

**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 period covering:	
January 1, 2011 through December 31, 2011	
Present legal name of respondent:	
Michigan Gas Utilities Corporation	
Address of principal place of business:	
899 South Telegraph Road, Monroe, MI 48161	
Utility representative to whom inquiries regarding this report may be directed:	
Name: Barbara Nick	Title: President
Address: 899 South Telegraph Road	
City: Monroe	State: MI Zip Code: 48161
Telephone: (734) 457-6156	E-Mail: BANick@integrysgroup.com
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:	
<input type="checkbox"/> were forwarded to the Commission	
<input checked="" type="checkbox"/> will be forwarded to the Commission	
on or about April 30, 2012	
Annual reports to stockholders:	
<input checked="" type="checkbox"/> are published <input type="checkbox"/> are not published	

**FOR ASSISTANCE IN COMPLETION OF THIS FORM:**

Contact the Michigan Public Service Commission (Deanne Rivera) at  
(517) 335-0535 or riverad@michigan.gov OR forward correspondence to:

Regulated Energy Division (Deanne Rivera)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
PO Box 30221  
Lansing, MI 48909



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Michigan Gas Utilities Corporation:

We have audited the balance sheet – regulatory basis of Michigan Gas Utilities Corporation (the “Company”) as of December 31, 2011, and the related statements of income – regulatory basis, retained earnings – regulatory basis, and cash flows – regulatory basis for the year ended December 31, 2011, included on pages 110(M) through 123 of the accompanying Michigan Public Service Commission Form P-522. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note A, these financial statements were prepared in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such regulatory-basis financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2011, and the results of its operations and its cash flows for the year then ended, in accordance with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of the Company and for filing with the Michigan Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

April 30, 2012





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

GENERAL INFORMATION

I. Purpose:

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

II. Who Must Submit:

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

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

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

III. What and Where to Submit:

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

Michigan Public Service Commission  
Licensing & Enforcement Division  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

Retain one copy of this report for your files.

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

Michigan Public Service Commission  
Licensing & Enforcement Division  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

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

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

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

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

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

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

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

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

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

Michigan Public Service Commission  
Licensing & Enforcement Division  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

#### IV. When to Submit

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

#### GENERAL INSTRUCTIONS

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

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


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

#### DEFINITIONS

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

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

## ANNUAL REPORT OF NATURAL GAS COMPANIES (Major and Nonmajor)

IDENTIFICATION		
01 Exact Legal Name of Respondent Michigan Gas Utilities Corporation		02 Year of Report December 31, 2011
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) 899 South Telegraph Road, Monroe, Michigan 48161		
05 Name of Contact Person Barbara A. Nick	06 Title of Contact Person President	
07 Address of Contact Person (Street, City, State, Zip) 899 South Telegraph Road, Monroe, Michigan 48161		
08 Telephone of Contact Person, Including Area Code: (734) 457-6115	09 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) April 30, 2012
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 April 1 and including December 31 of the year of the report.		
01 Name Barbara A. Nick	03 Signature 	04 Date Signed (Mo, Da, Yr) April 19, 2012
02 Title President		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
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)	
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
General Information	101		
Control Over Respondent & Other Associated Companies	M 102		
Corporations Controlled by Respondent	103	None	
Officers and Employees	M 104		
Directors	105		
Security Holders and Voting Powers	M 106-107		
Important Changes During the Year	108-109		
Comparative Balance Sheet	M 110-113		
Statement of Income for the Year	M 114-117	Page 116 - None	
Statement of Retained Earnings for the Year	M 118-119		
Statement of Cash Flows	120-121		
Notes to Financial Statements	122-123		
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
Gas Plant in Service	M 204-212B		
Gas Plant Leased to Others	213	None	
Gas Plant Held for Future Use	214	None	
Production Properties Held for Future Use	215	None	
Construction Work in Progress - Gas	216		
Construction Overheads - Gas	217		
General Description of Construction Overhead Procedure	M 218		
Accumulated Provision for Depreciation of Gas Utility Plant	M 219		
Gas Stored	220		
Nonutility Property	221	None	
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221	None	
Investments	222-223		
Investment in Subsidiary Companies	224-225	None	
Gas Prepayments Under Purchase Agreements	226-227		
Advances for Gas Prior to Initial Deliveries or Commission Certification	229	None	
Prepayments	230		
Extraordinary Property Losses	230	None	
Unrecovered Plant and Regulatory Study Costs	230	None	
Preliminary Survey and Investigation Charges	231	None	
Other Regulatory Assets	232		
Miscellaneous Deferred Debits	233		
Accumulated Deferred Income Taxes (Account 190)	234-235		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
LIST OF SCHEDULES (Natural Gas Utility) (Continued)			
Title of Schedule	Reference Page No.	Remarks	
(a)	(b)	(c)	
<b>BALANCE SHEET SUPPORTING SCHEDULES</b> (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	None	
Capital Stock Expense	254	None	
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255	None	
Long-Term Debt	256-257		
Unamortized Debt Expense, Premium and Discount on Long-Term Debt	258-259	None	
Unamortized Loss and Gain on Reacquired Debt	260	None	
Notes Payable	260A	None	
Payables to Associated Companies	260B		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	M 261 A-B	See MPSC Form P-522, Page 261	
Calculation of Federal Income Tax	M 261 C-D	See MPSC Form P-522, Page 261	
Taxes Accrued, Prepaid and Charged During Year	262-263		
Investment Tax Credits Generated and Utilized	264-265	None	
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	None	
Accumulated Deferred Income Taxes - Other Property	274-275		
Accumulated Deferred Income Taxes - Other	M 276 A-B		
Other Regulatory Liabilities	278		
<b>INCOME ACCOUNT SUPPORTING SCHEDULES</b>			
Gas Operating Revenues	300-301		
Rates and Sales Section	M 305 A-C		
Off-System Sales - Natural Gas	M 310 A-B		
Revenue from Transportation of Gas of Others-Natural Gas	312-313		
Sales of Products Extracted from Natural Gas	315	None	
Revenues from Natural Gas Processed by Others	315	None	
Gas Operation and Maintenance Expenses	M 320-325		
Number of Gas Department Employees	325		
Exploration and Development Expenses	326	None	
Abandoned Leases	326	None	
Gas Purchases	M 327, 327A-B		
Exchange Gas Transactions	328-330	None	
Gas Used in Utility Operations - Credit	331		
Transmission and Compression of Gas by Others	332-333	None	
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	None	
Particulars Concerning Certain Income Deduction and Interest Charges	340		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
LIST OF SCHEDULES (Natural Gas Utility) (Continued)			
Title of Schedule	Reference Page No.	Remarks	
(a)	(b)	(c)	
COMMON SECTION			
Regulatory Commission Expenses	350-351	None	
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	None	
Changes in Estimated Hydrocarbon Reserves and Costs, and Net Realizable Value	504-505	None	
Compressor Stations	508-509	None	
Gas and Oil Wells	510		
Gas Storage Projects	M 512-513		
Distribution and Transmission Lines	M 514		
Liquefied Petroleum Gas Operations	516-517	None	
Distribution System Peak Deliveries	M 518	None	
Auxiliary Peaking Facilities	519		
System Map	522		
Footnote Data	551		
Stockholders' Report	---		
MPSC SCHEDULES			
Reconciliation of Deferred Income Tax Expense	117 A-B	None	
Operating Loss Carryforward	117 C		
Notes & Accounts Receivable Summary for Balance Sheet	228 A		
Accumulated Provision for Uncollectible Accounts - Credit	228 A		
Receivables From Associated Companies	228 B	None	
Materials and Supplies	228 C		
Notes Payable	260 A		
Payables to Associated Companies	260 B		
Customer Advances for Construction	268	None	
Accumulated Deferred Income Taxes - Temporary	277		
Gas Operation and Maintenance Expenses (Nonmajor)	320N-324N		
Lease Rentals Charges	333A-333D		
Depreciation, Depletion and Amortization of Gas Plant (Nonmajor)	336 N	None	
Particulars Concerning Certain Other Income Accounts	341	None	
Gain or Loss on Disposition of Property	342 A-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	None	
Summary of Costs Billed from Associated Companies	360-361		



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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>GENERAL INFORMATION</b>			
<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>Diane Ford, Vice President - Corporate Controller  Integrus Energy Group, Inc.  700 North Adams Street  Green Bay, WI 54307</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 the date organized.</p> <p>Delaware, September 16, 2005</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>N/A</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>Retail sale and transportation of natural gas and administrative services.</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) Yes...Enter the date when such independent accountant was initially engaged: _____  (2) <input checked="" type="checkbox"/> No</p>			

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>CONTROL OVER RESPONDENT</b>			

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

whom trust was maintained, and purpose of the trust. If other companies are controlled by the organization which holds control over the respondent, list the names of such companies and the kind of business each is engaged in.

2. 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.

Michigan Gas Utilities Corporation is a wholly-owned subsidiary of Integrys Energy Group, Inc.

The 2011 Annual Report and Form 10-K of Integrys Energy Group, Inc. are included.

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation				
<b>OFFICERS</b>				
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy-making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change incumbency was made.</p> <p>3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.</p>				
Line No.	Title (a)	Name of Officer (b)	Salary for Year* (c)	
1	Chief Executive Officer	Lawrence T. Borgard	\$ 2,106,407	
2	President	Charles A. Cloninger	630,369	
3	Vice President	Charles F. Hauska	224,551	
4	Vice President-External Affairs	James F. Schott	591,894	
5	Secretary	Barth J. Wolf	1,315,415	
6	Treasurer	William J. Guc	431,194	
7	Assistant Secretary	Dane E. Allen	203,280	
8				
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10				
11	*Included in 'Salary for Year' is Base Wages and other compensation.			
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15	*Note: Salary for the year includes elective deferred compensation, FASB ASC Topic 718 stock compensation, above market earnings compensation, bonuses, and company contributions under the Employee Stock Ownership Plan and Trust. Balances reported agree with amount in the Proxy and Form 10-K, if applicable.			
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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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>DIRECTORS</b>			
<p>1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
1 Lawrence T. Borgard - President & Chief Operating Officer	130 East Randolph Street Chicago, IL 60601	6	\$ -
2 Mary J. Boettcher - Vice President - Customer Relations	130 East Randolph Street Chicago, IL 60601	5	-
3 Charles A. Cloninger - President	899 South Telegraph Road Monroe, MI 48161	6	-
4 William J. Guc - Treasurer	700 North Adams Street Green Bay, WI 54301	4	-
5 James F. Schott - Vice President Regulatory Affairs	700 North Adams Street Green Bay, WI 54301	6	-
6 Charles A. Schrock - President & Chief Executive Officer	130 East Randolph Street Chicago, IL 60601	6	-
<p><u>Footnote Data</u></p>			

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>SECURITY HOLDERS AND VOTING POWERS</b>			
<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 power.</p> <p><b>Integrus Energy Group, Inc.</b>  <b>130 East Randolph Street</b>  <b>Chicago, IL 60601</b></p>			
<p>1. (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. <b>N/A</b></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 securities. <b>N/A</b></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. <b>N/A</b></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 date. <b>N/A</b></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><b>Stock books are not closed.</b></p>			
<p>2. State the total number of votes cast at the latest general proxy meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy:</p> <p>Total: <b>100</b></p> <p>By Proxy: <b>0</b></p> <p style="text-align: right;"><b>Meeting conducted by unanimous consent of the sole shareholder on May 10, 2011.</b></p>			
<p>3. Give the date and place of such meeting:</p> <p><b>Directors were elected May 10, 2011, via unanimous consent of the sole shareholder in lieu of an Annual Meeting.</b></p>			

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>SECURITY HOLDERS AND VOTING POWERS (Continued)</b>					
Line	Name (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 all voting securities		100		
5	TOTAL number of security holders		1		
6	TOTAL votes of security holders listed below		100		
	Integrus Energy Group, Inc.		100		
7	130 East Randolph Street				
8	Chicago, IL 60601				
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
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24					
25					
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27					
28					
29					
30					
31					
32					
33					
34					
35					
# <u>RESPONSE/NOTES TO INSTRUCTION #</u> 2 Not Applicable. 3 Not Applicable. 4 Not Applicable.					

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Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

**IMPORTANT CHANGES DURING THE YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none", "not applicable" or "NA" where applicable.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly and materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be attached to this page.



Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>IMPORTANT CHANGES DURING THE YEAR</b>			
<p>1. None.</p> <p>2. None.</p> <p>3. None.</p> <p>4. Michigan Gas Utilities Corporation ("MGUC") had no material leases as of December 31, 2011.</p> <p>5. MGUC had no new major source of gas made available to it during 2011.</p> <p>6. None.</p> <p>7. None.</p> <p>8. MGUC's general wage increase and market wage data adjustments for non-union exempt and non-exempt employees was 3.0%, effective February 19, 2011, with an annual impact of \$201.5K. MGUC's general wage increase and market wage data adjustments for union employees represented by The Utility Workers Union, Local 417 was 3.0%, effective February 5, 2011, with an annual impact of \$51.3K. MGUC's general wage increase for union members represented by The United Steaelworkers, Local 12295 was 3.0%, effective January 7, 2011, with an annual impact of \$116.1K.</p> <p>9. MGUC is involved in various legal proceedings which arise in the normal course of operations. The individual claims are not material to Integrys Energy Group, as a whole, and reserves have been provided on the balance sheet as appropriate.</p> <p>10. None.</p> <p>11. None.</p> <p>12. None.</p>			

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
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	\$294,941,237	\$302,890,661
3	Construction Work in Progress (107)	200-201	1,365,809	3,207,447
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		296,307,046	306,098,108
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115, 119)	200-201	161,917,286	168,472,674
6	Net Utility Plant (Enter Total of line 4 less 5)	-	134,389,760	137,625,434
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)	-	\$134,389,760	\$137,625,434
11	Utility Plant Adjustment (116)	122-123		
12	Gas Stored Underground-Noncurrent (117-117.1)	220	3,601,761	3,601,761
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	\$0	\$0
15	(Less) Accum. Prov. for Depr. and Amort. (122)	221	0	0
16	Investments in Associated Companies (123)	222-223	0	0
17	Investment 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 14-21)	-	\$0	\$0
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)	-	\$388,731	\$636,111
25	Special Deposits (132-134)	-	10,694	46,231
26	Working Funds (135)	-	2,000	2,000
27	Temporary Cash Investments (136)	222-223	0	1,200,000
28	Notes Receivable (141)	228A	84	10
29	Customer Accounts Receivable (142)	228A	17,234,009	17,344,036
30	Other Accounts Receivable (143, 148, 149)	228A	1,820,104	331,142
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	228A	1,507,876	1,773,877
32	Notes Receivable from Associated Companies (145)	228B	0	0
33	Accounts Receivable from Assoc. Companies (146 & 147)	228B	272	41,853
34	Fuel Stock (151)	228C	0	0
35	Fuel Stock Expense Undistributed (152)	228C	0	0
36	Residuals (Elec) and Extracted Products (Gas) (153)	228C	0	0
37	Plant Material and Operating Supplies (154)	228C	336,933	407,130
38	Merchandise (155)	228C	0	0
39	Other Material and Supplies (156)	228C	0	0
40	Nuclear Materials Held for Sale (157)	228C	0	0

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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)	228C	10,045	5,991	
44	Gas Stored Underground-Current (164)	220	31,974,708	22,806,408	
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220	0	0	
46	Prepayments (165)	226, 230	2,033,953	1,954,819	
47	Advances for Gas (166-167)	229	0	0	
48	Interest and Dividends Receivable (171)	---	933	7	
49	Rents Receivable (172)	---	0	0	
50	Accrued Utility Revenues (173)	---	23,024,335	14,672,621	
51	Miscellaneous Current and Accrued Assets (174)	---	19,589	42,162	
52	Derivative Instrument Assets (175)		33,965	430,724	
53	(Less) LT Portion of Derivative Inst. Assets (175)		0	0	
54	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 53)		\$75,382,479	\$58,147,368	
55	DEFERRED DEBITS				
56	Unamortized Debt Expense (181)	---	\$0	\$0	
57	Extraordinary Property Losses (182.1)	230	0	0	
58	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0	
59	Other Regulatory Assets (182.3)	232	41,320,848	49,763,930	
60	Prelim. Survey and Invest. Charges (Electric) (183)	---	0	0	
61	Prelim. Survey and Invest. Charges (Gas) (183.1,183.2)	231	0	0	
62	Clearing Accounts (184)	---	0	0	
63	Temporary Facilities (185)	---	0	0	
64	Miscellaneous Deferred Debits (186)	233	65,761,792	64,818,845	
65	Def. Losses from Disposition of Utility Plant (187)	---	0	0	
66	Research, Devel, and Demonstration Expend. (188)	352-353	0	0	
67	Unamortized Loss on Reacquired Debt (189)	---	0	0	
68	Accumulated Deferred Income Taxes (190)	234-235	37,471,872	34,160,468	
69	Unrecovered Purchased Gas Costs (191)	---	0	0	
70	TOTAL Deferred Debits (Enter Total of lines 54 thru 69)		\$144,554,512	\$148,743,243	
71	TOTAL Assets and other Debits				
72	(Enter Total of lines 10, 11, 12, 22, 54 and 70)		\$357,928,512	\$348,117,806	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
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	\$100	\$100
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	197,007,749	176,607,110
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	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	(37,877,028)	(30,483,764)
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)		\$159,130,821	\$146,123,446
15	LONG-TERM DEBT			
16	Bonds (221)	256-257	\$0	\$0
17	(Less) Reacquired Bonds (222)	256-257	0	0
18	Advances from Associated Companies (223)	256-257	84,000,000	84,000,000
19	Other Long-Term Debt (224)	256-257	0	0
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)		\$84,000,000	\$84,000,000
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)	---	\$0	\$0
25	Accumulated Provision for Property Insurance (228.1)	---	0	0
26	Accumulated Provision for Injuries and Damages (228.2)	---	9,266	11,197
27	Accumulated Provision for Pensions and Benefits (228.3)	---	15,163,062	23,320,475
28	Accumulated Miscellaneous Operating Provisions (228.4)	---	0	0
29	Accumulated Provision for Rate Refunds (229)	---	0	0
30	Asset Retirement Obligations (230)	---	1,518,942	1,607,282
31	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 thru 30)		\$16,691,270	\$24,938,954
32	CURRENT AND ACCRUED LIABILITIES			
33	Notes Payable (231)	260A	\$0	\$0
34	Accounts Payable (232)	---	23,847,565	19,997,257
35	Notes Payable to Associated Companies (233)	260B	8,750,000	0
36	Accounts Payable to Associated Companies (234)	260B	3,338,421	2,876,874
37	Customer Deposits (235)	---	144,976	275,298
38	Taxes Accrued (236)	262-263	(189,316)	1,572,817
39	Interest Accrued (237)	---	2,272	8,886
40	Dividends Declared (238)	---	0	0
41	Matured Long-Term Debt (239)	---	0	0

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	
42	Matured Interest (240)	---	0	0	
43	Tax Collections Payable (241)	---	0	0	
44	Misc. Current and Accrued Liabilities (242)	268	2,655,310	5,196,220	
45	Obligations Under Capital Leases-Current (243)	---	0	0	
46	Federal Income Taxes Accrued for Prior Years (244)	---	0	29,780	
47	Michigan Single Business Taxes Accrued for Prior Years (244.1)	---	0	0	
48	Fed. Inc. Taxes Accrued for Prior Years-Adj. (245)	---	0	0	
49	Michigan Single Business Taxes Accrued for Prior Years-Adj. (245.1)	---	0	0	
50	TOTAL Current and Accrued Liabilities (Enter Total of lines 33 thru 49)		38,549,228	29,957,133	
51	DEFERRED CREDITS				
52	Customer Advances for Construction (252)	268	\$0	\$0	
53	Accumulated Deferred Investment Tax Credits (255)	266-267	616,729	594,399	
54	Deferred Gains from Disposition of Utility Plant (256)	---	0	0	
55	Other Deferred Credits (253)	269	23,265,303	20,642,281	
56	Other Regulatory Liabilities (254) excluding 254485	278	393,434	1,163,319	
57	Unamortized Gain on Reacquired Debt (257)	260	0	0	
58	Accumulated Deferred Income Taxes (281-283)	272-277	35,281,726	40,698,274	
59	TOTAL Deferred Credits (Enter Total of lines 52 thru 58)		\$59,557,193	\$63,098,273	
60	TOTAL Liabilities and Other Credits (Enter Total of lines 14, 22, 31, 50 and 59)		\$357,928,512	\$348,117,806	

Name of Respondent	This Report is:	Date of Report:	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

