



Jennifer M. Granholm
GOVERNOR

STATE OF MICHIGAN
PUBLIC SERVICE COMMISSION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
ROBERT W. SWANSON
ACTING DIRECTOR

J. Peter Lark
CHAIR

Laura Chappelle
COMMISSIONER

Monica Martinez
COMMISSIONER


Michigan Public Service Commission Annual Report for Year-Ended 2005

Company Name: SEMCO ENERGY GAS COMPANY (MPSC DIVISION)
Address: 1411 Third Street, Suite A
City: Port Huron State: MI Zip Code: 48060
Contact Name: Steven W. Warsinske
Phone Number: (810) 987-2200
Fax Number: (810) 887-4570 E-Mail: steve.warsinske@semcoenergy.com

Gross Utility Regulated and Unregulated
Operating Revenue For Year-Ended 2005: 387,767,451

*As a regulated public utility in Michigan your firm is subject to an annual public utility assessment provided in Public Act 299 of 1972. Please submit the above information by April 30, 2006.

I certify that the foregoing statement is true and correct to the best of my knowledge, information and belief.

Signature: 
Print Name: Steven W. Warsinske
Title: Vice President of Accounting
Date: 04/30/06

Mail Or Deliver Hard Copy to:
Michigan Public Service Commission
Attn: Bill Kusiak, Regulated Energy Division
6545 Mercantile Way
Lansing, Michigan 48911-5990

Should you have any questions regarding this report, please contact:
Brian Ballinger, Financial Analysis Section Supervisor
E-Mail: blballi@michigan.gov
Telephone: (517) 241-6103

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, 2005

Present legal name of respondent:

SEMCO ENERGY Inc.

Present DBA name in Michigan if different from legal name:

SEMCO ENERGY GAS CO. (MPSC DIVISION)

Address of principal place of business:

1411 Third St., Suite A., Port Huron, MI 48060

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

Name: Steven W. Warsinske Title: Vice President of Accounting

Address: 1411 Third St., Suite A

City: Port Huron State: Michigan Zip Code: 48060

Telephone, Including Area Code: (810) 987-2200

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

Prior Name

Date of Change

Two copies of the published annual report to stockholders:

☒ were forwarded to the Commission

☐ will be forwarded to the Commission

on or about

Annual reports to stockholders:

☐ are published.

☒ are not published.

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

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

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

MPSC FORM P-522

ANNUAL REPORT OF NATURAL GAS COMPANIES (MAJOR AND NONMAJOR)

IDENTIFICATION

01 Exact Legal Name of Respondent SEMCO ENERGY GAS CO. (MPSC DIVISION)	02 Year of Report December 31, 2005
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03 Previous Name and Date of Change (if name changed during year)

04 Address of Principal Business Office at End of Year (Street, City, State, Zip)

1411 THIRD STREET, SUITE A, PORT HURON, MI 48060

05 Name of Contact Person STEVEN W. WARSINSKE	06 Title of Contact Person VICE PRESIDENT OF ACCOUNTING
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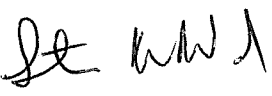
07 Address of Contact Person (Street, City, State, Zip)

1411 THIRD STREET, SUITE A, PORT HURON, MI 48060

08 Telephone of Contact Person, Including Area Code: (810) 987-2200	09 This Report is: (1) X An Original (2) A Resubmission	10 Date of Report (Mo, Da, Yr) 04/30/06
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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 STEVEN W. WARSINSKE	03 Signature 	04 Date Signed (Mo, Da, Yr) 4/26/2006
02 Title VICE PRES OF ACCOUNTING		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
LIST OF SCHEDULES (Natural Gas Utility)			
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)	
<p style="text-align: center;">GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</p> <p>General Information 101</p> <p>Control Over Respondent & Other Associated Companies M 102</p> <p>Corporations Controlled by Respondent 103</p> <p>Officers and Employees M 104</p> <p>Directors 105</p> <p>Security Holders and Voting Powers M 106-107</p> <p>Important Changes During the Year 108-109</p> <p>Comparative Balance Sheet M 110-113</p> <p>Statement of Income for the Year M 114-117</p> <p>Statement of Retained Earnings for the Year M 118-119</p> <p>Statement of Cash Flows 120-121</p> <p>Notes to Financial Statements 122-123</p> <p style="text-align: center;">BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</p> <p>Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion 200-201</p> <p>Gas Plant in Service M 204-212B</p> <p>Gas Plant Leased to Others 213</p> <p>Gas Plant Held for Future Use 214</p> <p>Production Properties Held for Future Use 215</p> <p>Construction Work in Progress - Gas 216</p> <p>Construction Overheads - Gas 217</p> <p>General Description of Construction Overhead Procedure M 218</p> <p>Accumulated Provision for Depreciation of Gas Utility Plant M 219</p> <p>Gas Stored 220</p> <p>Nonutility Property 221</p> <p>Accumulated Provision for Depreciation and Amortization of Nonutility Property 221</p> <p>Investments 222-223</p> <p>Investment in Subsidiary Companies 224-225</p> <p>Gas Prepayments Under Purchase Agreements 226-227</p> <p>Advances for Gas Prior to Initial Deliveries or Commission Certification 229</p> <p>Prepayments 230</p> <p>Extraordinary Property Losses 230</p> <p>Unrecovered Plant and Regulatory Study Costs 230</p> <p>Preliminary Survey and Investigation Charges 231</p> <p>Other Regulatory Assets 232</p> <p>Miscellaneous Deferred Debits 233</p> <p>Accumulated Deferred Income Taxes (Account 190) 234-235</p>			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
LIST OF SCHEDULES (Natural Gas Utility)			
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)	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
Capital Stock	250-251		
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		
Other Paid-In Capital	253		
Discount on Capital Stock	254		
Capital Stock Expense	254		
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255		
Long-Term Debt	256-257		
Unamortized Debt Expense, Premium and Discount on Long-Term Debt	258-259		
Unamortized Loss and Gain on Reacquired Debt	260		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	M 261A-B		
Calculation of Federal Income Tax	M 261C-D		
Taxes Accrued, Prepaid and Charged During Year	262-263		
Investment Tax Credits Generated and Utilized	264-265		
Accumulated Deferred Investment Tax Credits	M 266-267		
Miscellaneous Current and Accrued Liabilities	M 268		
Other Deferred Credits	269		
Accumulated Deferred Income Taxes - Accelerated Amortization Property	272-273		
Accumulated Deferred Income Taxes - Other Property	274-275		
Accumulated Deferred Income Taxes - Other	M 276A-B		
Other Regulatory Liabilities	278		
INCOME ACCOUNT SUPPORTING SCHEDULES			
Gas Operating Revenues	300-301		
Rates and Sales Section	M 305A-C		
Off-System Sales - Natural Gas	M 310A-B		
Revenue from Transportation of Gas of Others-Natural Gas	312-313		
Sales of Products Extracted from Natural Gas	315		
Revenues from Natural Gas Processed by Others	315		
Gas Operation and Maintenance Expenses	M 320-325		
Number of Gas Department Employees	325		
Exploration and Development Expenses	326		
Abandoned Leases	326		
Gas Purchases	M 327, 327A-B		
Exchange Gas Transactions	328-330		
Gas Used in Utility Operations - Credit	331		
Transmission and Compression of Gas by Others	332-333		
Other Gas Supply Expenses	334		
Miscellaneous General Expenses - Gas	M 335		
Depreciation, Depletion and Amortization of Gas Plant	336-338		
Income from Utility Plant Leased to Others	339		
Particulars Concerning Certain Income Deduction and Interest Charges	340		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
LIST OF SCHEDULES (Natural Gas Utility)			
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)	
COMMON SECTION			
Regulatory Commission Expenses	350-351		
Research, Development and Demonstration Activities	352-353		
Distribution of Salaries and Wages	354-355		
Charges for Outside Professional and Other Consultative Services	357		
GAS PLANT STATISTICAL DATA			
Natural Gas Reserves and Land Acreage	500-501		
Changes in Estimated Hydrocarbon Reserves and Costs, and Net Realizable Value	504-505		
Compressor Stations	508-509		
Gas and Oil Wells	510		
Gas Storage Projects	M 512-513		
Distribution and Transmission Lines	M 514		
Liquefied Petroleum Gas Operations	516-517		
Distribution system Peak Deliveries	M 518		
Auxiliary Peaking Facilities	519		
System Map	522		
Footnote Data	551		
Stockholders' Report	---		
MPSC SCHEDULES			
Reconciliation of Deferred Income Tax Expense	117A-B		
Operating Loss Carryforward	117C		
Notes & Accounts Receivable Summary for Balance Sheet	228A		
Accumulated Provision for Uncollectible Accounts - Credit	228A		
Receivables From Associated Companies	228B		
Materials and Supplies	228C		
Notes Payable	260A		
Payables to Associated Companies	260B		
Customer Advances for Construction	268		
Accumulated Deferred Income Taxes - Temporary	277		
Gas Operation and Maintenance Expenses (Nonmajor)	320N-324N		
Lease Rentals Charged	333A-333D		
Depreciation, Depletion and Amortization of Gas Plant (Nonmajor)	336N		
Particulars Concerning Certain Other Income Accounts	341		
Gain or Loss on Disposition of Property	342A-B		
Expenditures for Certain Civic, Political and Related Activities	343		
Common Utility Plant and Expenses	356		
Summary of Costs Billed to Associated Companies	358-359		
Summary of Costs Billed from Associated Companies	360-361		

Name of Respondent SEMCO ENERGY Gas Co (MPSC Division)	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p style="text-align: center;"> Steven W. Warsinske Vice President & Chief Accounting Officer 1411 Third Street, Suite A Port Huron, MI 48060 </p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.</p> <p style="text-align: center;"> Michigan - June 2, 1950 </p>			
<p>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.</p> <p style="text-align: center;"> Not Applicable </p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p style="text-align: center;"> Michigan: Gas Utility Service </p>			
<p>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?</p> <p>(1) <input type="checkbox"/> Yes. . . . enter date when such independent accountant was initially engaged: _____</p> <p>2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent SEMCO ENERGY Gas Co (MPSC Division)	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo,Da,Yr) 04/30/06	Year of Report Dec. 31, 2005
CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES			
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for</p> </div> <div style="width: 48%;"> <p>whom trust was maintained, and purpose of the trust.</p> <p>2. List any entities which respondent did not control either directly or indirectly and which did not control respondent by which were associated companies at any time during the year.</p> <p>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.</p> </div> </div>			
<p>Effective January 1, 2000 SEMCO Energy Gas Company (MPSC Division) is a division of SEMCO Energy, Inc.</p>			

Name of Respondent SEMCO ENERGY Gas Co (MPSC Division)	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo,Da,Yr) 04/30/06	Year of Report Dec. 31, 2005
LIST OF SCHEDULES (Natural Gas Utility)			
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>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.</p> <p>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.</p> </div> <div style="width: 48%;"> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>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.</p> </div> </div> <div style="text-align: center; margin-top: 20px;"> <u>DEFINITIONS</u> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 48%;"> <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition or an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent</p> </div> <div style="width: 48%;"> <p>of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p> </div> </div>			
Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
NONE			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
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)	Total Compensation (d)
1	George A. Schreiber, Jr., President and CEO	\$479,808	\$388,011	\$867,819
2	Peter F. Clark, Senior Vice President and General Counsel	\$232,308	\$105,546	\$337,854
3	Eugene N. Dubay, Sen. Vice President Operations	\$253,269	\$56,836	\$310,105
4	Michael V Palmeri, Senior Vice President, Treasurer, and CFO	\$257,308	\$49,211	\$306,519
5	Mark T. Prendeville, Vice President and General Counsel	\$165,307	\$32,326	\$197,633
	<u>(c) Other Compensation</u>			
	George A. Schreiber, Jr.			
	Bonus to pay taxes relating to life insurance premium.		\$11,111	
	Bonus		\$362,500	
	Auto Allowance		\$14,400	
			<u>\$388,011</u>	
	Peter F. Clark			
	Bonus to pay taxes relating to life insurance premium.		\$3,832	
	Relocation Expenses		\$61,114	
	Company match contribution to 401(K) plan		\$8,400	
	Bonus		\$25,000	
	Auto Allowance		\$7,200	
			<u>\$105,546</u>	
	Eugene N Dubay			
	Bonus to pay taxes relating to life insurance premium.		\$5,974	
	Spousal Travel		\$262	
	Company match contribution to 401(K) plan		\$8,400	
	Bonus		\$35,000	
	Auto Allowance		\$7,200	
			<u>\$56,836</u>	
	Michael V Palmeri			
	Bonus to pay taxes relating to life insurance premium.		\$3,131	
	Spousal Travel		\$480	
	Company match contribution to 401(K) plan		\$8,400	
	Bonus		\$30,000	
	Auto Allowance		\$7,200	
			<u>\$49,211</u>	
	Mark T. Prendeville			
	Bonus to pay taxes relating to life insurance premiums		\$4,474	
	Company match contribution to 401(K) plan		\$7,212	
	Bonus		\$15,000	
	Auto Allowance		\$5,640	
			<u>\$32,326</u>	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
DIRECTORS			
<p>1. Report below the information called for concerning the respondent. each director of the respondent who held office at any time during the year. Include in column (a), an asterisk and the Chairman of the Executive abbreviated titles of the directors who are officers of</p> <p>2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
<p>Effective 01/01/00 the Company became a division of SEMCO Energy Inc., as such, there are no longer Corporate Directors required.</p>			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
SECURITY HOLDERS AND VOTING POWERS			
<p>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.</p> <p>(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.</p> <p>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.</p> <p>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.</p> <p>4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>			
<p>1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:</p> <p style="text-align: center;">NOT APPLICABLE</p>			
<p>2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:</p>			
<p>3. Give the date and place of such meeting:</p>			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
SECURITY HOLDERS AND VOTING POWERS (Continued)							
Line No.	Name (and Title) and Address of Security Holder (a)	VOTING SECURITIES					
		Number of votes as of (date):					
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)		
4	TOTAL votes of all voting securities	0					
5	TOTAL number of security holders	0					
6	TOTAL votes of security holders listed below	0					
7	Not Applicable						
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
IMPORTANT CHANGES DURING THE YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none", "not acceptable" or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</p> <p>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.</p> <p>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</p> <p>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.</p> <p>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</p> <p>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.</p> <p>6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>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.</p> <p>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.</p> <p>12. If the important changes during the year relating to</p>			
<p>1. Not applicable</p> <p>2. Not applicable</p> <p>3. On June 1, 2005, the Company acquired substantially all of the assets and certain liabilities of Peninsular Gas for \$3.0 million in cash. The assets acquired included approximately \$0.3 million in cash. In accordance with the asset purchase agreement, the Company paid an additional \$0.3 million to the seller for excess working capital acquired. The cash paid by the Company to acquire Peninsular Gas, including \$0.1 million of transaction costs and the excess working capital payment, amounted to \$3.1 million, net of the cash acquired. This acquisition adds approximately 4,000 customers to the Company's Gas Distribution Business in the upper peninsula of Michigan. The operating results of Peninsular Gas for the period June 1 through December 31, 2005, are reflected in the Company's Statement of Income for 2005. The acquired assets and assumed liabilities are reflected in the Company's Comparative Balance Sheet at December 31, 2005.</p> <p>4. Not applicable</p> <p>5. Not applicable</p> <p>6. Not applicable</p> <p>7. Not applicable</p>			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

IMPORTANT CHANGES DURING THE YEAR (Continued)																		
<p>8. Local Union #16201, United Steelworkers of America, received an increase of 2.5% as of 07/02/05 Local Union #3135, United Steelworkers of America, received an increase of 2% as of 04/22/05 Local Union #473, Utility Workers Union of America, received an increase of 2.5% as of 12/02/05 Non-union employees received an average merit increase of 3.5% effective 04/01/05</p> <p>9. Not applicable</p> <p>10. Not applicable</p> <p>11. The Company received a rate increase effective March 30, 2005 in Order U-14338. The estimated annual increase is \$7.1 million broken down as follows:</p> <table> <tr> <td><u>Rate Class</u></td> <td><u>Customers</u></td> <td><u>Estimated Increase</u></td> </tr> <tr> <td>Residential</td> <td>213,177</td> <td>\$5,284,331</td> </tr> <tr> <td>G-S 1</td> <td>18,073</td> <td>621,031</td> </tr> <tr> <td>G-S 2</td> <td>3,370</td> <td>555,141</td> </tr> <tr> <td>G-S 3</td> <td>983</td> <td>652,220</td> </tr> </table> <p>12. Not applicable</p>				<u>Rate Class</u>	<u>Customers</u>	<u>Estimated Increase</u>	Residential	213,177	\$5,284,331	G-S 1	18,073	621,031	G-S 2	3,370	555,141	G-S 3	983	652,220
<u>Rate Class</u>	<u>Customers</u>	<u>Estimated Increase</u>																
Residential	213,177	\$5,284,331																
G-S 1	18,073	621,031																
G-S 2	3,370	555,141																
G-S 3	983	652,220																

NAME OF RESPONDENT		This Report is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO		(1) X An Original	MO/DA/YR	
(MPSC Division)		(2) A Resubmission	04/30/06	Dec. 31, 2005

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	413,005,726	430,197,248
3	Construction Work in Progress (107)	200-201	3,350,482	5,028,653
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		416,356,208	435,225,901
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115, 119)	200-201	(168,503,147)	(181,149,732)
6	Net Utility Plant (Enter Total of line 4 less 5)		247,853,061	254,076,169
7	Nuclear Fuel (120.1-120.4, 120.6)	---	0	0
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	---	0	0
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		0	0
10	Net Utility Plant (Enter Total of lines 6 and 9)		247,853,061	254,076,169
11	Utility Plant Adjustments (116)	122-123	0	0
12	Gas Stored Underground-Noncurrent (117)	220	0	0
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	115,703	115,703
15	(Less) Accum. Prov. for Depr. and Amort. (122)	221	(32,138)	(34,545)
16	Investments in Associated Companies (123)	222-223	0	0
17	Investments in Subsidiary Companies (123.1)	224-225	0	0
18	(For cost of Account 123.1 See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	---	0	0
20	Other Investments (124)	222-223,229	0	0
21	Special Funds (125-128)	---	0	0
22	TOTAL Other Property and Investments (Total of lines 14 thru 21)		83,565	81,158
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)	---	1,387,924	1,389,967
25	Special Deposits (132-134)	---	0	0
26	Working Fund (135)	---	0	0
27	Temporary Cash Investments (136)	222-223	0	0
28	Notes Receivable (141)	228A	0	0
29	Customer Accounts Receivable (142)	228A	15,270,648	33,866,390
30	Other Accounts Receivable (143)	228A	1,331,753	1,227,810
31	(Less) Accum. Prov. for Uncoll. Acct.-Credit (144)	228A	(619,735)	(954,163)
32	Notes Receivable from Associated Companies (145)	228B	0	0
33	Accounts Receivable from Associated Companies (146)	228B	0	0
34	Fuel Stock (151)	228C	0	0
35	Fuel Stock Expenses Undistributed (152)	228C	0	0
36	Residuals (Elec) and Extracted Products	228C	0	0
37	Plant Materials and Operating Supplies (154)	228C	1,324,521	1,374,805
38	Merchandise (155)	228C	0	0
39	Other Materials and Supplies (156)	228C	0	0
40	Nuclear Material Held for Sale (157)	228C	0	0

NAME OF RESPONDENT		This Report is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO		(1) X An Original	MO/DA/YR	
(MPSC Division)		(2) A Resubmission	04/30/06	Dec. 31, 2005
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
41	Allowances (158.1 and 158.2)	---	0	0
42	(Less) Noncurrent Portion of Allowances	---	0	0
43	Stores Expense Undistributed (163)	227C	206,804	209,425
44	Gas Stored Underground-Current (164.1)	220	54,119,944	74,710,163
45	Liquefied Natural Gas Stored and Held for Processing (164..2-164.3)	220	0	0
46	Prepayments (165)	226,230	8,892,437	9,380,903
47	Advances for Gas (166-167)	229	0	0
48	Interest and Dividends Receivable (171)	---	0	0
49	Rents receivable (172)	---	0	0
50	Accrued Utility Revenues (173)	---	37,534,540	52,125,820
51	Miscellaneous Current and Accrued Assets (174)	---	171,875	0
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		119,620,711	173,331,120
53	DEFERRED DEBITS			
54	Unamortized Debt Expenses (181)	---	261,052	214,984
55	Extraordinary Property Losses (182.1)	230	0	0
56	Unrecovered Plant & Regulatory Study Costs (182.2)	230	0	0
57	Other Regulatory Assets	232	977,746	855,526
58	Prelim. Survey & Invest. Charges (Electric) (183)	---	0	0
59	Prelim. Survey & Invest. Charges (Gas) (183.1, 183.2)	231	0	0
60	Clearing Accounts (184)	---	0	0
61	Temporary Facilities	---	0	0
62	Miscellaneous Deferred Debits (186)	233	7,492,242	7,523,906
63	Def. Losses from Disposition of Utility Plant (187)	---	0	0
64	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
65	Unamortized Loss on Reacquired Debt (189)	---	1,390,204	1,144,888
66	Accumulated Deferred Income Taxes (190)	234-235	19,076,590	22,093,313
67	Unrecovered Purchased Gas Costs (191)	---	0	0
68	TOTAL Deferred Debits (Enter Total of lines 54 thru 67)		29,197,835	31,832,617
69	TOTAL Assets and Other Debits (Enter Total of lines 10, 11, 12, 22, 52 and 68)		396,755,172	459,321,064

