GRAND RAPIDS, INC.	ENVIRONMENTAL	SERVICES	36,714	908, 909
38	3706 MILL CREEK N.E.				
39	COMSTOCK PARK, MI 49321				
40					
41	LAWRENCE N. HALFEN, PH.D.	ENVIRONMENTAL	SERVICES	26,997	908, 909
42	ENVIRONMNETAL CONSULTING	CONSULTING			
43	2487 CANDLEWICK COURT SE				
44	GRAND RAPIDS, MI 49546				
45					
46	MARINE POLLUTION CONTROL	ENVIRONMENTAL	SERVICES	71,415	908, 909
47	8631 WEST JEFFERSON				
48	DETROIT , MI 48209				
49					
50	MERCER MANAGEMENT CONSULTING INC.	MANAGEMENT	SERVICES	815,557	923
51	P.O. BOX 3800-28	CONSULTING			
52	BOSTON, MI 02241				
53					
54	MIKA, MEYERS, BECKETT, AND JONES	LEGAL	SERVICES	86,444	923,107
55	900 MONROE AVE N.W.				930,228
56	GRAND RAPIDS, MI 49503-1423				
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MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES						
Line No.	Name and Address of Person or Organization Rendering Services (a)	Description of Services (b)	Basis of Charges (c)	Amount (d)	Account Charged (e)	
1	MISS DIG SYSTEM, INC.	SAFTEY COMMUNICATION	SERVICES	202,434	856,874	
2	1030 FEATHERSTONE					
3	PONTIAC, MI 48342-1830					
4						
5	M L CHARTER INC	CONSTRUCTION	SERVICES	73,405	107,923	
6	9195 MARINE CITY HIGHWAY					
7	FAIR HAVEN MI 48023					
8						
9	NORDSTORM SAMSON ASSOCIATES	ARCHITECTURAL/ ENGINEERING	SERVICES	94,878	107, 923	
10	23761 RESEARCH DRIVE					
11	FARMINGTON HILLS, MI 48335					
12						
13	ONALIMB TREE SERVICE, INC.	CONTRACTING	SERVICES	382,724	923	
14	11130 ROCK ROAD					
15	LAKE, MI 48632-0329					
16						
17	ORIAN WORDEN, PH.D	HR CONSULTING	SERVICES	60,000	923	
18	18315 MUIRLAND					
19	DETROIT, MI 48221					
20						
21	PEPPER, HAMILTON & SCHEETZ	LEGAL	SERVICES	631,759	923, 921	
22	100 RENAISSANCE CENTER, 36TH FLOOR					
23	DETROIT, MI 48243					
24						
25	POLICH LAW OFFICES	LEGAL	SERVICES	38,066	923,	
26	P.O. BOX 7					
27	IRON RIVER, MI 49935					
28						
29	PORT CITY COMMUNICATIONS, INC.	COMMUNICATION	SERVICES	93,119	923	
30	942 MILITARY STREET					
31	PORT HURON, MI 48060					
32						
33	RAND ENVIRONMENTAL SVCS, INC.	ENVIRONMENTAL	SERVICES	106,055	908, 909	
34	26453 NORTHLINE ROAD					
35	TAYLOR, MI 48180					
36						
37	RETEC GROUP, INC.	ENVIRONMENTAL	SERVICES	191,785	908, 909	
38	300 BAKER AVENUE					
39	SUITE 302					
40	CONCORD, MA 01742					
41		ENVIRONMENTAL	SERVICES	452,130	908, 909	
42	SECOR INTERNATIONAL INC.					
43	27280 HAGGERTY RD.					
44	SUITE C-11					
45	FARMINGTON HILLS, MI 48331	MANAGEMENT	SERVICES	1,037,165	923	
46						
47	SEDGWICK CMS					
48	P.O. BOX 2066					
49	MEMPHIS, TN 38101	LEGAL	SERVICES	86,852	923,921	
50						
51	SIDLEY AUSTIN BROWN & WOOD LLP					
52	875 THIRD AVENUE					
53	NEW YORK, NY 10022	AUDIT	SERVICES	56,375	923	
54						
55	SOUTHWEST RESEARCH INSTITUTE					
56	MECHANICAL & FLUIDS DIVISION					
57	6220 CULEBRA ROAD					
58	SAN ANTONIO, TX 78228-0510					
59						
60						