**STATEMENT OF INCOME FOR THE YEAR**

1. Report amounts for accounts 412 and 413, *Revenues and Expenses from Utility Plant Leased to Others*, in another utility column (l, k, m, o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, *Other Utility Operating Income*, in the same manner as 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 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	
			12 Months Ended Current Year (c)	12 Months Ended Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	161,521,754	177,434,998
3	Operating Expenses			
4	Operation Expenses (401)	320-325	130,172,353	145,888,921
5	Maintenance Expenses (402)	320-325	2,089,593	1,983,841
6	Depreciation Expense (403)	336-338	7,862,265	9,997,331
7	Amort. & Depl. of Utility Plant (404-405)	336-338	60,704	100,928
8	Amort. of Utility Plant Acq. Adj. (406)	336-338	0	0
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs		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	4,235,659	3,868,845
14	Income Taxes - Federal (409.1)	262-263	1,840,873	-73,357
15	- Other (409.1)	262-263	1,199,484	964,251
16	Provision for Deferred Inc. Taxes (410.1)	234,272-276B	19,438,724	15,231,688
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-276B	17,599,246	11,676,538
18	Investment Tax Credit Adj. - Net (411.4)	234,272-276B	-22,330	362,435
19	(Less) Gains from Disp. of Utility Plant (411.6)	266	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)		149,278,080	166,648,345
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		12,243,674	10,786,653

Name of Respondent	This Report is:	Date of Report:	Year of Report
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**STATEMENT OF INCOME FOR THE YEAR (Continued)**

resulting from settlement of any rate proceedings 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 (e)	Previous Year (f)	12 Months Ended Current Year (g)	12 Months Ended Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		161,521,754	177,434,998			2
						3
		130,173,198	145,885,485	(845)	3,436	4
		2,089,593	1,983,841			5
		7,862,265	9,997,331			6
		60,704	100,928			7
		0	0			8
		0	0			9
		0	0			10
		0	0			11
		0	0			12
		4,235,642	3,868,943	17	(98)	13
		1,840,873	(73,357)			14
		1,199,484	964,251			15
		19,438,724	15,231,688			16
		17,599,246	11,676,538			17
		(22,330)	362,435			18
		0	0			19
		0	0			20
		0	0			21
		0	0			22
0	0	149,278,908	166,645,007	(828)	3,338	23
0	0	12,242,846	10,789,991	828	(3,338)	24

Name of Respondent		This Report is:	Date of Report:	Year of Report
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STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line No.	Account (a)	(Ref.) Page No. (b)	12 Months Ended Current Year (c)	12 Months Ended Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 114)	-	12,243,674	10,786,653
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)		48,457	53,731
30	(Less) Costs & Exp of Merchandising, Job & Contract Work (416)		0	0
31	Revenues From Nonutility Operations (417)		3,274	14,515
32	(Less) Expenses of Nonutility Operations (417.1)		(32,381)	(24,295)
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)		20,928	33,771
36	Allowance for Other Funds Used During Construction (419.1)		31,154	0
37	Miscellaneous Nonoperating Income (421)		1,902	27,252
38	Gain on Disposition of Property (421.1)		(4,748)	0
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		68,586	104,974
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	32,856	23,502
44	TOTAL Other Income Deductions (Enter Total of lines 41 thru 43)		32,856	23,502
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263	125	125
47	Income Taxes-Federal (409.2)	262-263	(3,645,081)	(3,626,943)
48	Income Taxes-Other (409.2)	262-263	(656,724)	(666,530)
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277	8,409,550	4,351,770
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272-277	4,844,135	17,807
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)		(736,265)	40,615
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)		771,995	40,857
55	Interest Charges			
56	Interest on Long-Term Debt (427)		0	0
57	Amort. of Debt Disc. and Expense (428)	258-259	0	0
58	Amortization of Loss on Reacquired Debt (428.1)		0	0
59	(Less) Amort. of Premium on Debt-Credit (429)	258-259	0	0
60	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0
61	Interest on Debt to Assoc. Companies (430)	340	5,258,401	5,048,469
62	Other Interest Expense (431)	340	344,247	47,873
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		(8,955)	0
64	Net Interest Charges (Enter Total of 56 thru 63)		5,593,693	5,096,342
65	Income Before Extraordinary Items (Enter Total of lines 25,54, and 64)		7,421,976	5,731,168
66	Extraordinary Items			
67	Extraordinary Income (434)		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)		7,421,976	5,731,168



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Name of Respondent	This Report is:	Date of Report:	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

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 in 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		8,108,964
3	Account 281		
4	Account 282		4,608,199
5	Account 283		6,721,561
6	Account 284		
7	Reconciling Adjustments		
8	TOTAL Account 410.1 (on pages 114-115 line 16)		19,438,724
9	TOTAL Account 410.2 (on page 117 line 49)		
10	Credits to Account 411 from:		
11	Account 190		(8,476,961)
12	Account 281		
13	Account 282		
14	Account 283		(9,122,285)
15	Account 284		
16	Reconciling Adjustments		
17	Total Account 411.1 (on pages 114-15 line 17)		(17,599,246)
18	Total Account 411.2 (on page 117 line 50)		
19	Net ITC Adjustment:		
20	ITC Utilized for the Year DR		(7,889)
21	ITC Amortized for the Year CR		(14,441)
22	ITC Adjustments:		
23	Adjust last year's estimate to actual per filed return		
24	Other (specify)		
25	Net Reconciling Adjustments Account 411.4*		(22,330)
26	Net Reconciling Adjustments Account 411.5		
27	Net Reconciling Adjustments Account 420		

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**RECONCILIATION OF DEFERRED INCOME TAX EXPENSE (Continued)**

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

Other Utility	Total Utility	Other Income	Total Company	Line No.
	8,108,964	13,793,015	21,901,979	1
			0	2
	4,608,199	3,754	4,611,953	3
	6,721,561	(5,387,220)	1,334,341	4
			0	5
	0		0	6
	19,438,724			7
		8,409,550		8
				9
	(8,476,961)	(9,465,991)	(17,942,952)	10
			0	11
		(3,221,137)	(3,221,137)	12
	(9,122,285)	7,842,992	(1,279,293)	13
			0	14
			0	15
	(17,599,246)			16
		(4,844,135)		17
				18
	(7,889)		(7,889)	19
	(14,441)		(14,441)	20
				21
				22
				23
				24
	(22,330)			25
				26
				27

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>STATEMENT OF RETAINED EARNINGS FOR THE YEAR</b>			
<p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first account 439 (Adjustments to Retained Earnings), reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit, items in that order.</p> <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the State and Federal income tax effect of items shown in account 439 (Adjustments to Retained Earnings)</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>			
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		(37,877,028)
2	Changes <i>(Identify by prescribed retained earnings accounts)</i>		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	TOTAL Credits to Retained Earnings (439)		
9	Debit:		
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		
14	Balance Transferred from Income (Account 433)		7,421,976
15	Appropriations of Retained Earnings (Account 436)		
16			
17			
18			
19			
20			
21	TOTAL Appropriations 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
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)</b>				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock ( Account 438)		(28,712)	
30				
31				
32				
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		(28,712)	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings			
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		(30,483,764)	
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
38				
39				
40				
41				
42				
43	TOTAL Appropriated Retained Earnings (Account 215)			
<b>APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)</b>				
State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
45	TOTAL Appropriated Retained Earnings (Account 215 & 215.1)			
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		(30,483,764)	
<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)</b>				
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	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>STATEMENT OF CASH FLOWS</b>			
<p>1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.</p> <p>2. Under "Other" specify significant amounts and group others.</p> <p>3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.</p>			
Line No.	Description (See instructions for Explanation of Codes) (a)	Current Year to Date (b)	
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)		
2	Net Income (Line 72 on page 117)	7,421,976	
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	7,862,265	
5	Amortization of Utility Plant	60,704	
6	Amortization of Manufactured Gas Plant Clean-up Expenditures	274,811	
7	Intangible Plant		
8	Deferred Income Taxes (Net)	5,404,893	
9	Investment Tax Credit Adjustment (Net)	(22,330)	
10	Net (Increase) Decrease in Receivables	1,438,001	
11	Net (Increase) Decrease in Inventory	9,102,156	
12	Net (Increase) Decrease in Allowances Inventory		
13	Net (Increase) Decrease in Payables and Accrued Expenses	(138,308)	
14	Net (Increase) Decrease in Other Regulatory Assets	2,230,555	
15	Net (Increase) Decrease in Other Regulatory Liabilities	459,466	
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other: (provide details in footnote)	7,398,138	
19			
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	41,492,327	
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant	587,999	
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	(11,418,059)	
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance to Other Funds Used During Construction		
31	Other: Def Notes Receivable - Loan		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(10,830,060)	
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in ( and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

STATEMENT OF CASH FLOWS (Continued)		
4. Investing Activities	5. Codes used:	
(a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123.	(a) Net proceeds or payments.	
(b) 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 pages 122-123.	(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 Pages 122-123 clarifications and explanations.	

Line No.	Description (See instructions for Explanation of Codes) (a)	Current Year to Date (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: (provide details in footnote)	
54	Other: Acquisition	
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 54)	(10,830,060)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65	Return on Capital to Parent	(20,400,639)
66	Redemption of Inter-Company Notes Payable	(8,750,000)
67	Net Decrease in Short-Term Debt	
68	Other:	
69	Changes in Loans on Executive Life Insurance	
70		
71	Cash Provided by Outside Sources (Total of lines 61 thru 69)	(29,150,639)
72		
73	Payments for Retirement of:	
74	Long Term Debt	
75	Preferred Stock	
76	Common Stock	
77	Other:	
78	Equity Adjustments to Parent	
79	Net Decrease in Short-Term Debt	
80		
81	Dividends on Preferred Stock	
82	Dividends on Common Stock	(28,712)
83	Net Cash Provided by (Used in) Financing Activities	
84	(Total of lines 70 thru 81)	(29,179,351)
85		
86	Net Increase (Decrease) in Cash and Cash Equivalents	
87	(Total of lines 22, 57 and 83)	1,482,916
88		
89	Cash and Cash Equivalents at Beginning of Year	401,425
90		
91	Cash and Cash Equivalents at End of Year	1,884,341

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Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
Footnote Data			
<b>Schedule Page: 110 Line No.: 30 Column (d)</b>			
Other Accounts Receivable			
Non Service Accounts Receivable		169,047	
Other AR-Misc Liab Reclass*		63,909	
A/R Medicare Part D Subsidy		98,186	
TOTAL		331,142	
*Change due to MI Energy Optimization reclass			
<b>Schedule Page: 111 Line No.: 59 Column (d)</b>			
Other Regulatory Assets			
1993 Reg Asset Retiree Health		30,999	
Reg Asset - FAS158		20,951,824	
Reg Asset - Purch Acctg Effect on Benefits Acctg		22,281,443	
ARO Deprec/Accr Non-Rate Base		458,242	
Reg Asset - Deferred Taxes		3,277,282	
Reg Asset - Derivatives		38,010	
Reg Asset - Uncollectible Expense Tracker - MI		1,773,877	
Rev Decoupling-Under Collect 2010		692,952	
Rev Decoupling-Under Collect 2011		259,301	
TOTAL		49,763,930	
<b>Schedule Page: 111 Line No.: 64 Column (d)</b>			
Miscellaneous Deferred Debits			
Goodwill		34,517,361	
Tradename		5,218,000	
Def Deb-Area Expans Program		995,335	
Def Debit-Work Orders		10,701	
Reg Asset-Cleanup Gas-Expendit		23,227,975	
Def Debit-MI Energy Optimization		849,473	
TOTAL		64,818,845	
<b>Schedule Page: 113 Line No.: 55 Column (d)</b>			
Other Deferred Credits			
Outstanding Checks Cancelled		12,638	
Deferred Income Plan		161,560	
Def Comp Res Loan Program		30,802	
Def Comp Variable Stock		107,833	
Def Comp Mut Fund Option		16,448	
Gas Site Clean-up		20,313,000	
TOTAL		20,642,281	
<b>Schedule Page: 113 Line No.: 56 Column (d)</b>			
Other Regulatory Liabilities			
Deferred taxes-2010 Health Care Leg		206,608	
Derivatives		414,279	
FASB 158		82,966	
Uncoll Exp Tracker-MI		459,466	
TOTAL		1,163,319	
<b>Schedule Page: 120 Line No.: 18 Column (b)</b>			
Other Operating			
Accrued Revenues		8,351,714	
Prepayments and Misc Current Assets		57,488	
Deferred Debits		1,129,983	
-Misc Deferred Debits			
Investments		5,240	
Pension and Post Retirement Liability		1,031,150	
Pension and Post Retirement Funding		(632,594)	
Noncurrent Def'd taxes		(8,949)	
Other Long Term Liabilities		(2,535,894)	
TOTAL		7,398,138	



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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 the end of year, including a brief explanation, of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, *Utility Plant Adjustments*, explain the origin of such amount, debits and credits during the year,

and plan of disposition contemplated, giving references to Commission orders of other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

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

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

**MICHIGAN GAS UTILITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) MPSC Form P-522 Presentation Compared to United States Generally Accepted Accounting Principles ("GAAP")**--

The accompanying financial statements have been prepared in accordance with the accounting requirements of the Michigan Public Service Commission ("MPSC") as set forth in the Uniform System of Accounts and accounting releases, which differs from GAAP. As required by the MPSC, Michigan Gas Utilities Corporation ("MGUC" or "the Company") classifies certain items in its 2011 Form P-522 in a manner different from GAAP. These items have no impact on the reported net income.

- Removal costs that do not have an associated legal obligation are recognized as a component of accumulated depreciation, whereas these costs are recognized for GAAP as a regulatory liability.
- Accumulated deferred income taxes are reported as deferred debits and deferred credits and are not netted into short-term or long-term classifications as required by GAAP.
- The GAAP financial statements are reported in accordance with the Income Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), whereas the Form P-522 is reported in accordance with the MPSC-issued accounting guidance. As such, in the Form P-522, MGUC recognizes deferred income taxes based on the difference between positions taken in tax returns filed and amounts reported in the financial statements and does not report interest and penalties on tax deficiencies as income tax expense.

**(b) Nature of Operations**--MGUC, a wholly owned subsidiary of Integrys Energy Group, Inc., is a regulated natural gas utility that supplies and distributes natural gas to southern and western Michigan customers in Grand Haven, Otsego, Benton Harbor, Coldwater, Monroe, and surrounding areas. MGUC is subject to the jurisdiction of, and regulation by, the MPSC, which has general supervisory and regulatory powers over virtually all phases of the public utility industry in Michigan. MGUC is also subject to the jurisdiction of the FERC, which regulates its natural gas pipelines.

As used in these notes, the term "financial statements" refers to the statement of income, balance sheet, statement of retained earnings, and statement of cash flows, unless otherwise noted.

The term "utility" refers to the regulated activities of MGUC, while the term "nonutility" refers to the activities of MGUC that are not regulated.

**(c) Use of Estimates**--MGUC prepares its Form P-522 financial statements in conformity with the rules and regulations of the MPSC. MGUC makes estimates and assumptions that affect assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

**(d) Cash and Cash Equivalents**--Short-term investments with an original maturity of three months or less are considered to be cash equivalents. Cash received for income taxes was \$3.0 million and \$1.4 million at December 31, 2011, and 2010, respectively. Cash paid for interest was \$5.3 million and \$5.0 million at December 31, 2011, and 2010, respectively.

**(e) Revenue and Customer Receivables**--Revenues related to the sale of energy are recognized when service is provided or energy is delivered to customers and include estimated amounts for services

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Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

provided but not billed. MGUC presents revenues net of pass-through taxes on the income statements.

MGUC has various rate-adjustment mechanisms in place that currently provide for the recovery of prudently incurred natural gas costs, which allow subsequent adjustments to rates for changes in commodity costs. A summary of significant rate-adjustment mechanisms follows:

- MGUC's rates include a one-for-one recovery mechanism for natural gas commodity costs. Fuel costs incurred in excess of (or less than) currently billable fuel costs are recognized as an increase (or decrease) in operating revenue.
  - MGUC's rates includes a rider for cost recovery or refund of bad debts based on the difference between actual bad debt cost (as defined in the latest rate order) and the amount recovered in rates.
  - MGUC's rates include a decoupling mechanism, which allows the Company to adjust rates going forward to recover or refund all or a portion of the differences between the actual and authorized margin. The decoupling mechanism covers residential and small commercial and industrial customers. The decoupling mechanism does not adjust for weather-related use, nor does it adjust for variations in volumes resulting from changes in customer count compared to rate case levels.
- (f) **Gas Cost Recovery ("GCR")**--Natural gas costs are recovered from customers pursuant to a Gas Cost Recovery Clause, as authorized by the provisions of the 1982 Public Act 304, in MGUC's Rules, Regulations and Rate Schedules, Rule B10, which is implemented by filing an application with the MPSC in December of each year requesting approval of maximum rates to be charged to customers during the subsequent GCR period (April 1 through March 31) for natural gas costs expected to be incurred during that period. Until an order is received approving or rejecting the rates, the rates requested may be billed. An annual reconciliation is made of natural gas costs incurred during the preceding GCR period with natural gas cost recovery revenues collected during that period with provisions for rolling over-collections and under-collections into the next GCR period, together with interest on any such amounts. The over-collections and under-collections are recorded in Account 174 on the balance sheet. The Company recorded an over-collection of \$3.2 million and \$0.8 million at December 31, 2011, and 2010, respectively.
- (g) **Natural Gas in Storage**--Inventories consist primarily of natural gas in storage. Natural gas injections are priced at the average cost of natural gas purchases for the month. Withdrawals of natural gas are priced at the average cost of natural gas in storage.
- MGUC also has arrangements with third parties for natural gas storage. Such arrangements provide for spot and term purchases by MGUC of 4.116 Million Million Cubic Feet ("Mcf") of natural gas each summer for storage with other utilities, on pipelines, as well as MGUC owned storage facilities for delivery during the following heating season. Under the arrangements, the cost of such natural gas, together with related storage and transportation service charges, is charged to natural gas in underground storage as the natural gas is purchased. As natural gas is withdrawn, it is priced at the average cost of natural gas in storage computed separately for each storage location. Base gas stored underground is gas that is used to maintain the integrity of the storage field by maintaining pressure for working gas, and will only vary if the conditions of the storage field change. Base gas stored that was recorded by MGUC was \$3.6 million at December 31, 2011, and 2010.
- (h) **Risk Management Activities**--As part of its regular operations, MGUC enters into contracts, including options, futures and forwards, to manage changes in commodity prices, which are described more fully in Note 2, "*Risk Management Activities*." All derivatives are recognized on the balance sheets at their fair value unless they are designated as and qualify for the normal purchases and sales exception. MGUC continually assesses its contracts designated as normal and will

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NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

discontinue the treatment of these contracts as normal if the required criteria are no longer met. MGUC's derivatives qualify for regulatory deferral. These derivatives are marked to fair value; the resulting risk management assets are offset with regulatory liabilities or decreases to regulatory assets, and risk management liabilities are offset with regulatory assets or decreases to regulatory liabilities. Management believes any gains or losses resulting from the eventual settlement of these derivative instruments will be refunded to or collected from customers in rates.

- (i) **Property, Plant, and Equipment**--Utility plant is stated at original cost, including any associated allowance for funds used during construction ("AFUDC") and asset retirement costs. The costs of renewals and betterments of units of property (as distinguished from minor items of property) are capitalized as additions to the utility plant accounts. Except for land, no gains or losses are recognized in connection with ordinary retirements of utility property units. The utility charges the cost of units of property retired, sold, or otherwise disposed of, less salvage value, to accumulated depreciation. The cost of removal associated with the retirement is also charged to accumulated depreciation. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses.

MGUC records straight-line depreciation expense over the estimated useful life of utility property, using depreciation rates approved by the MPSC. The annual utility composite depreciation rates were 2.73% for 2011 and 3.55% for 2010. The 2010 rate includes the impact of a \$2.5 million charge to depreciation expense related to a loss from early retirement of communication equipment.

- (j) **Asset Impairment**--Goodwill and other intangible assets with indefinite lives are not amortized, but are subject to an annual impairment test. Other long-lived assets require an impairment review when events or circumstances indicate that the carrying amount may not be recoverable. MGUC bases its evaluation of other long-lived assets on the presence of impairment indicators such as the future economic benefit of the assets, any historical or future profitability measurements, and other external market conditions or factors.

MGUC performs its annual impairment test for its trade name in the fourth quarter of each year. The annual goodwill impairment test is performed during the second quarter of each year. Interim impairment tests are performed when impairment indicators are present. The carrying amount of the reporting unit's goodwill is considered not recoverable if it exceeds the reporting unit's fair value. An impairment loss is recorded for the excess of the carrying value of the goodwill over its implied fair value. For more information on MGUC's goodwill and other intangible assets, see Note 4, "*Goodwill and Other Intangible Assets*."

The carrying amount of tangible long-lived assets held and used is considered not recoverable if it exceeds the undiscounted sum of cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is not recoverable, the impairment loss is measured as the excess of the asset's carrying value over its fair value.

- (k) **Regulatory Assets and Liabilities**--Regulatory assets represent probable future revenue associated with certain costs or liabilities that have been deferred and are expected to be recovered from customers through the ratemaking process. Regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts collected in rates for future costs. If at any reporting date a previously recorded regulatory asset is no longer probable of recovery, the regulatory asset is reduced to the amount considered probable of recovery with the reduction charged to expense in the year the determination is made. For additional information, see Note 3, "*Regulatory Assets and Liabilities*."

