

FEB 27 2007

**NONMAJOR GAS UTILITIES WITH ANNUAL
SALES OF LESS THAN 200,000 MCF**

ANNUAL REPORT OF:

AURORA GAS COMPANY

**REGULATED ENERGY
DIVISION**

(Name of Company)

TO THE

MICHIGAN PUBLIC SERVICE COMMISSION

For the Fiscal Year Ending:

SEPTEMBER 30, 2006

(Read Instructions on Last Page Carefully Before Filling Out Report)

Name of Company: Aurora Gas Company

Post Office Address: P.O. Box 721, Onaway, MI 49765

Organization: Corporation
(Corporation, Partnership or Individual)

Date of Organization: January 13, 1984 Under the laws of what state? Michigan

Printed name of person who prepared this report: Straley, Ilsley & Lamp P.C.

Signature of person who prepared this report: Straley Ilsley & Lamp P.C.

If incorporated, give the titles, names and addresses of all company officials at close of year:

<u>Name</u>	<u>Title</u>	<u>Address</u>
John S. Tierney	President	P.O. Box 721 Onaway, MI 49765
John S. Tierney	Secretary	P.O. Box 721 Onaway, MI 49765
John S. Tierney	Treasurer	P.O. Box 721 Onaway, MI 49765
John S. Tierney	Manager	P.O. Box 721 Onaway, MI 49765

If not incorporated, state the name and address of owner or owners and the extent of their respective interests:

<u>Name</u>	<u>Address</u>

Name of any stockholders owning or controlling 10% or more of the stock, and number of votes to which each said stockholder is entitled:

<u>Name</u>	<u>Address</u>	<u>Number of Votes</u>
John S. Tierney	P.O. Box 721 Onaway, MI 49765	1
Helen C. Tierney	P.O. Box 721 Onaway, MI 49765	1

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report September 30, 2006
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PROPERTIES USED IN OPERATION

Line No.	Description and Location, Including County and City or Township (a)	Date Purchased (b)	Date Placed In Service (c)	Original Cost (d)
1	Office Building Waverly Twp, Cheboygan Michigan	08/01/84	08/01/84	\$71,333
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26	TOTAL			

Notes to Financial Statements

Name of Respondent		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report September 30, 2006
BALANCE SHEET				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	INVESTMENTS			
2	Total Utility Plant in Service	5,106,607	5,253,758	
3	Construction Work in Progress			
4	Total Utility Plant (2 + 3)	5,106,607	5,253,758	
5	Accumulated Provision for Depreciation	1,864,455	2,005,799	
6	Net Utility Plant (4 - 5)	3,242,152	3,247,959	
7	Other Property			
8	Other Investments (please describe here)	151,427	132,202	
9	Total Property and Investments (6 thru 8)	3,393,579	3,380,161	
10	CURRENT ASSETS			
11	Cash	102,704	22,099	
12	Notes Receivable - Net	11,276	11,704	
13	Accounts Receivable - Net	77,875	95,212	
14	Material and Supplies	413,607	839,070	
15	Prepayments	8,858	8,968	
16	Other Current and Accrued Assets	605,484	561,840	
17	Total Current and Accrued Assets (10 thru 15)	1,219,804	1,538,893	
18	Deferred Debits	7,191	6,804	
19	Total Assets (9 + 17 + 18)	4,620,574	4,925,858	
20	LIABILITIES & STOCKHOLDERS EQUITY			
21	STOCKHOLDER EQUITY			
22	Capital Stock	30,000	30,000	
23	Retained Earnings	618,574	367,026	
24	Total Stockholders Equity (22 + 23)	648,574	397,026	
25	Long -Term Debt	3,344,294	3,176,133	
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable			
28	Accounts Payable	160,781	89,205	
29	Customer Deposits			
30	Other Current and Accrued Liabilities	342,442	1,097,198	
31	Total Current and Accrued Liabilities (27 thru 30)	503,223	1,186,403	
32	Deferred Credits	124,483	166,296	
33	Total Liabilities and Equity (24+25+31+32)	4,620,574	4,925,858	

Name of Respondent		This Report Is: (1) [] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report September 30, 2006
STATEMENT OF INCOME				
Line	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	Operating Revenues	3,151,125	3,698,206	
2	Natural Gas Production Expense			
3	Cost of Purchased Gas	1,794,980	2,757,099	
4	Transmission Expense			
5	Distribution Expense Operation			
6	Distribution Expense - Maintenance			
7	Administrative & General Expense			
8	Other Expenses	665,074	664,337	
9	Total Operation & Maintenance Expense (2 thru 8)	2,460,054	3,421,436	
10	Depreciation & Amortization Expense	161,792	148,181	
11	Tax Expense	59,337	52,958	
12	Interest Expense	214,834	280,447	
13	Other Deductions	55,044	55,044	
14	Total Cost of Gas Service (9 thru 13)	2,951,061	3,958,066	
15	Income From Operations (1 - 14)	200,060	(259,860)	
16	Miscellaneous Non-Operating Income	10,058	(4,303)	
17	Miscellaneous Non-Operating Deductions			
18	Total Non-Operating Income (Loss)	10,058	(4,303)	
19	NET INCOME (15 + 18)	210,122	(264,163)	