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES					
Line No.	Name and Address of Person or Organization Rendering Services (a)	Description of Services (b)	Basis of Charges (c)	Amount (d)	Account Charged (e)
1					
2	SSOE, INC.	ARCHITECTURAL/ ENGINEERING	SERVICES	167,704	107, 923
3	1001 MADISON AVE.				
4	TOLEDO, OH 43624				
5					
6		CONSTRUCTION	SERVICES	71,916	930. 921
7	TOM WARD & SONS, INC.				
8	10245 ST. CLAIR HIGHWAY				
9	CASCO MI 48054				
10		WASTE DISPOSAL	SERVICES	133,781	923. 935
11					
12	WASTE MANAGEMENT OF NORTHERN MICHIGAN				
13	ATTN: COMMERCIAL COLLECTION				
14	P.O. BOX 6220				
15	TRAVERSE CITY, MI 49696				
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## 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, gas transportation services, 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)
1	DTE Enterprises, Inc.	Parent of MichCon Holdings	Admin. & General		
2	MCN Energy Enterprises, Inc.	Subsidiary of DTE Enterprises	Admin. & General		
3	Citizens Gas Fuel Company	Subsidiary of DTE Enterprises	Admin. & General		
4					
5	MichCon Gathering Company	Subsidiary of MichCon	Admin. & General		
6			Gas Transportation	489-71	27,050
7	MichCon Pipeline Company	Subsidiary of MichCon	Admin. & General		
8	MichCon Development Corporation	Subsidiary of MichCon	Admin. & General		
9	Jordan Valley Limited Partnership	Subsidiary of MichCon	Admin. & General		
10	Saginaw Bay Pipeline Company	Subsidiary of MichCon	Admin. & General		
11	CoEnergy Tracing Company	Subsidiary of DTE Enterprises	Gas Transportation	489-46	1,710,770
12			Gas Transportation	489-63	1,405,495
13					
14	Saginaw Bay Lateral Company	Subsidiary of MichCon	Admin. & General		
15	Saginaw Bay Lateral Partnership	Subsidiary of MichCon	Admin. & General		
16	Westside Pipeline Company	Subsidiary of MichCon	Admin. & General		
17					
18	DTE Gas Storage Co.	Subsidiary of DTE Enterprises	Operations	495-35	241,520
19	Thunder Bay Gathering Co.	Subsidiary of MichCon	Admin. & General		
20	Blue Lake Holdings, Inc.	Subsidiary of MichCon	Admin. & General		
21	Detroit Edison Company	Subsidiary of DTE Energy	Gas Transportation	489-24	659,448
22			Admin. & General	494-00	600,000
23					
24	DTE Energy Company	Parent of DTE Enterprises	Admin. & General		
25			Corp Support Group	408-XX	2,510,752
26			Corp Support Group		
27			Corp Support Group	901XX-913XX	19,347,310
28			Corp Support Group	920-XX	17,190,488
29			Corp Support Group	921XX-930XX	24,318,747
30			Admin. & General		
31	DTE Energy Ventures, Inc.	Subsidiary of DTE Energy	Admin. & General		
32					
33	DTE Energy Resources, Inc.	Subsidiary of DTE Energy	Gas Transportation	489-25	344,913
34					
35	Michcon Holdings, Inc.	Parent of MichCon	Admin. & General		
36	DTE Energy Services, Inc.	Subsidiary of DTE Energy Resources	Gas Transportation	489-42	105,600
37	DTE Oil & Gas, Inc.	Subsidiary of DTE Enterprises	Gas Transportation	489-41	103,366
38	DTE Gas Resources	Subsidiary of DTE Enterprises	Admin. & General		
39					
40	Michcon Lateral Company	Subsidiary of MichCon	Admin. & General		
41					
TOTAL					\$68,565,459

## 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.
419-GH	425	146-01	1,664,849	1,665,274	cost	1
419-GG	879	146-02	3,170,837	3,171,716	cost	2
		146-03	83,123	83,123	cost	3
						4
415-10	26,880	146-33	2,373,120	2,400,000	cost	5
				27,050	contract	6
419-FR	110,677	146-34	738,173	848,850	cost	7
419-FJ	5	146-40	1,413	1,418	cost	8
415-10, 419-FT	2,013	146-57	288,784	290,797	cost	9
415-10	3,360	146-58	385,442	388,802	cost	10
				1,710,770	contract	11
				1,405,495	contract	12
						13
		146-78	103,151	103,151	cost	14
415-10		146-79	39,648	39,648	cost	15
419-FG	249	146-87	114,374	114,623	cost	16
						17
415-10, 419-GI	1,816,581	146-06, 90, 97	2,156,696	4,214,797	contract	18
415-10, 419-FV	1,794	146-37	442,247	444,041	cost	19
419-FQ	3	146-15	7,780	7,783	cost	20
				659,448	contract	21
419GJ-G, 415-10	14,337	146-12, 18, 20-25, 28	480,700	1,095,037	cost	22
						23
		146-00	3,282,650	3,282,650	cost	24
				2,510,752	cost	25
426-XX	553,893			553,893	cost	26
				19,347,310	cost	27
				17,190,488	cost	28
				24,318,747	cost	29
419-FA	212,174			212,174	cost	30
		146-04	8,302	8,302	cost	31
						32
				344,913	contract	33
						34
419-GN	117	146-19	151,021	151,138	cost	35
				105,600	contract	36
415-10	41,790	146-31	73,466	218,622	contract	37
		146-07	3,584	3,584	cost	38
						39
		146-13	2,503,018	2,503,018	cost	40
						41
	\$2,785,177		\$18,072,378	\$89,423,014		