- (l) **Asset Retirement Obligations**--MGUC recognizes legal obligations at fair value associated with the retirement of tangible long-lived assets that resulted from the acquisition, construction or

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

development, and/or normal operation of the assets. A liability is recorded for these obligations as long as the fair value can be reasonably estimated, even if the timing or method of settling the obligation is unknown. The asset retirement obligations are accreted using a credit-adjusted risk-free interest rate commensurate with the expected settlement dates of the asset retirement obligations. This rate is determined at the date the obligation is incurred. The associated retirement costs are capitalized as part of the related long-lived assets and are depreciated over the useful lives of the assets. Subsequent changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease in the carrying amount of the liability and the associated retirement cost. See Note 7, "*Asset Retirement Obligations*," for more information.

- (m) Income Taxes**—MGUC is included in the consolidated United States income tax return filed by Integrys Energy Group. MGUC is party to a federal and state tax allocation arrangement with Integrys Energy Group and its subsidiaries under which each entity determines its provision for income taxes on a stand-alone basis. MGUC settles the intercompany liabilities at the time that payments are made to the applicable taxing authority. At December 31, 2011, there were no significant intercompany payables or receivables for income taxes.

Deferred income taxes have been recorded to recognize the expected future tax consequences of events that have been included in the financial statements using currently enacted tax rates for the differences between the income tax basis of assets and liabilities and the basis reported in the financial statements. MGUC records valuation allowances for deferred income tax assets when it is uncertain if the benefit will be realized in the future. MGUC defers certain adjustments made to income taxes that will impact future rates and records regulatory assets or liabilities related to these adjustments.

MGUC uses the deferral method of accounting for investment tax credits (ITCs). Under this method, MGUC records the ITCs as deferred credits and amortizes such credits as a reduction to the provision for income taxes over the life of the asset that generated the ITCs. A valuation allowance is established unless it is more likely than not that the credits will be realized during the carryforward period.

We report interest and penalties accrued related to income taxes as a component of provision for income taxes in the income statements, as well as regulatory assets or regulatory liabilities on the balance sheets.

For more information regarding accounting for income taxes, see Note 8, "*Income Taxes*."

- (n) Guarantees**—MGUC follows the guidance of the Guarantees Topic of the FASB ASC, which requires that the guarantor recognize, at the inception of the guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. For additional information on guarantees, see Note 10, "*Guarantees*."
- (o) Employee Benefits**—The costs of pension and other postretirement benefits are expensed over the periods during which employees render service. In computing the expected return on plan assets, a market-related value of plan assets is used. Changes in realized and unrealized investment gains and losses are recognized over the subsequent five years for plans sponsored by Wisconsin Public Service Corporation ("WPS"), while differences between actual investment returns and the expected return on plan assets are recognized over a five-year period for the plan sponsored by Integrys Business Support ("IBS").

The Company recognizes the funded status of defined benefit postretirement plans on the balance sheets, and recognizes changes in the plans' funded status in the year in which the changes occur. The Company records changes in the funded status to regulatory asset or liability accounts, pursuant to the Regulated Operations Topic of the FASB Accounting Standards Codification ("ASC").

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

For additional information on the Company's employee benefits, see Note 11, "*Employee Benefit Plans*."

- (p) Fair Value**--A fair value measurement is required to reflect the assumptions market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and the risks inherent in the inputs to the model. Transaction costs should not be considered in the determination of fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Fair value accounting rules provide a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are observable, either directly or indirectly, but are not quoted prices included within Level 1. Level 2 includes those financial instruments that are valued using external inputs within models or other valuation methodologies.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

MGUC determines fair value using a market based approach that uses observable market inputs where available, and internally developed inputs where observable market data is not readily available. For the unobservable inputs, consideration is given to the assumptions that market participants would use in valuing the asset or liability. These factors include not only the credit standing of the counterparties involved, but also the impact of MGUC's nonperformance risk on its liabilities.

See Note 13, "*Fair Value*," for additional information.

- (q) Subsequent Events**--Subsequent events were evaluated for potential recognition or disclosure through April 30, 2012, which is the date the financial statements were available to be issued.

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

## NOTE 2—RISK MANAGEMENT ACTIVITIES

MGUC uses derivative instruments to manage commodity costs. The derivatives include physical commodity contracts and NYMEX futures and options to manage the risks associated with the market price volatility of natural gas costs and the costs of gasoline and diesel fuel used by utility vehicles. None of these derivatives are designated as hedges for accounting purposes.

The table below shows assets and liabilities from risk management activities as of December 31:

(Millions)	Balance Sheet Presentation	Risk Management Assets		Risk Management Liabilities	
		2011	2010	2011	2010
Natural gas contracts	Current	\$0.4	\$ -	\$ -	\$ -

Assets and liabilities from risk management activities are classified as current or long-term based upon the maturities of the underlying contracts.

The table below shows the unrealized gains (losses) recorded related to derivatives. The unrealized gains (losses) recorded on the income statement related to petroleum product contracts were not significant at December 31, 2011 and 2010.

(Millions)	Financial Statement Presentation	December 31,	
		2011	2010
Natural gas contracts	Balance Sheet – Regulatory liabilities (current)	0.4	(0.1)

MGUC had the following notional volumes of outstanding derivative contracts:

	2011	2010
Natural gas (millions of therms)	75.9	42.2
Petroleum products (barrels)	2,244.0	3,019.0

## NOTE 3--REGULATORY ASSETS AND LIABILITIES

MGUC expects to recover its regulatory assets and incur future costs or refund its regulatory liabilities through rates charged to customers. These rates are based on specific ratemaking decisions over periods determined by the regulators or over the normal operating period of the assets and liabilities to which they relate. Based on prior and current rate treatment for such costs, MGUC believes it is probable that it will continue to recover from customers the regulatory assets described below.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The following regulatory assets and liabilities were reflected in MGUC's Balance Sheets as of December 31:

<i>(Millions)</i>	2011	2010	See Note
<b>Regulatory assets</b>			
Acquisition related pension and other postretirement benefit costs <sup>(1)</sup>	\$22.3	\$23.9	11
Unrecognized pension and other postretirement benefit costs <sup>(2)</sup>	21.0	14.0	11
Uncollectible expense	1.8	2.0	
Decoupling	0.9	1.1	
Other	3.8	0.3	
<b>Total</b>	<b>\$49.8</b>	<b>\$41.3</b>	
<b>Regulatory liabilities</b>			
Other	1.0	0.4	
<b>Total</b>	<b>\$ 1.0</b>	<b>\$ 0.4</b>	

<sup>(1)</sup> Includes unrecognized losses related to the pension and other postretirement benefit liabilities at the MGUC purchase date of April 1, 2006.

<sup>(2)</sup> Includes unrecognized actuarial gains/losses and prior service costs/credits.

Also, a regulatory asset of \$23.2 million is included in Account 186 related to manufactured gas plant remediation (see Note 9).

#### NOTE 4--GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill related to the acquisition of the natural gas distribution operations in Michigan in April 2006 was \$34.5 million at December 31, 2011. In conjunction with the acquisition of the natural gas distribution operations, an indefinite-lived intangible asset was recorded related to the MGUC trade name. The balance of this intangible asset as of December 31, 2011, was \$5.2 million and no impairment was recorded in 2011. Goodwill and other intangible assets are recorded on the balance sheets in Account 186.

MGUC had the following changes in the gross amount of goodwill and the accumulated impairment losses for the years ended December 31, 2011 and 2010:

<i>(Millions)</i>	Total	
	2011	2010
Balance as of January 1		
Gross goodwill	\$122.7	\$122.7
Accumulated impairment losses	(88.2)	(88.2)
Net goodwill	34.5	34.5
Balance as of December 31		
Gross goodwill	122.7	122.7
Accumulated impairment losses	(88.2)	(88.2)
Net goodwill	\$34.5	\$34.5



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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

#### NOTE 5--SHORT-TERM DEBT

MGUC's short-term borrowings consist of short-term notes payable to Integrys Energy Group and bear interest at Integrys Energy Group's weighted average short-term borrowing rate. Amounts shown are as of December 31:

<i>(Millions, except for percentages)</i>	2011	2010
Short-term notes payable to Integrys Energy Group outstanding	\$ -	\$8.8
Average interest rate on short-term notes payable outstanding to Integrys Energy Group	0.40%	0.33%

The table below presents MGUC's average amount of short-term borrowings outstanding based on daily outstanding balances during the years ended December 31:

<i>(Millions)</i>	2010	2009
Average amount of short-term notes payable outstanding to Integrys Energy Group	\$0.3	\$2.5

#### NOTE 6--LONG-TERM DEBT

Long-term debt for MGUC consists of long-term notes payable to Integrys Energy Group, pursuant to a Senior Note agreement entered into on April 1, 2006. Amounts shown are as of December 31:

<i>(Millions)</i>				2011	2010
<u>Term</u>	<u>Interest Rate</u>	<u>Year Due</u>	<u>Description</u>		
7 Year	5.72%	2013	Senior Note	\$28.0	\$28.0
10 Year	5.76%	2016	Senior Note	28.0	28.0
15 Year	5.98%	2021	Senior Note	28.0	28.0
<b>Total long-term debt</b>				<b>\$84.0</b>	<b>\$84.0</b>

Interest is paid semi-annually on the notes, and there are no covenants associated with these obligations.

A schedule of all principal debt payment amounts is as follows:

<b>Year ending December 31</b>	
<i>(Millions)</i>	
2012	\$ -
2013	28.0
2014	-
2015	-
2016	28.0
Later Years	28.0
<b>Total Payments</b>	<b>\$84.0</b>

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

## NOTE 7--ASSET RETIREMENT OBLIGATIONS

MGUC has asset retirement obligations primarily related to removal of natural gas distribution pipes (including asbestos) and asbestos abatement at office buildings and service centers. MGUC establishes regulatory assets and liabilities to record the differences between ongoing expense recognition under the asset retirement obligations accounting rules, and the rate-making practices for retirement costs authorized by the MPSC. For the years reflected below, MGUC has not recognized any new ARO liabilities or identified conditions that would require a settlement or revision to existing ARO liabilities.

The following table shows changes to MGUC's asset retirement obligations through December 31, 2011:

<i>(Millions)</i>	
Asset retirement obligations at December 31, 2009	1.4
Accretion	0.1
Asset retirement obligations at December 31, 2010	1.5
Accretion	0.1
<b>Asset retirement obligations at December 31, 2011</b>	<b>\$1.6</b>

## NOTE 8--INCOME TAXES

The principal deferred income tax assets included in the balance sheets as of December 31, 2011 and 2010, primarily related to goodwill, regulatory deferrals, and deferred deductions. The principal deferred income tax liabilities included in the balance sheets as of December 31, 2011 and 2010, primarily related to plant and regulatory deferrals.

Deferred income tax assets decreased \$3.4 million, and deferred income tax liabilities increased \$5.3 million in 2011. The decrease was driven by the following changes in tax accounting methods and newly enacted tax laws related to bonus depreciation.

- In May 2011, legislation was signed that replaced Michigan's business tax with a state income tax, effective January 1, 2012. In accounting for this tax law change, MGUC recorded income of \$0.8 million from deferred income taxes. MGUC deferred an additional \$2.0 million of deferred income taxes in 2011 for recovery in future rates.
- In the third quarter of 2010, federal tax law was enacted that extended 50% bonus depreciation deduction to assets placed in service during 2010. In the fourth quarter of 2010, federal tax law was enacted that increased the bonus depreciation deduction to 100% for assets placed in service after September 8, 2010, but before December 31, 2011, with certain limitations. The December 31, 2011, deferred income tax balances reflect the bonus depreciation deductions that MGUC expects to claim in its 2011 federal income tax return.

MGUC records certain adjustments related to deferred income taxes to regulatory assets and liabilities. As the related temporary differences reverse, MGUC is prospectively refunding taxes to or collecting taxes from customers for which deferred taxes were recorded in prior years at rates different than current rates or upon enactment of changes in tax law. The regulatory asset for these collections and other regulatory tax effects totaled \$3.3 million at December 31, 2011. The regulatory liability for these refunds and other regulatory tax effects totaled \$0.1 million at December 31, 2010.

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The following table presents a reconciliation of federal income taxes to the provision for income taxes reported in the Statements of Income for the years ended December 31.

<i>(Millions)</i>	2011	2010
<b>Current provision</b>		
Federal	<b>\$(3.7)</b>	\$(3.7)
State	<b>0.5</b>	0.3
<b>Total current provision</b>	<b>(3.2)</b>	(3.4)
<b>Deferred provision</b>		
Federal	<b>7.6</b>	7.1
State	<b>(0.3)</b>	0.7
<b>Total deferred provision</b>	<b>7.3</b>	7.8
Investment tax credits, net	-	0.4
<b>Total provision for income taxes</b>	<b>\$4.1</b>	\$4.8

State income taxes was the only significant reconciling item impacting the statutory federal income tax rate reconciliation to the effective income tax rate as of December 31, 2011 and 2010. The statutory federal income tax rate was 35.0% at December 31, 2011 and 2010. The effective income tax rate was 35.9% and 45.4% for December 31, 2011 and 2010, respectively.

MGUC files income tax returns in the United States federal jurisdiction and in the Michigan state jurisdictions on a stand-alone basis or as part of Integrys Energy Group filings. MGUC is no longer subject to federal income tax examinations by the IRS for years prior to 2009. MGUC is no longer subject to examination by the Michigan tax authority for years prior to 2007.

## NOTE 9--COMMITMENTS AND CONTINGENCIES

### Commodity Purchase Obligations and Purchase Order Commitments

MGUC routinely enters into long-term purchase and sale commitments for various quantities and lengths of time. MGUC has obligations to distribute and sell natural gas to its customers, and expects to recover costs related to these obligations in future customer rates. As of December 31, 2011, MGUC had obligations of \$67.0 million related to natural gas supply and transportation contracts that extend through 2019.

MGUC also had commitments of \$25.9 million in the form of purchase orders issued to various vendors at December 31, 2011.

### Manufactured Gas Plant Remediation

MGUC operated facilities in the past at multiple sites for the purpose of manufacturing and storing manufactured gas. In connection with these activities, waste materials were produced that may have resulted in soil and groundwater contamination at these sites. Under certain laws and regulations relating to the protection of the environment, MGUC is required to undertake remedial action with respect to some of these materials. MGUC is coordinating the investigation and cleanup of the sites subject to EPA jurisdiction under what is called a "multi-site" program. This program involves prioritizing the work to be done at the sites, preparation and approval of documents common to all of the sites, and utilization of a consistent approach in selecting remedies.

MGUC is responsible for the environmental remediation of 11 sites. Contaminated soil has been removed from nine of the sites. Future investigations are needed at many of the sites to evaluate on-site,

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

off-site, and sediment impacts. As these 11 sites are integrated into the corporate manufactured gas plant site management program, cost estimates may change. MGUC will also evaluate the feasibility of transferring the sites into the EPA Superfund Alternative Sites Program.

As of December 31, 2011, MGUC estimated and accrued for \$20.3 million of future undiscounted investigation and cleanup costs for all sites. These costs are included as Other Deferred Credits in Account 253. MGUC may adjust these estimates in the future due to remedial technology, regulatory requirements, remedy determinations, and any claims of natural resource damages. MGUC recorded a regulatory asset of \$23.2 million at December 31, 2011, which is net of insurance recoveries received of \$5.2 million, related to the expected recovery of both cash expenditures and estimated future expenditures through rates.

Management believes that any costs incurred for environmental activities relating to former manufactured gas plant operations that are not recoverable through contributions from other entities or from insurance carriers have been prudently incurred and are, therefore, recoverable through rates. Accordingly, management does not expect these costs to have a material impact on MGUC's financial statements. However, any changes in the approved rate mechanisms for recovery of these costs, or any adverse conclusions by the MPSC with respect to the prudence of costs actually incurred, could materially affect rate recovery of such costs.

#### **NOTE 10--GUARANTEES**

Corporate guarantees in the amount of \$100 million have been authorized by Integrys Energy Group's Board of Directors to support MGUC. Integrys Energy Group, on behalf of MGUC, had \$56.3 million of outstanding guarantees related to natural gas supply at December 31, 2011.

#### **NOTE 11--EMPLOYEE BENEFIT PLANS**

The Company participates in the Integrys Energy Group Retirement Plan, a noncontributory, qualified retirement plan sponsored by IBS, as well as the Integrys Energy Group Pension Restoration and Supplemental Retirement Plan, an unfunded, nonqualified retirement plan sponsored by the Parent. In addition, the Company participates in other postretirement benefit plans sponsored by WPS. The Company accounts for its participation in the pension and other postretirement benefit plans as multiple employer plans. Under affiliate agreements, the Company is responsible for its share of plan obligations and is entitled to its share of plan assets; accordingly, the Company accounts for its share of these plans as its own plan. The benefits for a portion of these plans are funded through irrevocable trusts, as allowed for income tax purposes.

The Company also maintains an unfunded, legacy nonqualified Supplemental Employee Retirement Plan ("SERP"). The liabilities for this plan are also recorded on the Company's balance sheets.

In addition, the Parent offers medical, dental, and life insurance benefits to the Company's active employees and their dependents. The Company expenses the allocated costs of these benefits as incurred.

In accordance with purchase accounting rules, the Company established an opening balance sheet liability as of the April 1, 2006 sale close date, equal to the difference between plan liabilities and assets transferred from Aquila, Inc. using the same discount rate assumption (5.65%) chosen by Integrys Energy Group at the December 31, 2005 measurement date which was also used for calculating net periodic benefit cost in 2006. The Company also established a regulatory asset equal to the difference between the opening balance sheet liabilities for all benefit plans of the Company and what was on the balance sheet of Aquila, Inc. on the date of the sale. The regulatory assets related to the acquisition were \$22.3 million and \$23.8 million at December 31, 2011, and 2010, respectively; these are recorded in

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

account 182.3 on the comparative balance sheet. The asset is being recovered over a 20-year period that began in March 2006.

As of February 16, 2012, the defined benefit pension plans were closed to all new hires.

The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets during 2011 and 2010:

(Millions)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
<b>Change in benefit obligation</b>				
Obligation at January 1	\$ 41.0	\$33.7	\$19.3	\$17.0
Service cost	0.8	0.8	0.2	0.2
Interest cost	2.3	2.2	1.1	1.0
Transfers	0.1	-	-	-
Actuarial loss, net	3.5	6.0	1.0	2.1
Participant contributions	-	-	0.1	0.1
Benefit payments	(2.2)	(1.7)	(1.2)	(1.2)
Plan amendment	-	-	0.2	-
Federal subsidy on benefits paid	-	-	0.1	0.1
Obligation at December 31	\$ 45.5	\$41.0	\$20.8	\$19.3
<b>Change in fair value of plan assets</b>				
Fair value of plan assets at January 1	\$ 29.8	\$27.8	\$15.3	\$14.6
Actual return on plan assets	0.4	3.6	-	1.4
Employer contributions	0.1	0.1	0.6	0.4
Participant contributions	-	-	0.1	0.1
Benefit payments	(2.2)	(1.7)	(1.2)	(1.2)
Fair value of plan assets at December 31	\$ 28.1	\$29.8	\$14.8	\$15.3
Funded status at December 31	\$(17.4)	\$(11.2)	\$(6.0)	\$(4.0)

Amounts recognized on the Company's balance sheets at December 31 related to the funded status of the benefit plans were as follows:

(Millions)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Current liabilities	\$ 0.1	\$ 0.1	\$ -	\$ -
Noncurrent liabilities	17.3	11.1	6.0	4.0
Total liabilities	\$17.4	\$11.2	\$6.0	\$4.0

The accumulated benefit obligation for all defined benefit pension plans was \$41.5 million and \$37.0 million at December 31, 2011, and 2010, respectively. Information for pension plans with an accumulated benefit obligation in excess of plan assets is presented in the following table:

(Millions)	December 31	
	2011	2010
Projected benefit obligation	\$45.5	\$41.0
Accumulated benefit obligation	41.5	37.0
Fair value of plan assets	28.1	29.8

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The following table shows the amounts that had not yet been recognized in the Company's net periodic benefit cost as of December 31:

(Millions)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
<b>Net regulatory assets</b>				
Net actuarial loss	\$14.4	\$9.5	\$6.2	\$4.2
Prior service costs	-	-	0.2	-
<b>Total</b>	<b>\$14.4</b>	<b>\$9.5</b>	<b>\$6.4</b>	<b>\$4.2</b>

The estimated net actuarial losses for defined benefit pension plans that will be amortized as a component of net periodic benefit cost during 2012 are \$0.9 million. The estimated net actuarial losses for other postretirement benefit plans that will be amortized as a component of net periodic benefit cost during 2012 are \$0.2 million. The estimated prior service costs for other postretirement benefit plans that will be amortized as a component of net periodic benefit cost during 2012 are not significant.