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) X An Original (2) A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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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	7,477,130	7,477,130
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	51,252,806	51,252,806
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	(268,951)	(268,951)
11	Retained Earnings (215, 215.1, 216)	118-119	90,017,861	84,808,942
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Recquired Capital Stock (217)	250-251	0	0
14	TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)		148,478,846	143,269,927
15	LONG-TERM DEBT			
16	Bonds (221)	256-257	0	0
17	(Less) Recquired Bonds (222)	256-257	0	0
18	Advances from Associated Companies (223)	256-257	0	0
19	Other Long-Term Debt (224)	256-257	82,850,000	136,040,000
20	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
21	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	258-259	0	0
22	TOTAL Long-Term Debt (Enter Total of lines 16 thru 21)		82,850,000	136,040,000
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases-Noncurrent (227)	---	0	0
25	Accumulated Prov. for Property Insurance (228.1)	---	0	0
26	Accumulated Prov. for Injuries and Damages (228.2)	---	220,000	220,000
27	Accumulated Prov. for Pensions and Benefits (228.3)	---	0	0
28	Accumulated Misc. Operating Provisions (228.4)	---	0	0
29	Accumulated Provision for Rate Refunds (229)	---	0	0
30	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 thru 29)		220,000	220,000
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)	260A	0	0
33	Accounts Payable (232)	---	13,331,729	45,634,650
34	Notes Payable to Associated Companies (233)	260A	94,142,372	72,907,481
35	Accounts Payable to Associated Companies (234)	260A	0	0
36	Customer Deposits (235)	---	2,430,150	3,167,712
37	Taxes Accrued (236)	262-263	6,189,431	7,190,819
38	Interest Accrued (237)	---	0	0
39	Dividends Declared (238)	---	0	0
40	Matured Long-Term Debt (239)	---	0	0

NAME OF RESPONDENT		This Report is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO		(1) X An Original	MO/DA/YR	
(MPSC Division)		(2) A Resubmission	04/30/06	Dec. 31, 2005

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)
41	Matured Interest (240)	---	0	0
42	Tax Collections Payable (241)	---	2,418	4,273
43	Misc. Current and Accrued Liabilities (242)	268	1,896,643	4,754,385
44	Obligations Under Capital Leases-Current (243)	---	0	0
45	Federal Income Taxes Accrued for Prior Years (244)	---	0	86,473
46	Michigan Single Business Taxes Accrued for Prior Years-Adj. (244.1)	---	0	0
47	Fed. Inc. Taxes Accrued for Prior Years-Adj. (245)	---	0	0
48	Michigan Single Business Taxes Accrued for Prior Years-Adj. (244.1)	---	0	0
49	TOTAL Current and Accrued Liabilities (Enter total of lines 32 thru 48)		117,992,743	133,745,793
50	DEFERRED CREDITS			
51	Customer Advances for Construction (252)	---	530,418	257,450
52	Accumulated Deferred Investment Tax Credits (255)	266-267	616,932	352,020
53	Deferred Gains from Disposition of Utility Plt. (256)	---	0	0
54	Other Deferred Credits (253)	269	(1,950,600)	(2,470,266)
55	Other Regulatory Liabilities (285-286)	278	712,144	535,963
56	Unamortized Gain on Reacquired Debt (257)	260	0	0
57	Accumulated Deferred Income Taxes (281-284)	272-277	47,304,689	47,370,177
58	TOTAL Deferred Credits (Enter Total of lines 51 thru 57)		47,213,584	46,045,344
59	TOTAL Liabilities and Other Credits (Enter total of lines 14, 22, 30, 49 and 58)		396,755,172	459,321,064

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) X An Original (2) A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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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 02 thru 24 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 accounts 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.

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	387,767,451	319,949,480
3	Operating Expenses			
4	Operation Expenses (401)	320-325	339,662,126	274,229,620
5	Maintenance Expenses (402)	320-325	2,266,498	2,212,465
6	Depreciation Expense (403)	336-338	12,872,602	12,458,612
7	Amort. & Depl. of Utility Plant (404-405)	336-338	82,771	14,945
8	Amort. of Utility Plant Acq. Adj. (406)	336-338	0	0
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		0	0
10	Amort. of Conversion Expenses (407)		0	0
11	Regulatory Debits (407.3)		0	0
12	(Less) Regulatory Credits (407.4)		0	0
13	Taxes Other Than Income Taxes (408.1)	262-263	7,433,970	7,805,413
14	Income Taxes - Federal (409.1)	262-263	7,421,933	3,864,272
15	- Other (409.1)	262-263	0	0
16	Provision for Deferred Income Taxes (410.1)	234,272-277	3,175,158	6,320,326
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-277	(6,180,354)	(5,316,774)
18	Investment Tax Credit Adj. - Net (411.4)	266	(264,912)	(264,912)
19	(Less) Gains from Disp. of Utility Plant (411.6)		0	0
20	Losses from Disp. of Utility Plant (411.7)		0	0
21	(Less) Gains from Disposition of Allowances (411.8)		0	0
22	Losses from Disposition of Allowances (411.9)		0	0
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		366,469,792	301,323,967
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		21,297,659	18,625,513

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) X An Original (2) A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting 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 2 to 23, 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	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(a)	(b)	(c)	(d)	(e)	(f)	
						1
		387,767,451	319,949,480			2
						3
		339,662,126	274,229,620			4
		2,266,498	2,212,465			5
		12,872,602	12,458,612			6
		82,771	14,945			7
		0	0			8
						9
		0	0			
		0	0			10
		0	0			11
		0	0			12
		7,433,970	7,805,413			13
		7,421,933	3,864,272			14
		0	0			15
		3,175,158	6,320,326			16
		(6,180,354)	(5,316,774)			17
		(264,912)	(264,912)			18
		0	0			19
		0	0			20
		0	0			21
		0	0			22
						23
		366,469,792	301,323,967			
						24
		21,297,659	18,625,513			

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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STATEMENT OF INCOME FOR THE YEAR (Continued)

NONE

Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	(a)	(b)	(c)	(d)	(e)	(f)
1						
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NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)		This Report is: (1) X An Original (2) A Resubmission		Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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)		21,297,659	18,625,513	
26	Other Income and Deductions				
27	Other Income				
28	Nonutility Operating Income				
29	Revenues from Merchandising, Jobbing and Contract Work (415)		147,923	123,642	
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)		(139,476)	(123,690)	
31	Revenues from Nonutility Operations (417)		5,828	5,896	
32	(Less) Expenses of Nonutility Operations (417.1)		(240)	(8,529)	
33	Nonoperating Rental Income (418)		0	0	
34	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	
35	Interest and Dividend Income (419)		214,598	190,718	
36	Allowance for Other Funds Used During Construction (419.1)		124,626	0	
37	Miscellaneous Nonoperating Income (421)		6,010	3,549	
38	Gain on Disposition of Property (421.1)		207,545	41,281	
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		566,814	232,868	
40	Other Income Deductions				
41	Loss on Disposition of Property (421.2)		0	0	
42	Miscellaneous Amortization (425)	340	0	0	
43	Miscellaneous Income Deductions (426.1-426.5)	340	(230,530)	(232,546)	
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		(230,530)	(232,546)	
45	Taxes Applicable to Other Income and Deductions				
46	Taxes Other Than Income Taxes (408.2)	262-263	0	0	
47	Income Taxes-Federal (409.2)	262-263	(177,145)	995	
48	Income Taxes-Other (409.2)	262-263	0	0	
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277	0	0	
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272-277	0	0	
51	Investment Tax Credit Adj.-Net (411.5)		0	0	
52	(Less) Investment Tax Credits (420)		0	0	
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 thru 52)		(177,145)	995	
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)		159,139	1,317	
55	Interest Charges				
56	Interest on Long-Term Debt (427)		0	0	
57	Amort. of Debt Disc. and Expense (428)	258-259	46,068	46,068	
58	Amortization of Loss on Recquired Debt (428.1)		245,317	245,317	
59	(Less) Amort. of Premium on Debt-Credit (429)	258-259	0	0	
60	(Less) Amortization of Gain on Recquired Debt-Credit (429.1)		0	0	
61	Interest on Debt to Assoc. Companies (430)	340	11,572,430	8,130,444	
62	Other Interest Expense (431)	340	261,903	388,056	
63	(Less) Allowance for Borrowed Funds Used During Contribution-Cr.(432)		0	0	
64	Net Interest Charges (Enter Total of lined 56 thru 63)		12,125,717	8,809,885	
65	Income Before Extraordinary Items (Enter Total of lines 25,54 and 64)		9,331,081	9,816,945	
66	Extraordinary Items				
67	Extraordinary Income (43)		0	0	
68	(Less) Extraordinary Deductions (435)		0	0	
69	Net Extraordinary Items (Enter total of line 67 less line 68)		0	0	
70	Income Taxes-Federal and Other (409.3)	262-263	0	0	
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		0	0	
72	Net Income (Enter Total of lines 65 and 71)		9,331,081	9,816,945	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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 these pages.

In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on these pages, then provide the additional information requested in instruction #3, on a separate page.

Line No.	Electric Utility	Gas Utility
1 Debits to Account 410 from:		
2 Account 190/191		653,054
3 Account 281		
4 Account 282		2,241,341
5 Account 283		201,320
6 Account 284		
7 Reconciling Adjustments		79,443
8 TOTAL Account 410.1 (on pages 114-115 line 16)		3,175,158
9 TOTAL Account 410.2 (on page 117 line 49)		
10 Credits to Account 411 from:		
11 Account 190/191		(3,803,181)
12 Account 281		
13 Account 282		(582,532)
14 Account 283		(1,794,641)
15 Account 284		
16 Reconciling Adjustments		
17 TOTAL Account 411.1 (on pages 114-115 line 17)		(6,180,354)
18 TOTAL Account 411.2 (on page 117 line 50)		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR		
21 ITC Utilized for the Year CR		(264,912)
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*		(264,912)
26 Net Reconciling Adjustments Account 411.5**		
27 Net Reconciling Adjustments Account 420***		

* on pages 114-15 line 18

** on page 117 line 51

*** on page 117 line 52

Name of Respondent: SEMCO Energy Gas Company (MPSC Division)
Date of Report: 4/30/2006
Year of Report: 12/31/2005

Page 117A, Line 7 - Account 410 Reconciling Adjustments

	<u>Amount</u>	<u>Contra Accounts</u>	<u>Regulatory Authority</u>
FAS 109 True-up	122,220	19200	Case # U-10083
FAS 109 True-up	(42,777)	28510	Case # U-10083
Net adjustment	<u>79,443</u>		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

RECONCILIATION OF DEFERRED INCOME TAX EXPENSE (Continued)

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 these pages. (b) Identify all contra accounts (other than accounts 190 and 281-284).

(c) Identify the company's regulatory authority to utilize contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Other Utility	Total Utility	Other Income	Total Company	Line No.
	653,054		653,054	1
				2
				3
	2,241,341		2,241,341	4
	201,320		201,320	5
				6
	79,443		79,443	7
	3,175,158			8
		0		9
	(3,803,181)		(3,803,181)	10
				11
				12
	(582,532)		(582,532)	13
	(1,794,641)		(1,794,641)	14
				15
				16
	(6,180,354)			17
		0		18
				19
				20
	(264,912)		(264,912)	21
				22
				23
				24
	(264,912)			25
		0		26
		0		27

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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OPERATING LOSS CARRYFORWARD

Fill in below when the company sustains an operating loss, loss carryback or carryforward whenever or wherever applicable.

Line No.	Year (a)	Operating Loss (b)	Loss Utilized		Year (e)	Balance Remaining (f)
			Loss Carryforward (F) or Carryback (B) (c)	Amount (d)		
1		Not Applicable				
2						
3						
4						
5						
6						
7						
8						
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11						
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NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) X An Original (2) A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
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).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance or retained earnings. Follow by credit, the debit, items in that order.
5. Show dividends for each class and series of capita stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
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.
8. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		90,017,861
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	TOTAL Credits to Retained Earnings (Acct. 439)		
9	Debit:		
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (Acct. 439)		
14	Balance Transferred from Income (Account 433 Less Account 418.1)		9,331,081
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriation of Retained Earnings (Account 436)		
22	Dividends Declared - Preferred Stock (Account 437)		
23			
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		

NAME OF RESPONDENT		This Report is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO		(1) X An Original	MO/DA/YR	
(MPSC Division)		(2) A Resubmission	04/30/06	Dec. 31, 2005

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)		(14,540,000)
30			
31			
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		(14,540,000)
36	Transfers from Account 216.1, Unappropriated Subsidiary Earnings		
37	Balance - End of Year (Enter Total of lines 1 thru 36)		84,808,942
38			
39			
40			
41			
42			
43	TOTAL Appropriated Retained Earnings (Account 215)		
44	TOTAL Appropriated Retained Earnings-Amortizaiton Reserve, Federal (Acct. 215.1)		
45	TOTAL Appropriated Retained Earnings (Accounts 215 & 215.1)		
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		
47	Balance - Beginning of Year (Debit or Credit)		
48	Equity in Earnings for Year (Credit) (Account 418.1)		
49	(Less) Dividends Received (Debit)		
50	Other Changes (Explain)		
51	Balance - End of Year (Enter Total of lines 47 thru 50)		

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) X An Original (2) A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to the 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)	9,331,081
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	12,268,209
5	Amortization of (Specify) Deferred Debt Expense	291,384
6		
7		
8	Deferred Income Taxes (Net)	(2,760,540)
9	Investment Tax Credit Adjustments (Net)	(264,912)
10	Net (Increase) Decrease in Receivables	(18,157,370)
11	Net (Increase) Decrease in Inventory	(20,643,124)
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	34,128,344
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net (Increase) Decrease in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other: Net (Increase) Decrease in Other Working Capital	(14,614,456)
19	Net (Increase) Decrease in Other Deferred Debits	673,014
20	Net (Increase) Decrease in Other Deferred Credits	(1,159,511)
21	Net Cash Provided by (Used in) Operating Activities	
22	(Total of lines 2 thru 20)	(907,881)
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(16,505,184)
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance for Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(16,505,184)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment of Securities (a)	

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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STATEMENT OF CASH FLOWS		
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 cost 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 Instructions for Explanation of Codes) (a)	Amounts (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in Allowances Held for Speculation	
52	Net (Increase) Decrease in Payables and Accrued Expenses	
53	Other:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	(16,505,184)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65		
66	Net Increase in Short-Term Debt (c)	(21,234,892)
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	(21,234,892)
71		
72	Payments for Retirement of:	
73	Long-Term Debt (b)	53,190,000
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	(14,540,000)
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	17,415,108
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	2,043
87		
88	Cash and Cash Equivalents at Beginning of Year	1,387,924
89		
90	Cash and Cash Equivalents at End of Year	1,389,967

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) X An Original (2) A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
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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 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 15 of the Uniform System 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.

In December 2004, the Company filed a base rate increase request totaling \$11.65 million with the MPSC. Among other things, the Company proposed an increase in customer service fees and a weather normalization rider, for the purpose of mitigating the impact of weather on customer bills and the Company's financial results. On March 29, 2005, the MPSC approved a settlement with the Company, which, at the time of settlement, was expected to produce an additional \$7.1 million in annual revenue from customers in the Company's MPSC-regulated service area. Increases in the fixed customer charge for several commercial and industrial customer classes and the increase in fees for certain services mitigate some of the effect of weather on the Company's revenues. The rate adjustments authorized by this settlement became effective on March 30, 2005.

The Company filed its application for MPSC approval of its GCR plan and rate on December 29, 2004, and the MPSC approved a settlement of that case on September 20, 2005. The approved base GCR rate was \$7.9055 per Mcf, plus a NYMEX-based contingency adjustment that brought the rate to \$9.6165 per Mcf. The \$9.6165 rate was effective with the October 2005 billing month.

As a result of substantial increases in gas prices in the United States, on October 4, 2005, the Company filed a petition with MPSC, to reopen the settlement and re-set its GCR rate for the 12-month period ending March 31, 2006. On October 6, 2005, the MPSC issued an order reopening the Company's GCR proceeding and setting an expedited timetable for the proceeding. On October 28, 2005, the MPSC approved a settlement under which the Company increased its GCR rate to \$11.2684 per Mcf from \$9.6165 per Mcf, effective for usage in the November 2005 billing month and through the end of March 2006 billing month. The settlement provides that the Company may not seek further GCR rate increases for the remainder of this GCR year which ends in March 2006.

On October 26, 2005, the MPSC approved another settlement under which the former customers of Peninsular Gas will pay an increased GCR rate (\$12.09 per Mcf) beginning in the November 2005 billing month through the March 2006 billing month. The Company now serves these customers after having purchased the assets of Peninsular Gas in June 2005. This increase affects approximately 4,000 customers.

On October 14, 2004, the MPSC initiated a generic proceeding involving all Michigan electric and gas utilities to review SFAS 143 "Accounting for Asset Retirement Obligations," Federal Energy Regulatory Commission Order No. 631, "Accounting, Financial Reporting, and Rate Filing Requirements for Asset Retirement Obligations," and related accounting and ratemaking issues. As directed by the MPSC, on March 15, 2005, the Company filed responses, in the form of testimony, to various questions raised by the MPSC regarding the Company's accounting practices for property retirements, including the cost of removal. Among other things, this proceeding involves an examination of possible changes in accounting for property retirements, for rate-making purposes. On December 5, 2005, the Administrative Law Judge issued a Proposal for Decision recommending that the proceedings be dismissed on procedural grounds. The matter awaits a decision by the MPSC.

On June 1, 2005, the Company acquired substantially all of the assets and certain liabilities of Peninsular Gas Company ("Peninsular Gas") for \$3.0 million in cash. The assets acquired included approximately \$0.3 million in cash. In accordance with the asset purchase agreement, the Company paid an additional \$0.3 million to the seller for excess working capital acquired. The cash paid by the Company to acquire Peninsular Gas, including \$0.1 million of transaction costs and the excess working capital payment, amounted to \$3.1 million, net of the cash acquired. This acquisition adds approximately 4,000 customers to the Company's Gas Distribution Business in the Upper Peninsula of Michigan. The operating results of Peninsular Gas for the period June 1 through December 31, 2005, are reflected in the Company's Consolidated Statements of Operations for 2005. The acquired assets and assumed liabilities are reflected in the Company's Consolidated Statements of Financial Position at December 31, 2005.