## 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, gas transportation services, 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)
1	DTE Energy Company	Parent of DTE Enterprises	Corporate Support Group	90100-916000	34,616,035
2			Corporate Support Group	92000-93500	124,808,815
3			Corporate Support Group	409-10	26,982
4			Corporate Support Group	406-18	3,094,398
5			Interest Expense		
6			Corporate Support Group		
7			Corporate Support Group		
8			Corporate Support Group		
9					
10	Detroit Edison Company	Subsidiary of DTE Energy	O&M Expense	75000-89400	984,775
11			Customer Service	90200-91200	374,886
12			A&G Expense	921-00	634,501
13			A&G Expense	926-20	10,399,588
14			Rent Expense	931-20	11,100,000
15			Construct/Retire WIP		
16			Cash		
17			Miscellaneous A/R		
18			Materials & Supplies		
19			Payroll Liabilities		
20			Miscellaneous Non-gas		
21					
22	DTE Enterprises inc	Parent of MichCon Holdings	Payroll Liabilities		
23					
24	MichCon Holdings, Inc.	Parent of MichCon	Interest Expense		
25					
26	Saginaw Bay Lateral Company	Subsidiary of MichCon	Interest Expense		
27					
28	Saginaw Lateral Limited Partnership	Subsidiary of MichCon	Interest Expense		
29					
30	Westside Pipeline Company	Subsidiary of MichCon	Interest Expense		
31					
32	Jordan Valley Pipeline Company	Subsidiary of MichCon	Interest Expense		
33					
34					
35					
36					
TOTAL					

## 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
				34,616,035	Cost	1
				124,808,815	Cost	2
				26,992	Cost	3
				3,094,398	Cost	4
430-GE	6,750			6,750	Cost	5
415-50, 416-50	(89,396)			(89,396)	Cost	6
419-30	(629)			(629)	Cost	7
421-00, 426-XX	2,375,457			2,375,457	Cost	8
						9
				984,775	Cost	10
				374,886	Cost	11
				634,501	Cost	12
				10,399,588	Cost	13
				11,130,000	Cost	14
		107-00, 108-50	1,799,907	1,799,907	Cost	15
		131-10	4,567	4,567	Cost	16
		143-XX	2,993	2,993	Cost	17
		154-42, 163-00	328,104	328,104	Cost	18
		241-XX, 242-VC	43	43	Cost	19
416-00, 421-00	(1,651)			(1,651)	Cost	20
						21
		242-XX	1,151	1,151	Cost	22
						23
430-GD	92,395			92,395	Cost	24
						25
430-FT	40,085			40,085	Cost	26
						27
430-FQ	2,068			2,068	Cost	28
						29
430-FR	166,590			166,590	Cost	30
						31
430-FF	170,978			170,978	Cost	32
						33
						34
						35
						36

## SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

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, gas transportation services, 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)
1	Saginaw Bay Pipeline Company	Subsidiary of MichCon	Interest Expense		
2			O&M Expense	858-01	928,923
3					
4	Thunder Bay Gathering Company	Subsidiary of MichCon	Interest Expense		
5					
6	MichCon Development Corporation	Subsidiary of MichCon	Interest Expense		
7					
8	MichCon Gathering Company	Subsidiary of MichCon	O&M Expense	801-15	27,361
9			O&M Expense	856-00	437
10			O&M Expense	857-00	3,705
11			O&M Expense	877-00	19
12			A&G Expense	921-00	5,285
13			Interest Expense		
14					
15	MichCon Lateral Company	Subsidiary of MichCon	Interest Expense		
16					
17	DTE Gas & Oil	Subsidiary of DTE Enterprises	O&M Expense	804-25	117,232
18					
19	DTE Gas Storage	Subsidiary of DTE Enterprises	O&M Expense	495-35	1,276,191
20					
21	CoEnergy Trading Company	Subsidiary of DTE Enterprises	Gas Purchases	804-54	5,090,378
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
TOTAL					\$193,489,511

## 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.
430-FS	164,283			164,283	Cost	1
				928,923	Cost	2
						3
430-FZ	100,427			100,427	Cost	4
						5
430-FG	287,080			287,080	Cost	6
						7
				27,361	Cost	8
				437	Cost	9
				3,705	Cost	10
				19	Cost	11
				5,285	Cost	12
430-FH	463,848			463,848	Cost	13
						14
430-GL	31,362			31,362	Cost	15
						16
				117,232	Cost	17
						18
				1,276,191	Cost	19
						20
				5,090,378	Contract	21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
	\$3,809,637		\$2,136,775	\$199,435,923		

## SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

NOTES:

## Description: Nature of Goods and Services

- A Miscellaneous Non-gas Expense
- B Payroll Withholding Liabilities
- C Customer Service Expense  
(Includes: Meter reading, service assistance, records & collections)
- D Administrative & General Expenses  
(Includes: Labor, overhead, travel and meals expense,  
delivery service, supplies, prepaid and accrued insurance,  
publicity expense)
- E Corporate Support Group
- F Interest on Notes Payable
- G Miscellaneous Materials & Supplies Inventory
- H Construction/Retirement Work in Progress
- I Gas Transportation Revenues
- J Miscellaneous Accounts Receivable
- K Accounts Receivable - Gas
- L Pipeline & Processing Payable
- M Cash
- N Operation and Maintenance Expense  
(Includes: purchased gas field line purchase, field line purchase  
loss and KIF charges and transmission compression charges.)
- O Rent Expense

## Pricing Method

- (1) Fully loaded costs incurred by DTE Energy Enterprises.
- (2) Direct expenses or costs incurred, which are the result of transactions or services rendered, are billed according to contract terms, tariff rates, or fully loaded costs based upon time reports, invoices and expense vouchers specifically identifiable to the transaction or service rendered.
- (3) Costs incurred by DTE for the mutual benefit of itself and all subsidiary companies are allocated according to various allocation methods.
- (4) Fully loaded costs incurred by Detroit Edison.

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MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
NATURAL GAS RESERVES AND LAND ACREAGE						
<p>1. Report below particulars (details) concerning the remaining recoverable salable gas reserves and natural gas land acreage at end of year. Designate gas reserves on acreage acquired before October 8, 1969, and reserves on acreage acquired after October 7, 1969.</p> <p>2. Classify the gas reserves and related land and land rights and costs under the sub-headings: (A) Producing Gas Lands, and (B) Non-producing Gas Lands. Provide a total for each classification.</p> <p>3. For producing gas lands, report the required information alphabetically by State, County, or offshore area, and field. If the field name is not assigned, report as "unnamed." Identify offshore fields according to their location in State or Federal domains by using the letter "S" for State domain, and "F" for Federal domain in column (a). For column (b), enter the zone number if applicable. The land, leasehold, and gas rights costs so reported should agree with the amounts carried under Account 101, Gas Plant in Service, and as reported for Accounts 325.1, 325.2, and 325.3 on page 204-205. In column (e) show for each field the year and remaining recoverable salable gas reserves available to respondent from owned lands, leaseholds, and gas rights.</p> <p>4. For non-producing gas lands, report the required information alphabetically by State, County, or offshore areas by blocks. Report offshore lands in the same manner as producing gas lands. The land,</p>						
Line No.	OFFSHORE AREA		Name of Field or Block (c)	Name of State/ County/Offshore Area (d)	Recoverable Gas Reserves (Thousands Mcf) (e)	OWNED LANDS
	Domain (a)	Zone (b)				Acres (f)
1			A. PRODUCING	Michigan		
2			GAS LANDS	(Acquired before 1-1-75)		
3			Big Hand	St. Clair Co.	-	1.0
4			Washington 10	Macomb Co.	-	-
5			Washington 10A	Macomb Co.	-	-
6			Washington 11	Macomb Co.	-	-
7			Unnamed	Macomb Leases	-	-
8						
9						
10				Subtotal	0	1.0
11				(Acquired after 12-31-74)		
12			Falmouth	Missaukee Co.	-	5.5
13						
14				Subtotal	0	5.5
15				Total Recoverable Reserves	0	6.5
16			B. NON-PRODUCING			
17			GAS LANDS	(Acquired before 1-1-75)		
18			Unnamed	Osceola Co.	-	-
19			Unnamed	Oakland Co.	-	-
20				Subtotal	-	-
21				(Acquired after 12-31-74)		
22			Lee 2A	Calhoun Co.	-	-
23			Unnamed	Macomb Leases	-	-
24			Unnamed	Mecosta Leases	-	-
25			Unnamed	Missaukee Leases	-	-
26			Unnamed	Oakland Leases	-	-
27			Unnamed	Osceola Leases	-	-
28				Subtotal	-	-
29				Total Non - Producing Gas Lands	-	-
30						
31	Note: Full Cost Accounting adopted January 1, 1975.					
32						
33						
34						
35						
36						
37						
38	TOTAL				0	6.5

## NATURAL GAS RESERVES AND LAND ACREAGE (Continued)

leasehold, and gas rights costs reported should agree with the amounts carried under Accounts 105, Gas Plant Held for Future Use and 105.1, Production Properties Held for Future Use, and reported in total on pages 214 and 215. Do not report estimates of gas reserves (column e) for unproven fields; however, if the company made estimates for such lands normally includes such estimates in stating its reserve position in connection with proposed financing and for managerial and other purposes, include such estimates on this page.

5. Report the cost of lands, leaseholds, and gas rights in accordance with the provisions of the Uniform Systems of Accounts for Natural Gas Companies.
6. For columns (j) and (k), do not duplicate acreages reported for owned lands and leaseholds. Designate with an asterisk royalty interests separately owned.
7. Indicate by footnote whether acres reported are gross acres or net acres based on proportion of ownership in jointly owned tracts.
8. Do not include oil mineral interests in the cost of acreage reported.
9. Report volumes on a pressure base of 14.73 psia at 60°F.