The following table presents the components of the net periodic benefit cost (including amounts capitalized to the balance sheet) for the plans:

(Millions)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
<b>Net periodic benefit cost</b>				
Service cost	\$0.8	\$0.8	\$0.2	\$0.2
Interest cost	2.3	2.2	1.1	1.0
Expected return on plan assets	(2.3)	(2.5)	(1.1)	(1.1)
Amortization of net actuarial loss	0.5	0.2	0.1	-
<b>Net periodic benefit cost</b>	<b>\$1.3</b>	<b>\$0.7</b>	<b>\$0.3</b>	<b>\$0.1</b>

#### Assumptions – Pension and Other Postretirement Benefit Plans

The weighted-average assumptions used at December 31 to determine benefit obligations for the plans were as follows:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Discount rate	5.10%	5.80%	4.91%	5.80%
Rate of compensation increase	4.20%	4.19%	N/A	N/A
Assumed medical cost trend rate (under age 65)	N/A	N/A	7.00%	7.50%
Ultimate trend rate	N/A	N/A	5.00%	5.00%
Ultimate trend rate reached in	N/A	N/A	2016	2016
Assumed medical cost trend rate (over age 65)	N/A	N/A	7.50%	8.00%
Ultimate trend rate	N/A	N/A	5.50%	5.50%
Ultimate trend rate reached in	N/A	N/A	2016	2016
Assumed dental cost trend rate	N/A	N/A	5.00%	5.00%

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The weighted-average assumptions used to determine net periodic benefit cost for the plans were as follows for the years ended December 31:

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Discount rate	<b>5.80%</b>	6.15%	<b>5.80%</b>	6.05%
Expected return on assets	<b>8.25%</b>	8.50%	<b>8.25%</b>	8.50%
Rate of compensation increase	<b>4.20%</b>	4.17%	<b>N/A</b>	N/A
Assumed medical cost trend rate (under age 65)	<b>N/A</b>	N/A	<b>7.50%</b>	8.0%
Ultimate trend rate	<b>N/A</b>	N/A	<b>5.00%</b>	5.00%
Ultimate trend rate reached in	<b>N/A</b>	N/A	<b>2016</b>	2013
Assumed medical cost trend rate (over age 65)	<b>N/A</b>	N/A	<b>8.00%</b>	8.50%
Ultimate trend rate	<b>N/A</b>	N/A	<b>5.50%</b>	5.50%
Ultimate trend rate reached in	<b>N/A</b>	N/A	<b>2016</b>	2013
Assumed dental cost trend rate	<b>N/A</b>	N/A	<b>5.00%</b>	5.00%

The expected return on asset assumption is established based on consideration of historical and projected asset class returns, as well as the target allocations of the benefit trust portfolios.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. For the year ended December 31, 2011, a one-percentage-point change in assumed health care cost trend rates would have had the following effects:

<b>(Millions)</b>	<b>One-Percentage-Point</b>	
	<b>Increase</b>	<b>Decrease</b>
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$0.1	\$(0.1)
Effect on the health care component of the accumulated postretirement benefit obligation	1.7	(1.5)

### Pension and Other Postretirement Benefit Plan Assets

Integrus Energy Group's investment policy includes various guidelines and procedures designed to ensure assets are invested in an appropriate manner to meet expected future benefits to be earned by participants. The investment guidelines consider a broad range of economic conditions. The policy is established and administered in a manner that is compliant at all times with applicable regulations.

Central to the policy are target allocation ranges by major asset categories. The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters and to achieve asset returns that meet or exceed the plans' actuarial assumptions and that are competitive with like instruments employing similar investment strategies. The portfolio diversification provides protection against significant concentrations of risk in the plan assets. The target asset allocations for pension and other postretirement benefit plans that have significant assets are: 70% equity securities and 30% fixed income securities. Equity securities primarily include investments in large-cap and small-cap companies. Fixed income securities primarily include corporate bonds of companies from diversified industries, United States government securities, and mortgage-backed securities.

The Board of Directors of Integrus Energy Group established the Employee Benefits Administrator Committee (composed of members of Integrus Energy Group and its subsidiaries management) to manage the operations and administration of all benefit plans and trusts. The committee periodically reviews the asset allocation, and the portfolio is rebalanced when necessary.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

Pension and other postretirement benefit plan investments are recorded at fair value. Information regarding the fair value hierarchy and the classification of fair value measurements based on the types of inputs used are discussed in Note 1(p), "Summary of Significant Accounting Policies – Fair Value."

The following table provides the fair value of the plans' investments by asset class:

December 31, 2011								
(Millions)	Pension Plan Assets				Other Benefit Plan Assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Asset Class</b>								
Cash and cash equivalents	\$0.1	\$ 0.6	\$ -	\$ 0.7	\$ -	\$0.5	\$ -	\$ 0.5
Equity securities:								
United States equity	3.4	8.5	-	11.9	2.2	3.1	-	5.3
International equity	1.8	6.5	-	8.3	0.7	2.4	-	3.1
Fixed income securities:								
United States government	-	2.5	-	2.5	3.2	-	-	3.2
Foreign government	-	0.4	0.1	0.5	-	-	-	-
Corporate debt	-	4.1	0.1	4.2	-	-	-	-
Asset-backed securities	-	1.5	-	1.5	-	-	-	-
Other	-	0.2	-	0.2	1.1	-	-	1.1
	5.3	24.3	0.2	29.8	7.2	6.0	-	13.2
401(h) other benefit plan assets invested as pension assets <sup>(1)</sup>	(0.3)	(1.3)	-	(1.6)	0.3	1.3	-	1.6
<b>Total</b> <sup>(2)</sup>	<b>\$5.0</b>	<b>\$23.0</b>	<b>\$0.2</b>	<b>\$28.2</b>	<b>\$7.5</b>	<b>\$7.3</b>	<b>\$ -</b>	<b>\$14.8</b>

(1) Pension trust assets are used to pay other postretirement benefits as allowed under Internal Revenue Code Section 401(h).

(2) Investments do not include accruals or pending transactions that are included in the table reconciling the change in fair value of plan assets.

December 31, 2010								
(Millions)	Pension Plan Assets				Other Benefit Plan Assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Asset Class</b>								
Cash and cash equivalents	\$0.1	\$ 0.9	\$ -	\$ 1.0	\$ -	\$0.5	\$ -	\$ 0.5
Equity securities:								
United States equity	3.4	8.3	-	11.7	3.3	3.0	-	6.3
International equity	2.1	6.8	-	8.9	0.7	2.6	-	3.3
Fixed income securities:								
United States government	-	2.0	-	2.0	0.5	1.7	-	2.2
Foreign government	-	0.4	0.2	0.6	-	-	-	-
Corporate debt	-	3.9	0.1	4.0	-	0.9	-	0.9
Asset-backed securities	-	1.5	-	1.5	-	-	-	-
Other	-	0.1	-	0.1	1.5	-	-	1.5
Real estate securities	-	-	0.8	0.8	-	-	-	-
	5.6	23.9	1.1	30.6	6.0	8.7	-	14.7
401(h) other benefit plan assets invested as pension assets <sup>(1)</sup>	(0.1)	(0.5)	-	(0.6)	0.1	0.5	-	0.6
<b>Total</b> <sup>(2)</sup>	<b>\$5.5</b>	<b>\$23.4</b>	<b>\$1.1</b>	<b>\$30.0</b>	<b>\$6.1</b>	<b>\$9.2</b>	<b>\$ -</b>	<b>\$15.3</b>

(1) Pension trust assets are used to pay other postretirement benefits as allowed under Internal Revenue Code Section 401(h).

(2) Investments do not include accruals or pending transactions that are included in the table reconciling the change in fair value of plan assets.



Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corp	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

The following table sets forth a reconciliation of changes in the fair value of pension plan assets categorized as Level 3 measurements:

(Millions)	Foreign Government Debt	Corporate Debt	Real Estate Securities	Total
Beginning balance at December 31, 2010	\$0.2	\$0.1	\$0.8	\$1.1
Net realized and unrealized losses	-	-	-	-
Purchases	-	0.1	0.1	0.2
Sales	(0.1)	(0.1)	(0.9)	(1.1)
<b>Ending balance at December 31, 2011</b>	<b>\$0.1</b>	<b>\$0.1</b>	<b>\$ -</b>	<b>\$0.2</b>

Net unrealized losses related to assets still held at the end of the period

\$ -                      \$ -                      \$ -                      \$ -

(Millions)	Foreign Government Debt	Corporate Debt	Real Estate Securities	Total
Beginning balance at December 31, 2009	\$ -	\$0.1	\$0.7	\$0.8
Net realized and unrealized gains	-	-	0.1	0.1
Purchases, sales, and settlements	0.2	-	-	0.2
<b>Ending balance at December 31, 2010</b>	<b>\$0.2</b>	<b>\$0.1</b>	<b>\$0.8</b>	<b>\$1.1</b>

Net unrealized gains related to assets still held at the end of the period

\$ -                      \$ -                      \$0.1                      \$0.1

#### Cash Flows Related to Pension and Other Postretirement Benefit Plans

The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company expects to contribute \$7.2 million to pension plans and \$0.3 million to other postretirement plans in 2012, dependent upon various factors affecting the Company, including its liquidity position and tax law changes.

The following table shows the payments, reflecting expected future service that the Company expects to make for pension and other postretirement benefits. In addition, the table shows the expected federal subsidies, provided under the Medicare Prescription Drug, Improvement and Modernization Act of 2003, that will partially offset other postretirement benefits.

(Millions)	Pension Benefits	Other Benefits	Federal Subsidies
2012	\$ 3.4	\$1.4	\$0.1
2013	3.5	1.6	0.1
2014	3.5	1.7	0.1
2015	3.7	1.7	0.1
2016	3.8	1.7	0.1
2017-2021	20.3	8.5	0.5

#### Defined Contribution Benefit Plans

Integrys Energy Group maintains a 401(k) Savings Plan for substantially all full-time employees. A percentage of employee contributions are matched through an ESOP or cash contribution up to certain limits. Employees who are no longer eligible to participate in the defined benefit pension plan participate in a defined contribution pension plan, in which certain amounts are contributed to an employee's account based on the employee's wages, age, and years of service. The Company also offers a discretionary profit-sharing contribution to eligible employees based on a percentage of base pay. The Company's share of the total costs incurred under these plans was \$0.6 million and \$0.5 million in 2011 and 2010, respectively.

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

## NOTE 12--COMMON STOCK

Common Stock of MGUC consists of common stock without par value, \$1 stated value, authorized 1,000 shares, issued and outstanding – 100 shares. The common stock balance was \$100 at December 31, 2011 and 2010. All shares of the Company's common stock are owned by Integrys Energy Group.

## NOTE 13--FAIR VALUE OF FINANCIAL INSTRUMENTS

### Fair Value Measurements

The following tables show assets and liabilities that were accounted for at fair value on a recurring basis, categorized by level within the fair value hierarchy:

(Millions)	December 31, 2011			Total
	Level 1	Level 2	Level 3	
Risk management assets				
Natural gas contracts	\$ 0.4	\$ -	\$ -	\$0.4

MGUC had no significant risk management assets or liabilities at December 31, 2010.

The risk management assets and liabilities listed in the table above includes NYMEX futures and options used to manage the risk associated with the market price volatility of natural gas costs. NYMEX contracts are valued using the NYMEX end-of-day settlement price, which is a Level 1 input. For more information on our derivative instruments, see Note 2, "Risk Management Activities." There were no transfers between the levels of the fair value hierarchy during 2011.

### Fair Value of Financial Instruments

The following table shows the financial instruments included on MGUC's balance sheets that are not recorded at fair value:

(Millions)	December 31, 2011		December 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	\$84.0	\$94.9	\$84.0	\$92.7

The fair value of the long-term debt is estimated based on the quoted market price for the same or similar issues, or on the current rates offered to MGUC for debt of the same remaining maturity.

Due to the short-term nature of cash and cash equivalents, accounts receivable, accounts payable, and notes payable, the carrying amount for each such item approximates fair value.

## NOTE 14--RELATED PARTY TRANSACTIONS

MGUC routinely enters into transactions with related parties, including Integrys Energy Group and its subsidiaries.

MGUC provides and receives services, property, and other items of value to and from its parent, Integrys Energy Group, and other subsidiaries of Integrys Energy Group. All such transactions are made pursuant to an affiliated interest agreement ("Regulated Agreement") approved, or granted appropriate waivers from, the MPSC. Minnesota Energy Resources Corporation, Upper Peninsula Power Company, Peoples Gas Light and Coke Company, and North Shore Gas Company (together with MGUC, the "regulated

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corp			
NOTES TO FINANCIAL STATEMENTS (Continued) – Page 123			

subsidiaries") have all been added as parties to the Regulated Agreement and, like MGUC, can also provide and receive services, property, and other items of value to and from their parent, Integrys Energy Group, and other regulated subsidiaries of Integrys Energy Group. The Regulated Agreement requires that all services are provided at cost. Modification or amendment to these agreements requires the approval of or waivers from the MPSC.

IBS provides 15 categories of services (including financial, human resources, and administrative services) to MGUC pursuant to an affiliated interest agreement ("IBS AIA") which has been approved, or from which we have been granted appropriate waivers, by the appropriate regulators, including the MPSC. As required by FERC regulations for centralized service companies, IBS renders services at cost. The MPSC must be notified prior to making changes to the services offered under and the allocation methods specified in the IBS AIA. Other modifications or amendments to the IBS AIA would require MPSC approval or must be covered by an appropriate waiver. Recovery of allocated costs is addressed in MGUC's rate cases.

In 2010, a new affiliated interest agreement ("Non-IBS AIA") that would govern the provision of intercompany services, other than IBS services, within Integrys Energy Group, was submitted to the MPSC for approval. The Non-IBS AIA was written primarily to limit the scope of services now provided by IBS that had been provided under the Regulated Agreement. The Non-IBS AIA would replace these current agreements, except the IBS AIA, after proper approvals. The pricing methodologies from the current agreements would carry forward to the Non-IBS AIA. The Non-IBS AIA was not filed with the MPSC as it is covered by existing waivers, but it cannot take effect until it is approved in all jurisdictions.

The following table shows intercompany balances as of December 31, 2011 and 2010:

<i>(Millions)</i>	2011	2010
Advances from Associated Companies	<b>\$84.0</b>	\$84.0
Notes Payable from Associated Companies	-	8.8
Accounts Payable from Associated Companies	<b>2.9</b>	3.3
Other Deferred Credits	<b>0.1</b>	0.1

Interest expense for the twelve months ended December 31, 2011, and 2010, includes \$5.3 million and \$5.0 million, respectively, on debts from associate companies.

IBS serves as plan sponsor and administrator for the qualified retirement plan and WPS serves as plan sponsor and administrator for the other postretirement benefits.

See Note 5, "Short-Term Debt," Note 6, "Long-Term Debt," and Note 11, "Employee Benefit Plans," for additional disclosures on related party transactions.

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
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) Includes ARO	297,298,463		
4	Property Under Capital Leases	0		
5	Plant Purchased or Sold	0		
6	Completed Construction not Classified	5,592,198		
7	Experimental Plant Unclassified	0		
8	TOTAL (Enter Total of lines 3 thru 7)	302,890,661		
9	Leased to Others	0		
10	Held for Future Use	0		
11	Construction Work in Progress	3,207,446		
12	Acquisition Adjustments	0		
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	306,098,107		
14	Accum. Prov. for Depr., Amort., & Depl.	168,472,674		
15	Net Utility Plant (Enter Total of line 13 less 14)	137,625,433		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation (108000, 108001, 108200, 254485)	166,905,812		
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights	0		
20	Amort. of Underground Storage Land and Land Rights	0		
21	Amort. of Other Utility Plant (111000)	1,566,862		
22	TOTAL In Service (Enter Total of lines 18 thru 21)	168,472,674		
23	Leased to Others			
24	Depreciation	0		
25	Amortization and Depletion	0		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0		
27	Held for Future Use			
28	Depreciation	0		
29	Amortization	0		
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)	0		
31	Abandonment of Leases (Natural Gas)	0		
32	Amort. of Plant Acquisition Adj.			
33	TOTAL Accumulated provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	168,472,674		

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011
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
297,298,463					3
0					4
0					5
5,592,198					6
0					7
302,890,661					8
0					9
0					10
3,207,446					11
0					12
306,098,107					13
168,472,674					14
137,625,433					15
					16
					17
166,905,812					18
0					19
0					20
1,566,862					21
168,472,674					22
					23
0					24
0					25
0					26
					27
0					28
0					29
0					30
0					31
					32
168,472,674					33

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)</b>				
<p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Acct 101, Gas Plant in Service (Classified), this schedule includes Account 102, Gas Plant Purchased or Sold; Acct 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 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.</p> <p>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 amounts.</p>				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		<b>1. Intangible Plant</b>		
2	301	Organization	-	-
3	302	Franchises and Consents	22,656	-
4	303	Miscellaneous Intangible Plant	271,233	-
5		<b>TOTAL Intangible Plant</b>	<b>293,889</b>	<b>-</b>
6		<b>2. Production Plant</b>		
7		<b>Manufactured Gas Production Plant</b>		
8	304.1	Land	-	-
9	304.2	Land Rights	-	-
10	305	Structures and Improvements	-	-
11	306	Boiler Plant Equipment	-	-
12	307	Other Power Equipment	-	-
13	308	Coke Ovens	-	-
14	309	Producer Gas Equipment	-	-
15	310	Water Gas Generating Equipment	-	-
16	311	Liquefied Petroleum Gas Equipment	-	-
17	312	Oil Gas Generating Equipment	-	-
18	313	Generating Equipment-Other Processes	-	-
19	314	Coal, Coke and Ash Handling Equipment	-	-
20	315	Catalytic Cracking Equipment	-	-
21	316	Other Reforming Equipment	-	-
22	317	Purification Equipment	-	-
23	318	Residual Refining Equipment	-	-
24	319	Gas Mixing Equipment	-	-
25	320	Other Equipment	-	-
26		<b>TOTAL Manufactured Gas Production Plant</b>	<b>-</b>	<b>-</b>

Name of Respondent	This Report Is:	Date of Report	Year of Report		
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
<p>Careful observation 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.</p> <p>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 classification.</p>		<p>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.</p> <p>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.</p>			
Retirements	Adjustments	Transfers	Balance at End of Year	Acct. No.	Line No.
(d)	(e)	(f)	(g)		
					1
-	-	-	-	301	2
-	-	-	22,656	302	3
-	-	-	271,233	303	4
-	-	-	293,889		5
					6
					7
-	-	-	-	304.1	8
-	-	-	-	304.2	9
-	-	-	-	305	10
-	-	-	-	306	11
-	-	-	-	307	12
-	-	-	-	308	13
-	-	-	-	309	14
-	-	-	-	310	15
-	-	-	-	311	16
-	-	-	-	312	17
-	-	-	-	313	18
-	-	-	-	314	19
-	-	-	-	315	20
-	-	-	-	316	21
-	-	-	-	317	22
-	-	-	-	318	23
-	-	-	-	319	24
-	-	-	-	320	25
-	-	-	-		26

Name of Respondent Michigan Gas Utilities Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
27		Natural Gas Production & Gathering Plant		
28	325.1	Producing Lands	-	-
29	325.2	Producing Leaseholds	-	-
30	325.3	Gas Rights	-	-
31	325.4	Rights-of-Way	16,869	-
32	325.5	Other Land	18,223	-
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	87,403	-
38	330	Producing Gas Wells-Well Construction	-	-
39	331	Producing Gas Wells-Well Equipment	5,150	-
40	332	Field Lines	41,943	-
41	333	Field Compressor Station Equipment	115,824	-
42	334	Field Measuring and Regulating Station Equipment	2,051	-
43	335	Drilling and Cleaning Equipment	-	-
44	336	Purification Equipment	22,055	-
45	337	Other Equipment	14,957	-
46	338	Unsuccessful Exploration & Development Costs	-	-
47		TOTAL Production and Gathering Plant	324,475	-
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	-	-
59		TOTAL Natural Gas Production Plant	324,475	-
60		SNG Production Plant (Submit Supplemental Statement)	-	-
61		TOTAL Production Plant	324,475	-
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land	13,312	-



Name of Respondent Michigan Gas Utilities Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					27
-	-	-	-	325.1	28
-	-	-	-	325.2	29
-	-	-	-	325.3	30
-	-	-	16,869	325.4	31
-	-	-	18,223	325.5	32
-	-	-	-	325.6	33
-	-	-	-	326	34
-	-	-	-	327	35
-	-	-	-	328	36
-	-	-	87,403	329	37
-	-	-	-	330	38
-	-	-	5,150	331	39
-	-	-	41,943	332	40
-	-	-	115,824	333	41
-	-	-	2,051	334	42
-	-	-	-	335	43
-	-	-	22,055	336	44
-	-	-	14,957	337	45
-	-	-	-	338	46
-	-	-	324,475		47
					48
-	-	-	-	340.1	49
-	-	-	-	340.2	50
-	-	-	-	341	51
-	-	-	-	342	52
-	-	-	-	343	53
-	-	-	-	344	54
-	-	-	-	345	55
-	-	-	-	346	56
-	-	-	-	347	57
-	-	-	-		58
-	-	-	324,475		59
-	-	-	-		60
-	-	-	324,475		61
					62
					63
-	-	-	13,312	350.1	64