NAME OF RESPONDENT SEMCO ENERGY GAS CO (MPSC Division)	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report MO/DA/YR 04/30/06	Year of Report Dec. 31, 2005
NOTES TO FINANCIAL STATEMENTS			
Not Applicable			

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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)	420,366,256	
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified - ARO	327,093	
7	Experimental Plant Unclassified		
8	TOTAL (Enter Total of lines 3 thru 7)	420,693,349	
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	5,028,653	
12	Acquisition Adjustments	9,503,899	
13	TOTAL Utility Plant (Enter Total of line 8 thru 12)	435,225,901	
14	Accum. Prov. for Depr., Amort., & Depl.	(181,149,732)	
15	Net Utility Plant (Enter Total of line 13 less 14)	254,076,169	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZAITON AND DEPLETION		
17	In Service:		
18	Depreciaition	(176,700,116)	
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	(215,023)	
22	TOTAL In Service (Enter Total of lines 18 thru 21)	(176,915,139)	
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)		
27	Held for Future Use		
28	Depreciation - ARO	(109,861)	
29	Amortization		
30	TOTAL held for Future Use (Enter Total of lines 28 and 29)	(109,861)	
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adj.	(4,124,732)	
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	(181,149,732)	

Name of Respondent	This Report Is:		Date of Report	Year of Report	
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	(2) A Resubmission	(Mo, Da, Yr) 04/30/06	Dec. 31, 2005	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
420,366,256					3
					4
					5
327,093					6
					7
420,693,349					8
					9
					10
5,028,653					11
9,503,899					12
435,225,901					13
(181,149,732)					14
254,076,169					15
					16
					17
(176,700,116)					18
					19
					20
(215,023)					21
(176,915,139)					22
					23
					24
					25
					26
					27
(109,861)					28
					29
(109,861)					30
					31
(4,124,732)					32
(181,149,732)					33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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

- | | |
|--|---|
| <p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant in Service (Classified), this schedule includes Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Gas.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and</p> | <p>include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior year's tentative account distributions of these</p> |
|--|---|

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		1. Intangible Plant		
2	301	Organization	83,734	
3	302	Franchises and Consents	449,587	1,670
4	303	Miscellaneous Intangible Plant		
5		TOTAL Intangible Plant	533,321	1,670
6		2. Production Plant		
7		Manufactured Gas Production Plant		
8	304.1	Land		
9	304.2	Land Rights		
10	305	Structures and Improvements	0	
11	306	Boiler Plant Equipment		
12	307	Other Power Equipment		
13	308	Coke Ovens		
14	309	Producer Gas Equipment		
15	310	Water Gas Generating Equipment		
16	311	Liquefied Petroleum Gas Equipment		
17	312	Oil Gas Generating Equipment		
18	313	Generating Equipment-Other Processes		
19	314	Coal, Coke and Ash Handling Equipment		
20	315	Catalytic Cracking Equipment		
21	316	Other Reforming Equipment		
22	317	Purification Equipment		
23	318	Residual Refining Equipment		
24	319	Gas Mixing Equipment		
25	320	Other Equipment		
26		TOTAL Manufactured Gas Production Plant	0	0

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					1
			83,734	301	2
	11,277		462,534	302	3
			0	303	4
0	11,277	0	546,268		5
					6
					7
			0	304.1	8
			0	304.2	9
	315,147		315,147	305	10
			0	306	11
			0	307	12
			0	308	13
			0	309	14
			0	310	15
			0	311	16
			0	312	17
			0	313	18
			0	314	19
			0	315	20
			0	316	21
			0	317	22
			0	318	23
			0	319	24
			0	320	25
0	315,147	0	315,147		26

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005
GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
27		Natural Gas Production & Gathering Plant		
28	325.1	Producing Lands		
29	325.2	Producing Leaseholds	139	
30	325.3	Gas Rights		
31	325.4	Rights-of-Way		
32	325.5	Other Land		
33	325.6	Other Land Rights		
34	326	Gas Well Structures		
35	327	Field Compressor Station Structures		
36	328	Field Measuring and Regulating Station Structures		
37	329	Other Structures		
38	330	Producing Gas Wells-Well Construction		
39	331	Producing Gas Wells-Well Equipment		
40	332	Field Lines		
41	333	Field Compressor Station Equipment		
42	334	Field Measuring and Regulating Station Equipment		
43	335	Drilling and Cleaning Equipment		
44	336	Purification Equipment		
45	337	Other Equipment		
46	338	Unsuccessful Exploration & Development Costs		
47		TOTAL Production and Gathering Plant	139	0
48		Products Extraction Plant		
49	340.1	Land		
50	340.2	Land Rights		
51	341	Structures and Improvements		
52	342	Extraction and Refining Equipment		
53	343	Pipe Lines		
54	344	Extracted Products Storage Equipment		
55	345	Compressor Equipment		
56	346	Gas Measuring and Regulating Equipment		
57	347	Other Equipment		
58		TOTAL Products Extraction Plant	0	0
59		TOTAL Natural Gas Production Plant	139	0
60		SNG Production Plant (Submit Supplemental Statement)		
61		TOTAL Production Plant	139	0
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land	651,380	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	(Mo, Da, Yr)	Dec. 31, 2005
	(2) A Resubmission	04/30/06	

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					27
			0	325.1	28
			139	325.2	29
			0	325.3	30
			0	325.4	31
			0	325.5	32
			0	325.6	33
			0	326	34
			0	327	35
			0	328	36
			0	329	37
			0	330	38
			0	331	39
			0	332	40
			0	333	41
			0	334	42
			0	335	43
			0	336	44
	55,772		55,772	337	45
			0	338	46
0	55,772	0	55,911		47
					48
			0	340.1	49
			0	340.2	50
			0	341	51
			0	342	52
			0	343	53
			0	344	54
			0	345	55
			0	346	56
			0	347	57
					58
0	55,772	0	55,911		59
					60
0	55,772		55,911		61
					62
					63
47,442			603,938	350.1	64

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original		Dec. 31, 2005
		(2) A Resubmission	04/30/06	
GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
65	350.2	Rights-of-Way		
66	351	Structures and Improvements	762,069	
67	352	Wells	6,322,207	
68	352.1	Storage Leaseholds and Rights	1,093,862	
69	352.2	Reservoirs		
70	352.3	Non-Recoverable Natural Gas		
71	353	Lines	472,961	
72	354	Compressor Station Equipment	2,725,667	
73	355	Measuring and Regulating Equipment	2,023,613	66,653
74	356	Purification Equipment		
75	357	Other Equipment		
76	358	Gas in Underground Storage-Noncurrent	6,250,091	
77		TOTAL Underground Storage Plant	20,301,850	66,653
78		Other Storage Plant		
79	360.1	Land		
80	360.2	Land Rights		
81	361	Structures and Improvements		
82	362	Gas Holders		
83	363	Purification Equipment		
84	363.1	Liquefaction Equipment		
85	363.2	Vaporizing Equipment		
86	363.3	Compressor Equipment		
87	363.4	Measuring and Regulating Equipment		
88	363.5	Other Equipment		
89		TOTAL Other Storage Plant	0	0
90		Base Load Liquefied NG Terminating and Processing Plant		
91	364.1	Land		
92	364.1a	Land Rights		
93	364.2	Structures and Improvements		
94	364.3	LNG Processing Terminal Equipment		
95	364.4	LNG Transportation Equipment		
96	364.5	Measuring and Regulating Equipment		
97	364.6	Compressor Station Equipment		
98	364.7	Communication Equipment		
99	364.8	Other Equipment		
100		TOTAL Base Load LNG Terminating and Processing	0	0
101				
102		TOTAL Natural Gas Storage and Processing Plant	20,301,850	66,653

Name of Respondent		This Report Is:		Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original		(Mo, Da, Yr)	Dec. 31, 2005
		(2) A Resubmission		04/30/06	
GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements	Adjustments	Transfers	Balance at End of Year	Acct. No.	Line No.
(d)	(e)	(f)	(g)		
			0	350.2	65
37,000			725,069	351	66
			6,322,207	352	67
			1,093,862	352.1	68
			0	352.2	69
			0	352.3	70
			472,961	353	71
			2,725,667	354	72
52,115			2,038,151	355	73
			0	356	74
			0	357	75
	2,525		6,252,616	358	76
136,557	2,525	0	20,234,471		77
					78
			0	360.1	79
			0	360.2	80
			0	361	81
			0	362	82
			0	363	83
			0	363.1	84
			0	363.2	85
			0	363.3	86
			0	363.4	87
			0	363.5	88
0	0	0	0		89
					90
			0	364.1	91
			0	364.1a	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
0	0	0	0		100
					101
136,557	2,525	0	20,234,471		102

Name of Respondent		This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO		(1) X An Original	(Mo, Da, Yr)	Dec. 31, 2005
(MPSC Division)		(2) A Resubmission	04/30/06	
GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Acct. No.	Account	Balance at Beginning of Year	Additions
		(a)	(b)	(c)
103		4. Transmission Plant		
104	365.1	Land	13,999	63,077
105	365.2	Land Rights	95,021	
106	365.3	Rights-of-Way		
107	366	Structures and Improvements	2,046,875	
108	367	Mains	15,705,564	95,992
109	368	Compressor Station Equipment		
110	369	Measuring and Regulating Station Equipment	6,186,708	47,795
111	370	Communication Equipment	5,115	
112	371	Other Equipment		
113		TOTAL Transmission Plant	24,053,281	206,864
114		5. Distribution Plant		
115	374.1	Land	118,795	
116	374.2	Land Rights	2,403,877	107,934
117	375	Structures and Improvements	1,185,853	11,074
118	376	Mains	151,637,039	3,233,995
119	377	Compressor Station Equipment		
120	378	Measuring and Regulating Station Equip.-Genral	7,150,265	140,232
121	379	Measuring and Regulating Station Equip.-City Gate	4,599,320	393,264
122	380	Services	103,526,568	5,235,655
123	381	Meters	36,186,460	1,252,462
124	382	Meter Installations	21,540,139	1,324,812
125	383	House Regulators	6,636,422	310,721
126	384	House Regulator Installations		
127	385	Industrial Measuring and Regulating Station Equip.	2,348,801	148,665
128	386	Other Property on Customer's Premises	3,398	
129	387	Other Equipment		
130		TOTAL Distribution Plant	337,336,937	12,158,815
131		6. General Plant		
132	389.1	Land	300,083	
133	389.2	Land Rights		
134	390	Structures and Improvements	2,804,800	27,110
135	391	Office Furniture and Equipment	676,097	989,154
136	391.1	Computers and Computer Related Equipment	11,051,190	634,918
137	392	Transportation Equipment	8,815	
138	393	Stores Equipment	117,609	
139	394	Tools, Shop and Garage Equipment	3,289,814	33,168
140	395	Laboratory Equipment		

Name of Respondent		This Report Is:		Date of Report		Year of Report	
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original		(Mo, Da, Yr)		Dec. 31, 2005	
		(2) A Resubmission		04/30/06			
GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)							
Retirements	Adjustments	Transfers	Balance at End of Year	Acct. No.	Line No.		
(d)	(e)	(f)	(g)				
					103		
			77,076	365.1	104		
			95,021	365.2	105		
				365.3	106		
			2,046,875	366	107		
2,931			15,798,624	367	108		
				368	109		
			6,234,503	369	110		
			5,115	370	111		
				371	112		
2,931	0	0	24,257,214		113		
					114		
	7,724		126,519	374.1	115		
	42,582		2,554,393	374.2	116		
440	149,254		1,345,741	375	117		
350,806	998,915		155,519,143	376	118		
				377	119		
65,002	99,828		7,325,323	378	120		
8,340			4,984,244	379	121		
205,534	736,334		109,293,023	380	122		
356,971	784,849		37,866,800	381	123		
			22,864,951	382	124		
	37,938		6,985,081	383	125		
				384	126		
20,098			2,477,368	385	127		
			3,398	386	128		
				387	129		
1,007,191	2,857,424	0	351,345,984		130		
					131		
			300,083	389.1	132		
				389.2	133		
487			2,831,423	390	134		
165,397	88,672		1,588,525	391	135		
23,909	15,007		11,677,206	391.1	136		
	81,313		90,128	392	137		
	2,070		119,679	393	138		
28,730	123,916		3,418,168	394	139		
	28,205		28,205	395	140		

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original	(Mo, Da, Yr)	Dec. 31, 2005
		(2) A Resubmission	04/30/06	
GAS PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
141	396	Power Operated Equipment	323,601	
142	397	Communication Equipment	2,585,271	381,567
143	398	Miscellaneous Equipment	210,058	
144		SUBTOTAL (Lines 132 thru 143)	21,367,337	2,065,917
145	399	Other Tangible Property		
146		TOTAL General Plant	21,367,337	2,065,917
147		TOTAL (Accounts 101 and 106)	403,592,865	14,499,919
148	101.1	Property Under Capital Leases		
149	102	Gas Plant Purchased (See Instruction 8)		
150	(LESS) 102	Gas Plant Sold (See Instruction 8)		
151	103	Experimental Gas Plant Unclassified		
152		TOTAL GAS PLANT IN SERVICE	403,592,865	14,499,919

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
6,000	39,544		357,145	396	141
644	28,751		2,994,945	397	142
2	-4,302		205,754	398	143
225,169	403,176		23,611,261		144
				399	145
225,169	403,176		23,611,261		146
1,371,849	3,645,321		420,366,256		147
				101.1	148
				102	149
				(102)	150
				103	151
1,371,849	3,645,321	0	420,366,256		152

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

GAS PLANT LEASED TO OTHERS (Account 104)

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

Line No.	Name of Lessee (Designate associated companies with an asterisk) (a)	Description of Property Leased (b)	Commission Author-ization (c)	Expiration Date of Lease (d)	Balance at End of Year
1	NONE				
2					
3					
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47	TOTAL				

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS PLANT HELD FOR FUTURE USE (Account 105)				
<p>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.</p> <p>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.</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)			
2	NONE			
3				
4				
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46	TOTAL			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
PRODUCTION PROPERTIES HELD FOR FUTURE USE (Account 105.1)					
<p>1. Report separately each property held for future use at use, give in column (a), in addition to other required end of the year having an original cost of \$250,000 or more. Group information, the date that utility use of such property was other items of property held for future use. discontinued, and the date the original cost was transferred to</p> <p>2. For property having an original cost of \$250,000 or more Account 105.1. previously used in utility operations, now held for future</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)				
2	NONE				
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46	TOTAL				

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$500,000) may be grouped.				
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)	
1	Distribution:			
2	Mains	468,938	995,110	
3	M & R Stn & City Gate Equip	(810)	21,559	
4	Lg Meter Sets	6,399	59,642	
5	Unallocated	418,340	0	
6				
7				
8	General:			
9	Computer Equip	3,124,526	2,277,171	
10	Tools and Work Equipment	0	6,974	
11	Communication Equipment	7,424	585	
12				
13	Transmission:			
14	M & R Station Equipment	1,003,836	304,639	
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43	TOTAL	5,028,653	3,665,680	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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 on the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.</p> <p>4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then proated to construction jobs.</p>				
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)	
1				
2	Administrative and General Expense Allocation	3,396,000	14,378,490	
3				
4	Supervision & Engineering Expense Allocation	2,135,550	12,228,535	
5				
6				
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46	TOTAL	5,531,550		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE			
<p>1. For each construction overhead: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of</p>		<p>construction, and (f) whether the overhead is directly or indirectly assigned.</p> <p>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.</p>	
<u>ADMINISTRATIVE AND GENERAL:</u> <ul style="list-style-type: none"> (a) Overhead charges are intended to cover salaries and expenses of officers, managers, and general office employees, and other general and administrative expenses applicable to construction. (b) Periodically, studies are made to determine the administrative and general expenses applicable to construction. (c) All construction work orders are charged with a percentage of overhead on a gross charge basis. (d) A variable numerator allocation was applied to all pertinent construction on a monthly basis. (e) No differentiation on construction type. (f) Overhead is directly assigned. 			
<u>SUPERVISION AND ENGINEERING:</u> <ul style="list-style-type: none"> (a) Overhead charges are intended to cover the cost of supervision and directing construction activities including wages and expenses of engineers, superintendents, draftsmen, inspectors, clerks, and others reporting to and responsible to the Engineering Department. (b) The supervision and engineering expenses are accumulated on an actual time and actual cash applicable to construction basis. (c) All construction work orders for "CONSTRUCTED ASSETS" are charged with a percentage of overhead on a gross charge basis. (d) A variable numerator allocation was applied to all pertinent construction on a monthly basis. (e) No differentiation on construction type. (f) Overhead is directly assigned. 			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108 & 110)

- | | |
|--|---|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-211, column (d), excluding retirements of nondepreciable property.</p> <p>3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.</p> | <p>If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|--|---|

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	(168,503,147)	(168,503,147)		
2	Depreciation Prov. for Year, Charged to				
3	(403) Depreciation Expense	(12,249,887)	(12,249,887)		
4	(403.1) Deprec. and Deplet. Expense				
5	(413) Exp. of Gas Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify): (404) (421)	(15,187)	(15,187)		
9	Add'l Posting error btw exp & accum	(639)	(639)		
10	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 9)	(12,265,713)	(12,265,713)		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	1,371,850	1,371,850		
13	Cost of Removal	832,916	832,916		
14	Salvage (Credit)		0		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	2,204,766	2,204,766		
16	Other Debit or Credit Items: Net RWIP	(33,204)	(33,204)		
17	Acquisition of Peninsula Gas & ARO Adjmt	(2,494,665)	(2,494,665)		
18	Trf Rtmt & Accum Depr to NBV acct	(57,769)	(57,769)		
19	Balance End of Year (Enter Total of lines 1, 10, 15, & 16)	(181,149,732)	(181,149,732)		

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

20	Production - Manufactured Gas	(212,538)	(212,538)		
21	Production and Gathering - Natural Gas	2,081	2,081		
22	Transportation				
23	Underground Gas Storage	(9,419,014)	(9,419,014)		
24	Franchise / Leaseholds	(215,023)	(215,023)		
25	Base Load LNG Terminating & Proc. Plt.				
26	Transmission	(9,008,453)	(9,008,453)		
27	Distribution	(145,010,355)	(145,010,355)		
28	General	(17,286,430)	(17,286,430)		
29	TOTAL (Enter total of lines 20 thru 28)	(181,149,732)	(181,149,732)		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
GAS STORED (ACCOUNT 117, 164.1, 164.2 AND 164.3)							
<p>1. If during the year adjustment was made to the stored gas of withdrawals upon "base stock," or restoration of previous inventory (such as to correct cumulative inaccuracies of gas encroachment, including brief particulars of any such account-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.</p> <p>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.</p> <p>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</p> <p>ing during the year.</p> <p>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.</p> <p>5. Report pressure base of gas volumes as 14.73 psia at 60 F.</p>							
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	6,250,091	54,119,944			60,370,035	
2	Gas Delivered to Storage (contra Account)	2,525	90,021,019			90,023,544	
3	Gas Withdrawn from Storage (contra Account)		69,430,800			69,430,800	
4	Other Debits or Credits (Net)						
5	Balance at End of Year	6,252,616	74,710,163			80,962,779	
6	Mcf	2,622,101	9,420,058			12,042,159	
7	Amount Per Mcf	2.3846	7.9310			6.7233	
8	<p>State basis of segregatin of inventory between current and noncurrent portions:</p> <p>(1) Dollars and quantity are accounted for in account 358.000; reference pages 208/209.</p>						

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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NONUTILITY PROPERTY (Account 121)				
<p>1. Give a brief description and state the location of non-utility property included in Account 121.</p> <p>2. Designate with an asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.</p> <p>3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.</p> <p>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.</p> <p>5. Minor items (5% of the Balance at the End of the Year, for Account 121) may be grouped.</p> <p>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 of products from natural gas are classifiable as gas plant and should be reported as such and not shown as Nonutility Property.</p>				
Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1				
2	H,B 6911 Angling Rd Cottrellville, MI	84,327	0	84,327
3	L Three Rivers Gas Plant Three Rivers, MI	8,229	0	8,229
4	L, B Niles Warehouse Niles, MI	23,147	0	23,147
5				
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24				
25		115,703	0	115,703

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)		
Report below the information called for concerning depreciation and amortization of nonutility property.		
Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	(32,138)
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	(2,407)
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify): 421	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	(2,407)
8	Net Charges for Plant Retired	
9	Book Cost of Plant Retired	
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	0
13	Other Debit or Credit Items (Describe):	
14	Trnfr cost of asset retired and accum dep to NBV acct to offset gain	
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	(34,545)

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
INVESTMENTS (Account 123, 124, 136)				
<p>1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(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.</p> <p>(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.</p>				
Line No.	Description of Investment	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.)	Purchases or Additions During Year	
	(a)	(b)	(c)	
1	NONE			
2				
3				
4				
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005		
INVESTMENTS (Account 123, 124, 136) (Continued)					
<p>Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.</p> <p>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.</p> <p>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.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>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 (r 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).</p>					
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 on Loss from Investment Disposed of (h)	Line No.
		NONE			1
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)				
<p>1. Report below investments in Accounts 123.1, Investments 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	NONE			
2				
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42	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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.
	NONE	0		1
		0		2
		0		3
		0		4
		0		5
		0		6
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	0	0		42

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	04/30/06	Dec. 31, 2005
	(2) A Resubmission		

GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS

1. Report below the information called for concerning gas prepayments as defined in the text of Account 165, Prepayments. (Report advances on page 229.)

2. If any prepayment at beginning of year (or incurred during year) was canceled, forfeited, or applied to

another purpose, state in a footnote gas volume and dollar amount, period when such prepayment was incurred, and accounting disposition of prepayment amount. Give a concise explanation of circumstances causing forfeiture or other disposition of the repayment.