OWNED LANDS (Cont.)	LEASEHOLDS		OWNED GAS RIGHTS		TOTAL		Line No.
Cost (g)	Acres (h)	Costs (i)	Acres (j)	Costs (k)	Acres (l)	Costs (m)	
\$3,838	-	-	-	-	1.0	\$3,838	1
-	-	-	-	-	0.0	0	2
-	-	-	-	-	0.0	0	3
-	-	-	-	-	-	0	4
-	2.0	471	-	-	2.0	471	5
3,838	2.0	471	-	0	3.0	4,309	6
13,343	-	-	-	-	5.5	13,343	7
13,343	-	-	-	-	5.5	13,343	8
17,181	2.0	471	-	0	8.5	17,652	9
-	5.0	949	-	-	5.0	949	10
-	-	1,804	-	-	-	1,804	11
-	5.0	2,753	-	-	5.0	2,753	12
-	55.0	-	-	-	55.0	-	13
-	11.0	2,884	-	-	11.0	2,884	14
-	2,138.2	-	-	-	2,138.2	-	15
-	3,170.3	403,391	-	-	3,170.3	403,391	16
-	160.0	-	-	-	160.0	-	17
-	600.0	-	-	-	600.0	-	18
-	6,134.5	406,275	-	-	6,134.5	406,275	19
-	6,139.5	409,028	-	-	6,139.5	409,028	20
\$17,181	6,141.5	\$409,499	-	\$0	6,148.0	\$426,680	21

EXPLANATION OF DIFFERENCES BETWEEN BALANCES  
AS REPORTED IN ACCT. 325.1, 325.2, AND  
325.3, ON PAGE 202A AND COST OF PRODUCING GAS LAND REPORTED  
ON PAGES 500-501

PAGE 202AAccounts

325-1	Col. (g)	\$17,180
325-2		1,989
325-3	Col. (k)	0
	Total	<u>19,169</u>

PAGE 500-501

Col. (m)	<u>17,652</u>
Difference*	<u>\$1,517</u>

\*Oil interest not included on Page 500-501, per instruction No. 8.

325-81	\$1,142
325-91	375
Total	<u>\$1,517</u>

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

1. Report changes during the year in recoverable salable reserves of the respondent located on acreage acquired after October 7, 1969. Have the reported reserves attested to every three years by an independent appraiser. File the attestation with the Commission along with this report. If the reserves, at the time the reserve determination is made, significantly differ from those reported on this page, file a reconciliation and explanation of such differences along with the attestation.
2. For any important changes in the estimated reserves due to purchases, sales, or exchanges of land, leaseholds or rights, furnish on page 505 a brief explanation of the transaction and reserves involved. Also, explain the criteria used to estimate the net realizable value of reserves.
3. For column (d), report the reserves and changes associated with lands, leaseholds, and rights included in Account 105.1, Production Properties Held for Future Use. (See Gas Plant Accounts Instruction 7G of the U.S. of A.)
4. Report pressure base of gas volumes at 14.73 psia at 60°F.
5. For line 16 base the net realizable value of hydrocarbon reserves on the current selling price of the hydrocarbon reserves less estimated costs of extraction, completion, and disposal.

Line No.	Items (a)	Total Reserves Gas (Thousands Mcf) (b)	Lands, Leaseholds and Rights		Total Reserves Oil and Liquids (Barrels) (e)	Investment (Net Book Value) (f)
			In Service Gas (Thousands Mcf) (c)	Held for Future Use Gas (Thousands Mcf) (d)		
1	Estimated Recoverable Reserves at Beginning of year	4,299	4,299	-	-	-
2	ADDITIONS					
3	Purchases and Exchanges of Lands, Leaseholds and Rights	-	-	-	-	
4	Transfers from Reserves Held for Future Use	-	-	-	-	
5	Upward Revision of Basic Reserve Estimates (Explain in a Footnote)	-	-	-	-	
6	Other Increases (Explain in a footnote)	-	-	-	-	
7	TOTAL Additions (Lines 3 thru 6)	-	-	-	-	
8	DEDUCTIONS					
9	Production During Year	-	-	-	-	
10	Sales and Exchanges of Lands, Leaseholds, and Rights	-	-	-	-	
11	Transfers of Reserves Held for Future Use to Reserves in Service	-	-	-	-	
12	Downward Revision of Estimates of Recoverable Reserves (Explain in a footnote)	4,295	4,299	-	-	
13	Other Decreases (Explain in a footnote)	-	-	-	-	
14	TOTAL Deductions (Lines 9 thru 13)	4,299	4,299	-	-	
15	Estimates Recoverable Reserves at End of Year (Enter Total of lines 1, 7, and 14)(1)	0.000	0.000	-	-	-
16	Net Realizable Value at End of Reporting Year (Explain on page 505):		\$0.00			

## NOTES

- (1) The reserves indicated on Line 15 pertain to the Lee 2B Field, a field in which the Respondent owns a partial working interest. The leaseholds and/or gas rights for this field are owned by Peninsular Oil and Gas Company, the operator of the field. Lee 2B Field was plugged on July 10, 1997. Therefore the reserves become non-recoverable.