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
65	350.2	Rights-of-Way	2,455	-
66	351	Structures and Improvements	281,823	-
67	352	Wells	-	-
68	352.1	Storage Leaseholds and Rights	-	-
69	352.2	Reservoirs	95,267	-
70	352.3	Non-recoverable Natural Gas	1,033,000	-
71	352.4	Gas URG-Storage Wells	2,569,626	-
72	352.5	Gas URG-Storage Leasehold & Rght	1,666,932	-
73	353	Lines	897,299	-
74	354	Compressor Station Equipment	3,021,032	-
75	355	Measuring and Regulating Equipment	676,304	-
76	356	Purification Equipment	1,107,267	-
77	357	Other Equipment	25,701	-
78	358	Gas in Underground Storage-Noncurrent	-	-
79		TOTAL Underground Storage-Noncurrent	11,390,018	-
80		Other Storage Plant		
81	360.1	Land	-	-
82	360.2	Land Rights	-	-
83	361	Structures and Improvements	-	-
84	362	Gas Holders	-	-
85	363	Purification Equipment	-	-
86	363.1	Liquefaction Equipment	-	-
87	363.2	Vaporizing Equipment	-	-
88	363.3	Compressor Equipment	-	-
89	363.4	Measuring and Regulating Equipment	-	-
90	363.5	Other Equipment	-	-
91		TOTAL Other Storage Plant	-	-
92		Base Load Liquefied NG Terminating and Processing Plant		
93	364.1	Land	-	-
94	364.1a	Land Rights	-	-
95	364.2	Structures and Improvements	-	-
96	364.3	LNG Processing Terminal Equipment	-	-
97	364.4	LNG Transportation Equipment	-	-
98	364.5	Measuring and Regulating Equipment	-	-
99	364.6	Compressor Station Equipment	-	-
100	364.7	Communication Equipment	-	-
101	364.8	Other Equipment	-	-
102		TOTAL Base Load LNG Terminating and Processing Plant	-	-
103				
104		TOTAL Natural Gas Storage and Processing Plant	11,390,018	-

Name of Respondent Michigan Gas Utilities Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
-	-	-	2,455	350.2	65
-	-	-	281,823	351	66
-	-	-	-	352	67
-	-	-	-	352.1	68
-	-	-	95,267	352.2	69
-	-	-	1,033,000	352.3	70
(13,000)	-	-	2,556,626	352.4	71
-	-	-	1,666,932	352.5	72
-	-	-	897,299	353	73
(60,216)	-	-	2,960,816	354	74
-	-	-	676,304	355	75
-	-	-	1,107,267	356	76
-	-	-	25,701	357	77
-	-	-	-	358	78
(73,216)	-	-	11,316,802		79
					80
-	-	-	-	360.1	81
-	-	-	-	360.2	82
-	-	-	-	361	83
-	-	-	-	362	84
-	-	-	-	363	85
-	-	-	-	363.1	86
-	-	-	-	363.2	87
-	-	-	-	363.3	88
-	-	-	-	363.4	89
-	-	-	-	363.5	90
-	-	-	-		91
					92
-	-	-	-	364.1	93
-	-	-	-	364.1a	94
-	-	-	-	364.2	95
-	-	-	-	364.3	96
-	-	-	-	364.4	97
-	-	-	-	364.5	98
-	-	-	-	364.6	99
-	-	-	-	364.7	100
-	-	-	-	364.8	101
-	-	-	-		102
					103
(73,216)	-	-	11,316,802		104

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) [ X ] An Original (2) [   ] A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Line No.	Acct. No.	Account	Balance at Beginning of Year	Additions	
		(a)	(b)	(c)	
105		4. Transmission Plant			
106	365.1	Land	31,394	-	
107	365.2	Land Rights	726,824	-	
108	365.3	Rights-of-Way	-	-	
109	366	Structures and Improvements	49,354	-	
110	367	Mains	31,897,396	284,262	
111	368	Compressor Station Equipment	-	-	
112	369	Measuring and Regulating Station Equipment	6,242,320	347,814	
113	370	Communication Equipment	-	-	
114	371	Other Equipment	-	-	
115		TOTAL Transmission Plant	38,947,288	632,076	
116		5. Distribution Plant			
117	374.1	Land	81,375	-	
118	374.2	Land Rights	179,159	54,673	
119	375	Structures and Improvements	332,146		
120	376	Mains	108,491,087	3,247,841	
121	377	Compressor Station Equipment	-	-	
122	378	Measuring and Regulating Station Equip.-General	4,405,888	176,338	
123	379	Measuring and Regulating Station Equip.-City Gate	(35,210)	-	
124	380	Services	61,272,770	2,755,132	
125	381	Meters	32,018,476	1,319,234	
126	382	Meter Installations	-	-	
127	383	House Regulators	13,862,565	120,076	
128	384	House Regulator Installations	-	-	
129	385	Industrial Measuring and Regulating Station Equip.	556,280	16,892	
130	386	Other Property on Customer's Premises	-	-	
131	387	Other Equipment	-	-	
132	388	Distribution Plant - ARC Gas	1,277,488	-	
133		TOTAL Distribution Plant	222,442,024	7,690,186	
134		6. General Plant			
135	389.1	Land	1,251,451	-	
136	389.2	Land Rights	-	-	
137	390	Structures and Improvements	10,287,171	(458)	
138	391	Office Furniture and Equipment	486,211	-	
139	391.1	Computers and Computer Related Equipment	673,365	506,198	
140	392	Transportation Equipment	3,666,177	450,283	
141	393	Stores Equipment	69,294	-	
142	394	Tools, Shop and Garage Equipment	1,573,968	51,437	
143	395	Laboratory Equipment	318,190	33,306	

Name of Respondent	This Report Is:	Date of Report	Year of Report		
Michigan Gas Utilities Corporation	(1) [ X ] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements	Adjustments	Transfers	Balance at End of Year	Acct. No.	Line No.
(d)	(e)	(f)	(g)		
					105
-	-	-	31,394	365.1	106
-	-	-	726,824	365.2	107
-	-	-	-	365.3	108
(1,967)	-	-	47,387	366	109
(2,525)	-	-	32,179,132	367	110
-	-	-	-	368	111
-	53,925	-	6,644,059	369	112
-	-	-	-	370	113
-	-	-	-	371	114
(4,492)	53,925	-	39,628,797		115
					116
-	-	-	81,375	374.1	117
-	-	-	233,832	374.2	118
			332,146	375	119
(76,679)	-	-	111,662,249	376	120
-	-	-	-	377	121
(125,515)	(53,925)	-	4,402,786	378	122
-	-	-	(35,210)	379	123
(142,523)	-	-	63,885,379	380	124
(275,826)	-	-	33,061,884	381	125
-	-	-	-	382	126
(27,834)	-	-	13,954,807	383	127
-	-	-	-	384	128
(32)	-	-	573,139	385	129
-	-	-	-	386	130
-	-	-	-	387	131
-	-	-	1,277,488	388	132
(648,409)	(53,925)	-	229,429,876		133
					134
-	-	-	1,251,451	389.1	135
-	-	-	-	389.2	136
(11,911)	-	-	10,274,802	390	137
(31,279)	-	-	454,931	391	138
(594,863)	-	-	584,700	391.1	139
(115,356)	-	-	4,001,105	392	140
(27,013)	-	-	42,281	393	141
(83,240)	(7,724)	-	1,534,442	394	142
(2,190)	7,724	-	357,030	395	143

Name of Respondent Michigan Gas Utilities Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
144	396	Power Operated Equipment	1,110,515	-
145	397	Communication Equipment	1,990,040	178,365
146	398	Miscellaneous Equipment	7,501	-
147		SUBTOTAL (Lines 134 thru 146)	21,433,883	1,219,131
148	399	Other Tangible Property	109,660	-
149		TOTAL General Plant	21,543,543	1,219,131
150		TOTAL (Accounts 101 and 106)	294,941,237	9,541,392
151	101.1	Property Under Capital Leases	-	
152	102	Gas Plant Purchased (See Instruction 8)	-	
153	(Less)	Gas Plant Sold (See Instruction 8)	-	
154	102			
155	103	Experimental Gas Plant Unclassified	-	
156		TOTAL GAS PLANT IN SERVICE	294,941,237	9,541,392

Name of Respondent Michigan Gas Utilities Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
-	-	-	1,110,515	396	144
-	-	-	2,168,405	397	145
-	-	-	7,501	398	146
(865,851)	-	-	21,787,162		147
-	-	-	109,660	399	148
(865,851)	-	-	21,896,822		149
(1,591,969)	-	-	302,890,661		150
			-	101.1	151
			-	102	152
			-	(Less)	152
				102	153
			-	103	154
(1,591,969)	-	-	302,890,661		155

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107).		Development, and Demonstration (see Account 107 of the Uniform System of Accounts).	
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		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	Projects with Balances Less Than \$500,000	3,207,446	N/A
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43	TOTAL	3,207,446	0



Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
CONSTRUCTION OVERHEADS - GAS				
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. 2. On page 218 furnish information concerning construction overheads. 3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page		218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction. 4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.		
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	Internal Design, Engineering and Supervision	442,451		
2	Allowance for Funds Used During Construction	40,109		
3	Administrative and General	149,121		
4			10,751,349	
5				
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7				
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46	TOTAL	631,681	10,751,349	

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE</b>			
<p>1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.</p>		<p>2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the U.S. of A.</p> <p>3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.</p>	
<p style="text-align: center;"><u>Internal Design, Engineering, and Supervision</u></p> <p>The company capitalizes salaries and expenses of supervisory, engineering and clerical personnel involved with the construction and retirement of gas mains and services. Costs include design and engineering services as well as supervising, directing, and controlling activities of field employees engaged in the construction and retirement activities. Each month, the amounts are allocated to gas mains, gas services, and retirement projects based on direct labor charged to those projects.</p> <p style="text-align: center;"><u>Administrative and General</u></p> <p>The company capitalizes a portion of administrative and general expenses, property taxes, and an applicable portion of the injuries and damages insurance which are incurred in connection with construction activity. Each month, an amount is allocated to individual construction projects based on direct labor charged to those projects.</p>			

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2012		December 31, 2011	
ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)							
1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-211, column (d), excluding retirements of non-depreciable property. 3. Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.				If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications. 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.			
Section A. Balances and Changes During Year							
Line No.	Item (a)	Total (c + d + e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)		
1	Balance Beginning of Year	160,411,128	160,411,128				
2	Depreciation Prov. for Year, Charged to						
3	(403) Depreciation Expense	7,862,265	7,862,265				
4	(403.1) Deprec. and Deplet. Expense	0	0				
5	(413) Exp. of Gas Plt. Leas. to Others	0	0				
6	Transportation Expenses-Clearing	459,916	459,916				
7	Other Clearing Accounts	0	0				
8	Other Accounts (Specify):	0	0				
9	ARO Depreciation Expense 182375	65,933	65,933				
10	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 9)	8,388,114	8,388,114	0	0		
11	Net Charges for Plant Retired:						
12	Book Cost of Plant Retired	1,591,969	1,591,969				
13	Cost of Removal	486,384	486,384				
14	Salvage	184,923	184,923				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	1,893,430	1,893,430	0	0		
16	Other Debit or Credit Items (Describe):	0	0				
17							
18		0					
19	Balance End of Year (Enter Total of lines 1, 10, 15, & 17)	166,905,812	166,905,812	0	0		
Section B. Balances at End of Year According to Functional Classifications							
20	Production - Manufactured Gas	0	0				
21	Production and Gathering - Natural Gas	253,101	253,101				
22	Products Extraction - Natural Gas	0	0				
23	Underground Gas Storage	5,709,844	5,709,844				
24	Other Storage Plant	0	0				
25	Base Load LNG Terminating & Proc. Plt.	0	0				
26	Transmission	27,316,097	27,316,097				
27	Distribution	123,475,038	123,475,038				
28	General	10,151,733	10,151,733				
29	TOTAL (Enter total of lines 20 thru 28)	166,905,812	166,905,812	0	0		

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) April 30, 2012	Year of Report December 31, 2011	
Michigan Gas Utilities Corporation		GAS STORED (ACCOUNT 117, 164.1, 164.2 AND 164.3)				
1. If during the year adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited. 2. Give in a footnote a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir. 3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment				of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year. 4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year. 5. Report pressure base of gas volumes as 14.65 psia at 60°F.		
Line No.	Description (a)	Noncurrent (Account 117) (b)	Current (Account 164.1) (c)	LNG (Account 164.2) (d)	LNG (Account 164.3) (e)	Total (f)
1	Balance at Beginning of Year	3,601,761	\$31,974,708			\$35,576,469
2	Gas Delivered to Storage (contra Account)		20,350,590			20,350,590
3	Gas Withdrawn from Storage (contra Account)		(29,518,890)			(29,518,890)
4	Other Debits or Credits (Net)					-
5	Balance at End of Year	3,601,761	\$22,806,408			\$26,408,169
6	Mcf	2,202,000	4,067,269			6,269,269
7	Amount Per Mcf	\$1.64	\$5.61			\$4.21
8						

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Name of Respondent Michigan Gas Utilities Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011	
<b>INVESTMENTS (Accounts 123, 124, 136)</b>				
<p>1. Report below the investments in Accounts 123, <i>Investments in Associated Companies</i>, 124, <i>Other Investment</i>, and 136, <i>Temporary Cash Investments</i>.</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 user, 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, <i>Other</i></p>		<p><i>Investments</i>), 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 an open account.</p>		
Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (b) Original Cost      Book Value		Purchases or Additions During Year (c)
1	US Bank Euro Time Deposit 12/30/2011	1,200,000	1,200,000	1,200,000
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3				
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14				
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16				
17				
18				
19		1,200,000	1,200,000	1,200,000
20				
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37				
38				
39		1,200,000	1,200,000	1,200,000

Name of Respondent Michigan Gas Utilities Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)						
<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</p>			<p>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 (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</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 of Loss from Improvement Disposed of (h)	Line No.
		Original Cost	Book Value			
		1,200,000	1,200,000	0*		1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
0		1,200,000	1,200,000	0		19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
0		0	0	0		34
						35
						36
0	0	1,200,000	1,200,000	0	0	37
						38
						39

1 (g)\* Interst accrued for 12/30/11 through 12/31/11 \$6.66.  
Interest received on 01/03/12 \$13.33 for entire trade.  
Actual interst received for this transaction in 2011 \$0.00

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011
GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS					
1. Report below the information called for concerning gas prepayments as defined in the text of Account 165, <i>Prepayments</i> . (Report advances on page 229.)			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 prepayment.		
2. If any prepayment at beginning of year (or incurred during year) was cancelled, forfeited, or applied to another					
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	ANR Pipeline			4,000	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
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30					
31					
32					
33					
34					
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36					
37					
38					
39					
40					
41					
42	TOTAL		0	4,000	



Name of Respondent	This Report Is:		Date of Report	Year of Report		
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011		
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 (j)	Line No.
Mcf (14.73 psia at 60°F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at 60°F) (h)	Percent of Year's required take (i)		
	4,000					1
	-					2
						3
						4
						5
						6
						7
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						9
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						33
						34
						35
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						39
						40
						41
0	4,000		0			42

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET</b>				
Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).				
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)	
1	Notes Receivable (Account 141)	84	10	
2	Customer Accounts Receivable (Account 142)	17,234,009	17,344,036	
3	Other Accounts Receivable (Account 143) * (Disclose any capital stock subscriptions received)	1,820,104	331,142	
4	TOTAL	19,054,197	17,675,188	
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144) **	1,507,876	1,773,876	
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	17,546,321	15,901,312	
7				
8				
9	* Accounts Receivable From Employees			
10	** Michigan's Portion of Account 144			
11				
12				
13				
14				

<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)</b>						
1. Report below the information called for concerning this accumulated provision.						
2. Explain any important adjustments of subaccounts.						
3. Entries with respect to officers and employees shall not include items for utility services.						
Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	1,507,876				1,507,876
2	Prov. for uncollectibles for current	266,000				266,000
3	Account written off (less)	1,707,618				1,707,618
4	Coll. of accounts written off					0
5	Adjustments (explain): Due to the Direct Write-Off Method	1,707,618				1,707,618
6	Balance end of year	1,773,876	0	0	0	1,773,876
7						
8						
9						
10						
11						

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)						
1. Report particulars of notes and accounts receivable from associated companies* at end of year. 2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts. 3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.			4. If any note was received in satisfaction of an open account, state the period covered by such open account. 5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year. 6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.			
* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company. This includes related parties. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.						
Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	<b>Account 146:</b>					
2	<u>Wisconsin Public Service Corporation</u>					
3	Accounts Receivable	39	255,657	255,696	0	
4	<u>Minnesota Energy Resources Corporation</u>					
5	Accounts Receivable	307	1,924	2,161	70	
6	<u>The Peoples Gas Light &amp; Coke Company</u>					
7	Accounts Receivable	0	3,900	3,900	0	
8	<u>North Shore Gas Company</u>					
9	Accounts Receivable	(74)	4,084	2,823	1,187	
10	<u>Integrus Business Support, LLC</u>					
11	Accounts Receivable	0	69,988	29,392	40,596	
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	TOTAL	272	335,553	293,972	41,853	

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) April 30, 2012	Year of Report December 31, 2011	
Michigan Gas Utilities Corporation				
<b>MATERIALS AND SUPPLIES</b>				
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material. Nonmajor companies may report total on line 4.</p> <p>2. Give an explanation of important inventory adjustments during the year (on a supplemental page) showing general classes of material and supplies and the various accounts (operating expense, clearing accounts, plant, etc.) affected-debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.</p>				
Line No.	Account (a)	Balance Beginning of Year Conv. Amts 4/1/06 (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	223,242	350,192	Gas Operations
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	113,691	56,938	Gas Operations
10	Assigned to - Other			
11	TOTAL Account 154 <i>(Enter Total of lines 5 thru 10)</i>	336,933	407,130	Gas Operations
12	Merchandise (Account 155)			
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157)			
	<i>(Not applicable to Gas Utilities)</i>			
15	Stores Expense Undistributed (Account 163)	10,045	5,991	
16	Electric			
17	Gas			
18	Other			
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	346,978	413,121	

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			

**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	282,775
2	Prepaid Rents	
3	Prepaid Taxes (pages 262-263)	1,668,044
4	Prepaid Interest on Commercial Paper	
5	Gas Prepayments (pages 226-227)	4,000
6	Miscellaneous Prepayments: Licenses	
7	<b>TOTAL</b>	<b>1,954,819</b>

**EXTRAORDINARY PROPERTY LOSSES (Account 182.1)**

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9	<b>TOTAL</b>	0	0		0	0

**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		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10	NONE					
11						
12						
13						
14						
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27						
28						
29						
30	<b>TOTAL</b>	0	0		0	0

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

**OTHER REGULATORY ASSETS (Account 182.3)**

1. Report 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.)

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$50,000) may be grouped by classes.

4. Give the number and name of the account(s) where each amount is recorded.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1	Regulatory Asset - Short Term UETM	451,760	496	451,760	0
2	Regulatory Asset - Retiree Health (FAS 106)	222,585	926.1	191,586	30,999
3	Regulatory Asset - FAS 158	55,939,572	228.3	34,987,748	20,951,824
4	Clean-Up Gas Insurance Recovery	684,724	182.3	684,724	0
5	Environmental Clean-Up Costs	5,050,139	182.3/232	5,050,139	0
6	Regulatory Asset - Purch Acctg Eff Benefits	31,522,058	926	9,240,615	22,281,443
7	ARO Depreciation/Accretion - Non-Rate Base	460,780	230	2,538	458,242
8	Regulatory Asset - Deferred Taxes	9,637,202	254.4	6,359,920	3,277,282
9	Regulatory Asset - Derivatives	38,010	244/175	0	38,010
10	Regulatory Asset - Uncollectible Expense Tracker-MI	4,035,727	144	2,261,851	1,773,876
11	Revenue Decoupling - Under Collection 2010	1,804,092	495	1,111,139	692,953
12	Revenue Decoupling - Under Collection 2011	613,510	495	354,209	259,301
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
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30					
31					
32					
33					
34					
35	TOTAL	110,460,159		60,696,229	49,763,930

NOTE: All amounts are recorded in Account 182.3.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.  
2. For any deferred debit being amortized, show period of amortization in column (a).  
3. Minor items (less than \$50,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Tradename	5,218,000	0	186060	0	5,218,000
2	Deferred Debit-Area Expansion Program	948,667	203,454	Various	156,786	995,335
3	Labor Load/Transp Capital Accrual	26,718	587,747	Various	614,465	(0)
4	Deferred Debit-Work Orders	12,002	47,676	107/234	48,977	10,701
5	Goodwill	34,517,361	0	425010	0	34,517,361
6	Regulatory Asset - Clean-Up Gas Expenditures	25,039,045	1,089,811	253/735	2,900,881	23,227,975
7	Deferred Debit-Other	0	849,473	143350	0	849,473
8						
9						
10						
11						
12						
13						
14						
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37						
38	Misc. Work in Progress					
39	DEFERRED REGULATORY COMM. EXPENSES (SEE PAGES 350-351)					
40	TOTAL	65,761,792	2,778,161		3,721,109	64,818,845

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.      2. For 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				
6				
7	Other			
8	TOTAL Electric <i>(Enter Total of lines 2 thru 7)</i>			
9	Gas			
10	Accumulated Deferred Income Taxes			
11	Plant	(1,202,777)	58,703	120,016
12	Other Than Plant	(8,126,821)	8,050,261	8,356,945
13	Other Than Plant (FAS 109)	(744)	-	-
14				
15	Other			
16	TOTAL Gas <i>(Enter Total of lines 10 thru 15)</i>	(9,330,342)	8,108,964	8,476,961
17	Other (Specify) Non-Utility	(28,141,530)	13,793,015	9,465,991
18	TOTAL (Account 190 <i>(Enter Total of lines 8, 16 &amp; 17)</i> )	(37,471,872)	21,901,979	17,942,952
19	Classification of Total:			
20	Federal Income Tax	(32,869,632)	17,216,494	13,410,770
21	State Income Tax	(4,602,240)	4,685,485	4,532,182
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.*

(A) Transfers were made between Accounts 190, 254, 282 and 283.



Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2012		December 31, 2011	
ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)							
3. If more space is needed, use separate pages as required.				and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.			
4. In the space provided below, identify by amount							
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. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
						0	10
						(1,264,090)	11
					(650,118)	(9,083,623)	12
					2,494	1,750	13
							14
					0		15
-	-	-	-	-	(647,624)	(10,345,963)	16
						(23,814,506)	17
-	-	-	-	-	(647,624)	(34,160,469)	18
							19
		-	-	-	(584,007)	(29,647,915)	20
		-		-	(63,617)	(4,512,554)	21
							22
NOTES (Continued)							

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011	
<b>CAPITAL STOCK (Accounts 201 and 204)</b>				
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 outline in column (a) is available from the SEC 10-K Report Form filing, a specific reference		to report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible. 2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.		
Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Account 201 - Common Stock			
2				
3	Total Common Stock			
4				
5	Account 204 - Preferred Stock			
6				
7	Total Preferred Stock			
8				
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Name of Respondent		This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011	
<b>CAPITAL STOCK (Accounts 201 and 204) (Continued)</b>						
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 pledge and purposes of pledge.		
OUTSTANDING PER BALANCE SHEET		HELD BY RESPONDENT				
(Total amount outstanding without reduction for amounts held by respondents.)		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	Line No.
	(100)					1
						2
	(100)					3
						4
						5
						6
						7
						8
						9
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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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK</b> <b>(Accounts 202 &amp; 205, 203 &amp; 206, 207, 212)</b>			
<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, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, 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 under which a conversion liability existed</p> <p>under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of the year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p>			
Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	Account 207 - Premium on Capital Stock	78,598,023	176,607,110
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40	TOTAL	78,598,023	176,607,110

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)			
<p>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.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208)--State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (Account 209)--State amount and give brief explanation of the</p>		<p>capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210)--Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(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.</p>	
Line No.	Item (a)	Amount (b)	
1	<u>Account 211 - Division Equity</u>		
2			
3	Balance Beginning of Year	\$ -	
4			
5	Net Income	7,910,677	
6			
7			
8			
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40	TOTAL	\$ 7,910,677	

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
<b>LONG-TERM DEBT (Accounts 221, 222, 223 and 224)</b>			
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, <i>Bonds</i>, 222, <i>Reacquired Bonds</i>, 223, <i>Advances from Associated Companies</i>, and 224, <i>Other Long-Term Debt</i>.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>			
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give Commission Authorization numbers and dates)  (a)	Principal Amount of Debt Issued  (b)	Total Expense, Premium or Discount  (c)
1	Account 223 - Advances from Affiliates		
2	Long-Term N/P Assoc Co-Integrus Energy Group, Inc.	84,000,000	
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25	TOTAL	84,000,000	0

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

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

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.

11. Explain any debits and credits other than amortization debited to Account 428, *Amortization of Debt-Discount and Expense*, or credited to Account 429, *Amortization of Premium on Debt-Credit*.

12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.

14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, *Interest on Long-Term Debt*, and Account 430, *Interest on Debt to Associated Companies*.

16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
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				0	0	25

Name of Respondent		This Report Is:	Date of Report	Year of Report		
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011		
<b>PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)</b>						
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.						
<i>*See definition on page 226B</i>						
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	<b>Account 233:</b>					
2	<u>Integrus Energy Group, Inc.</u>					
3	Short term loan to MGUC					
4	Loan 1/1-1/31/2011 Rate 0.40%	8,750,000		8,275,000	17,025,000	
5	Repay 1/31/2011		12,025,000		(12,025,000)	949
6	Loan 2/1-2/28/2011 Rate 0.37%			6,075,000	6,075,000	
7	Repay 2/28/2011		5,000,000		(5,000,000)	199
8	Loan 3/1-3/31/2011 Rate 0.32%			0	0	
9	Repay 3/31/2011		6,075,000		(6,075,000)	49
10	Loan 4/1-4/30/2011 Rate 0.27%			0	0	
11	Repay 4/30/2011		0		0	0
12	Loan 5/1-5/31/2011 Rate 0.28%			0	0	
13	Repay 5/31/2011		0		0	0
14	Loan 6/1-6/30/2011 Rate 0.27%			0	0	
15	Repay 6/30/2011		0		0	0
16	Loan 7/1-7/31/2011 Rate 0.30%			0	0	
17	Repay 7/31/2011		0		0	0
18	Loan 8/1-8/31/2011 Rate 0.32%			0	0	
19	Repay 8/31/2011		0		0	0
20	Loan 9/1-9/30/2011 Rate 0.32%			0	0	
21	Repay 9/30/2011		0		0	0
22	Loan 10/1-10/31/2011 Rate 0.34%			0	0	
23	Repay 10/31/2011		0		0	0
24	Loan 11/1-11/30/2011 Rate 0.40%			0	0	
25	Repay 11/30/2011		0		0	0
26	Loan 12/1-12/31/2011 Rate 0.40%			0	0	
27	Repay 12/31/2011		0		0	0
28	<b>Total of Account 233</b>	8,750,000	23,100,000	14,350,000	0	1,198
29						
30						



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Michigan Gas Utilities Corporation					
<b>PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)</b>					
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.					
<b>*See definition on page 226B</b>					
Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year Debits (c) Credits (d)	Balance End of Year (e)	Interest for Year (f)
1	<b>Account 234:</b>				
2	<u>Peoples Energy Corporation</u>				
3	Accounts Payable	1,169	1,169 0	0	
4	Total	1,169	1,169 0	0	
5	<u>The Peoples Gas Light &amp; Coke Company</u>				
6	Accounts Payable	8,578	16,212 8,822	1,188	
7	Total	8,578	16,212 8,822	1,188	
8	<u>IntegrYS Business Support, LLC</u>				
9	Accounts Payable	1,813,699	26,505,452 26,110,274	1,418,521	
10	Total	1,813,699	26,505,452 26,110,274	1,418,521	
11	<u>Wisconsin Public Service Corporation</u>				
12	Accounts Payable	155,907	2,584,816 2,521,708	92,799	
13	Total	155,907	2,584,816 2,521,708	92,799	
14	<u>Upper Peninsula Power Company</u>				
15	Accounts Payable	234	3,039 3,046	241	
16	Total	234	3,039 3,046	241	
17	<u>Minnesota Energy Resources Corporation</u>				
18	Accounts Payable	70,261	387,338 332,271	15,194	
19	Total	70,261	387,338 332,271	15,194	
20	<u>IntegrYS Energy Services, Inc.</u>				
21	Accounts Payable	34	2,203 2,169	0	
22	Total	34	2,203 2,169	0	
23	<u>IntegrYS Energy Group, Inc.</u>				
24	Accounts Payable	1,288,539	8,231,090 8,291,482	1,348,931	
25	Total	1,288,539	8,231,090 8,291,482	1,348,931	
26					
27	<b>Total of Account 234</b>	3,338,421	37,731,319 37,269,772	2,876,874	
28					
29					
30	<b>Total of Accounts 233 and 234</b>	12,088,421	60,831,319 51,619,772	2,876,874	1,198

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES</b>				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files 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, assignment, or sharing of the consolidated tax among the group members.</p>				
Line No.	Particulars (Details) (a)			Amount (b)
1	Net Income for the Year (Page 117)			\$7,910,677
2	Reconciling items for the Year:			
3				
4	Federal and State Taxes			4,387,757
5	Investment Tax Credit			0
6				
7	Deductions Recorded on Books Not Deducted for Return:			
8	Schedule M-1 Adjustments			
9	Benefits Accrued			(2,793,447)
10	Deferred Compensation			14,214
11	Incentives Accrued			116,153
12	Bad Debts			831
13	Meals & Entertainment			19,832
14	Depreciation			(20,099,281)
15	State Tax			(27,365)
16	Environment Cleanup			1,089,811
17	Regulatory Assets (NC)			2,680,414
18	Vacation Payable			50,463
19	Regulatory Liabilities (CUR)			529,280
20	Deferred Income & Deductions			(137,019)
21	Lobbying			11,745
22	Taxes Other			0
23	Penalties			2,415
24	Interest			36,428
25	Regulatory Liabilities (CUR)			0
26	Section 481(a) Adjustment			(495,276)
27	Goodwill Impairment			0
28	Price Risk Hedging (Current Asset)			10,017
29	ESOP Dividends			(41,109)
30				
31				
32				
33				
34				
35				
36				
38				
39				
40	Federal Tax Net Income			(\$6,733,460)
41	Show Computation of Tax:			
42	Federal Tax @ 35 %			(2,356,711)
43				
44	Prior Year Adjustments			(1,108,555)
45				
46				(3,465,266)
48	Federal Tax Provision:			
49	Page 114, Line 14, Account 409.1			179,815
50	Page 117, Line 47, Account 409.2			(3,645,081)
51				(3,465,266)

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Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2012		December 31, 2011	
<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR</b>							
<p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or</p>				<p>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.</p> <p>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.</p> <p>4. List the aggregate of each kind of tax in such manner</p>			
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	INCOME TAXES:						
2	Federal Income						
3	2011 and Prior Years	(1,679,245)	1,703,359				
4							
5							
6	State Income						
7	2011 and Prior Years		592,512				
8							
9	OTHER TAXES:						
10	Employer's Portion of FICA & HTAX	36,763	-				
11	Unemployment Compensation	11	-				
12	Unauthorized Insurance Tax	-	6,317				
13	Property Taxes	1,450,800	-				
14	MI Severance Tax	2,355	-				
15	Franchise Taxes	-	-				
16	Billed Payroll Tax	-	-				
17	Federal Excise Tax	-	395				
18	Other Miscellaneous Taxes	-	-				
19	TOTAL	(\$189,316)	2,302,583				
<b>DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)</b>							
Line No.	Electric Account 408.1, 409.1)	Gas (Account 408.1, 409.1)	Other Utility Departments (Account 408.1, 409.1)	Other Income and Deductions (Account 408.2, 409.2)			
	(i)	(j)	(k)	(l)			
1							
2							
3		1,840,873		(3,645,081)			
4							
5							
6							
7		1,199,484		(656,724)			
8							
9							
10		661,309	-	-			
11		41,289	-	-			
12		12,203	-	-			
13		3,212,401	-	-			
14		-	-	-			
15		-	-	-			
16		308,003	-	-			
17		443	-	-			
18		11	-	-			
19	TOTAL	\$7,276,016	\$0	(\$4,301,805)			

Name of Respondent	This Report Is:	Date of Report	Year of Report
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)			

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and state income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) and (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
			-	-	1
			(18,187)	1,384,528	2
			-	-	3
			-	-	4
			-	-	5
			-	-	6
840,092	522,989	1,680	-	273,729	7
			-	-	8
			-	-	9
661,309	651,160	-	46,912	-	10
41,289	41,267	-	33	-	11
12,203	15,137	-	-	9,251	12
3,212,401	3,120,630	-	1,542,571	-	13
20,124	20,990	-	1,489	-	14
-	-	-	-	-	15
308,003	308,003	-	-	-	16
443	582	-	-	534	17
11	11	-	-	-	18
3,242,791	1,184,216	\$338,100	\$1,572,818	\$1,668,042	19

DISTRIBUTION OF TAXES CHARGE (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
				2
				3
				4
				5
				6
				7
				8
				9
-	-	-	-	10
-	-	-	-	11
-	-	-	-	12
-	-	-	-	13
-	-	-	20,124	14
-	-	-	-	15
-	-	-	-	16
-	-	-	-	17
-	-	-	-	18
\$0	\$0	\$0	20,124	19

Total Expense \$2,994,335

Name of Respondent Michigan Gas Utilities Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 30, 2012		Year of Report December 31, 2011	
<b>ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)</b>							
Report below information applicable to Acct 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.							
Line No.	Account Subdivisions	Balance at Beginning of Year	Deferred for Year		Allocation to Current Year's Income		Adjustments
	(a)		(b)	Account No. (c)	Amount (d)	Account No. (e)	
1	Gas Utility						
2		616,729			411.4	(22,330)	
3							
4							
5							
6							
7							
8	TOTAL	616,729		0		(22,330)	0
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL						
10							
11							
12							
13							
14							
15							
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Name of Respondent Michigan Gas Utilities Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
<b>ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)</b>			
Balance at End of Year  (h)	Average Period of Allocation to Income  (i)	Adjustment Explanation	Line No.
594,399	40.2 Years		1
			2
			3
			4
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594,399			8
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)</b>			
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 End of Year (b)	
1	Current & Accrued Liability - 401K Serv Acc	16,825	
2	ESOP-Company Contribution	20,357	
3	Incur But Not Reported - Workers Comp	1,090	
4	Current Pension Obligation	88,435	
5	Current Pension Restoration	7,400	
6	Current Post Retirement Obligation	514	
7	Current & Accrued Liability-Vacation Pay Accrued	953,703	
8	Accrued Wages Payable	199,542	
9	Health Care/Life Accrual	111,440	
10	Misc Liability - Legal & Audit	56,800	
11	Goal Sharing	435,350	
12	MGUC Accrued Other	1,232	
13	Accrued Energy Aid Assistance	1,772	
14	Accrued Energy Aid Assistance-Company Match	934	
15	Profit Sharing Accrual	86,906	
16	Gas Imbalance Liability	0	
17	GCR Over/Under Collections	3,213,920	
18			
19			
20			
21			
22	TOTAL	5,196,220	

<b>CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)</b>		
Line No.	List Advances by Department (a)	Balance End of Year (b)
23	Gas	0
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	0



Name of Respondent		This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011	
<b>OTHER DEFERRED CREDITS (Account 253)</b>						
1. Report below the particulars (details) called for concerning other deferred credits. 2. For any deferred credit being amortized, show the period of amortization. 3. Minor items (less than \$10,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year of Report (f)
			Contra Account (c)	Amount (d)		
1	Deferred Credit-Outst Checks Cancelled	8,142	131/253	9,617	14,113	12,638
2	Deferred Income Plan	0	253	0	161,560	161,560
3	Deferred Cr-Def Comp Res Loan Program	152,094	926/253	160,752	39,460	30,802
4	Deferred Cr-Def Comp Variable Stock Acct	0	234/926	2,780	110,613	107,833
5	Deferred Cr-Def Comp Mut Fund Option	0	926	117	16,565	16,448
6	I/C LT Payable-2/08 Res Stk Grant	15,432	920	83,806	68,374	0
7	I/C LT Payable-2/09 Res Stk Grant	26,458	920	89,433	62,975	0
8	I/C LT Payable-2/10 Res Stk Grant	34,464	920	88,230	53,766	0
9	Long Term Payables to Affiliates	87,713	182	147,861	60,148	0
10	Deferred Credit-Gas Site Cleanup	22,941,000	182	2,628,000	0	20,313,000
11						
12						
13						
14						
15						
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46						
47	TOTAL	23,265,303		3,210,596	587,574	20,642,281

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			

**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 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	Account 282			
2	Electric			
3	Gas	14,832,293	4,608,199	
4	Other (Define)	0		
5	TOTAL (Enter Total of lines 2 thru 4)	14,832,293	4,608,199	-
6	Other (Specify)			
7	Plant (FAS 109)	(53,980)	0	
8	Non-Utility			
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	14,778,313	4,608,199	-
10	Classification of TOTAL			
11	Federal Income Tax	13,833,334	4,272,411	
12	State Income Tax	944,979	335,788	
13	Local Income Tax			

NOTES

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2012		December 31, 2011	
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. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
		190/282	-	190/282		19,440,492	3
							4
			-		-	19,440,492	5
							6
		254/190	3,329,513	254/190		3,275,533	7
3,754	3,221,137	190/283	2,719,451	190/283	-	(497,932)	8
3,754	3,221,137		6,048,964		-	22,218,093	9
							10
-	3,239,306		3,764,417			18,630,856	11
3,754	(18,169)		2,284,547			3,587,237	12
							13
NOTES (Continued)							

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

**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	Plant			
3	Other Than Plant			
4	Other Than Plant (FAS 109)			
5				
6	Other			
7	TOTAL Electric (Total of lines 2 thru 6)	-	-	-
8	Gas			
9	Plant	-	(24,327)	3,217,546
10	Other Than Plant	20,503,413	6,745,888	5,904,739
11	Other Than Plant (FAS 109)			
12				
13	Other			
14	TOTAL Gas (Total of lines 9 thru 13)	20,503,413	6,721,561	9,122,285
15	Other (Specify)	-		
16	TOTAL (Account 283) (Enter total of lines 7, 14 and 15)	20,503,413	6,721,561	9,122,285
17	Classification of TOTAL			
18	Federal Income Tax	18,339,946	6,179,592	8,408,147
19	State Income Tax	2,163,467	541,969	714,138
20	Local Income Tax			

**NOTES**

Name of Respondent	This Report is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

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

3. Provide in the space below, the order authorizing the use of the account for each line 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. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
						-	2
						-	3
						-	4
							5
						-	6
-	-		-		-	-	7
							8
-	-		3,241,873		-	0	9
		190		190	2,106,685	19,237,877	10
		254/190		254/190		0	11
							12
							13
-	-	-	3,241,873	-	2,106,685	19,237,877	14
(5,387,220)	(7,842,992)		22,330		3,235,800	(757,698)	15
(5,387,220)	(7,842,992)	-	3,264,203	-	5,342,485	18,480,179	16
							17
(4,854,093)	(8,089,893)		3,235,801		5,259,533	17,323,459	18
(533,127)	246,901		28,402		82,952	1,156,720	19
							23

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

OTHER REGULATORY LIABILITIES					
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). 2. For regulatory liabilities being amortized, show period of amortization in column (a). 3. Minor items (amounts less than \$50,000) may be grouped by classes. 4. Give the number and name of the account(s) where each amount is recorded.					
Line No.	Description and Purpose of Other Regulatory Liabilities  (a)	DEBITS		Credits  (d)	Balance at End of Year  (e)
		Account Credited  (b)	Amount  (c)		
1	Deferred Taxes - 2010 Health Care Leg	254	0	0	206,608
2	Deferred Taxes	254400	9,737,153	9,682,428	0
3	Derivatives	254450	4,050	414,279	414,279
4	FASB 158	254490	131,751	86,666	82,966
5	Uncollectible Expense Tracker	25467M	294,960	754,426	459,466
6					
7					
8					
9					
10					
11					
12					
13					
14					
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19					
20					
21	TOTAL		10,167,914	10,937,799	1,163,319

NOTE: All amounts are recorded in Account 254.