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

- 1 Report below the distribution of customers, sales and revenue for the year by individual rate schedules.
- 2 Column (a): List all rate schedules by identification number or symbol. Where the same rates schedule designation applies to different rates in different zones, cities or districts, list separately data for each such area.
- 3 Column (b): Give the type of service to which rate schedule is applicable (ex. Commercial heating, space heating, etc)
- 4 Column (c): Indicate the class or classes of customers served under each rate schedule.
- 5 Column (d): Give the average number of customers billed under each rate schedule during the year.
- 6 Columns (e) and (f): For each rate schedule listed, enter the total number of Mcf sold to, and revenues received from customers billed under that rate schedule.
- 7 If a rate schedule was not in effect during the entire year, indicate in a foot note the period in which it was in effect.

Line No.	Rate Schedule Designation (a)	Type of Service to Type of Service to (b)	Class of Service (c)	Ave Number of Customers per Month (d)	Mcf Sold (e)	Revenue (f)
1	Residential			2,365	162,177	\$2,259,653
2	Commercial			161	71,816	\$1,001,832
3	Public Service			4	6,959	\$96,667
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Notes to Financial Statements

Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
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OFF-SYSTEM SALES OF NATURAL GAS

Report the details concerning off-system sales. Off-system sales include all sales other than MPSC approved rate schedule sales.

Line No.	Name (a)	Point of Delievery (City/Town, State) (b)	Account (c)	Mcf of Gas Sold (apprx BTU per CubicFt) (d)	Revenue For Year (e)	Average Revenue Per Mcf (f)	Peak Day Delivery to Cusotomers		
							Date (g)	Mcf	
								Noncoincidental (h)	Coincidental (i)
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Name of Respondent		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report		
REVENUE FROM TRANSPORTATION OF GAS OF OTHERS - NATURAL GAS (Account 489)							
<p>1 Report below the details of revenue from transportation or compression (by respondent) of natural gas for others. Subdivide revenue between transportation or compression for Interstate pipeline companies and others.</p> <p>2 Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. Designate with an asterisk if gas transported or compressed is other than natural gas.</p> <p>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.</p> <p>4 Designate points of receipt and delivery so that they can be identified on map of the respondent's pipeline system.</p> <p>5 Enter Mcf at 14.73 psi at 60 degrees Fahrenheit. 6 Minor Items (less than 1,000,000 Mcf) may be grouped.</p>							
Line No.	Name of Company and Description of Service Performed (a)	Distance Transported (in miles) (b)	Mcf of Gas Received (c)	Mcf of Gas Delivered (d)	Revenue (e)	Ave Revenue per Mcf of Gas Delivered (in cents) (f)	FERC Tariff Rate Schedule Designation (g)
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GENERAL INSTRUCTIONS

- 1 This form for Annual Report should be filled out and copied in duplicate with one copy returned to the office of the Michigan Public Service Commission by April 30, following the year for which made. The remaining copy should be retained by the Utility Company in its permanent files in case correspondence with regard to this report becomes necessary.
- 2 Additional statements inserted for the purpose of further explanation of accounts or schedules should be made on durable paper the same size as this report and securely attached.
- 3 There should always appear some notation to indicate that the questions asked have not been overlooked. The word "None" may be used against any particular item or items where that word expresses the fact.
- 4 The Oath on this page must be administered by a Notary Public or other officer authorize to administer oaths.

OATH

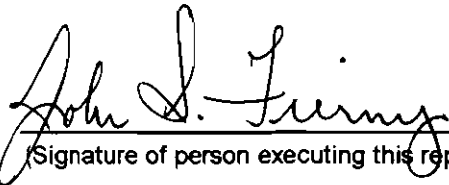
State of ... Michigan

} ss.

County of Cheboygan

I, the undersigned, on oath do say that I am John S Tierney President
(State official position as owner or officer)

of the Utility Company for whom the foregoing annual report was prepared; that the same was prepared by myself or under my direction; that I have full and complete knowledge of the affairs of the said Natural Gas Purchaser and/or Carrier that I have examined the foregoing annual report and declare the same to be a correct and complete statement of the business and affairs of said Utility Company in respect to each and every matter and thing therein set forth, to the best of my knowledge, information and belief.



(Signature of person executing this report)

7038 Black River Road
(Address of person executing this report)

SUBSCRIBED AND SWORN BEFORE ME

at Cheboygan Co

this 16th day of Feb, 2007


(Signature of person executing this report)

My Commission expires 10/26/2007

Office Manager
(Official Title)