Line No.	Name of Vendor (Designate associated companies with an asterisk (a))	Seller FERC Rate Schedule No. (b)	BALANCE BEGINNING OF YEAR	
			Mcf (14.73 psia at 60 F) (c)	Amount (d)
1				
2	*ANR Pipeline		N/A	2,046,604
3				
4	*Trunkline Pipeline		N/A	170,000
5				
6	* Northern Natural Gas		N/A	180,547
7				
8	*Panhandle Eastern Pipeline		N/A	450,000
9				
10	Tenaska Marketing Ventures		50,000	378,500
11				
12				
13				
14	*Note: Amount represents required deposits on pipeline transportation and storage accounts.			
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42	TOTAL		50,000	3,225,651

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS (Continued)

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

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

BALANCE END OF YEAR		PREPAYMENTS IN CURRENT YEAR			Make-up Period expiration date	Line No.
Mcf (14.73 psia at 60 F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at 60 F) (e)	Percent of Year's required take (f)	(j)	
	2,046,604	N/A	N/A	N/A	N/A	1
						2
	170,000	N/A	N/A	N/A	N/A	3
						4
	180,547	N/A	N/A	N/A	N/A	5
						6
	450,000	N/A	N/A	N/A	N/A	7
						8
						9
100,000	1,675,700	16.75	100,000	<1%	N/A	10
						11
						12
						13
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100,000	4,522,851		100,000			42

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

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

Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142)	15,270,648	33,866,390
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	1,331,753	1,227,810
4	TOTAL	16,602,401	35,094,200
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	-619,735	-954,163
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	15,982,666	34,140,037
7			
8			
9			
10			
11			
12			
13			
14			

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

- Report below the information called for concerning this accumulated provision.
- Explain any important adjustments to subaccounts.
- 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	685,803	(66,068)			619,735
2	Prov. for uncollectibles for current year	1,561,698				1,561,698
3	Accounts written off	(1,872,537)	(4,782)			(1,877,319)
4	Coll. of accounts written off	650,049				650,049
5	Adjustments (explain): _____					
6	Balance end of year	1,025,013	(70,850)			954,163
7						
8						
9						
10						
11						

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)						
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>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.</p> <p>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.</p> </div> <div style="width: 48%;"> <p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on account and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> </div> </div>						
<p>* 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.</p> <p>"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.</p>						
Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2						
3	Under current software system receivables and payables are netted against one another and appear on page 112.					
4						
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24						
25	TOTAL	0	0	0	0	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
MATERIAL AND SUPPLIES				
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.		2. Give an explanation of important inventory adjustments during the 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.		
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Dept. or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expense Undistributed (Account 152)			
3	Residuals and Extract Products (Account 153)			
4	Plant Materials & Operating Supplies (Account 154)	1,324,521	1,374,805	
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations & 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 through 10)	1,324,521	1,374,805	Serv/Oper
12	Merchandise (Account 155)			
13	Other Material & Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)	206,804	209,425	
16				
17				
18				
19				
20	TOTAL Materials & Supplies (Per Balance Sheet)	1,531,325	1,584,230	

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

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 repayment, 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 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) separately by account, as reported in column (f).

Line No.	Date of Advance, Payee, Purpose and Estimated Date of Repayment	Account Number (124, 166 or 167)	Balance at Beginning of Year	Advances During Year	Repayments or Other Credits During Year	Accounts Charged	Balance at End of Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	NONE						
2							
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
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					352,283	
2	Prepaid Rents						
3	Prepaid Taxes (pages 262-263)					4,459,682	
4	Prepaid Interest						
5	Gas Prepayments (pages 226-227)					4,522,851	
6	Miscellaneous Prepayments					46,087	
7	TOTAL					9,380,903	
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 Account Charged (d) Amount (e)		Balance at End of Year (f)	
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9	TOTAL						
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d) Amount (e)		Balance at End of Year (f)	
10	NONE						
11							
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29							
30	TOTAL						

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)							
1. Report below particulars (details) concerning the cost of included in Account 183.1, Preliminary Natural Gas Survey and plans, surveys, and investigations made for the purpose of Investigation Charges, and Account 183.2, Other Preliminary Survey determining the feasibility of projects under contemplation. and Investigation Charges. 2. For gas companies, report separately amounts 3. Minor items (less than \$250,000) may be grouped by classes.							
Line No.	Description and Purpose of Project	Balance at Beginning of Year	Debits	CREDITS		Balance at End of Year	
				Account Charged	Amount		
(a)	(b)	(c)	(d)	(e)	(f)		
1	NONE						
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43							
44	TOTAL					0	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
OTHER REGULATORY ASSETS					
<p>1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory assets being amortized, show period of amortization in column (a).</p> <p>3. Minor items (amounts less than \$50,000) may be grouped by classes.</p> <p>4. Give the number and name of the account(s) where each amount is recorded.</p>					
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	FAS 109		410	122,220	855,526
2					
3					
4					
5					
6					
7					
8					
9					
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39					
40	TOTAL			122,220	855,526

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits. of amortization in column (a). 2. For any deferred debit being amortized, show period. 3. Minor items (less than \$50,000) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debits	Balance at Beginning of Year	Debits	CREDITS Account Charged	Amount	Balance at End of Year
	(a)	(b)	(c)	(d)	(e)	(f)
1	Manuf Gas Plant Clean Up 1997	3,312		186	1,104	2,208
2	Manuf Gas Plant Clean UP 1998	8,016		186	2,004	6,012
3	Manuf Gas Plt Clean Up 1999	13,440		186	2,688	10,752
4	Manuf Gas Plt Clean Up 2000	43,776		186	7,296	36,480
5	Man Gas Plt Clean Up 2001	27,972		186	3,996	23,976
6	Manuf Gas Plt Clean Up 2002	14,592		186	1,824	12,768
7	Manuf Gas Plt Clean Up 2003	149,580		186	16,620	132,960
8	Manuf Gas Plt Clean Up 2004	217,858	3,406	186	23,624	197,640
9	Manuf Gas Plt Clean Up 2005	0	441,187	186	71,550	369,637
10	Rate Case	174,396	945		123,144	52,197
11	Rate Case 2005	117,873	52,990		41,330	129,533
12	Reg Asset - ARO	0	971,454	VAR	149,165	822,289
13	Gas In Storage-Inventory Adj	82,745		823	52,260	30,485
14	FAS 106 Costs	5,944,580		926	743,064	5,201,516
15						
16						
17	Regulatory Assets	6,798,140	1,469,982		1,239,669	7,028,453
18						
19						
20	Purchase Option	441,522		Var	441,522	0
21	Def Cashier Over/Short	0	93,685	Var	93,685	0
22	Def Inventory Adjustment	0	20,545	Var	20,545	0
23	Deposits	0	50,000	186	0	50,000
24	Notes Receivable - Other	0	257,418	Var	0	257,418
25	Receivable AEP	252,580	479	Var	253,059	0
26	Intangible Assets - Pen Gas	0	255,620	186	67,585	188,035
27						
28	Misc Deferred Debits	694,102	677,747		876,396	495,453
29						
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47						
48	Misc. Work in Progress					
49	DEFERRED REGULATORY COMM. EXPENSES (SEE PAGES 350-351)					
50	TOTAL	7,492,242				7,523,906

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2				
3				
4				
5	Other			
6	TOTAL Electric (Enter Total of lines 2 thru 7)			
7	Gas			
8	Accum. Deferred Income Taxes	19,076,590	(653,054)	3,803,181
9				
10				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)	19,076,590	(653,054)	3,803,181
17				
18	TOTAL (Account 190) (Enter Total of lines 8, 16 & 17)	19,076,590	(653,054)	3,803,181
19	Classification of Total:			
20	Federal Income Tax	19,076,590	(653,054)	3,803,181
21	State Income Tax			
22	Local Income Tax			

NOTES

In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages and classification, significant items for which as required. deferred taxes are being provided. Indicate insignificant amounts listed other Other.

4. In the space provided below , identify by amount

Changes During Year		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
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				286	133,404	22,093,313	8
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							14
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					133,404	22,093,313	16
							17
					133,404	22,093,313	18
							19
					133,404	22,093,313	20
							21
							22

NOTES (Continued)

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
CAPITAL STOCK (Account 201 and 204)				
<p>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.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>				
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	1,000,000	\$10.00	
2	Common Stock	100	\$1.00	
3				
4	Cumulative Preferred			
5	Not Designated as a Series	50,000		
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
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 show 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)		
747,703	\$7,477,030					1	
100	\$100					2	
						3	
						4	
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
<p align="center">CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 and 205, 203 and 206, 207, 212)</p>			
<p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions</p> <p>under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.</p> <p>4. For payment on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated value of stocks without par value.</p>			
Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)
1	Account 207.10 :		
2	Beginning Balance	-	51,252,806
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46	TOTAL		51,252,806

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

OTHER PAID-IN CAPITAL (Account 208-211, inc.)

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

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

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

capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series to which related.

(d) Miscellaneous Paid-in Capital (Account 211) - Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	NONE	
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40	TOTAL	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
DISCOUNT ON CAPITAL (Account 213)				
1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged. 2. If any changes occurred during the year in the balance with respect to any class or series of stock, attach a statement				
Line No.	Class and Series of Stock (a)			Balance at End of Year (b)
1	NONE			
2				
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21	TOTAL			
CAPITAL STOCK EXPENSE (Account 214)				
Line No.	Class and Series of Stock (a)			Balance at End of Year (b)
1	Common Stock			268,951
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21	TOTAL			268,951

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
<p align="center">SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR</p>			
<p>1. Furnish a supplemental statement giving a brief description of security financing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>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.</p> <p>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.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 15 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p>			
<p align="center">NONE</p>			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
LONG TERM DEBT (Accounts 221, 222, 223 and 224)					
<p>1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>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.</p> <p>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.</p> <p>4. For receiver's certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p>					
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	Long-Term				
2	8.1% Series Due 2010	06/30/94	08/31/10	54,000,000	
3	7.46% Series			16,000,000	
4	7.125% Series Due 2008		05/15/08	33,020,000	
5	7.75% Series Due 2013		05/15/13	33,020,000	
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38	TOTAL			136,040,000	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005		
LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)					
<p>5. In a supplemental statement, give explanatory particulars (details) for Account 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.</p> <p>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.</p> <p>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.</p> <p>8. If interest expense was incurred during the year on any obligation retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.</p> <p>9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>					
INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price Per \$100 at End of Year	Line No.
Rate (in %)	Amount	Reacquired Bonds (Acct. 222)	Sinking and Other Funds		
(d)	(e)	(f)	(g)	(h)	
8.1%	4,374,000				1
7.46%	1,193,600				2
7.125%	2,057,937				3
7.750%	2,238,458				4
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	9,863,995				38

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)							
<p>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.</p> <p>2. Show premium amounts by enclosing the figures in parentheses.</p> <p>3. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p>							
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expenses, Premium or Discount (c)	AMORTIZATION PERIOD			
				Date From (d)	Date To (e)		
1	Long-Term Debt - Parent	54,000,000		6/30/94	8/31/10		
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT(Account 181, 225, 226) (Cont)			
5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.		6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years. 7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit	
Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
261,052	0	46,068	214,984
			1
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
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 or loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue. 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 of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Account 189					
2						
3						
4						
5	10% Series Due 2007	06/30/94	7,876,000		1,390,204	1,144,888
6						
7						
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

NOTES PAYABLE (Accounts 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 agreement 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	NONE				%	\$
2						
3						
4						
5						
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27						
	TOTAL					

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.

2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.

3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.

4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.

5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

* See definition on page 226B

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Notes Payable:					
2	SEMCO ENERGY, Inc.	94,221,573	443,843,908	428,208,160	78,585,825	
3						
4	SEMCO Energy Gas Co	-17,742	21,602,151	12,241,906	-9,377,987	
5	(Battle Creek Division)					
6						
7	ENSTAR	-61,459	86,496	108,400	-39,555	
8						
9	SEMCO CONSTRUCTION PARENT	0	368,709	0	-368,709	
10						
11	SEMCO ENERGY VENTURES	0	35,685	9,256	-26,429	
12						
13	SEMCO PIPELINE	0	217,048	251,314	34,266	
14						
15	SEMCO GAS STORAGE	0	7,617	0	-7,617	
16						
17	HOTFLAME GAS COMPANY	0	42,978	28,652	-14,326	
18						
19	SEMCO INFORMATION TECH	0	70,784	4,192,797	4,122,013	
20						
21						
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36						
	TOTAL	94,142,372	466,275,376	445,040,485	72,907,481	1,708,434

Name of Respondent		This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original	(Mo, Da, Yr)	
		(2) A Resubmission	04/30/06	Dec. 31, 2005

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
<p>1. Report the reconciliation of report 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 that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.</p>

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 117, line 72)	9,331,081
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contribution in Aid of Construction	5,245,398
6	GCR Cost Recovery	2,231,470
7	Gas in Storage (FIFO adj)	3,763,410
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Tax Expense	4,328,970
11	Meals & Entertainment, Social Club Dues, Penalties, Other Perm. Diff.	45,459
12	Amort. of Rate Case, Amort. of Reacq Debt	355,854
13	Vacation, Benefits	38,420
14	Capitalized Interest	40,846
15	Property Taxes, Unclaimed Deposits	876,914
16	Inventory Writedown, 263A Adjustment	286,268
17	Bad Debts	334,428
18		
19	Income Recorded on Books Not Included in Return	
20	Non-Taxable Medicare Subsidy for Retiree Medical	376,177
21	Interest Income - AFUDC	124,626
22		
23		
24	Deductions on Return Not Charged Against Book Income	
25	Tax Depreciaton, Gains & Losses, Removal Costs	6,020,145
26	Manufacture Gas Plant Clean Up	313,887
27	Retiree Medical, Pension, Bonus	886,698
28		
29		
30		
31		
32		
33		
34	Federal Tax Net Income	19,156,985
35		
36		
37	Show Computation of Tax:	
38		
39	Tax on Line 34 @ 35%	6,704,944
40		
41		

Name of Respondent	This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	04/30/06	Dec. 31, 2005

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

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

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

Line No.	SUBSTITUTED FERC FORM NO. 2, PAGE 261	TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4		
5	Net income for the year (page 117 line 68)	
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	
8		
9	Total pre-tax income	
10		
11	Add: Taxable income not reported on books:	
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return:	
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	
24		
25		
26	Federal taxable income for the year	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (continued)		
group member, and basis of allocation, assignment, or sharing of the consolidation tax among the group members. 3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2		4. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions.

UTILITY	OTHER	Line No.
		1
		2
		3
		4
		5
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		8
		9
		10
SUBSTITUTED FERC FORM NO. 2, PAGE 261		11
		12
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Name of Respondent	This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	04/30/06	Dec. 31, 2005

CALCULATION OF FEDERAL INCOME TAX

Line No.		TOTAL AMOUNT
1	Estimated Federal taxable income for the current year (page 261A)	19,156,985
2		
3	Show computation of estimated gross Federal income tax applicable to line 1:	
4	Tax on Line 1 @ 35%	6,704,944
5		
6		
7		
8	TOTAL	6,704,944
9		
10	Allocation of estimated gross Federal income tax from line 8	
11	Investment tax credits estimated to be utilized for the year (page 264 col (c))	
12		
13	Adjustment of last year's estimated Federal income tax to the filed tax return:	
14		
15	Last year's gross Federal income tax expense per the filed return	6,144,014
16	Last year's estimated gross Federal income tax expense	5,249,878
17	Increased (decreased) gross Federal income tax expense	894,136
18		
19	Last year's investment tax credits utilized per the filed return	
20	Last year's investment tax credits estimated to be utilized	
21	Increased (decreased) investment tax credits utilized	
22		
23	Additional Adjustments (specify)	
24	Rounding	(2)
25		
26		
27	Total Current Federal Income Tax	7,599,078
28	Expense:	
29	409.1 (page 114, line 14)	7,421,933
30	409.2 (page 117, line 47)	177,145

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

CALCULATION OF FEDERAL INCOME TAX (continued)		
UTILITY	OTHER	Line No.
		1
		2
		3
		4
		5
		6
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		9
		10
		11
		12
		13
		14
	6,144,014	15
	5,249,878	16
	894,136	17
		18
		19
		20
		21
		22
		23
	(2)	24
		25
		26
	7,599,078	27
		28
	7,421,933	29
		177,145 30

Name of Respondent	This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	(Mo, Da, Yr) 04/30/06	 Dec. 31, 2005

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or

accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that

Line No.	Kind of Tax (See Instruction 5)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236)	Prepaid Taxes (Incl. in Account 165)
	(a)	(b)	(c)
1	Federal Income Tax	5,338,937	
2	FICA	0	
3	Federal Unemployment Tax (FUTA)	377	
4	General Tax Allocated to/from Parent	0	
5	Payroll Taxes Allocated to Affiliates	0	
6	State Sales, Use & Excise Tax	(563,910)	
7	State Unemployment Tax (SUTA)	2,146	
8	Michigan Single Business Tax (MSBT)	1,411,099	
9	Property Tax	0	5,319,263
10	City Income Tax	782	
11			
12			
13			
14			
15			
16			
17			
18	TOTAL	6,189,431	5,319,263

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Departments (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1		7,421,933		177,145
2		1,120,121		
3		18,657		
4		121,405		
5		(74,392)		
6		(49,357)		
7		108,906		
8		1,123,022		
9		5,065,608		
10		0		
11				
12				
13				
14				
15				
16				
17				
18	TOTAL	14,855,903		177,145

#

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
<p>the total tax for each State and subdivision can readily be ascertained.</p> <p>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).</p> <p>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.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p>			<p>or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>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.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p>			
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)		
7,599,078	6,146,599	86,473	(A)	6,704,943	1	
1,120,121	1,120,121			0	2	
18,657	18,879			155	3	
121,405	121,405			0	4	
(74,392)	(74,392)			0	5	
13,445,474	12,383,277			498,287	6	
108,906	109,979			1,073	7	
1,123,022	2,548,542			(14,421)	8	
5,071,150	4,211,569			0	9	
0	0			782	10	
					11	
					12	
					13	
					14	
					15	
					16	
					17	
28,533,421	26,585,979	86,473		7,190,819	4,459,682	18
(A) Moved from 236 to 244						
DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)						
Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)		Other (p)	Line No.	
					1	
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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</p> <p>adjustments to the account balances shown in column (h). 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	3%	255	616,932		
3	4%				
4	7%				
5	8%				
6	10%				
7					
8					
9					
10					
11					
12					
13					
14					
15	JDITC				
16					
17					
18					
19					
20	TOTAL		616,932		
21	Other				
22	3%				
23	4%				
24	7%				
25	8%				
26	10%				
27					
28					
29					
30					
31					
32	JDITC				
33					
34					
35	TOTAL				
NOTES					

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)					
Allocations to Current Year's Income		Adjustments (h)	Balance at End of Year (i)	Average Period of Allocation to Income (j)	Line No.
Account Number (f)	Amount (g)				
					1
411	(264,912)		352,020	28.5 years	2
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NOTES (Continued)					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

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

Line No.	Item (a)	Balance at End of Year (b)
1		
2	Accrued GE Deferred Revenue	8,894
3	Accrued GE Monthly Revenue	21,966
4	Bonus	-4,000
5	Accrued liability other	-125
6	Employee Vacations	902,296
7	Accrued Gas Stored	944,233
8	Accrue CWIP Vacations	298,090
9	Accrue Benefits - IBNR	368,000
10	Accrue CWIP PR Acct	120,250
11	Gas Charges	2,094,781
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	4,754,385

CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List advances by department (a)	Balance at End of Year (b)
21	Customer Advance for Construction	257,450
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	257,450

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
OTHER DEFERRED CREDITS (Accounts 253)						
<p>1. Report below the particulars (details) called for concerning other deferred credits.</p> <p>2. For any deferred credit being amortized, show the period of amortization.</p> <p>3. Minor items (less than \$10,000) may be grouped by classes.</p> <p>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.</p>						
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	Accrued Pension	-3,002,791	Var	5,411,428	4,940,525	-3,473,694
2	Uncashed Checks	39,650	Var	26,313	43,647	56,984
3	Interest-Mdse Financing	59,403	123,840	46,092	95,333	108,644
4	Retiree Medical	953,138	926/186	1,577,815	422,956	-201,721
5	Asset Retirement Obligation	0	186		1,039,521	1,039,521
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						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	-1,950,600		7,061,648	6,541,982	-2,470,266

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
 2. For Other (Specify), include deferrals relating to other

Line No.	Account (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5				
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12				
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of lines 8, 15, and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

Not Applicable

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	43,173,310	2,241,341	(582,532)
4	Other (Define)			
5	TOTAL (Enter Total of lines 2 thru 4)	43,173,310	2,241,341	(582,532)
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	43,173,310	2,241,341	(582,532)
10	Classification of TOTAL			
11	Federal Income Tax	43,173,310	2,241,341	(582,532)
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	04/30/06	Dec. 31, 2005
	(2) A Resubmission		

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

income and deductions

3. Use separate pages as required.

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
						44,832,119	3
							4
						44,832,119	5
							6
							7
							8
						44,832,119	9
							10
				0		44,832,119	11
							12
							13

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2				
3				
4				
5				
6	Other			
7	TOTAL Electric (Enter Total of lines 2 thru 6)			
8	Gas			
9				
10				
11				
12				
13	Other	4,131,379	201,320	(1,794,641)
14	TOTAL Gas (Enter Total of lines 9 thru 13)	4,131,379	201,320	(1,794,641)
15	Other (Specify)			
16	TOTAL (Account 283) (Enter Total of lines 7, 14, 15)	4,131,379	201,320	(1,794,641)
17	Classification of TOTAL			
18	Federal Income Tax	4,131,379	201,320	(1,794,641)
19	State Income Tax			
20	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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

3. Provide in the space below, the order authorizing the use of the account for each item. Include amounts relating to insignificant items listed under Other.