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Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
GAS OPERATING REVENUES (Account 400)			Geographic Basis	
1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total. 2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas. 3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted			for each group of meters added. The average number of customers means the average of twelve figures at the close of each month. 4. Report quantities of natural gas sold in Mcf (14.73 psia at 60°F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf. 5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously	
Line No.	Title of Account (a)	Amount for Year (b)	Amount for Previous Year (c)	
1	GAS SERVICE REVENUES			
2	480 Residential Sales	111,587,335	126,146,289	
3	481 Commercial & Industrial Sales			
4	Small (or Comm.) (See Instr. 6)	27,863,480	34,972,909	
5	Large (or Ind.) (See Instr. 6)	3,065,009	3,280,495	
6	482 Other Sales to Public Authorities		0	
7	484 Interdepartmental Sales		0	
8	TOTAL Sales to Ultimate Consumers	142,515,824	164,399,693	
9	483 Sales for Resale		0	
10	TOTAL Nat. Gas Service Revenues	142,515,824	164,399,693	
11	Revenues from Manufactured Gas			
12	TOTAL Gas Service Revenues	142,515,824	164,399,693	
13	OTHER OPERATING REVENUES			
14	485 Intracompany Transfers	0	0	
15	487 Forfeited Discounts	648,332	744,615	
16	488 Misc. Service Revenues	331,207	309,040	
17	489 Rev. from Trans. of Gas of Others	21,079,773	13,094,503	
18	490 Sales of Prod. Ext. from Nat. Gas	0	0	
19	491 Rev. from Nat. Gas Proc. by Others	0	0	
20	492 Incidental Gasoline and Oil Sales	0	0	
21	493 Rent from Gas Property	0	1,557	
22	494 Interdepartmental Rents	0	0	
23	495 Other Gas Revenues	(3,053,383)	(1,114,410)	
24	TOTAL Other Operating Revenues	19,005,930	13,035,305	
25	TOTAL Gas Operating Revenues	161,521,754	177,434,998	
26	(Less) 496 Provision for Rate Refunds			
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	161,521,754		
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	139,450,815		
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	3,065,009		
30	Sales for Resale			
31	Other Sales to Pub. Auth. (Local Dist. Only)			
32	Interdepartmental Sales			
33	TOTAL (Same as Line 10, Columns (b) and (d))	142,515,824		



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) April 30, 2012	Year of Report December 31, 2011	
Michigan Gas Utilities Corporation				
GAS OPERATING REVENUES (Account 400) (Continued)			Geographic Basis	
reported figures, explain any inconsistencies in a footnote. 6. <i>Commercial and Industrial Sales</i> , Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf		per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.) 7. See pages 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.		
MCF OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	No.
				1
11,379,187	12,211,801	130,368	143,020	2
				3
3,055,944	3,403,247	8,545	10,288	4
362,577	668,562	32	218	5
				6
				7
14,797,708	16,283,610	138,945	153,526	8
				9
14,797,708	16,283,610	138,945	153,526	10
NOTES				11
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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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			

#### RATE AND SALES SECTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Michigan Only

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012		December 31, 2011	
<b>6285-A. SALES DATA FOR THE YEAR</b>							
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 (f)
1	AB. Residential service	130,368	11,379,187	112,294,376	87.29	861.36	\$ 9.87
2	A. Residential service	3,266	226,610	3,225,723	69.38	987.67	\$ 14.23
3	B. Residential space heating service	127,102	11,152,577	109,068,653	87.75	858.12	\$ 9.78
4	CD. Commercial service	8,545	3,055,944	27,871,347	357.63	3,261.71	\$ 9.12
5	C. Commercial service, except space heating	0	0	0			
6	D. Commercial space heating	8,545	3,055,944	27,871,347	357.63	3,261.71	\$ 9.12
7	E. Industrial service	32	360,985	3,009,585	11,280.78	94,049.53	\$ 8.34
8	F. Public street & highway lighting	0	1,592	50,389	-	-	\$ -
9	G. Other sales to public authorities						
10	H. Interdepartmental sales						
11	I. Other sales						
12	A-I Total sales to ultimate customers	138,945	14,797,708	143,225,697	106.50	1,030.81	\$ 9.68
13	J. Sales to other gas utilities for resale						
14	A-J. TOTAL SALES OF GAS	138,945	14,797,708	143,225,697	106.50	1,030.81	\$ 9.68
15	K. Other gas revenues						
16	A-K TOTAL GAS OPERATING REVENUE	138,945	14,797,708	\$143,225,697	106.50	1,030.81	N/A **
<p>* Report Mcf on a pressure base of 14.65 psia dry and a temperature base of 60 degrees Fahrenheit. Give two decimals.</p> <p>** Not calculated because Transportation Revenue included in other gas revenues will distort the results.</p>							

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			

### SALES DATA BY RATE SCHEDULES FOR THE YEAR

- Report below the distribution of customers, sales and revenue for the year by individual rate schedules. (See definitions on first page of this section.)
- 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.
- Column (b) - Give the type of service to which the rate schedule is applicable, i.e. cooking, space heating, commercial heating, commercial cooking, etc.
- Column (c) - Using the classifications 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.
- 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 624-A.
- Columns (e) and (f) - For each rate schedule listed, enter the total number of Miff 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.
- When a rate schedule was not in effect during the entire year, indicate in a footnote the period in which it is effective.

Line No.	Rate Schedule Designation (a)	Type of Service to which Schedule is applicable (b)	Class of Service (c)	Avg. No. of Customers per month (d)	Mcf Sold (e)	Revenue (Show to nearest dollar) (f)
1	Residential	General & Heating	A & B	130,368	11,379,187	112,294,376
2	General	Heating & Cooling	C & D	8,545	3,055,944	27,871,347
3	Optional	Industrial	E	32	360,985	3,009,585
4	Other	Street Lighting	F	0	1,592	50,389
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total Company			138,945	14,797,708	143,225,697

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			

**625-B. CUSTOMER CHOICE SALES DATA BY RATE SCHEDULES**

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	General & Heating	A & B	21,051	2,099,072	7,077,303
2	General	Heating & Cooling	C & D	4,435	2,433,648	5,930,759
3	Optional	Industrial	E	0	0	0
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	TOTALS			25,486	4,532,720	13,008,062

Name of Respondent		This Report Is:		Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011
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)	Dekatherms of Gas Sold (d)	
1	Anadarko Energy Services Company	Acadia, LA	804	16,479	
2	BP Canada Energy Marketing Co.	Seward, KS	804	24,000	
3	Chevron Natural Gas	Berrien, MI	804	6,000	
4	EDF Trading North America, LLC	Acadia, LA	804	30,000	
5	Tenaska Marketing Ventures	Wayne, MI & Berrien, MI	804	133,287	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

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) April 30, 2012	Year of Report December 31, 2011		
Michigan Gas Utilities Corporation					
OFF-SYSTEM SALES - NATURAL GAS (Continued)					
Revenue for Year (See Instr. 5) (e)	Average Revenue per Dekatherms (f)	Peak Day Delivery to Customers			Line No.
		Date (g)	Mcf		
			Noncoin- cidental (h)	Coin- cidental (i)	
\$65,339	\$3.96				1
\$99,330	\$4.14				2
\$25,800	\$4.30				3
\$119,100	\$3.97				4
\$542,845	\$4.07				5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
\$852,414					21

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES -- NATURAL GAS (Account 489.1)				
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 is transported or compressed is other than natural gas. 3. Enter the average number of customers per company and/or by rate schedule.			4. 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. Specify the Commission order or regulation authorizing such transaction. Separate out the various customers, volumes and revenues by individual rate schedule.	
Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Average Number of Customers per Month (b)	Distance Transported (in miles) (c)*	
1				
2	Mac Steel Monroe, Inc. - Transportation of Gas		Various	
3	Point of Receipt - Monroe			
4	Point of Delivery - Monroe			
5	Gas Received from ANR & PEPL, Delivered to Mac Steel			
6	Otsego Paper - Transportation of Gas		Various	
7	Point of Receipt - Otsego			
8	Point of Delivery - Otsego			
9	Gas Received from ANR, Delivered to Otsego Paper			
10	Spartan Steel Coating - Transportation of Gas		Various	
11	Point of Receipt - Monroe			
12	Point of Delivery - Monroe			
13	Gas Received from ANR & PEPL, Delivered to Spartan Steel			
14	Aleris Specification Alloy Inc. - Transportation of Gas		Various	
15	Point of Receipt - Coldwater			
16	Point of Delivery - Coldwater			
17	Gas Received from ANR, Delivered to Aleris Specification Alloy Inc.			
18	Other - Transportation of Gas, Individually Less Than 500,000 Mcf		Various	
19	Various Points of Receipt and Delivery			
20	Various Companies from which Gas was Received and to which Delivered			
21				
22				
23				
24				
25				
26				
TOTAL			-	

\* (C) Distance transported (in miles) from origin is not available because it is delivered from different suppliers.



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) April 30, 2012	Year of Report December 31, 2011		
Michigan Gas Utilities Corporation					
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES -- NATURAL GAS (Account 489.1) (Continued)					
<p>5. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipe line system.</p> <p>6. Enter Mcf at 14.65 psia at 60°F.</p> <p>7. Minor items (less than 1,000,000 Mcf) may be grouped.</p> <p>"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."</p>					
Mcf of Gas Received  (d)*	Mcf of Gas Delivered  (e)*	Revenue  (f)	Average Revenue per Mcf of Gas Delivered (in cents) (g)	FERC Tariff Rate Schedule Designation (h)	Line No.
1,135,519	1,135,519	469,567	0.41		1
					2
					3
					4
961,406	961,406	427,800	0.44		5
					6
					7
					8
572,295	572,295	253,919	0.44		9
					10
					11
					12
621,822	621,822	339,971	0.55		13
					14
					15
					16
6,964,183	6,964,183	6,580,454	0.94		17
					18
					19
					20
					21
					22
					23
					24
					25
					26
10,255,225	10,255,225	\$ 8,071,711	\$0.79		

\* (D&E) Reported in Sales Base Pressure

MPSC FORM P-522 (Rev. 01-11)

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION OR DISTRIBUTION FACILITIES -- NATURAL GAS (Accounts 489.2, 489.3)				
<p>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.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas. Designate with an asterisk, however, if gas is transported or compressed is other than natural gas.</p> <p>3. Enter the average number of customers per company and/or by rate schedule.</p> <p>4. 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. Specify the Commission order or regulation authorizing such transaction. Separate out the various customers, volumes and revenues by individual rate schedule.</p>				
Line No.	Name of Company (Designate associated companies with an asterisk) (a)	Average Number of Customers per Month (b)	Distance Transported (in miles) (c)*	
1				
2	Customer Choice - Residential	21,051	--	
3				
4	Customer Choice - Small C&I	4,435	--	
5				
6	Customer Choice - Large C&I	0	--	
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
TOTAL			-	

\*(C) Distance transported (in miles) from origin is not available because it is delivered from different suppliers.

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) April 30, 2012	Year of Report December 31, 2011		
Michigan Gas Utilities Corporation					
REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION OR DISTRIBUTION FACILITIES -- NATURAL GAS (Accounts 489.2, 489.3) (Continued)					
5. Designate points of receipt and delivery so that they can be identified on map of the respondent's pipe line system. 6. Enter Mcf at 14.65 psia at 60°F. 7. 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 (d)*	Mcf of Gas Delivered (e)*	Revenue (f)	Average Revenue per Mcf of Gas Delivered (in cents) (g)	FERC Tariff Rate Schedule Designation (h)	Line No.
2,099,072	2,099,072	7,077,303	3.37		1
2,433,648	2,433,648	5,930,759	2.44		2
0	0	0	0.00		3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
4,532,720	4,532,720	\$ 13,008,062	\$2.87		

\*(D&E) Reported in Sales Base Pressure  
 MPSC FORM P-522 (Rev. 01-11)

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production	272,881	270,474
3	Manufactured Gas Production ( <i>Submit Supplemental Statement</i> )		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation	0	0
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Wells Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	124	1,965
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation ( <i>Enter Total of lines 7 thru 17</i> )	124	1,965
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance ( <i>Enter Total of lines 20 thru 28</i> )	0	0
30	TOTAL Natural Gas Production and Gathering ( <i>Total of lines 18 and 29</i> )	124	1,965
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation ( <i>Enter Total of lines 33 thru 46</i> )	0	0

NOTE: Page 320, Line 2, Column c. Write-off of gas plant site clean-up monitoring costs.

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
	<b>B2. Products Extraction (Continued)</b>			
48	Maintenance			
49	784 Maintenance Supervision and Engineering	0	0	
50	785 Maintenance of Structures and Improvements	0	0	
51	786 Maintenance of Extraction and Refining Equipment	0	0	
52	787 Maintenance of Pipe Lines	0	0	
53	788 Maintenance of Extracted Products Storage Equipment	0	0	
54	789 Maintenance of Compressor Equipment	0	0	
55	790 Maintenance of Gas Measuring and Reg. Equipment	0	0	
56	791 Maintenance of Other Equipment	0	0	
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	<b>C. Exploration and Development</b>			
60	Operation			
61	795 Delay Rentals	0	0	
62	796 Nonproductive Well Drilling	0	0	
63	797 Abandoned Leases	0	0	
64	798 Other Exploration	0	0	
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0	
	<b>D. Other Gas Supply Expenses</b>			
66	Operation			
67	800 Natural Gas Well Head Purchases	1,024,732	2,780,902	
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0	
69	801 Natural Gas Field Line Purchases	0	0	
70	802 Natural Gas Gasoline Plant Outlet Purchases	0	0	
71	803 Natural Gas Transmission Line Purchases	0	0	
72	804 Natural Gas City Gate Purchases	88,510,349	111,133,290	
73	804.1 Liquefied Natural Gas Purchases	0	0	
74	805 Other Gas Purchases	0	0	
75	(Less) 805.1 Purchased Gas Cost Adjustments	0	0	
76				
77	TOTAL Purchased Gas (Enter Total of lines 67 to 75)	89,535,081	113,914,193	
78	806 Exchange Gas	0	0	
79	Purchased Gas Expenses			
80	807.1 Well Expenses-Purchased Gas	0	0	
81	807.2 Operation of Purchased Gas Measuring Stations	0	0	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0	
83	807.4 Purchased Gas Calculations Expenses	0	0	
84	807.5 Other Purchased Gas Expenses	0	0	
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	0	0	
86	808.1 Gas Withdrawn from Storage-Debit	29,607,863	36,277,264	
87	(Less) 808.2 Gas Delivered to Storage-Credit	(20,223,590)	(35,094,380)	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0	
90	Gas Used in Utility Operations-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	0	0	
92	811 Gas Used for Products Extraction-Credit	0	0	
93	812 Gas Used for Other Utility Operations-Credit	(148,559)	(358,595)	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	(148,559)	(358,595)	
95	813 Other Gas Supply Expenses	213,018	168,362	
96	TOTAL Other Gas Supply Exp (Total of lines 77, 78, 85, 86 thru 89, 94, 95)	98,983,813	114,906,844	
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)	99,256,818	115,179,283	

Name of Respondent		This Report Is:	Date of Report	Year of Report
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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	68,318	55,325	
102	815 Maps and Records	0	0	
103	816 Wells Expenses	23,411	20,771	
104	817 Line Expense	21,032	11,964	
105	818 Compressor Station Expenses	7,161	14,756	
106	819 Compressor Station Fuel and Power	2,528	196,686	
107	820 Measuring and Regulating Station Expenses	14,680	12,493	
108	821 Purification Expenses	7,441	10,483	
109	822 Exploration and Development	0	0	
110	823 Gas Losses	0	0	
111	824 Other Expenses	59,938	54,674	
112	825 Storage Well Royalties	0	0	
113	826 Rents	0	0	
114	TOTAL Operation (Enter Total of lines 101 thru 113)	204,509	377,152	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	8,982	11,865	
117	831 Maintenance of Structures and Improvements	0	0	
118	832 Maintenance of Reservoirs and Wells	101,188	40,735	
119	833 Maintenance of Lines	20,953	17,178	
120	834 Maintenance of Compressor Station Equipment	26,535	33,460	
121	835 Maintenance of Measuring and Regulating Station Equipment	7,680	8,273	
122	836 Maintenance of Purification Equipment	15,253	23,656	
123	837 Maintenance of Other Equipment	12,575	10,236	
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	193,167	145,403	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	397,676	522,555	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	0	0	
129	841 Operation Labor and Expenses	0	0	
130	842 Rents	0	0	
131	842.1 Fuel	12,348	17,048	
132	842.2 Power	0	0	
133	842.3 Gas Losses	0	0	
134	TOTAL Operation (Enter Total of lines 128 thru 133)	12,348	17,048	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	0	0	
137	843.2 Maintenance of Structures and Improvements	0	0	
138	843.3 Maintenance of Gas Holders	0	0	
139	843.4 Maintenance of Purification Equipment	0	0	
140	843.5 Maintenance of Liquefaction Equipment	0	0	
141	843.6 Maintenance of Vaporizing Equipment	0	0	
142	843.7 Maintenance of Compressor Equipment	0	0	
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0	
144	843.9 Maintenance of Other Equipment	0	0	
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	12,348	17,048	

Name of Respondent		This Report Is:	Date of Report	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminating and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	0	0	
150	844.2 LNG Processing Terminal Labor and Expenses	0	0	
151	844.3 Liquefaction Processing Labor and Expenses	0	0	
152	844.4 Liquefaction Transportation Labor and Expenses	0	0	
153	844.5 Measuring and Regulating Labor and Expenses	0	0	
154	844.6 Compressor Station Labor and Expenses	0	0	
155	844.7 Communication System Expenses	0	0	
156	844.8 System Control and Load Dispatching	0	0	
157	845.1 Fuel	0	0	
158	845.2 Power	0	0	
159	845.3 Rents	0	0	
160	845.4 Demurrage Charges	0	0	
161	(Less) 845.5 Wharfage Receipts-Credit	0	0	
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0	
163	846.1 Gas Losses	0	0	
164	846.2 Other Expenses	0	0	
165	TOTAL Operation (Enter Total of lines 149 thru 164)	0	0	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	0	0	
168	847.2 Maintenance of Structures and Improvements	0	0	
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0	
170	847.4 Maintenance of LNG Transportation Equipment	0	0	
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0	
172	847.6 Maintenance of Compressor Station Equipment	0	0	
173	847.7 Maintenance of Communication Equipment	0	0	
174	847.8 Maintenance of Other Equipment	0	0	
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminating and Processing Exp (Lines 165 & 175)	0	0	
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)	410,024	539,603	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	0	0	
181	851 System Control and Load Dispatching	0	0	
182	852 Communication System Expenses	0	0	
183	853 Compressor Station Labor and Expenses	0	0	
184	854 Gas for Compressor Station Fuel	0	0	
185	855 Other Fuel and Power for Compressor Stations	0	0	
186	856 Mains Expenses	33,541	34,103	
187	857 Measuring and Regulating Station Expenses	137,534	160,569	
188	858 Transmission and Compression of Gas by Others	0	0	
189	859 Other Expenses	0	0	
190	860 Rents	0	0	
191	TOTAL Operation (Enter Total of lines 180 thru 190)	171,074	194,672	

Name of Respondent		This Report Is:	Date of Report	Year of Report
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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	0	0	
194	862 Maintenance of Structures and Improvements	0	0	
195	863 Maintenance of Mains	35,797	17,940	
196	864 Maintenance of Compressor Station Equipment	0	0	
197	865 Maintenance of Measuring and Reg. Station Equipment	207,936	153,141	
198	866 Maintenance of Communication Equipment	0	0	
199	867 Maintenance of Other Equipment	9,663	30,933	
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	253,396	202,014	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	424,471	396,686	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	1,141,611	1,083,178	
205	871 Distribution Load Dispatching	268,441	223,524	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	0	0	
208	874 Mains and Services Expenses	1,007,473	1,045,181	
209	875 Measuring and Regulating Station Expenses-General	18,396	17,019	
210	876 Measuring and Regulating Station Expenses-Industrial	0	0	
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	51,689	74,596	
212	878 Meter and House Regulator Expenses	1,213,539	1,122,704	
213	879 Customer Installations Expenses	516,634	506,769	
214	880 Other Expenses	2,228,536	1,954,282	
215	881 Rents	4,759	30,704	
216	TOTAL Operation (Enter Total of lines 204 thru 215)	6,451,078	6,057,957	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	41,244	32,757	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	625,408	594,964	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	59,831	51,212	
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	0	0	
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	93,127	120,370	
225	892 Maintenance of Services	237,433	239,971	
226	893 Maintenance of Meters and House Regulators	282,164	277,264	
227	894 Maintenance of Other Equipment	303,822	319,886	
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	1,643,029	1,636,424	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	8,094,107	7,694,381	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	326,951	207,794	
233	902 Meter Reading Expenses	1,958,532	1,944,155	
234	903 Customer Records and Collection Expenses	5,619,394	5,606,370	
235	904 Uncollectible Accounts	1,732,444	2,599,444	
236	905 Miscellaneous Customer Accounts Expenses	59,168	123,408	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	9,696,489	10,481,171	



Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
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	1,094	34,012	
241	908 Customer Assistance Expenses	485,545	410,653	
242	909 Informational and Instructional Expenses	33,553	42,246	
243	910 Miscellaneous Customer Service and Informational Expenses	1,228	1,190	
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	521,420	488,101	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	0	0	
249	913 Advertising Expenses	0	0	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	0	0	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	3,982,095	3,941,158	
255	921 Office Supplies and Expenses	1,381,542	1,385,933	
256	(Less) (922) Administrative Expenses Transferred-Cr.	0	0	
257	923 Outside Services Employed	751,344	735,597	
258	924 Property Insurance	35,715	32,742	
259	925 Injuries and Damages	443,760	444,816	
260	926 Employee Pensions and Benefits	5,105,362	4,807,212	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	206,680	115,166	
263	(Less) (929) Duplicate Charges-Cr.	0	0	
264	930.1 General Advertising Expenses	6,699	16,539	
265	930.2 Miscellaneous General Expenses	1,469,235	1,220,724	
266	931 Rents	476,183	393,650	
267	TOTAL Operation (Enter Total of lines 254 thru 266)	13,858,616	13,093,537	
268	Maintenance			
269	935 Maintenance of General Plant		0	
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	13,858,616	13,093,537	
271	TOTAL Gas O. and M. Exp (Lines 97, 177, 201, 229, 237, 244, 251, and 270)	132,261,946	147,872,762	
NUMBER OF GAS DEPARTMENT EMPLOYEES				
1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.		construction 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		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)		11/11/2011		
2. Total Regular Full-Time Employees		152 *		
3. Total Part-Time and Temporary Employees		3		
4. Total Employees		155		
*Does not include: Charles Cloninger and three IBS employee.				