NOTE: Full Cost Accounting adopted January 1, 1975.

## HYDROCARBON RESERVES AND COSTS, AND NET REALIZABLE VALUE (Continued)

Explain below items for which explanations are required on page 504, Changes in Estimated Hydrocarbon Reserves and Costs, and Net Realizable Value. For line 16 on page 504, explain the criteria used to estimate such value and provide an explanation of any significant revision in the value of the reserves, other than from the addition of new reserves.

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MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL		December 31, 2004	
COMPRESSOR STATIONS					
<p>1. Report below particulars (details) concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.</p> <p>2. For column (a), indicate the production areas where such stations are used. Relatively small field compressor stations may be grouped by production areas. Show the number of stations grouped. Designate any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership, if jointly owned.</p>					
Line No.	Name of Station and Location (a)	Number of Employees (1) (b)	Plant Cost (c)		
1	<u>FIELD COMPRESSOR STATIONS</u>				
2					
3					
4					
5	<u>UNDERGROUND STORAGE COMPRESSOR STATIONS</u>				
6	Columbus Station				
7	Columbus Twp., St. Clair Co.		13,596,929		
8	Belle River Mills Station				
9	China Twp., St. Clair Co.		31,605,199		
10					
11	W. C. Taggart Compressor Station		50,893,968		
12	TOTAL				
13	<u>TRANSMISSION COMPRESSOR STATIONS</u>				
14	Kalkaska Station				
15	Kalkaska Twp., Kalkaska Co.		31,128,028		
16	Milford Station				
17	Milford Twp., Oakland Co.		24,649,889		
18	Reed City Compressor Station				
19	Lincoln Twp., Osceola Co.		1,845,547		
20					
21					
22					
23					
24					
25					
26					
27					
28	Alpena Station				
29	Various Locations		3,492,024		
30	9 Satellite Stations				
31	Various Locations		1,420,939		
32					
33	<u>DISTRIBUTION COMPRESSOR STATION</u>				
34	Detroit District				
35	River Rouge				
36					
37	<u>OTHER COMPRESSOR STATIONS</u>				
38	Romeo Station -SOLD				
39	Washington Twp., Macomb Co.				

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL		December 31, 2004	
COMPRESSOR STATIONS						
Designate any station that was not operated during the past year. State in a footnote whether the book cost of station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into during the year and show in a footnote the size of each such unit, and the date each such unit was placed in operation.						
3. For column (d), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.						
Fuel or Power (2) (d)	Other (e)	Gas for Comps. Fuel Mcf (14.73 psia at 60°F) (f)	Operation Data			Line No.
			Total Compressor Hours of Operation During Year (g)	No. of Compr. Operated at time of Station Peak (h)	Date of Station Peak (i)	
0	\$0	0				1
						2
						3
						4
						5
						6
			2,843	2	09/19/02	7
			9,456	5	09/19/02	8
						9
			24,534	8	11/30/02	10
296,413	\$5,455,676	819,011				11
						12
						13
						14
711	\$1,594,944	246,618	20,750	3	06/02/02	15
						16
47,958	\$642,422	93,712	3,431	2	01/03/02	17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
	\$9,607	1,442	0	0		28
						29
			86,532	12	04/03/02	30
						31
						32
						33
						34
						35
						36
						37
0	\$0	0				38
						39



## COMPRESSOR STATIONS

MICHIGAN CONSOLIDATED GAS COMPANY  
COMPRESSOR STATIONS  
YEAR ENDED DECEMBER 31, 2004

- (1) Respondent does not maintain separate payrolls for compressor stations.  
(2) Column (d) represents the cost of electric power and column (e) represents Natural Gas used by the Company at the respective compressor stations.

## (3) Retired Locations

Name of Station	Type	Unit #
New Haven Compressor Station	6963	1&2

## (4) Location Transfer

Transfer to

Unit#

## GAS AND OIL WELLS

1. Report below the particulars (details) concerning gas and oil wells of the respondent which are either producing or capable of production.
2. Report the required information alphabetically by states. List wells located offshore separately.
3. For column (a), under separate headings, list gas wells first, oil wells second, and combination wells third.  
Combination wells are wells producing or capable of production from one or more oil reservoirs and also from one or more gas reservoirs. Enter totals for each of the headings (gas wells, oil wells, combination wells). Designate any wells not operated during the past year, and in a footnote state whether the book cost of such wells, or any portion thereof, has been retired in the books of account, or what disposition of the wells and their book cost is contemplated.
4. In column (f) report wells reclassified during the year as oil wells, gas wells, or combination wells. Show additions in black and deductions enclosed in parentheses. The total additions equal the total deductions.

Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclassified (f)	REDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Successful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)		Wells Abandoned (g)	Wells Sold (h)	Total (g + h) (i)	
1	All in the State of Michigan									
2										
3	Producing Gas Wells:									
4										
5	Lee 2B Field									
6	Calhoun County									
7	Lee Township	0	-	-	-	-	0	-	0	0
8										
9	New Haven Field									
10	Gratiot County									
11	New Haven Township	0	-	-	-	0	-	-	0	0
12	Sumner Township	0	-	-	-	0	-	-	0	0
13										
14	Washington 11 Field									
15	Macomb County									
16	Washington Township	0	-	-	-	-	0	-	0	0
17										
18	Washington 10 Field									
19	Macomb County									
20	Washington Township	0	-	-	-	-	0	-	0	0
21										
22	Washington 10A Field									
23	Macomb County									
24	Washington Township	0	-	-	-	-	0	-	0	0
25										
26	Hardy Dam									
27	Mecosta County									
28	Aetna Township	0	-	-	-	-	-	-	-	0
29										
30	Producing Gas Wells TOTAL	0	-	-	-	0	0	-	0	0
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										

GAS AND OIL WELLS										
Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclas-sified (f)	REDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Success-ful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)		Wells Aban-doned (g)	Wells Sold (h)	Total (g + h) (i)	
1	All in the State of Michigan									
2										
3	Shut-in Gas Wells									
4	NONE									
5										
6	Producing Oil Wells:									
7										
8	Big Hand Field									
9	St. Clair County									
10	Columbus Township	0	-	-	-	-	-	0	0	0
11										
12	Grant 3 Field									
13	Grand Trav. County									
14	Grant Township	0	-	-	-	-	0	-	0	0
15										
16	Producing Oil Wells TOTAL	0	-	-	-	-	0	0	0	0

MICHIGAN CONSOLIDATED GAS COMPANY			AN ORIGINAL				December 31, 2004			
GAS AND OIL WELLS										
Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclassified (f)	REDUCTIONS DURING YEAR			Number of Wells at End of Year (j)
			Successful Wells Drilled (c)	Wells Purchased (d)	Total (c + d) (e)		Wells Abandoned (g)	Wells Sold (h)	Total (g + h) (i)	
1	All in the State of Michigan									
2										
3	Shut-in Gas Wells									
4	NONE									
5										
6	Producing Oil Wells:									
7										
8	Big Hand Field									
9	St. Clair County									
10	Columbus Township	0	-	-	-	-	-	0	0	0
11										
12	Gran: 3 Field									
13	Grand Trav. County									
14	Grant Township	0	-	-	-	-	0	-	0	0
15										
16	Prod. Oil Wells TOTAL	0	-	-	-	-	0	0	0	0
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										

## GAS STORAGE PROJECTS

1. Report particulars (details) for total gas storage projects.
2. Total storage plant (Column b) should agree with amounts reported by the respondent in Acct's 350.1 to 364.8 inclusive (pages 204-205).
3. Give particulars (details) of any gas stored for the benefit of another company under a gas exchange arrangement or on basis of purchase and resale to other company. Designate with an asterisk if other company is an associated company.

Line No.	Item (a)	Total Amount (b)
1	Natural Gas Storage Plant	
2	Land and Land Rights	\$9,277,948
3	Structures and Improvements	11,034,399
4	Storage Wells and Holders	72,199,723
5	Storage Lines	22,150,817
6	Other Storage Equipment	85,132,261
7	TOTAL (Enter Total of Lines 2 Thru 6)	\$199,795,148
8	Storage Expenses	
9	Operation	\$9,412,828
10	Maintenance	2,558,588
11	Rents	-
12	TOTAL (Enter Total of Lines 9 thru 11)	\$11,971,416
13	Storage Operations (In Mcf @ 14.73 psia 60°F)	
14	Gas Delivered to Storage	
15	January	(617,526)
16	February	(437,353)
17	March	(2,429,348)
18	April	1,458,009
19	May	8,190,126
20	June	8,601,155
21	July	8,971,714
22	August	6,905,980
23	September	11,234,539
24	October	5,927,140
25	November	(2,470,215)
26	December	(894,788)
27	TOTAL (Enter Total of Lines 15 thru 26)	44,439,434
28	Gas Withdrawn from Storage	
29	January	21,200,248
30	February	12,753,487
31	March	5,122,623
32	April	-205,274
33	May	(1,506,142)
34	June	(1,315,618)
35	July	(1,506,062)
36	August	(2,671,446)
37	September	(1,548,737)
38	October	511,102
39	November	4,082,357
40	December	14,623,727
41	TOTAL (Enter Total of Lines 29 Thru 40)	49,540,264