4. Fill in all columns for all items as appropriate.
5. Use separate pages as required.

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
						2,538,058	13
						2,538,058	14
							15
						2,538,058	16
							17
						2,538,058	18
							19
							20

NOTES (Continued)

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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ACCUMULATED DEFERRED INCOME TAXES - TEMPORARY (Account 284)

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

Line No.	Description of Item (a)	Balance at End of Year (b)	Date of Filing for Commission Approval (c)	Case Number (d)
1	Electric			
2				
3				
4				
5				
6				
7	TOTAL Electric (Enter Total of lines 2 thru 6)			
8	Gas			
9				
10				
11				
12				
13				
14	TOTAL Gas (Enter Total of lines 9 thru 13)			
15	Other (Specify)			
16	TOTAL (Account 284) (Enter Total of lines 7, 14, 15)	0		
17	Classification of TOTAL			
18	Federal Income Tax			
19	State Income Tax			
20	Local Income Tax			

NOTES

Not Applicable

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
OTHER REGULATORY LIABILITIES					
<p>1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory assets being amortized, show period of amortization in column (a).</p> <p>3. Minor items (amounts less than \$50,000) may be grouped by classes.</p> <p>4. Give the number and name of the account(s) where each amount is recorded.</p>					
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	DEBITS		Credits (d)	Balance at End of Year (e)
		Account Credited (b)	Amount (c)		
1					
2	FAS 109 Deferred Tax Liability	191	133,404		535,963
3		410	42,777		
4					
5					
6					
7					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL		176,181		535,963

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS OPERATING REVENUES (ACCOUNT 400)			
<p>1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>2. Natural Gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>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 were 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.</p> <p>4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on them basis, give the Btu contents of the gas sold and the sales converted to Mcf.</p> <p>5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously reported</p>			
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	245,402,030	201,269,239
3	481 Commercial & Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	112,056,302	91,515,472
5	Large (or Ind.) (See Instr. 6)	16,085,583	14,290,306
6	482 Other Sales to Public Authorities		
7	484 Interdepartmental Sales		
8	TOTAL Sales to Ultimate Customers	373,543,915	307,075,017
9	483 Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	373,543,915	307,075,017
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	373,543,915	307,075,017
13	OTHER OPERATING REVENUES		
14	485 Intracompany Transfers		
15	487 Forfeited Discounts	1,340,247	1,078,876
16	488 Misc. Service Revenues	2,257,215	1,703,180
17	489 Rev. from Trans. of Gas of Others	7,722,092	8,091,649
18	490 Sales of Prod. Ext. from Nat. Gas		
19	491 Rev. from Nat. Gas Proc. by Others		
20	492 Incidental Gasoline and Oil Sales		
21	493 Rent from Gas Property	3,007	1,698
22	494 Interdepartmental Rents		
23	495 Other Gas Revenues	2,900,976	1,999,060
24	TOTAL Other Operating Revenues	14,223,537	12,874,462
25	TOTAL Gas Operating Revenues	387,767,452	319,949,479
26	(Less) 485 Provision for Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	387,767,452	
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	357,458,332	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	16,085,583	
30	Sales for Resale		
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	0	
33	TOTAL (Same as Line 10, Columns (b) and (d))	373,543,915	

Page 301

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

RATE AND SALES SECTION

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

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

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

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

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

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

- AB. Residential Service. This class includes all sales of gas for residential uses such as cooking, refrigeration, water heating, space heating and other domestic uses.
 - A. Residential Service This class includes all sales of gas for residential use except space heating.
 - B. Residential Space Heating. This class includes all sales of gas for space heating including gas for other residential uses only when measured through the same meter.
- CD. Commercial Service. This class includes service rendered primarily to commercial establishments such as restaurants, hotels, clubs, hospitals, recognized rooming and boarding houses, apartment houses (but not individual tenants therein), garages, churches, warehouses, etc.
 - C Commercial Service. This class includes all sales of gas for commercial use except space heating.
 - D Commercial Space Heating. This class includes all sales of gas for space heating including gas for other commercial uses only when measured through the same meter.
- E. Industrial Service. This class includes service rendered primarily to manufacturing and industrial establishments where gas is used principally for large power, heating and metallurgical purposes.
- F. Public Street and Highway Lighting. Covers service rendered to municipalities or other governmental units for the purpose of lighting streets, highways, parks and other public places.
- G. Other Sales to Public Authorities. Covers service rendered to municipalities or other governmental units for lighting, heating, cooking, water heating and other general uses.
- H. Interdepartmental Sales. This class includes gas supplied by the gas department to other departments of the utility when the charges therefor are at tariff or other specific rates.
- I. Other Sales. This class includes all service to ultimate consumers not included in the foregoing described classifications.
- * A - I. Total Sales to Ultimate Customers. This is the total of the foregoing described classifications.
- J. Sales to Other Gas Utilities for Resale. This class includes all sales of gas to other gas utilities or to public authorities for resale to ultimate consumers.
- K. Other Gas Revenue. Revenues derived from operations of the respondent other than sales of gas. They include rent from gas property, interdepartmental rents, customers' forfeited discounts and penalties, services of customers' installations and miscellaneous gas revenues, such as fees and charges for changing, connecting and disconnecting service, profit on sales of materials and supplies not ordinarily purchased for resale, commission on sales or distribution of others' gas (sold under rates filed by such others), management or supervision fees, sale of steam (except where the respondent furnishes steam-heating service) and rentals from leased property on customers' premises.
- * A - K. Total Gas Operating Revenues. The total of all the foregoing accounts.

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

625-A. SALES DATA FOR THE YEAR

(For the State of Michigan)

Line No.	Class of Service (a)	Average Number of Customers per Month (b)	Gas Sold Mcf* (c)	Revenue (Show to nearest dollar) (d)	AVERAGES		
					Mcf* per Customer (e)	Revenue per Customer (f)	Revenue per Mcf* (g)
1	AB. Residential Service			\$		\$	\$
2	A. Residential Service	2,035	157,325	1,755,981	77.31	862.89	11.16
3	B. Residential Space Heating Service	219,898	22,815,507	243,646,049	103.75	1,108.00	10.68
4	CD. Commercial Service						
5	C. Commercial Service, except space heating	841	368,610	4,178,597	438.30	4,968.61	11.34
6	D. Commercial Space Heating	21,530	10,926,082	107,877,705	507.48	5,010.58	9.87
7	E. Industrial Service	661	1,691,150	16,085,583	2,558.47	24,335.22	9.51
8	F. Public Street & Highway Lighting						
9	G. Other Sales to Pubic Authorities						
10	H. Interdepartmental Sales						
11	I. Other Sales						
12	A - I. Total Sales to Ultimate Consumers	244,965	35,958,674	373,543,915	146.79	1,524.89	10.39
13	J. Sales to Other Gas Utilities for Resale						
14	A - J. TOTAL SALES OF GAS	244,965	35,958,674	373,543,915	146.79	1,524.89	10.39
15	K. Other Gas Revenues						
16	A - K. TOTAL GAS OPERATING REVENUE	244,965	35,958,674	373,543,915	146.79	1,524.89	10.39

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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

1. Report below the distribution of customers, sales and revenues for the year by individual rate schedules. (See definition 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 625-A, column (a), indicate the class or classes of customers served under each rate schedule, e.g. (A) for Residential Service, (B) Heating Service, etc.

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 625-A.

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 625-A. If the utility sells gas to ultimate customers under special contracts, the totals for such sales should be entered on a line on this page in order to make the totals of columns (e) and (f) check with those entered on line 12, Schedule 625-A.

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 (a)	Type of Service to which Schedule is applicable (b)	Class of Service (c)	Average Number of Customers per Month (d)	Mcf Sold (e)	Revenue (Show to nearest dollar) (f)
1	Residential Service Rate					
2		Non-Heat	A	2,035	157,325	1,755,981
3		Heat	B	219,898	22,815,507	243,646,049
4						
5	Commercial and Industrial Service Rate					
6		Comm & Ind Non-Heat	C	841	368,610	4,178,597
7		Comm & Ind Heat	DTE	22,191	12,617,232	123,963,288
8		Other	K	0	0	0
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	TOTALS			244,965	35,958,674	373,543,915

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
OFF-SYSTEM SALES - NATURAL GAS					
Report particulars (details) concerning off-system sales. Off-system sales include all sales other than MPSC approved rate schedule Sales.					
Line No.	Name (a)	Point of Delivery (City or town AND State) (b)	Account (c)	Mcf of Gas Sold (Approx. B.T.U. per Cubic Ft.) (d)	
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005			
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)		
NONE					1	
					2	
					3	
					4	
					5	
					6	
					7	
					8	
					9	
					10	
					11	
					12	
					13	
					14	
					15	
					16	
					17	
					18	
					19	
					20	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original		Dec. 31, 2005
	(2) A Resubmission	04/30/06	

REVENUE FROM TRANSPORTATION OF GAS OF OTHERS--NATURAL GAS (Account 489)

1. Report below particulars (details) concerning revenue from transportation or compression (by respondent) of natural gas for others. Subdivide revenue between transportation or compression for interstate pipeline companies and others.

2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. Designate with an asterisk, however, if gas transported or compressed is other than natural gas.

3. In column (a) include the names of companies from which revenues were derived, points of receipt and delivery, and names of companies from which gas was received and to which delivered. Also specify the Commission order or regulation authorizing such transaction.

Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk) (a)	Distance Transported (in miles) (b)
1		
2	Miscellaneous Customers	Local
3	Mead Johnson	Local
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
TOTAL		

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

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

4. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipe line system.
5. Enter Mcf at 14.65 psia at 60 degrees F.
6. Minor items (less than 1,000,000 Mcf) may be grouped.

"Note: For transportation provided under Part 284 of Title 18 of the Code of Federal Regulations, report only grand totals for all transportation in columns (b) through (g) for the following regulation sections to be listed in column (a): 284.102, 284.122, 284.222, 284.223(a), 284.233(b), and 284.224. Details for each transportation are reported in separate annual reports required under Part 284 of the Commission's regulations."

Mcf of Gas Received (c)	Mcf of Gas Delivered (d)	Revenue (e)	Average Revenue per Mcf of Gas Delivered (in cents) (f)	FERC Tariff Rate Schedule Designation (g)	Line No.
	11,795,118	7,536,214	0.6389		1
	513,875	185,878	0.3617		2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
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	12,308,993	7,722,092	0.6274		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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SALES OF PRODUCT EXTRACTED FROM NATURAL GAS (Account 490)

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

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

Line No.	Name of Purchaser (Designate associated companies with an asterisk) (a)	Name of Product (b)	Quantity (in gallons) (c)	Amount of Sales (in dollars) (d)	Sales Amount per Gallon (in cents) (d / c) (e)
1	NONE				
2					
3					
4					
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14					
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16					
17					

REVENUES FROM NATURAL GAS PROCESSED BY OTHERS (Account 491)

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

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

Line No.	Name of Processor and Description of Transaction (Designate associated companies with an asterisk) (a)	Mcf of Respondent's Gas Processed (14.73 psia at 60 F) (b)	Revenue (in dollars) (c)
1	NONE		
2			
3			
4			
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16			

Name of Respondent		This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original	(Mo, Da, Yr) 04/30/06	Dec. 31, 2005
(2) A Resubmission				

GAS OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Account	Amount for Current Year	Amount for Previous Year	
	(a)	(b)	(c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	57,526	35,660	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses	697	764	
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses	756	180	
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Enter Total of lines 7 thru 17)	1,453	944	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements	79	450	
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines	520		
24	765 Maintenance of Field Compressor Station Equipment	582	84	
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment	1,228	0	
26	767 Maintenance of Purification Equipment	268	339	
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Enter Total of lines 18 thru 28)	2,677	873	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 thru 29)	4,130	1,817	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and Expenses			
40	777 Gas Processed by Other			
41	778 Royalties on Products Extracted			
42	779 Marketing Expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility -- Credit			
46	783 Rents			
47	TOTAL Operation (Enter Total of lines 33 thru 46)	0	0	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	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 Equipment		
52	787	Maintenance of Pipe Lines		
53	788	Maintenance of Extracted Products Storage Equipment		
54	789	Maintenance of Compressor Equipment		
55	790	Maintenance of Gas Measuring and Reg. Equipment		
56	791	Maintenance of Other Equipment		
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)		0	0
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)		0	0
59	C. Exploration and Development			
60	Operation			
61	795	Delay Rentals		
62	796	Nonproductive Well Drilling		
63	797	Abandoned Leases		
64	798	Other Exploration		
65	TOTAL Exploration and Development (Enter Total of lines 61 and 64)		0	0
	D. Other Gas Supply Expenses			
66	Operation			
67	800	Natural Gas Well Head Purchases		
68	801	Natural Gas Field Line Purchases	853,746	785,660
69	802	Natural Gas Gasoline Plant Outlet Purchases		
70	803	Natural Gas Transmission Line Purchases	327,559,749	249,939,164
71	803.1	Off-System Gas Purchases		
72	804	Natural Gas City Gate Purchases		
73	804.1	Liquefied Natural Gas Purchases		
74	805	Other Gas Purchases		
75	(Less) 805.1	Purchases Gas Cost Adjustments		
76	(Less) 805.2	Incremental Gas Cost Adjustments		
77	TOTAL Purchased Gas (Enter Total of lines 67 and 76)		328,413,495	250,724,824
78	806	Exchange Gas		
79	Purchased Gas Expenses			
80	807.1	Well Expenses - Purchased Gas		
81	807.2	Operation of Purchased Gas Measuring Stations	81,328	51,334
82	807.3	Maintenance of Purchased Gas Measuring Stations	1,471	
83	807.4	Purchased Gas Calculations Expense		
84	807.5	Other Purchased Gas Expenses		
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 and 84)		82,799	51,334
86	808.1	Gas Withdrawn from Storage - Debit	69,582,441	61,268,717
87	(Less) 808.2	Gas Delivered to Storage - Credit	-90,175,185	-66,802,103
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	-137,872	-57,865
92	811	Gas Used for Products Extraction - Credit		
93	812	Gas Used for Other Utility Operation - Credit	-532,443	-423,820
94	TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93)		-670,315	-481,685
95	813	Other Gas Supply Expenses	0	0
95a	813.1	Synthetic Gas Supply Expenses		
95b	813.2	Gas Cost Recovery Expenses - Royalties		
96	TOTAL Other Gas Supply Exp (Total of lines 77, 78, 85, 86 thru 89, 94)		307,233,235	244,761,086
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)		307,294,891	244,798,563

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Wells Expenses	68,886	118,684	
104	817 Lines Expenses	0	252	
105	818 Compressor Station Expenses	98,536	84,398	
106	819 Compressor Station Fuel and Power	146,145	61,337	
107	820 Measuring and Regulating Station Equipment	10,272	11,401	
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses	52,260	52,260	
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Enter Total of lines 101 thru 113)	376,099	328,332	
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements	3,638	2,181	
118	832 Maintenance of Reservoirs and Wells	29,424	16,935	
119	833 Maintenance of Lines	138	0	
120	834 Maintenance of Compressor Station Equipment	203,606	116,784	
121	835 Maintenance of Measuring and Regulating Station Equipment	17,309	652	
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	254,115	136,552	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 115)	630,214	464,884	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 thru 133)	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 and Regulating Equipment			
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	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Equipment			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts - Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)	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 Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	0	0	
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)	630,214	464,884	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses	0	0	
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations	814		
186	856 Mains Expenses	5,492	7,044	
187	857 Measuring and Regulating Station Expenses	119,036	123,541	
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses	10,319	9,810	
190	860 Rents	1,689	1,608	
191	TOTAL Operation (Enter Total of lines 180 thru 190)	137,350	142,003	

Name of Respondent		This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original	(Mo, Da, Yr) 04/30/06	Dec. 31, 2005
(2) A Resubmission				

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account		Amount for Current Year	Amount for Previous Year
	(a)		(b)	(c)
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861	Maintenance Supervision and Engineering		
194	862	Maintenance of Structures and Improvements	1,472	
195	863	Maintenance of Mains	0	12,194
196	864	Maintenance of Compressor Station Equipment	0	39
197	865	Maintenance of Measuring and Reg. Station Equipment	37,559	41,588
198	866	Maintenance of Communication Equipment	0	61
199	867	Maintenance of Other Equipment		
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)		39,031	53,882
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		176,381	195,885
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870	Operation Supervision and Engineering	376,614	412,105
205	871	Distribution Load Dispatching	586,170	624,544
206	872	Compressor Station Labor and Expenses	505	172
207	873	Compressor Station Fuel and Power		
208	874	Mains and Services Expenses	2,103,129	1,767,598
209	875	Measuring and Regulating Station Expenses - General	299,611	277,859
210	876	Measuring and Regulating Station Expenses - Industrial	35,540	31,881
211	877	Measuring and Regulating Station Expenses - City Gate Check Station	468,126	414,056
212	878	Meter and House Regulator Expenses	301,936	257,964
213	879	Customer Installations Expenses	627,073	746,694
214	880	Other Expenses	1,855,854	1,046,935
215	881	Rents	65,903	47,956
216	TOTAL Operation (Enter Total of lines 204 thru 215)		6,720,461	5,627,764
217	Maintenance			
218	885	Maintenance Supervision and Engineering	43,063	29,347
219	886	Maintenance of Structures and Improvements	21,795	14,599
220	887	Maintenance of Mains	634,556	626,942
221	888	Maintenance of Compressor Station Equipment	0	893
222	889	Maintenance of Meas. and Reg. Sta. Equip. - General	108,473	259,961
223	890	Maintenance of Meas. and Reg. Sta. Equip. - Industrial	12,863	11,990
224	891	Maintenance of Meas. and Reg. Sta. Equip. - City Gate Check Station	56,123	50,465
225	892	Maintenance of Services	577,443	565,964
226	893	Maintenance of Meters and House Regulators	430,474	367,306
227	894	Maintenance of Other Equipment	2,071	-638
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)		1,886,861	1,926,829
229	TOTAL Distribution Expenses (Total of lines 216 and 228)		8,607,322	7,554,593
230	5. CUSTOMER ACCOUNTS EXPENSE			
231	Operation			
232	901	Supervision	314,776	305,533
233	902	Meter Reading Expenses	481,120	412,149
234	903	Customer Records and Collection Expenses	3,081,440	2,580,714
235	904	Uncollectible Accounts	1,587,080	1,408,793
236	905	Miscellaneous Customer Accounts Expenses		
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)		5,464,416	4,707,189

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision			
241	908 Customer Assistance Expenses	73,822	62,108	
242	909 Informational and Instructional Expenses	0	0	
243	910 Miscellaneous Customer Service and Informational Expenses	0	0	
244	TOTAL Customer Service and Informational Expenses (Lines 240 thru 243)	73,822	62,108	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision			
248	912 Demonstrating and Selling Expenses	0	0	
249	913 Advertising Expenses	0	50	
250	916 Miscellaneous Sales Expenses	1,616	0	
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	1,616	50	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Supervision	3,069,954	3,055,958	
255	921 Office Supplies and Expenses	3,097,378	2,879,558	
256	(Less) (922) Administrative Expenses Transferred - Cr.	-3,396,000	-3,516,000	
257	923 Outside Services Employed	9,632,020	9,449,140	
258	924 Property Insurance	221,105	200,145	
259	925 Injuries and Damages	1,282,111	1,141,068	
260	926 Employee Pensions and Benefits	4,544,853	4,232,105	
261	927 Franchise Requirements			
262	928 Regulatory Commission Expenses	790,255	648,741	
263	(Less) (929) Duplicate Charges - Cr.			
264	930.1 General Advertising Expenses	10,976	15,240	
265	930.2 Miscellaneous General Expenses	468	-38,506	
266	931 Rents	343,028	497,037	
267	TOTAL Operations (Enter Total of lines 254 thru 266)	19,596,148	18,564,486	
268	Maintenance			
269	935 Maintenance of General Plant	83,816	94,329	
270	TOTAL Administrative and General Exp. (Total of lines 267 and 269)	19,679,964	18,658,815	
271	TOTAL Gas O. and M. Exp (Lines 97, 177, 201, 229, 237, 244, 251, and 270)	341,928,624	276,442,085	
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.		employees in a footnote.		
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		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)	12/16/05		
2	Total Regular Full-Time Employees	295		
3	Total Part-Time and Temporary Employees			
4	Total Employees	295		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 and 805)			
<p>1. Report particulars of gas purchases during the year in the manner prescribed below.</p> <p>2. Provide subheadings and totals for prescribed accounts as follow:</p> <p style="padding-left: 40px;">800 Natural Gas Well Head Purchases. 801 Natural Gas Field Line Purchases. 802 Natural Gas Gasoline Plant Outlet Purchases. 803 Natural Gas Transmission Line Purchases. 803.1 Off - System Gas Purchases. 804 Natural Gas City Gate Purchases. 804.1 Liquified Natural Gas Purchases. 805 Other Gas Purchases.</p> <p>Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (h) and (i) and should agree with the books of accounts, or any differences reconciled.</p> <p>In some cases, two or more lines will be required to report a purchase, as when it is charged to more than one account.</p> <p>3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect the sellers at each price are to be listed separately.</p> <p>4. Purchases of less than 100,000 Mcf per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (b). Only Columns (a), (b), (h), (i), and (j) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.</p>		<p>5. Column instructions are as follows:</p> <p><u>Column (b)</u> - Report the names of all sellers. Abbreviations may be used where necessary.</p> <p><u>Column (c)</u> - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchase from gasoline outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.</p> <p><u>Columns (d) and (e)</u> - Designate the state and country where the gas is received. Where gas is received in more than one county, use the name of the county having the largest volume and by footnote list the other counties involved.</p> <p><u>Column (f)</u> - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract, show the date of the original contract and the date of the renegotiated contract on the following line in brackets. If new acreage is dedicated by ratification of an existing contract show the date of the ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56(f)(2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.</p> <p>If the purchase was permanently discontinued during the reporting year, so indicate by an asterisk (*) in Column (f).</p> <p><u>Column (g)</u> - Show for each purchase the approximate Btu per cubic foot.</p> <p><u>Column (h)</u> - State the volume of purchased gas as measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid in prior years.</p> <p><u>Column (i)</u> - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (h).</p> <p><u>Column (j)</u> - State the average cost per Mcf to the nearest hundredth of a cent. [Column (i) divided by Column (h) multiplied by 100].</p>	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS PURCHASES (Accounts 800, 801, 802, 803, 803.1, 804, 804.1 & 805) (Continued)					
Line No.	Account No. (a)	Name of Seller (Designate Associated Companies) (b)	Name of Producing Field or Gasoline Plant (c)	State (d)	
1		Please see Annual MPSC Filing.			
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
GAS PURCHASES (Account 800, 801, 802, 803, 803.1, 804, 804.1, & 805) (Continued)						
County (e)	Date of Contract (f)	Approx. Btu Per Cu. ft. (g)	Gas Purchased-Mcf (14.73 psia 60 F) (h)	Cost of Gas (i)	Cost Per Mcf (cents) (j)	Line No.
Please see Annual MPSC filing.						1
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas)					
1. Report below the particulars (details) called for concerning the gas volumes and related dollar amounts of natural gas exchange transactions transactions (less than 100,000 Mcf) may be grouped. 2. Also give the particulars (details) called for concerning each natural gas exchange where consideration was received or					
Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Exchange Gas Received			
		Point of Receipt (City, state, etc.) (b)	Mcf (c)	Debit (Credit) Account 242 (d)	
1	Not Applicable				
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45	TOTAL				

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005		
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)					
<p>paid in performance of gas exchange services.</p> <p>3. List individually net transactions occurring during the year for each rate schedule.</p> <p>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.</p>					
Exchange Gas Delivered			Excess		
Point of Delivery (City, State, etc.) (e)	Mcf (f)	Debit (Credit) Account 174 (g)	Mcf Received or Delivered (h)	Debit (Credit) Account 806 (i)	Line No.
Not Applicable					1
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
EXCHANGE GAS TRANSACTIONS (Account 806, Exchange Gas) (Continued)							
5. Furnish any additional explanations needed to further explain the accounting for exchange gas transaction.				6. Report the pressure base of measurement of gas volumes at 14.73 psia at 60 F.			
Line No.	Name of Company (Designate associated companies with an asterisk) (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	Not Applicable						
2							
3							
4							
5							
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45	TOTAL						

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)							
1. Report below particulars (details) of credits during the year to Accounts 810, 811, and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply. 2. Natural Gas means either natural gas unmixed, or any mixture of natural and manufactured gas. 3. If the reported Mcf for any use is an estimated quantity, state such fact in a footnote.				4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Mcf of gas used, omitting entries in columns (d) and (e). 5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 F.			
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			Mcf of Gas Used (c)	Amount of Credit (d)	Amount per Mcf (in cents) (e)	Mcf of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel - Cr.	819	15,381	137,872	896.36		
2	811 Gas used for Products Extraction - Cr.						
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.						
4	Gas Shrinkage, Etc. for Respd't's Gas Processed by Others						
5	812 Gas used for Other Util. Oprs. - Cr. (Rpt sep. for each prin. use. Group minor uses)						
6	812.1 Gas used in Util. Oprs. - Cr. (Nonmajor only)						
7							
8	Meas./Reg. Station	VAR	60,837	394,060	647.73		
9	Heat/General Use	VAR	21,365	138,385	647.73		
10							
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24							
25	TOTAL		97,583	670,317	686.92		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (Account 858)				
1. Report below particulars (details) concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Mcf (Bcf) and amounts of payments for such services during the year. Minor items (less than 1,000,000 Mcf) must be grouped. 2. In column (a) give name of companies to which payment were made, points of delivery and receipt of gas, names of companies to which gas was delivered and				
Line No.	Name of Company and Description of Service Performed (Designate associated companies with an asterisk) (a)			Distance Transported (in miles) (b)
1	NONE			
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46	TOTAL			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (Account 858) (Continued)				
from which received. Points of delivery and receipt should be so designated that they can be identified readily on map of respondent's pipeline system.		3. If the Mcf of gas received differs from the Mcf delivered, explain in a footnote the reason for difference, i.e., uncompleted deliveries, allowance for transmission loss, etc		
Mcf of Gas Delivered (14.73 psia at 60 F) (c)	Mcf of Gas Received (14.73 psia at 60 F) (d)	Amount of Payments (in dollars) (e)	Amount per Mcf of Gas Received (in cents) (f)	Line No.
NONE				1
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
LEASE RENTALS CHARGED			
<p>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.</p> <p>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 (description only), f, g and j.</p> <p>3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.</p> <p>4. The annual charges referred to in Instruction 2 and 3 include the basic lease payment and other payments to or on behalf of the lessor such as taxes, depreciation, assumed interest or dividends on the lessor's securities, cost of replacements** and other expenditures with respect to leased property. The expenses paid by lessee are to be itemized in column (e) below.</p> <p>5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that short-lived and replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (description only), f, g and j, unless the lessee has the option purchase the property.</p> <p>6. In column (a) report the name of the lessor. List lessors which are associated companies* (describing association) first followed by non-associated lessors.</p> <p>7. In column (b) for each leasing arrangement, report in order classified by distribution plant, storage plant, transmission line distribution system, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:</p>			
A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES			
Name of Lessor (a)	Basic Details of Lease (b)	Termination Date of Lease, Primary (P) or Renewal (R) (c)	
Wheels Inc.	Cars, trucks, vans, and accessories for the vehicles. Partial distribution system and partial other operating system continuous lease.		
SEMCO Energy Ventures	Furniture & equipment, including computer equipment, and other operating system.		
Hitachi Credit America Corp	Software System 2 lease		

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

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

LEASE RENTALS CHARGED (Continued)

Description of the property, whether lease is a sale and leaseback, whether lessee has option to purchase and conditions of purchase, whether lease is cancelable by either party and the cancellation conditions, the tax treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement property. The above information is to be reported with initiation of the lease and thereafter when changed or every five years, whichever occurs first.

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

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

* See definition on page 226 (B)

A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES

Original Cost (O) or Fair Market Value (F) of Property (d)	Expenses to be Paid by Lessee Itemize (e)	AMOUNT OF RENT - CURRENT TERM				Account Charged (j)	Remaining Annual Charges Under Lease Est. if Not Known (k)
		Current Year		Accumulated to Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		923,071				VAR	
		159,821				VAR	
		79,063				VAR	

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES (Continued)			
Name of Lessor (a)	Basic Details of Lease (b)	Termination Date of Lease, Primary (P) or Renewal (R) (c)	
Not Applicable			
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)			

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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A. LEASE RENTALS CHARGED TO GAS OPERATING EXPENSES (Continued)

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

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

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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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	NONE			
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50	TOTAL			

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)				
1	Industry association dues			
2	Experimental and general research expenses			
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent.			
4	Other expenses (List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,000 by classes if the number of items so grouped is shown.)			(6,228)
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49	TOTAL			468

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 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 changes in the intervals between the report years (1971, 1974 and every fifth year thereafter).</p> <p>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</p>				
Section A. Summary of Depreciation, Depletion, and Amortization Charges				
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant			
2	Production plant, manufactured gas			
3	Production and gathering plant, natural gas			
4	Products extraction plant			
5	Underground gas storage plant			
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant			
9	Distribution plant			
10	General plant (See Note)			
11	Common plant - gas			
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25	TOTAL			
SEE PAGE 336N				

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (Continued)			
column (b) balances are obtained. If average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method		is used to determine depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves. 3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section B the amounts and nature of the provisions and the plant items to which related.	
Section A. Summary of Depreciation, Depletion, and Amortization Charges			
Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a) Line No.
			Intangible plant 1
			Production plant, manufactures gas 2
			Production and gathering plant, natural gas 3
			Production extraction plant 4
			Underground gas storage plant 5
			Other storage plant 6
			Base load LNG terminating and processing plant 7
			Transmission plant 8
			Distribution plant 9
			General plant 10
			Common plant - gas 11
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			TOTAL 25

Name of Respondent		This Report Is:	Date of Report	Year of Report	
SEMCO ENERGY GAS CO (MPSC Division)		(1) X An Original	(Mo, Da, Yr) 04/30/06	Dec. 31, 2005	
(2) A Resubmission					

<p align="center">DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (NONMAJOR)</p> <p align="center">(Accounts 403.1, 404, 405)</p> <p align="center">(Except Amortization of Acquisition Adjustments)</p>					
<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).</p> <p>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 preprinted in column (a). Indicate at the bottom of Section B the manner in which column (b) balances are</p>			<p>obtained. If average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves.</p> <p>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.</p>		

Section A. Summary of Depreciation, Depletion, and Amortization Charges					
Line No.	Functional Classification (a)	Depreciation and Depletion Expense (Account 403.1) (b)	Amortization of Limited-Term Gas Plant (Account 404) (c)	Amortization of Other Gas Plant (Account 405) (d)	TOTAL (b+c+d) (e)
1	Intangible plant (See Note)		82,771		82,771
2	Production plant, manufactured gas	3,320			3,320
3	Production & gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	413,453			413,453
6	Other storage plant				
7	Base load LNG terminating & processing plant				
8	Transmission plant	650,039			650,039
9	Distribution plant	9,004,783			9,004,783
10	General plant (See Note)	2,801,007			2,801,007
11	Common plant - gas				
12					
13	Note: Line 1 includes \$67,584 of amortization expense taken on Penninsula Gas Intangible Assets that was not run through the				
14	reserve for accumulated depreciation.				
15					
16	Note: Line 10 includes \$619,637 of indirect allocation of depreciation expense from our Parent company that was not run				
17	through the reserve for accumulated depreciation.				
18					
19					
20	TOTAL	12,872,602	82,771		12,955,373

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

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	186	1.79
4	Underground Gas Storage Plant	13,389	3.09
5	Transmission Plant		
6	Offshore		
7	Onshore	24,105	2.70
8	General Plant	22,189	9.82
9	Distribution Plant	344,215	2.62
10	Amortized Plant	456	3.33

Notes to Depreciation, Depletion, and Amortization of Gas Plant

Column b includes all depreciable or amortized mean plant balances to which a rate is applied.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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

- | | |
|---|---|
| <p>1. Report below the following information with respect to utility property leased to others constituting an operating unit or system.</p> <p>2. For each lease show: (1) name of lessee and description and location of the leased property; (2) revenues; (3) operating expenses classified as to operation, maintenance, depreciation, rents, amortization; and (4) net income from lease for year. Arrange amounts so that deductions appear as a subtraction</p> | <p>from revenues, and income as the remainder.</p> <p>3. Provide a subheading and total for each utility department in addition to a total for all utility departments.</p> <p>4. Furnish particulars (details) of the method of determining the annual rental for the property.</p> <p>5. Designate with an asterisk associated companies.</p> |
|---|---|

Line No.	
1	
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3	NONE
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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 amortization 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 426.5, Other Deductions, of</p>		<p>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 account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</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	Account 426 - Miscellaneous Income Deductions		
2			
3	Donations	106,813	
4	Other Governmental Affairs	122,737	
5	Penalties	980	
6			
7			
8			
9			
10			
11		230,530	
12			
13	Account 430		
14	Interest on LT Note to Parent (430.00)	9,863,996	
15	Interest on ST Note to Parent (430.10)	1,708,434	
16	Total Account 430	11,572,430	
17			
18			
19			
20	Account 431		
21	Other Interest Expense	261,903	
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Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

PARTICULARS CONCERNING CERTAIN INCOME ACCOUNTS

1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.

2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.

3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from operation. Give the bases of any allocation between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration

date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any leases which are associated companies.

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

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

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

Line No.	Item (a)	Amount (b)
1	MERCHANDISING, JOBBING & CONTRACT WORK	
2	Appliance Sales & Installations	147,923
3	Cost of Appliances Sold & Installation Cost	-139,476
4	Miscellaneous Merchandising Expense	0
5	TOTAL Merchandising, Jobbing & Contract Work	8,447
6		
7	NON-UTILITY OPERATION	
8	Non Utility Oper Revenue	5,828
9	Non Utility Oper Expense	-240
10		
11		
12		
13		
14	TOTAL Non-Utility Operation	5,588
15		
16	INTEREST INCOME	339,224
17		
18	MISC NON-OPERATING INCOME	
19	Gain on Disposition of Property	207,545
20	Miscellaneous Non-Operating Income	6,010
21		213,555
22		
23	Total	566,814

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

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

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

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

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

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2	<u>Non-Utility</u>				
3	Land (1.725A) - 5/26/05				
4	@ 6979 Shea Rd				
5	Cottrellville Twp, MI 48039	2,029		34,391	
6					
7	House & Land (35.413A) - 9/30/05	82,414		173,154	
8	@ 6820 Angling Rd				
9	Cottrellville Twp, MI 48039				
10					
11					
12					
13					
14	NOTE: The two parcels of land were part of Storage Plant on the General Ledger as part of SEMCO's				
15	Collin Field Storage facility. It was never used as "Gas Plant" and should have been classified as				
16	"Non-Utility".				
17	Total Gain	84,443		207,545	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

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

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

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES (Account 426.4)			
<p>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.</p> <p>2. Advertising expenditures in the Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.</p> <p>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.</p> <p>4. If the respondent has not incurred any expenditures contemplated by the instructions of Account 426.4, so state.</p> <p>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.</p> <p>NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.</p>			
Line No.	Item (a)	Amount (b)	
1	Governmental Affairs Activity	122,737	
2			
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original		Dec. 31, 2005
	(2) A Resubmission	04/30/06	

REGULATORY COMMISSION EXPENSES

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

Line No.	Description Furnish name of regulatory commission or body the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	Michigan Department of Commerce -				
2	Public Utility Assessment	437,575		437,575	
3	Rate Case Amortization	164,475		164,475	
4					
5	Legal Fees, Consulting Services		188,205	188,205	
6					
7					
8					
9					
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45					
46	TOTAL	602,050	188,205	790,255	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

REGULATORY COMMISSION EXPENSES (Continued)

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

4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 233 for Account 186.

5. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

6. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR		Deferred in Account 186, End of Year	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186	Contra Account	Amount		
Department	Account No.	Amount					
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
Admin.	928	437,575					1
Admin.	928	164,475					2
							3
							4
Admin.	928	188,205					5
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		790,255					46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) projects initiated continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)
2. Indicate in column (a) the applicable classification, as shown below. Classifications:
- A. Gas R, D & D Performed Internally
- (1) Pipeline
- a. Design
- b. Efficiency
- (2) Compressor Station
- a. Design
- b. Efficiency
- (3) System Planning, Engineering, and Operation
- (4) Transmission Control and Dispatching
- (5) LNG Storage and Transportation
- (6) Underground Storage
- (7) Other Storage
- (8) New Appliances and New Uses
- (9) Gas Exploration, Drilling, Production, and Recovery
- (10) Coal Gasification
- (11) Synthetic Gas
- (12) Environmental Research
- (13) Other (Classify and Include Items in Excess of \$5,000.)
- (14) Total Cost Incurred

Line No.	Classification (a)	Description (b)
1	NONE	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- B. Gas, R, D & D Performed Externally
 (1) Research Support to American Gas Association
 (2) Research Support to Others (Classify)
 (3) Total Cost Incurred
3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A.(1 and B.(2)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107 (Construction Work in Progress) first. Show in column (f) the amounts related to the account charged in column (e).
5. Show in column (g) the total unamortized accumulation of costs of projects. This total must equal the balance in Account 188 Research, Development, and Demonstration Expenditures outstanding at the end of the year.
6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d) and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

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)				
NONE					1
					2
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original		Dec. 31, 2005
	(2) A Resubmission	04/30/06	

DISTRIBUTION OF SALARIES AND WAGES

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)	0		
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)	0		
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)	0		
19	Transmission (Total of lines 4 and 13)	0		
20	Distribution (Total of lines 5 and 14)	0		
21	Customer Accounts (Line 6)	0		
22	Customer Service and Informational (Line 7)	0		
23	Sales (Line 8)	0		
24	Administrative and General (Total of lines 9 and 15)	0		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	0		
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Nat. Gas (Including Expl. and Dev.)	624		
30	Other Gas Supply	953		
31	Storage, LNG Terminating and Processing	51,394		
32	Transmission	10,523		
33	Distribution	3,443,314		
34	Customer Accounts	2,455,318		
35	Customer Service and Informational	73,580		
36	Sales	0		
37	Administrative and General	2,889,781		
38	TOTAL Operation (Total of lines 28 thru 37)	8,925,487		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas	1,507		
42	Other Gas Supply			
43	Storage, LNG Terminating and Processing	48,981		
44	Transmission	22,442		
45	Distribution	784,139		
46	Administrative and General	50,476		
47	TOTAL Maint. (Total of lines 40 thru 46)	907,545		

Name of Respondent	This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	(Mo, Da, Yr)	Dec. 31, 2005
	(2) A Resubmission	04/30/06	

DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	Gas (Continued)			
48	Total Operation and Maintenance			
49	Production - Manufactured Gas (Lines 28 and 40)	0		
50	Production - Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)	2,131		
51	Other Gas Supply (Lines 30 and 42)	953		
52	Storage, LNG Terminating and Processing (Lines 31 and 43)	100,375		
53	Transmission (Lines 32 and 44)	32,965		
54	Distribution (Lines 33 and 45)	4,227,453		
55	Customer Accounts (Line 34)	2,455,318		
56	Customer Service and Informational (Line 35)	73,580		
57	Sales (Line 36)	0		
58	Administrative and General (Lines 37 and 46)	2,940,257		
59	TOTAL Oper. and Maint. (Total of lines 49 thru 58)	9,833,032	1,228,975	11,062,007
60	Other Utility Departments			
61	Operation and Maintenance			0
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	9,833,032	1,228,975	11,062,007
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	2,963,904	370,441	3,334,345
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	2,963,904	370,441	3,334,345
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant	291,020	36,373	327,393
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	291,020	36,373	327,393
74	Other Accounts (Specify):			
75				
76	Merchandise			
77	Jobbing			
78	Other			
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81				
82				
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87				
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89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	0	0	0
96	TOTAL SALARIES AND WAGES	13,087,956	1,635,789	14,723,745

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

COMMON UTILITY PLANT AND EXPENSES	
<p>1. Furnish a schedule describing the property carried in the utility's accounts as common utility plant and showing the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 14, Common Utility Plant, of the Uniform System of Accounts. Such schedule also shall show the allocation of such plant costs to the respective departments using the common utility plant, explain the basis of allocation used, and give the allocation factors.</p> <p>2. Furnish a schedule of the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate</p> <p>including explanation of basis of allocation and factors used.</p> <p>3. Furnish a schedule showing for the year the expenses of operation, maintenance, rents, depreciation and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Such schedule also shall show the allocation of such expenses to the departments using the common utility plant to which such expenses related, explain the basis of allocation used, and give the factors of allocation.</p> <p>4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.</p>	

Line No.	
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
<p>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</p> <p>reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name and address of person or organization rendering services.</p> <p>(b) description of services received during the year and project or case to which services relate,</p> <p>(c) basis of charges,</p> <p>(d) total charges for the year, detailing utility department and account charged.</p> <p>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.</p> <p>3. Designate with an asterisk associated companies.</p>				
Line No.	PAYEE	DESCRIPTION OF SERVICE	AMOUNT	ACCT CHARGED
1				
2	SEMCO ENERGY, INC.	Management, Financial,	6,837,650	923.00
3	405 Water Street	Legal and Accounting		
4	Port Huron, MI 48060			
5				
6	SEMCO INFORMATION TECHNOLOGY INC	Information Technology/	2,105,439	923.10
7	975 Michigan	Communications		
8	Marysville, MI 48040			
9				
10	LOOMIS EWERT PARSLEY	Legal	144,691	923.10
11	232 S Capitol Ave, Ste 1000			
12	Lansing, MI 48933-1526			
13				
14	LITTLER MENDELSON	Legal	64,563	923.10
15	PO Box 45547			
16	San Francisco, CA 94145-0547			
17				
18	HONIGMAN, MILLER, SCWARTZ	Legal	60,656	923.10
19	2290 First National Building			
20	660 Woodward Ave			
21	Detroit, MI 48226-3583			
22				
23	ROBERT J RIETH	Legal	86,490	923.10
24	PO Box 187			
25	Hartfield, VA 23071-0187			
26				
27	JOHNSON FINANCIAL GROUP INC	Accounting	25,209	923.10
28	2100 W. Big Beaver, Suite 204			
29	Troy, MI 48084			
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	SEMCO ENERGY, INC.	Parent Company			
2			Admin & General	926,921	503,457
3			Payroll	VAR	610,354
4					
5					
6	SEMCO ENERGY GAS CO.	Division of the	Payroll	VAR	431,788
7	(BATTLE CREEK DIVISION)	Parent Company	Admin & General	VAR	84,868
8			Operational	VAR	113,005
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TOTAL					1,743,472

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.