MICHIGAN CONSOLIDATED GAS COMPANY		AN ORIGINAL	December 31, 2004
GAS STORAGE PROJECTS (CONTINUED)			
Line No.	Item (a)	Total Amount (b)	
	Storage Operations (In Mcf @ 14.73 psia 60°F)		
42	Top or Working Gas End of Year	54,586,034	
43	Cushion Gas (Including Native Gas)	65,441,875	
44	Total Gas in Reservoir (Enter Total of Line 42 and Line 43)	120,027,909	
45	Certificated Storage Capacity (1)	123,763,276	
46	Reservoir Pressure at Which Storage Capacity Computed (1)		
47	Number of Injection - Withdrawal Wells	238	
48	Number of Observation Wells	57	
49	Maximum Day's Withdrawal from Storage	2,274,766	
50	Date of Maximum Days' Withdrawal	01/22/04	
51	Year Storage Operations Commenced	1953	
52	LNG Terminal Companies (In Mcf)		
53	Number of Tanks		
54	Capacity of Tanks		
55	LNG Volumes		
56	a) Received at "Ship Rail"		
57	b) Transferred to Tanks		
58	c) Withdrawn from Tanks		
59	d) "Boil Off" Vaporization Loss		
60	e) Converted to Mcf at Tailgate of Terminal		
<b>Notes:</b> (1) Transactions relating to gas stored "for others" are not reflected on these pages. At December 31, 2004 48,023,846 Mcf was stored for others.			

## Distribution and Transmission Lines

1. Report below by States the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the particulars (details) and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book cost are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to O.1) (b)
1	Integrated Natural Gas Systems	
2	Located in State of Michigan	
3		
4	Distribution Mains	18,183.9
5	Transmission Mains	2,456.3
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31	TOTAL	20,640.2

## DISTRIBUTION SYSTEM PEAK DELIVERIES

1. Report below the total distribution system deliveries of gas, excluding deliveries to storage, for the periods of system peak deliveries indicated below, during the calendar year.

2. Report Mcf of a pressure base of 14.73 psia of 60°F.

Line No.		Day/ Month (b)	Amount of Mcf (c)	Curtailments on Day/Month Indicated (d)
	Section A Three Highest Days of System Peak Deliveries			
1	Date of Highest Day's Deliveries *	01/22		
2	Deliveries to Customers Subject to MPSC Rate Schedules		2,275,297	
3	Deliveries to Others		0	
4	TOTAL		2,275,297	
5	Date of Second Highest Day's Deliveries *	01/29		
6	Deliveries to Customers Subject to MPSC Rate Schedules		2,201,940	
7	Deliveries to Others		0	
8	TOTAL		2,201,940	
9	Date of Third Highest Day's Deliveries *	12/19		
10	Deliveries to Customers Subject to MPSC Rate Schedules		2,167,322	
11	Deliveries to Others		0	
12	TOTAL		2,167,322	
	Section B Highest Consecutive 3-Day System Peak Deliveries (and Supplies)			
13	Dates of Three Consecutive Days Highest System Peak Deliveries *	01/28-30		
14	Deliveries to Customers Subject to MPSC Rate Schedules		6,371,095	
15	Deliveries to Others		0	
16	TOTAL		6,371,095	
17	Supplies from Line Pack			
18	Supplies from Underground Storage		(4,334,528)	
19	Supplies from Other Peaking Facilities		N/A	
	Section C Highest Month's System Deliveries			
20	Month of Highest Month's System Deliveries	JANUARY		
21	Deliveries to Customers Subject to MPSC Rate Schedules		59,232,748	
22	Deliveries to Others		3,441,897	
23	TOTAL		56,674,645	

\* Split of sendout on a daily basis is not accurately separable between MPSC rate schedule and Others.



## AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility	Type of Facility	Maximum Daily Delivery Capacity		Was Facility Operated on Day of Highest Transmission Peak Delivery?	
			of Facility, Mcf at 14.73 psia at 60°F	Cost of Facility (In dollars)	Yes	No
	(a)	(b)	(c)	(d)	(e)	(f)
1	West Central Michigan	Underground Storage Plant	353,058		X	
2						
3						
4	Southeastern Michigan	Underground Storage Plant	2,070,612		X	
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						

## SYSTEM MAPS

1. Furnish 5 copies of a system map (one with each copy of this report) of the facilities operated by the respondent for the production, gathering, transportation and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with the previous annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
  - (a) Transmission lines - colored in red, if they are not otherwise clearly indicated.
  - (b) Principal pipeline arteries of gathering system.
  - (c) Size of pipe in the principal pipelines shown on map.
  - (d) Normal directions of gas flow - indicated by arrows.
  - (e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas.
  - (f) Locations of compressor stations, products extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc.
  - (g) Important main line interconnections with other natural gas companies, indicating in each case whether gas is received or delivered and name of connecting company.
  - (h) Principal communities in which respondent renders local distribution service.
3. In addition, show on each map: graphic scale to which map is drawn; date as of which the map represents the facts it purports to show, a legend giving all symbols and abbreviations used; designation of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

Map provided in 1993 Annual Report with supplement in 1996 Annual Report.

MICHIGAN CONSOLIDATED GAS COMPANY    AN ORIGINAL			December 31, 2004
FOOTNOTE DATA			
Page No. (a)	Line No. (b)	Column No. (c)	Comments (d)
			<p>Footnotes are included on applicable pages.  For MichCon's SEC 10-K filing footnotes see  pages 123.1 through 123.25.</p>

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