6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which

reported.

7. In column (j) report the total.

8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
				503,457	Cost	2
				610,354	Cost	3
					Cost	4
						5
		VAR	107,947	539,735	Cost	6
				84,868	Cost	7
				113,005	Cost	8
						9
						10
						11
						12
						13
						14
						15
						16
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						28
						29
						30
			107,947	1,851,419		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

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

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	SEMCO ENERGY, INC.	Parent Company			
2			Admin & General	408-431 &	8,704,663
3			Operational	VAR	195,084
4					
5					
6	SEMCO ENERGY GAS CO	Division of the	Inventory		
7	(Battle Creek Division)	Parent Company	Payroll		
8			Operational	VAR	137,062
9					
10					
11	SEMCO INFORMATION TEC	Subsidiary of the	Operational	VAR	4,126,407
12		Parent Company			
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
TOTAL					13,163,216

Name of Respondent	This Report Is:	Date of Report	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	(Mo, Da, Yr) 04/30/06	Dec. 31, 2005

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

5. In columns (f) and (g) report the amount classified reported.
to non-operating income and the account(s) in which reported.

6. In columns (h) and (i) report the amount classified
to the balance sheet and the account(s) in which

7. In column (j) report the total.

8. In column (k) indicate the pricing method (cost,
per contract terms, etc.).

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
						1
				8,704,663	Cost	2
				195,084	Cost	3
						4
						5
		155	62,327	62,327	Cost	6
		VAR	77,425	77,425	Cost	7
				137,062	Cost	8
						9
						10
				4,126,407	Contract	11
						12
						13
						14
						15
						16
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			139,752	13,302,968		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

NATURAL GAS RESERVES AND LAND ACREAGE

1. Report below particulars (details) concerning the remaining recoverable saleable gas reserves and natural gas land acreage at end of year. Designate gas reserves on acreage acquired before October 8, 1969, and reserves on acreage acquired after October 7, 1969.

2. Classify the gas reserves and related land and land rights and costs under the sub-headings: (A) Producing Gas Lands, and (B) Non-producing Gas Lands. Provide a total for each classification.

3. For producing gas lands, report the required information alphabetically by State, County, or offshore area, and field.

If the field name is not assigned, report as "unnamed." Identify offshore fields according to their location in State or Federal domains by using the letter "S" for State domain, and "F" for Federal domain in column (a). For column (b), enter the zone number if applicable. The land, leasehold, and gas rights costs so reported should agree with the amounts carried under Account 101, Gas Plant in Service, and as reported for Accounts 325.1, 325.2, and 325.3 on pages 204-205. In column (e) show for each field the year and remaining recoverable saleable gas reserves available to respondent from owned lands, leaseholds, and gas rights.

Line No.	OFFSHORE AREA		Name of Field or Block (c)	Name of State / County / Offshore Area (d)	Recoverable Gas Reserves (Thousands Mcf) (e)	OWNED LANDS
	Domain (a)	Zone (b)				Acres (f)
1			A. PRODUCING GAS LANDS			
2						
3						
4						
5						
6						
7						
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38						
39						
40	TOTAL					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original	04/30/06	Dec. 31, 2005
	(2) A Resubmission		

NATURAL GAS RESERVES AND LAND ACREAGE (Continued)

4. For non-producing gas lands, report the required information alphabetically by State, County, or offshore area by blocks. Report offshore lands in the same manner as producing gas lands. The land leaseholds, and gas rights costs reported should agree with the amounts carried under Account 105, Gas Plant Held for Future Use, and 105.1, Production Properties Held for Future Use, and reported in total on pages 214 and 215. Do not report estimates of gas reserves (column (e)) for unproven fields; however, if the company made estimates for such lands and normally includes such estimates in stating its reserve position in connection with proposed financing or for managerial and other purposes, include such estimates on this page.

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

6. For columns (j) and (k), do not duplicate acreage reported for owned lands and leaseholds. Designate with an asterisk royalty interests separately owned.

7. Indicate by footnote whether acres reported are gross acres or net acres based on proportion of ownership in jointly owned tracts.

8. Do not include oil mineral interests in the cost of acreage reported.

9. Report volumes on a pressure base of 14.73 psia at 60 F.

OWNED LANDS (Cont.)	LEASEHOLDS		OWNED GAS RIGHTS		TOTAL		Line No.
Cost (g)	Acres (h)	Cost (i)	Acres (j)	Cost (k)	Acres (l)	Cost (m)	
	NONE						1
							2
							3
							4
							5
							6
							7
							8
							9
							10
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	0						40

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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CHANGES IN ESTIMATED HYDROCARBON RESERVES AND COSTS, AND NET REALIZABLE VALUE

1. Report changes during the year in recoverable saleable reserves of the respondent located on acreage acquired after October 7, 1969. Have the reported reserves attested to every three years by an independent appraiser. File the attestation with the Commission along with this report. If the reserves, at the time the reserve determination is made, significantly differ from those reported on this page, file a reconciliation and explanation of such differences along with the attestation.

2. For any important changes in the estimated reserves due to purchases, sales, or exchanges of lands, leaseholds, or rights, furnish on page 505 a brief explanation of the transactions and reserves

involved. Also, explain the criteria used to estimate the net realizable value of reserves.

3. For column (d), report the reserves and changes associated with lands, leaseholds, and rights included in Account 105.1, Production Properties Held for Future Use. (See Gas Plant Accounts Instruction 7G of the U.S. of A.).

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

5. For line 16 base the net realizable value of hydrocarbon reserves on the current selling price of the hydrocarbon reserves less estimated costs of extraction, completion, and disposal.

Line No.	Items (a)	Total Reserves Gas (Thousands Mcf) (b)	Lands, Leaseholds, and Rights		Total Reserves Oil and Liquids (Barrels) (e)	Investment (Net Book Value) (f)
			In Service Gas (Thousands Mcf) (c)	Held for Future Use Gas (Thousands Mcf) (d)		
1	Estimated Recoverable Reserves at Beginning of Year					
2	ADDITIONS					
3	Purchases and Exchanges of Lands, Leaseholds, and Rights					
4	Transfers from Reserves Held for Future Use					
5	Upward Revision of Basic Reserve Estimates (Explain in a footnote)					
6	Other Increases (Explain in a footnote)					
7	TOTAL Additions (Line 3 thru 6)	0	0	0	0	
8	DEDUCTIONS					
9	Production During Year					
10	Sales and Exchanges of Lands, Leaseholds, and Rights					
11	Transfers of Reserves Held for Future Use to Reserves in Service					
12	Downward Revision of Estimates of Recoverable Reserves (Explain in a footnote)					
13	Other Decreases (Explain in a footnote)					
14	TOTAL Deductions (Lines 9 thru 13)	0	0	0	0	
15	Estimate Recoverable Reserves at End of Year (Enter total of lines 1, 7, and 14)	0	0	0	0	
16	Net Realizable Value at End of Reporting Year (Explain on page 505): \$					

NOTES

NONE

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original		Dec. 31, 2005
	(2) A Resubmission	04/30/06	

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

Not Applicable

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06		Year of Report Dec. 31, 2005	
COMPRESSOR STATIONS							
1. Report below particulars (details) concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.				2. For column (a), indicate the production areas where such stations are used. Relatively small field compressor stations may be grouped by production areas. Show the number of stations grouped. Designate any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership, if			
Line No.		Name of Station and Location		Number of Employees		Plant Cost	
		(a)		(b)		(c)	
1		UNDERGROUND STORAGE Morton Well, Marysville, MI Collin Field, Cottrellville, MI		n/a n/a		1,384,327 1,341,340	
2							
3							
4							
5							
6							
7							
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41							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

COMPRESSOR STATIONS (Continued)

jointly owned. Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote the size of

each such unit, and the date each such unit was placed in operation.

3. For column (d), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Expenses (Except depreciation and taxes)			Operation Data			Line No.
Fuel or Power	Other	Gas for Compressor Fuel Mcf (14.73 psia at 60 F)	Total Compressor Hours of Operation During Year	No. of Compressors Operated at Time of Station Peak	Date of Station Peak	
(d)	(e)	(f)	(g)	(h)	(i)	
124,943 12,929		13,851 1,530	4,188 2,541	2 1	April 6, 2005 May 14, 2005	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
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						16
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Operation (1)	98,536					18
Maintenance (1)	203,606					19
						20
						21
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						25
						26
						27
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(1) Underground storage compressor station expenses are not separated between Morton and Collin.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(1) X An Original (2) A Resubmission	04/30/06	Dec. 31, 2005

GAS AND OIL WELLS

1. Report below the particulars (details) concerning gas and oil wells of the respondent which are either producing or capable of production.

2. Report the required information alphabetically by states. List wells located offshore separately.

3. For column (a), under separate headings, list gas wells first, oil wells second, and combination wells third. Combination wells are wells producing or capable of production from one or more oil reservoirs and also from one or more gas reserves. Enter totals for each of the headings (gas wells, oil wells, combination

wells). Designate any wells not operated during the past year, and in a footnote state whether the book cost of such wells, or any portion thereof, has been retired in the books of account, or what disposition of the wells and their book cost is contemplated.

4. In column (f), report wells reclassified during the year as oil wells, gas wells, or combination wells. Show additions in black and deductions enclosed in parentheses. The total additions equal the total deductions.

Line No.	Location of Wells (a)	Number of Wells Beginning of Year (b)	ADDITIONS DURING YEAR			Wells Reclassified (f)	EDUCTIONS 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	NONE									
2										
3										
4										
5										
6										
7										
8										
9										
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
GAS STORAGE PROJECTS				
<p>1. Report particulars (details) for total gas storage projects.</p> <p>2. Total storage plant (column b) should agree with amounts reported by the respondent in Accounts 350.1 to 364.8 inclusive (pages 204 - 205).</p> <p>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.</p>				
Line No.	Item (a)	Total Amount (b)		
1	Natural Gas Storage Plant			
2	Land and Land Rights	1,697,800		
3	Structures and Improvements	725,069		
4	Storage Wells and Holders	6,322,207		
5	Storage Lines	472,961		
6	Other Storage Equipment	11,016,435		
7	TOTAL (Enter Total of Lines 2 thru 6)	20,234,472		
8	Storage Expenses			
9	Operation	376,098		
10	Maintenance	254,114		
11	Rents			
12	TOTAL (Enter Total of Lines 9 thru 11)	630,212		
13	Storage Operations (In Mcf)			
14	Gas Delivered to Storage			
15	January	4,904		
16	February	30,860		
17	March	192,974		
18	April	1,179,999		
19	May	1,409,963		
20	June	1,749,243		
21	July	1,608,832		
22	August	1,488,106		
23	September	1,547,686		
24	October	966,686		
25	November	535,933		
26	December	155,450		
27	TOTAL (Enter Total of Lines 15 thru 26)	10,870,636		
28	Gas Withdrawn from Storage			
29	January	2,719,582		
30	February	2,056,383		
31	March	2,043,691		
32	April	334,246		
33	May	314,828		
34	June	-181,163		
35	July	9,493		
36	August	784		
37	September	23,864		
38	October	78,681		
39	November	880,145		
40	December	2,445,645		
41	TOTAL (Enter Total of Lines 29 thru 40)	10,726,179		

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

GAS STORAGE PROJECTS (Continued)

Line No.	Item (a)	Total Amount (b)
	Storage Operations (In Mcf)	
42	Top or Working Gas End of Year	9,420,058
43	Cushion Gas (Including Native Gas)	2,622,101
44	Total Gas in Reservoir (Enter Total of Line 42 and 43)	12,042,159
45	Certified Storage Capacity	6,256,044
46	Number of Injection - Withdrawal Wells	8
47	Number of Observation Wells	5
48	Maximum Day's Withdrawal from Storage	70,258
49	Date of Maximum Day's Withdrawal	01/22/05
50	LNG Terminal Companies	
51	Number of Tanks	
52	Capacity of Tanks	
53	LNG Volumes	
54	a) Received at "Ship Rail"	
55	b) Transferred to Tanks	
56	c) Withdrawn from Tanks	
57	d) "Boil Off" Vaporization Loss	
58	e) Converted to Mcf at Tailgate of Terminal	

Name of Respondent	This Report Is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year of Report
SEMCO ENERGY GAS CO (MPSC Division)	(2) A Resubmission	04/30/06	Dec. 31, 2005

DISTRIBUTION AND TRANSMISSION LINES

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

Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to 0.1) (b)
1	Michigan Transmission Lines:	
2	Macomb Township - Marysville	29.7
3	Interconnecting Minor Wells	0.8
4	Casco to East China Township 12" to 6"	9.8
5	Mich-Con Tie-in 12" Casco Township	0.8
6	8" Akron Township to Cass City	20.4
7	12" Gratiot Avenue to Morton Well	0.6
8	12" to 6" - St. Clair	9.0
9	Casco Township to Kenockee Township	16.8
10	6" to 8" Consumers Power Co. to 8" Elmwood Rd. - Akron Township	1.1
11	8" Bethuy Road to North Road	0.4
12	6" Hill Road Wells - Wales Township	2.8
13	8" Starville Road	7.8
14	Great Lakes - Southeastern Michigan Gas Interchange	0.3
15	16" Stl Belle River Lateral	1.6
16	16" Stl Southern Energy Lateral	7.4
17	12" Stl New Haven Bus Garage	0.1
18	TOTAL Transmission Lines	109.4
19	TOTAL Distribution Lines	4,872.8
20	TOTAL	4,982.2

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
LIQUEFIED PETROLEUM GAS OPERATION					
<p>1. Report the information called for below concerning plants which produce gas from liquefied petroleum gas (LPG). installation which is only an adjunct of a manufactured gas plant, may include or exclude (as appropriate) the plant cost and expenses of any plant used jointly with the manufactured gas facilities on the basis of predominant use. Indicate in a footnote how the plant cost and expenses for the liquefied petroleum plant described</p> <p>2. For column (a), give city and State or such other designation necessary to locate plant on a map of the respondent's system.</p> <p>3. For columns (b) and (c), the plant cost and operation and maintenance expenses of any liquefied petroleum gas above are reported.</p>					
Line No.	Location of Plant and Year Installed (City, state. etc.) (a)	Cost of Plant (Land struct. equip.) (b)	Expenses		
			Oper. Maintenance, Rents, etc. (c)	Cost of LPG Used (d)	
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
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39					
40	TOTAL				

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
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LIQUEFIED PETROLEUM GAS OPERATIONS (Continued)					
<p>Designate any plant held under a title other than full ownership and in a footnote state name of owner or co-owner, nature of respondent's title, and percent ownership if jointly owned.</p> <p>4. For column (g) report the Mcf that is mixed with natural gas or which is substituted for deliveries normally made from natural gas. Natural gas means either gas unmixed or any mixture of natural and manufactured gas or mixture of natural gas and gasified LPG.</p> <p>5. If any plant was not operated during the past year, give particulars (details) in a footnote, and state whether the book cost of such plant, or any portion thereof, has been retired in the books of account, or what disposition of the plant and its book cost is contemplated.</p> <p>6. Report pressure base of gas at 14.73 psia at 60 F. Indicate the Btu content in a footnote.</p>					
Gallons of LPG Used (e)	Gas Produced		LPG Storage Cap. Gallons (h)	Function of Plant (Base load, peaking, etc.) (i)	Line No.
	Amount of Mcf (f)	Amount of Mcf Mixed with Natural Gas (g)			
Not Applicable					1
					2
					3
					4
					5
					6
					7
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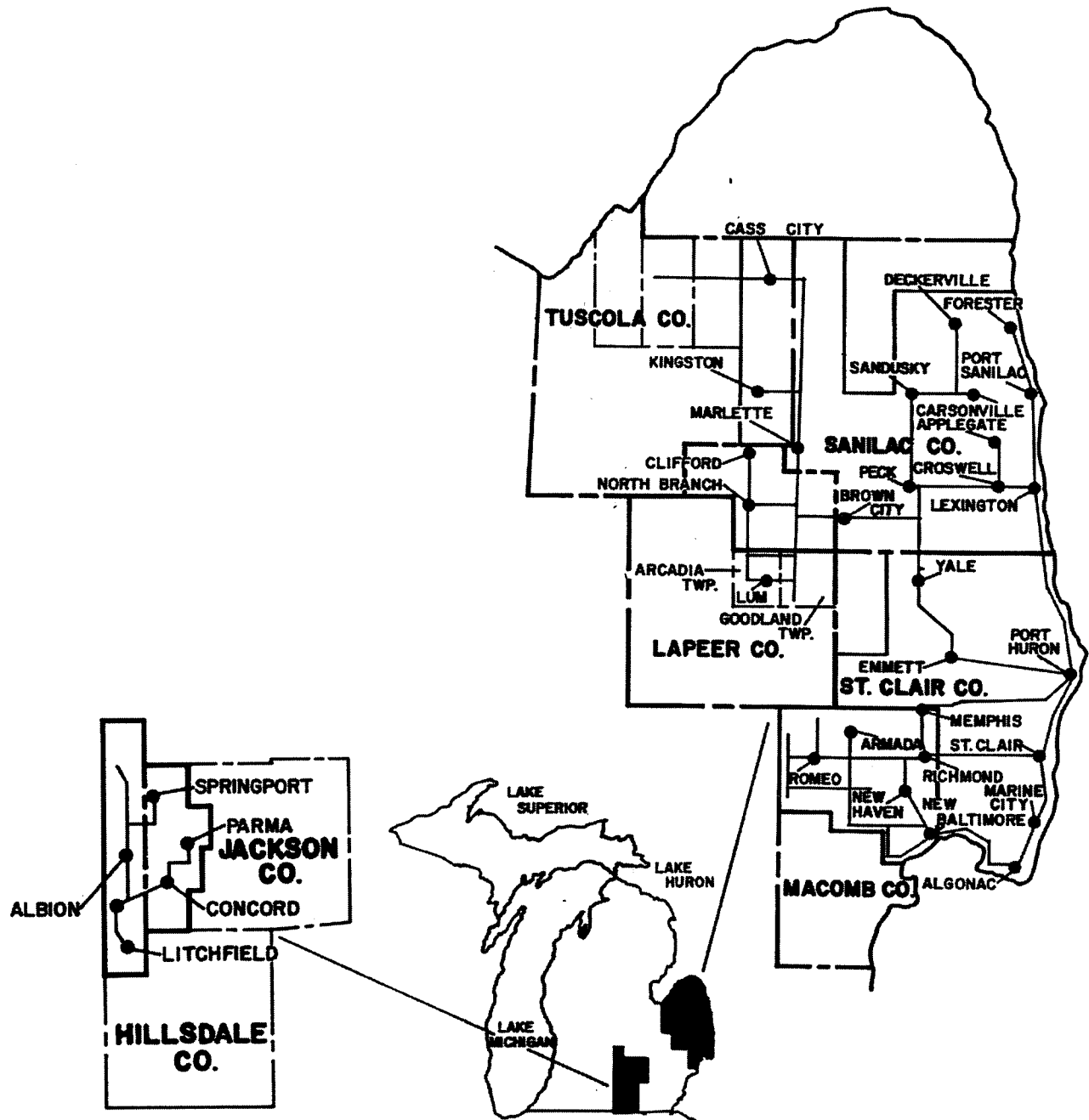
Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
DISTRIBUTION SYSTEM PEAK DELIVERIES					
1. Report below the total distribution system deliveries of gas, excluding deliveries to storage the periods of system peak deliveries indicated below during the calendar year. 2. Report Mcf on a pressure base of 14.73 psia at 60 F					
Line No.	Item (a)	Day / Month (b)	Amount of Mcf (c)	Curtailments on Day/Month Indicated (d)	
	Section A. Three Highest Days of System Peak Deliveries				
1	Date of Highest Day's Deliveries	1/17/2005			
2	Deliveries to Customers Subject to MPSC Rate Schedules		309,707		
3	Deliveries to Others		61,713		
4	TOTAL		371,420		
5	Date of Second Highest Day's Deliveries	1/22/2005			
6	Deliveries to Customers Subject to MPSC Rate Schedules		292,543		
7	Deliveries to Others		41,747		
8	TOTAL		334,290		
9	Date of Third Highest Day's Deliveries	1/27/2005			
10	Deliveries to Customers Subject to MPSC Rate Schedules		270,336		
11	Deliveries to Others		55,631		
12	TOTAL		325,967		
	Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)				
13	Dates of Three Consecutive Days Highest System Peak Deliveries	1/16/2005			
		1/17/2005			
		1/18/2005			
14	Deliveries to Customers Subject to MPSC Rate Schedules		842,276		
15	Deliveries to Others		169,000		
16	TOTAL		1,011,276		
17	Supplies from Line Pack		0		
18	Supplies from Underground Storage		102,706		
19	Supplies from Other Peaking Facilities		0		
	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		6,824,866		
22	Deliveries to Others		1,456,613		
23	TOTAL		8,281,479		

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005	
AUXILIARY PEAKING FACILITIES						
<p>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.</p> <p>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</p> <p>For other facilities, report the rated maximum daily delivery capacities.</p> <p>3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominate use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.</p>						
Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility, Mcf at 14.73 psia at 60 F (c)	Cost of Facility (In dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
					Yes (e)	No (f)
1	Morton Field	Underground Storage	60,000	10,617,837	YES	
2	Marysville, MI					
3						
4	Collin Field	Underground Storage	21,000	9,616,634	YES	
5	Cottrellville, MI					
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Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
SYSTEM MAPS			
<p>1. Furnish 2 copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.</p> <p>2. Indicate the following information on the maps:</p> <ul style="list-style-type: none"> (a) Transmission lines - colored in red, if they are not otherwise clearly indicated. (b) Principal pipeline arteries of gathering systems. (c) Sizes of pipe in principal pipelines shown on map. (d) Normal directions of gas flow - indicated by arrows. (e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas. (f) Locations of compressor stations, products extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc. (g) Important main line interconnections with other natural gas companies, indicating in each case whether gas is received or delivered and name of connecting company. (h) Principal communities in which respondent renders local distribution service. <p>3. In addition, show on each map: graphic scale to which map is drawn; date as of which the map represents the facts it purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.</p> <p>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.</p>			
<p>See Attached Map</p>			



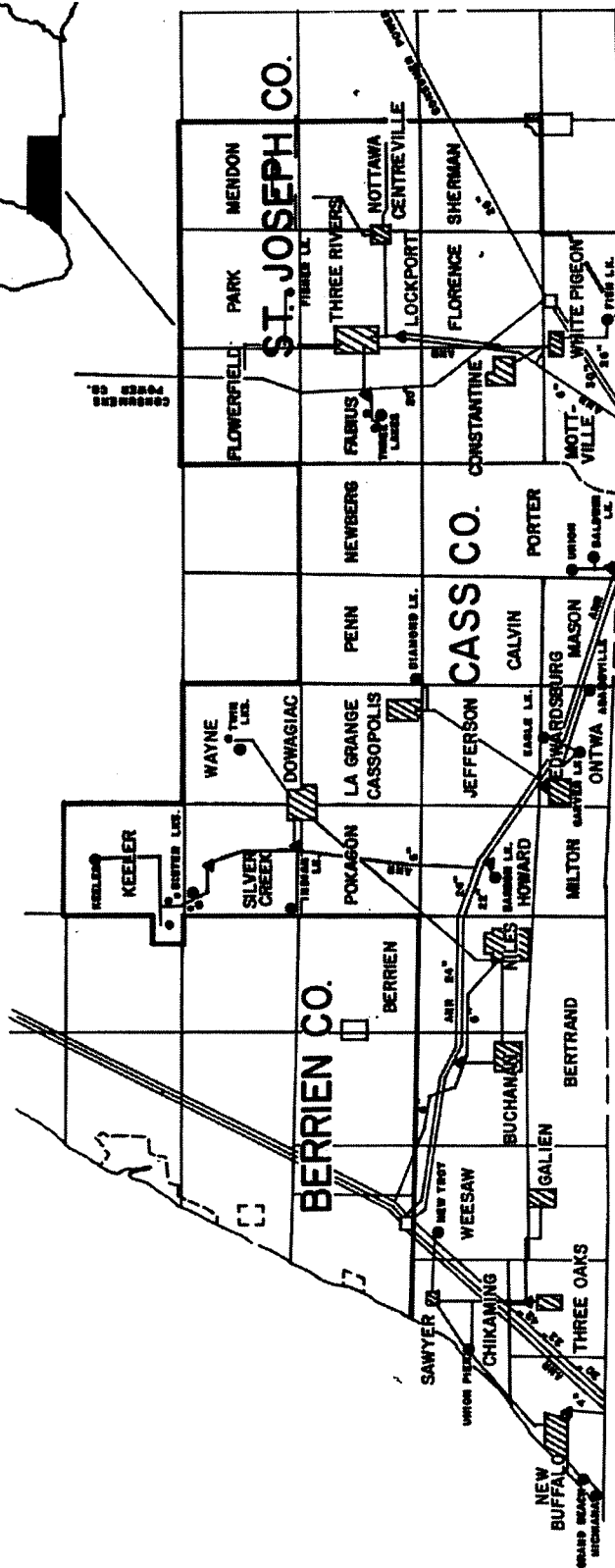
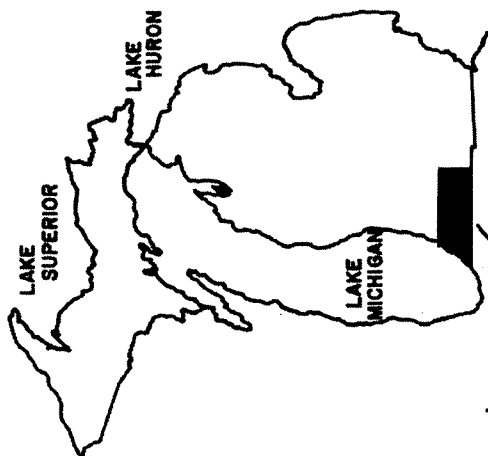
SEMCO ENERGY



NATURAL GAS PURCHASE STATIONS

- ▲ INTERCONNECTED STATION
- AREA SERVED

SSB 3.16.06



NATURAL GAS PURCHASE STATIONS

- ▲ INTERCONNECTED STATION
● AREA SERVED

SSB 3.16.06

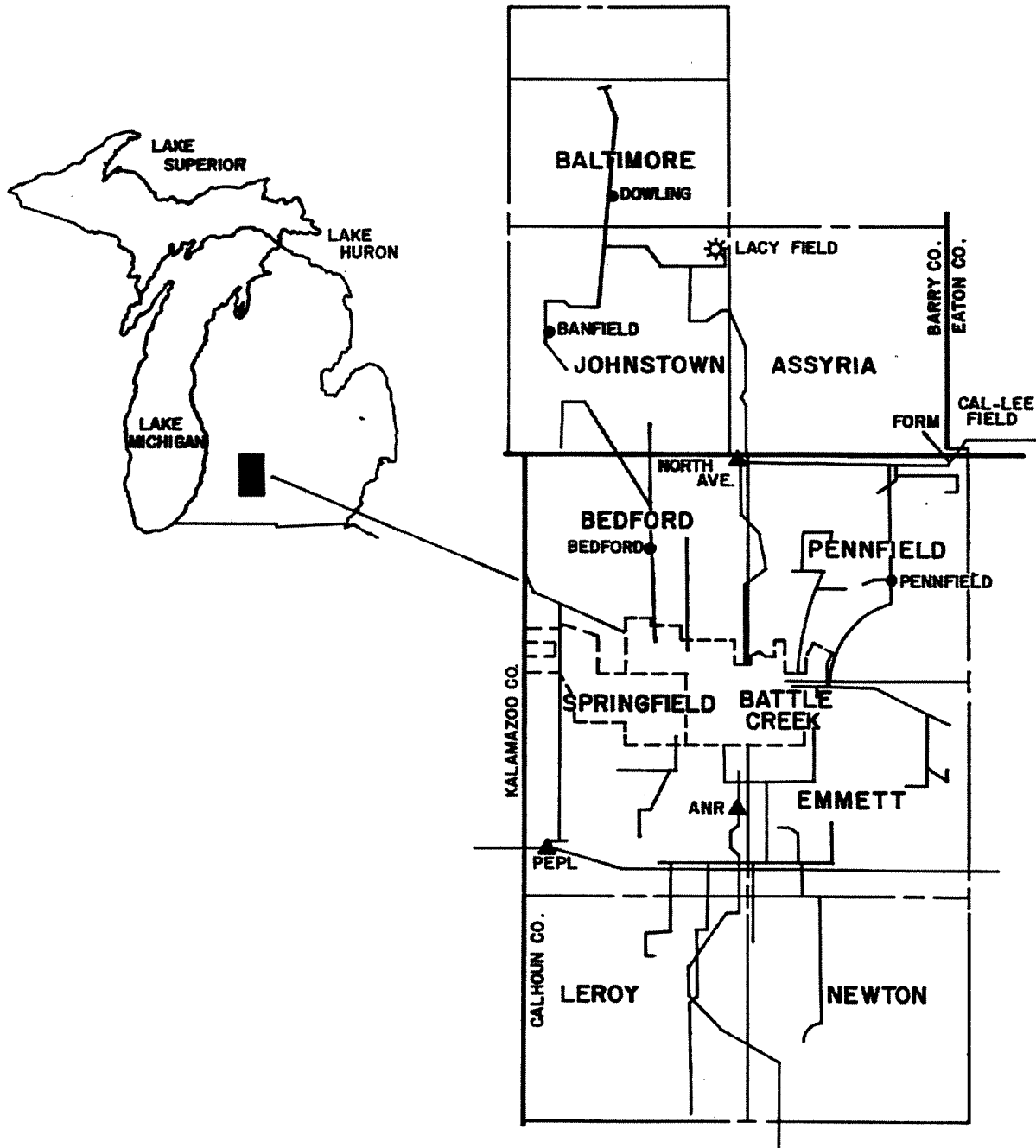


▲ INTERCONNECTED STATION
● AREA SERVED

SSB 3.16.06



SEMCO ENERGY



NATURAL GAS PURCHASE STATIONS

▲ INTERCONNECTED STATION

● AREA SERVED

SSB 3.16.06

Name of Respondent SEMCO ENERGY GAS CO (MPSC Division)		This Report Is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 04/30/06	Year of Report Dec. 31, 2005
FOOTNOTE DATA					
Page No. (a)	Line No. (b)	Column No. (c)	Comments (d)		
			See 2005 form 10-K Annual Report for footnote data.		

INDEX

<u>Schedule</u>	<u>Page No.</u>
Abandoned leases	326
Accrued and prepaid taxes	262-263
Accounts receivable	228A
Accumulated Deferred Income Taxes	234-235, 272-5, 276A-B, 277
Accumulated provisions for depreciation of	
common utility plant	356
utility plant	219
utility plant (summary)	200-201
Advances	
for gas	229
from associated companies	256-257
from customers for construction	268
to associated companies	222-223
Amortization	
miscellaneous	340
of nonutility property	221
of other gas plant in service	336-338
and depletion of production natural gas land and land rights	336-338
Appropriations of Retained Earnings	118-119
Assets miscellaneous current & accrued	268
Associated Companies	
advances from	256-257
advances to	222-223
control over respondent	102
corporations controlled by respondent	103
interest on debt to	256-257
investment in	222-223
payables to	260B
receivables from	228B
service contracts charges	357
summary of costs billed to	358-359
summary of costs billed from	360-361
Attestation	1
Balance Sheet	
comparative	110-113
notes to	122-123
Bonds	256-257
Calculation of Federal Income Taxes	261C-D
Capital Stock	250-251
discount	254
expenses	254
installments received	252
liability for conversion	252
premiums	252
reacquired	250-251
subscribed	252
Cash flows, statement of	120-121
Changes	
important during year	108-109
Charges for outside professional and other consultative services	357
Civic activities, expenditures for	343
Compressor stations	508-509

INDEX

<u>Schedule</u>	<u>Page No.</u>
Construction	
overheads, gas	217
overhead procedures, general description of	218
work in progress - common utility plant	356
work in progress - gas	216
work in progress - other utility departments	200-201
Consultative services, charges for	357
Control	
corporation controlled by respondent	103
over respondent	102
security holders and voting powers	106-107
Corporation	
controlled by respondent	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii
Current and accrued liabilities, miscellaneous	268
Deferred	
credits, other	269
debts, miscellaneous	233
income taxes, accumulated - accelerated amortization property	272-273
income taxes, accumulated - other property	274-275
income taxes, accumulated - other	276A-B
income taxes, accumulated - pollution control facilities	234-235
income taxes, accumulated - temporary	277
regulatory expenses	350-351
Definitions, this report form	iii-iv
Demonstration and development, research	352-353
Depletion	
amortization and depreciation of gas plant	336-338
and amortization of producing natural gas land and land rights	336-338
Depreciation and amortization	
of common utility plant	356
of gas plant	219, 336-338
Directors	105
Discount on capital stock	254
Discount - premium on long-term debt	256-257
Disposition of property, gain or loss	342A-B
Distribution Lines	514
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Exchange Gas Transactions	328-330
Expenses	
gas operation and maintenance	320-325
gas operation and maintenance (nonmajor)	320N-324N
gas operation and maintenance, summary	325
unamortized debt	256-257
Exploration and development expenses	326
Extraordinary property losses	230
Filing requirements, this report form	i-ii
Footnote Data	551

INDEX

<u>Schedule</u>	<u>Page No.</u>
Gains	
on disposition of property	342A-B
unamortized, on reacquired debt	260
Gas	
advances	229
exchanged, natural	328-330
production and gathering statistics, natural	506
purchases, natural and other	327
reserves, land acreage, natural gas	500-501
stored underground	220
used in utility operations, credit	331
plant in service	202-212B
General description of construction overhead procedure	218
General information	101
General instructions	ii-iii
Identification	101
Important changed during year	108-109
Income	
deductions - details	256-259, 340
from utility plant leased to others	339
statement of, by departments	114-117
statement of, for the year (see also revenues)	114-117
Incorporation information	101
Installments received on capital stock	252
Interest	
charges, on debt to associated companies	340
charges, other	340
charges, paid on long-term debt, advances, etc.	256-257
received from investments, advances, etc.	222-223
Investment tax credits, accumulated deferred	266-267
Investment tax credits generated and utilized	264-265
Investments	
in associated companies	222-223
nonutility property	221
other	222-223
securities disposed of during year	222-223
subsidiary companies	224-225
temporary cash	222-223
Law, excerpts applicable to this report form	i-iv
Legal proceedings during year	108-109
Leases	
income from utility plant leased to others	339
lease rentals charged	333A-D
Liabilities, miscellaneous current & accrued	268
Liquefied petroleum gas operation	516-517
List of schedules, this report form	2-4
Long-term debt	256-257
Losses - Extraordinary property	230
Losses	
on disposition of property	342A-B
operating, carryforward	117C
unamortized, on reacquired debt	260
Management and engineering contracts	357
Map, system	522

INDEX

<u>Schedule</u>	<u>Page No.</u>
Materials and supplies	228C
Miscellaneous general expenses	335
Nonutility property	221
Notes	
payable	260A
payable, advances from associated companies	256-257
receivable	228A
to balance sheet	122-123
to statement of cash flow	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Number of Gas Department Employees	325
Officers and officers' salaries	104
Oil and gas wells, number of	510
Operating	
expenses - gas	320-325
expenses - gas (summary)	325
loss carryforward	117C
revenue - gas	300-301
Operation and maintenance expense (nonmajor)	320N-324N
Other	
donations received from stockholders	253
gains on resale or cancellations of reacquired capital stock	253
income accounts	341
miscellaneous paid-in capital	253
other supplies expense	334
paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Outside services, charges for	357
Overhead, construction - gas	217
Payables, to associated companies	260B
Peak, deliveries, distribution system, Mcf	518
Peaking facilities, auxiliary	519
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	217-218
	336-338
	500-519
Plant - gas	
accumulated provision for depreciation	219
construction work in progress	216
held for future use	214
in service	204-212B
leased to others	213

INDEX

<u>Schedule</u>	<u>Page No.</u>
Plant - utility	
and accumulated provisions (summary)	200-201
leased to others, income from	339
Political activities, expenditures for	343
Pollution control facilities, accumulated deferred income taxes	234-235
Preliminary survey and investigation charges	231
Premium and discount on long-term debt	256-257
Premium on capital stock	252
Prepaid gas purchases under purchase agreements	226-227
Prepaid taxes	262-263
Prepayments	230
Production	
properties held for future use	215
Professional services, charges for	357
Property - losses, extraordinary	230
Purchased gas	327, 327A-B
Reacquired	
capital stock	250-251
debt, unamortized loss and gain on	260
long-term debt	256-257
Receivables	
from associated companies	228B
notes and accounts	228A
Receivers' certificates	256-257
Reconciliation of deferred income tax expense	117A-B
Reconciliation of reported net income with taxable income	
for Federal income taxes	261A-B
Regulatory Assets, Other	232
Regulatory Commission Expenses Deferred	233, 350-351
Regulatory Commission Expenses For Year	350-351
Regulatory Liabilities, Other	278
Rent	
from lease of utility plant	339
lease rentals charged	333A-D
Research, development and demonstration activities	352-353
Reserves	
changes in estimated hydrocarbon	504-505
natural gas land acreage	500-501
Retained Earnings	
amortization reserve, Federal	119
appropriated	118-119
statement of, for year	118-119
unappropriated	118-119
Revenues	
from natural gas processed by others	315
from transportation of gas of others	312-313
gas operating	300-301
Salaries and wages	
directors fees	105
distribution of	354-355
officers'	104

INDEX

<u>Schedule</u>	<u>Page No.</u>
Sales	
gasoline - extracted from natural gas	315
natural gas - for resale	310A-B
products extracted from natural gas	315
Schedules, this report form	2-4
Securities	
disposed of during year	222-223
holders and voting powers	106-107
investment in associated companies	222-223
investment, others	222-223
investment, temporary cash	222-223
issued or assumed during year	255
refunded or retired during year	255
registered on a national exchange	250-251, 256-257
Service contract charges	357
Statement of cash flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Stock liability for conversion	252
Storage of natural gas, underground	512-513
Supplies - materials and	228C
Survey and investigation, preliminary charges	231
System map	522
Taxes	
accrued and prepaid	262-263
accumulated deferred income - temporary	277
calculation of, federal	261C-D
charged during year	262-263
on income, deferred and accumulated	234.235, 272-275
reconciliation of deferred income tax expense	276A-B
reconciliation of net income with taxable income	117A-B
reconciliation of net income with taxable income	261A-B
Temporary cash investments	222-223
Transmission	
and compression of gas by others	332-333
lines	514
Transportation of gas of others - revenues	312-313
Unamortized	
debt discount	258-259
debt expense	258-259
loss and gain on reacquired debt	260
premium on debt	258-259
Uncollectible accounts, provision for	228A
Underground	
storage of natural gas, expense, operating data, plant	512-513
gas, stored	220
Unrecovered Plant and Regulatory Study Costs	230
Wells, gas and oil, number of	510