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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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
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 follows:</p> <p style="margin-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 Liquefied 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 account, 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 county 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.</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 for in prior</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 Michigan Gas Utilities Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
GAS PURCHASES (Accounts 800, 801, 802, 803, 804, and 805) (Continued)				
Line No.	Account Number (a)	Name of Seller * (Designate Associated Companies) (b)	Name of Producing Field or Gasoline Plant (c)	State (d)
1	800	<u>* Natural Gas Local Production Suppliers to Michigan Gas Utilities Corporation</u>		
2		Apache		
3		Calhoun Energy, LLC		
4		Christian Oil Company		
5		Miller Exploration Company		
6		Scenic View Dairy, LLC		
7		West Bay Exploration		
8		West Hopkins Petroleum Company		
9				
10	804	<u>* Natural Gas Suppliers to Michigan Gas Utilities Corporation</u>		
11		Anadarko Energy Services		
12		BP Canada Energy Marketing Co.		
13		Cargill, Incorporated		
14		CenterPoint Energy Services		
15		Chevron Natural Gas		
16		Cimarex Energy Co.		
17		Conoco Phillips Company		
18		DTE Energy Trading, Inc.		
19		EDF Trading North America, LLC		
20		Gavilon, LLC		
21		Iberdrola Renewables, LLC		
22		J.Aron & Company		
23		J.P. Morgan Ventures Energy Co.		
24		National Fuel Marketing Company		
25		Occidental Energy Marketing		
26		ONEOK Energy Services		
27		Sequent Energy Management, LLC		
28		Southwestern Energy Services Co.		
29		Tenaska Marketing Ventures		
30		Twin Eagle Resource Management		
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Name of Respondent		This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011	
GAS PURCHASES (Accounts 800, 801, 802, 803, 804, and 805) (Continued)						
County (e)	Date of Contract (f)		Gas ** Purchased-Mcf (14.73 psia 60 F) (h)	Cost of Gas (i)	Cost Per Mcf (cents) (j)	Line No.
			246,950	\$ 1,024,732	414.96	1
						2
						3
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			13,415,417	\$ 73,847,719	550.47	10
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Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2012		December 31, 2011	
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	2,790	2,528	90.61		
2	811 Gas used for Products Extraction-Cr						
3	Gas Shrinkage and Other Usage in Respdnt's Own Proc.						
4	Gas Shrinkage, Etc. for Respdnt'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	Operation of Buildings/Reg Station	Various	24,366	146,032	599.32		
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25	TOTAL		27,156	148,559	547.06		

Name of Respondent Michigan Gas Utilities Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
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				
Line No.	Description (a)	Amount (in dollars) (b)		
1	Gas Supply Services	213,018		
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50	TOTAL	213,018		

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)				
1	Industry association dues			103,627
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			0
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)			
5	Intercompany Cost Allocation			1,365,608
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49	TOTAL			1,469,235



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Michigan Gas Utilities Corporation				
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2 404.3, 405) (Except Amortization of Acquisition Adjustments)				
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. 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). 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		
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 (404xxx)			
2	Production plant, manufactured gas			
3	Production and gathering plant, natural gas	22		
4	Products extraction plant			
5	Underground gas storage plant	295,544		25,837
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant	455,076		
9	Distribution plant	6,483,449		
10	General plant	628,174		
11	Common plant-gas			
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25	TOTAL	7,862,265	-	25,837

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) April 30, 2012	Year of Report December 31, 2011	
Michigan Gas Utilities Corporation				
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2 404.3, 405) (Except Amortization of Acquisition Adjustments) (Continued)				
<p>manner in which column (b) balance 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</p>		<p>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				
Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405),(404200) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
	34,867	34,867	Intangible plant	1
		0	Production plant, manufactured gas	2
		22	Production and gathering plant, natural gas	3
		0	Products extraction plant	4
		321,381	Underground gas storage plant	5
		0	Other storage plant	6
		0	Base load LNG terminating and processing plant	7
		455,076	Transmission plant	8
		6,483,449	Distribution plant	9
		628,174	General plant	10
		0	Common plant-gas	11
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-	34,867	7,922,969	TOTAL	25

Name of Respondent		This Report Is:	Date of Report	Year of Report
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)				
Section B. Factors Used in Estimated Depreciation Charges				
Line No.	Functional Classification (a)	Depreciation Plant Base (Thousands) (b)	Applied Depr. Rate(s) (Percent) (c)	
1	Intangible Plant	294	11.864%	
2	Production Plant	324	0.007%	
3	Storage Plant	11,357	2.830%	
4	Transmission Plant	39,430	1.154%	
5	Distribution Plant	223,436	2.902%	
6	General Plant	16,994	3.697%	
7				
8				
9				
10				
<p>Notes to Depreciation, Depletion and Amortization of Gas Plant</p> <p>Column (b) balances were obtained using a twelve month average from January 2011 through December 2011.</p>				

Name of Respondent	This Report Is:	Date of Report	Year of Report
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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) <i>Miscellaneous Amortization</i> (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) <i>Miscellaneous Income Deductions</i> -- 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</p>		<p>Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be <u>grouped by classes within the above accounts</u>.</p> <p>(c) <i>Interest on Debt to Associated Companies</i> (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) <i>Other Interest Expense</i> (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	<b>Miscellaneous Amortization (425)</b>	0
2	Total - 425	0
3		
4	<b>Donations (426.1)</b>	
5	Co. Match of Energy Aid Assistance	11,273
6	Total - 426.1	11,273
7		
8	<b>Penalties (426.3)</b>	1,740
9	Total - 426.3	1,740
10		
11	<b>Expenditures for Certain Civic, Political and Related Activities (426.4)</b>	14,681
12	Total - 426.4	14,681
13		
14	<b>Other Deductions (426.5)</b>	
15	Unrealized Loss - Fuel Options	5,162
16	Total - 426.5	5,162
17		
18	<b>Interest on Debt to Assoc Companies (430)</b>	
19	Int Debt - Integrys Energy Group Short Term	294,911
20	Int Debt - Integrys Energy Group Long Term	4,963,490
21	Total - 430	5,258,401
22		
23	<b>Other Interest Expense (431)</b>	
24	Interest on Customer Deposits	10,407
25	GCR Interest Adjustment	261,819
26	Misc	72,021
27	Total - 431	344,247
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40		5,635,504

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
<b>PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS</b>			
<p>1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.</p> <p>2. Merchandising, Jobbing, and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.</p> <p>3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.</p> <p>4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and expiration date 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 leases on a basis other than that of a fixed annual rental, state the method of determining rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.</p> <p>5. 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.</p> <p>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.</p> <p>7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.</p>			
Line No.	Item (a)	Amount (b)	
1	Account 415 - Revenue from Contract Work	(48,457)	
2			
3	Account 417 - Revenues from Non-Utility Operations		
4	Revenue	(3,274)	
5	Operating Expenses	32,381	
6			
7	Account 419 - Interest & Dividend Income	(20,928)	
8			
9	Account 421 - Misc Non-Operating Income	2,847	
10			
11			
12	Total Other Income	(37,431)	
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

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 this Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in</p>		<p>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 respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.</p> <p>5. Minor amount 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		
2	Labor	\$ 598
3	Consulting Expenses	8,352
4	Memberships	5,706
5	Miscellaneous Expense	25
6		
7		
8		
9		
10		
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12		
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31		
32	TOTAL	14,681

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011	
<b>REGULATORY COMMISSION EXPENSES</b>					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or			cases in which such a body was a party. 2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.		
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 for current year (b) + (c) (d)	Deferred at Beginning of Year (e)
1	Dept. of Licensing & Regulatory Affairs				
2	2010/2011 Public Utility Assessment,				
3	Fourth Quarter	86,754		86,754	
4					
5					
6	Dept. of Licensing & Regulatory Affairs				
7	2011/2012 Public Utility Assessment,				
8	First Quarter	80,703		80,703	
9					
10					
11	Dept. of Licensing & Regulatory Affairs				
12	2011/2012 Public Utility Assessment,				
13	Second Quarter	14,839		14,839	
14					
15					
16	Dept. of Labor & Economic Growth				
17	2011 Public Utility Assessment	24,388		24,388	
18					
19					
20	Other	(4)		(4)	
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37	TOTAL	206,680	0	206,680	0



Name of Respondent			This Report Is:		Date of Report	Year of Report	
Michigan Gas Utilities Corporation			(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) April 30, 2012	December 31, 2011	
<b>REGULATORY COMMISSION EXPENSES (Continued)</b>							
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a), the period of amortization.				4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts. 5. Minor items (less than \$25,000) may be grouped.			
<b>EXPENSES INCURRED DURING YEAR</b>				<b>AMORTIZED DURING YEAR</b>			
<b>CHARGED CURRENTLY TO</b>			Deferred	Contra Account	Amount	Deferred at End of Year	Line No.
Department	Account No.	Amount					
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
							1
							2
	928000	86,754					3
							4
							5
							6
							7
	928000	80,703					8
							9
							10
							11
							12
	928000	14,839					13
							14
							15
							16
	928000	24,388					17
							18
							19
	92800F	(4)					20
							21
							22
							23
							24
							25
							26
							27
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		206,680	0		0	0	37

Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

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	Direct Payroll Distribution	Allocation of Payroll Charged for Clearing Accounts	Total
	(a)	(b)	(c)	(d)
1	<b>ELECTRIC</b>			
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 (Enter 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 (Enter Total of lines 3 and 12)	0		
19	Transmission (Enter Total of lines 4 and 13)	0		
20	Distribution (Enter Total of lines 5 and 14)	0		
21	Customer Accounts (Transcribe from line 6)	0		
22	Customer Svc. And Informational (Transcribe from line 7)	0		
23	Sales (Transcribe from line 8)	0		
24	Administrative and General (Enter Total of lines 9 & 15)	0		
25	TOTAL Oper. And Maint. (Total of lines 18 thru 24)	0		
26	<b>GAS</b>			
27	Operation			
28	Production-Manufactured Gas	0		
29	Production-Nat. Gas (Including Expl. And Dev.)	0		
30	Other Gas Supply	0		
31	Storage, LNG Terminaling and Processing	122,211		
32	Transmission	21,719		
33	Distribution	3,987,357		
34	Customer Accounts	1,967,499		
35	Customer Service and Informational	436,624		
36	Sales	0		
37	Administrative and General	717,112		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	7,252,522		

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) April 30, 2012	Year of Report December 31, 2011	
<b>DISTRIBUTION OF SALARIES AND WAGES (Continued)</b>				
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)
<b>GAS (Continued)</b>				
39	Maintenance			
40	Production-Manufactured Gas	0		
41	Production-Natural Gas	0		
42	Other Gas Supply	0		
43	Storage, LNG Terminaling and Processing	42,367		
44	Transmission	143,750		
45	Distribution	1,081,946		
46	Administrative and General			
47	TOTAL Maint. (Enter Total of lines 40 thru 46)	1,268,063		
48	Total Operation and Maintenance	8,520,585		
49	Production-Manufactured Gas (Total of lines 28 and 40)	0		
50	Production-Nat. Gas (Including Expl. & Dev.) (Total of lines 29 and 41)	0		
51	Other Gas Supply (Enter Total of lines 30 and 42)	0		
52	Storage, LNG Terminaling and Processing (Total of lines 31 and 43)	164,578		
53	Transmission (Lines 32 and 44)	165,469		
54	Distribution (Lines 33 and 45)	5,069,303		
55	Customer Accounts (Line 34)	1,967,499		
56	Customer Service and Informational (Line 35)	436,624		
57	Sales (Line 36)	0		
58	Administrative and General (Lines 37 and 46)	717,112		
59	TOTAL Operation & Maint. (total of lines 49 thru 58)	8,520,585	165,000	8,685,585
60	OTHER UTILITY DEPARTMENTS			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59 & 61)	8,520,585	165,000	8,685,585
63	UTILITY PLANT			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	1,999,962	170,361	2,170,323
67	Other			0
68	TOTAL Construction (Total of lines 65 thru 67)	1,999,962	170,361	2,170,323
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			0
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	0	0	0
74	Other Accounts (Specify)			
	Misc.	(32,840)	0	(32,840)
75	Clearing Accounts	309,941	(348,115)	(38,174)
76	Co-Tenant	0	0	0
	Other Accounts	85,887	12,143	98,030
77	TOTAL Other Accounts	362,988	(335,972)	27,016
78	TOTAL SALARIES AND WAGES	10,883,535	(611)	10,882,924

Name of Respondent Michigan Gas Utilities Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>					
<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 \$50,000, including payments for legislative services, except those which should be reported in Account</p>				<p>426.4, Expenditures for Certain civic, Political and Related Activities.)          (a) Name and address of person or organization rendering services,          (b) description of services received during year and project or case to which services relate,          (c) basis of charges,          (d) total charges for the year, detailing utility department and account charged.          2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.          3. Designate with an asterisk associated companies.</p>	
Line No.	Name / Address	Service	Basis of Charges	Acct #	Amount
1	Deloitte & Touche LLP	Legal	Billable Hours	923	\$ 130,463
2	111 South Wacker Drive				
3	Chicago, IL				
4					
5	Kent Power	Construction	By Project	107	\$ 2,759,168
6	90 Spring Street			184	528
7	P. O. Box 327			863	6,797
8	Kent City, MI			874	155
9				878	25
				880	1,087
10				887	19,713
11				892	2,400
12				894	2,639
13					\$ 2,792,512
14					
15	Miller, Canfield, Paddock & Stone PLC	Legal	Billable Hours	923	\$ 301,814
16	P. O. Drawer 640348				
17	Detroit, MI				
18					
19					
20	Pescador LLC	Env. Consulting	Billable Hours	182	\$ 204,625
21	36 Highview Road			824	3,904
22	Traverse City, MI			879	309
23					\$ 208,838
24					
25	RL Coolsaet Construction	Construction	By Project	107	\$ 892,290
26	P. O. Box 279			865	\$ 7,380
27	Taylor, MI			887	\$ 36,008
28					\$ 935,678
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				\$ 4,369,305

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Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011

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. ).		4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.			
3. In column (c) describe the nature of the goods and					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Wisconsin Public Service	In Common Control With	Invoices & Expenses Accounts	646000	40,821
2	Corporation		Materials & Supplies		0
3			Other		0
4					
5					
6	Minnesota Energy Resources	In Common Control With	Labor & Labor Loadings		0
7	Corporation		Invoices & Expenses Accounts	673000	895
8					
9					
10	Integrus Business Support, LLC	In Common Control With	Invoices & Expenses Accounts	656000	113
11			Other		0
12					
13					
14	The Peoples Gas Light &	In Common Control With	Labor & Labor Loadings	Various	245
15	Coke Company		Invoices & Expenses Accounts		0
16			Other	600000	220
17					
18					
19	North Shore Gas Company	In Common Control With	Materials & Supplies		0
20			Other		0
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)						
5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.				7. In column (j) report the total.		
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.				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.
		Various	22,003	62,824	(4)	1
		154120	1,596	1,596	(1)	2
		Various	179,128	179,128	(2)	3
		Total		243,548		4
						5
		Various	117	117	(1)	6
		0	895	895	(4)	7
		Total		1,012		8
						9
		0	113	113	(4)	10
		Various	28,188	28,188	(2)	11
		Total		28,301		12
						13
		Various	644	889	(1)	14
		184020	6	6	(4)	15
		0	220	220	(2)	16
		Total		1,115		17
						18
		107000	2,436	2,436	(1)	19
		107000	365	365	(2)	20
		Total		2,801		21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
		Total		276,777		32

- (1) Fully Loaded Cost  
(2) Market  
(3) Tariff  
(4) Actual Cost  
(5) Contract

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) April 30, 2012	Year of Report December 31, 2011		
Michigan Gas Utilities Corporation					
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
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.).		4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.			
3. In column (c) describe the nature of the goods and					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Integrus Energy Group, Inc.	Parent Company owns	Labor and Labor Loading		0
2		100% of Michigan Gas	Invoices and Expenses	Various	226,180
3		Utilities Corporation	Other	Various	302,465
4					
5					
6	Wisconsin Public Service Corporation	In Common Control With	Labor and Labor Loading	Various	50,159
7			Invoices and Expenses	Various	48,445
8			Materials & Supplies	Various	133,251
9			Other	Various	279,537
10					
11					
12	Upper Peninsula Power Company	In Common Control With	Invoices and Expenses	Various	3,046
13					
14					
15	Minnesota Energy Resources	In Common Control With	Labor and Labor Loading	Various	173,785
16	Corporation		Invoices and Expenses	Various	18,510
17			Other	Various	70,994
18					
19					
20					
21	The Peoples Gas Light & Coke Co.	In Common Control With	Labor and Labor Loading	Various	583
22			Invoices and Expenses		0
23			Other	Various	2,276
24					
25					
26	Integrus Business Support, LLC	In Common Control With	Labor and Labor Loading	Various	2,174,126
27			Invoices and Expenses	Various	2,562,827
28			Other	Various	6,447,080
29					
30					
31	North Shore Gas Company	In Common Control With	Materials & Supplies		0
32			Other		0
33					
34					
35	Integrus Energy Services, Inc.	In Common Control With	Invoices and Expenses	632300	2,169
36					
37					
38					



Name of Respondent	This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011

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

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

Account Number	Amount Classified to Non-Operating Income	Account Number	Amount Classified to Balance Sheet	Total	Pricing Method	Line No.
(f)	(g)	(h)	(i)	(j)	(k)	
		253	64,173	64,173	(1)	1
		Various	21,312	247,492	(4)	2
		Various	771	303,236	(2)	3
		Total		614,901		4
						5
		Various	30,617	80,776	(1)	6
		Various	342,775	391,220	(4)	7
		Various	570,460	703,711	(1)	8
		Various	49,367	328,904	(2)	9
		Total		1,504,611		10
						11
			0	3,046	(4)	12
		Total		3,046		13
						14
			0	173,785	(1)	15
		Various	586	19,096	(4)	16
			0	70,994	(2)	17
		Total		263,875		18
						19
			0	583	(1)	21
		232099	3,921	3,921	(4)	22
			0	2,276	(2)	23
				6,780		24
						25
		Various	84,324	2,258,450	(1)	26
		Various	92,590	2,655,417	(1)	27
		Various	358,968	6,806,048	(2)	28
				11,719,915		29
						30
		163000	1,267	1,267	(1)	31
		163000	380	380	(4)	32
				1,647		33
						34
			0	2,169	(1)	35
				2,169		36
						37
		Total		14,116,944		38

- (1) Fully Loaded Cost  
(2) Market  
(3) Tariff  
(4) Actual Cost  
(5) Contract

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
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.	
Line No.	Name of Station and Location		Number of Employees	Plant Cost
	(a)		(b)	(c)
1	Underground Storage Compressor Stations 4 Total			2,960,816
2				
3	Gathering System Compressor Stations 1 Total			115,824
4				
5				
6				
7				
8				
9				
10				
11				
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Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2012		December 31, 2011	
COMPRESSOR STATIONS (Continued)							
<p>if 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</p>				<p>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.</p>			
Expenses (Except depreciation and taxes)		Gas for Compressor Fuel Mcf (14.73 psia at 60°F)	Operation Data			Line No.	
Fuel or Power	Other		Total Compressor Hours of Operation During Year	No of Compr. Operated at Time of Station Peak	Date of Station Peak		
(d)	(e)	(f)	(g)	(h)	(i)		
2,528	53,871	2,790	782			1	
-	-	-	-			2	
						3	
						4	
						5	
						6	
						7	
						8	
						9	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Michigan Gas Utilities Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 30, 2012	December 31, 2011
<b>GAS STORAGE PROJECTS</b>			
1. Report particulars (details) for total gas storage projects. 2. Total storage plant (column b) should agree with amounts reported by the respondent in Acct's 350.1 to 364.8 inclusive (pages 206-207).		3. Give particulars (details) of any gas stored for the benefit of another company under a gas exchange arrangement or on basis of purchase and resale to other company. Designate with an asterisk if other company is an associated company.	
Line No.	Item (a)	Total Amount (b)	
1	Natural Gas Storage Plant		
2	Land and Land Rights	15,767	
3	Structures and Improvements	281,823	
4	Storage Wells and Holders	5,351,825	
5	Storage Lines	897,299	
6	Other Storage Equipment	4,770,088	
7	TOTAL (Enter Total of Lines 2 Thru 6)	11,316,802	
8	Storage Expenses		
9	Operation	204,509	
10	Maintenance	193,167	
11	Rents	-	
12	TOTAL (Enter Total of Lines 9 Thru 11)	397,676	
13	Storage Operations (In Mcf @ 14.65 Psia)		
14	Gas Delivered to Storage		
15	January	17,519	
16	February	159,242	
17	March	105,049	
18	April	332,352	
19	May	585,172	
20	June	362,334	
21	July	428,711	
22	August	468,952	
23	September	375,412	
24	October	317,582	
25	November	300,070	
26	December	141,944	
27	TOTAL (Enter Total of Lines 15 Thru 26)	3,594,339	
28	Gas Withdrawn from Storage		
29	January	1,523,686	
30	February	932,793	
31	March	895,376	
32	April	219,175	
33	May	138,964	
34	June	31,644	
35	July	18,774	
36	August	15,738	
37	September	60,277	
38	October	320,124	
39	November	548,736	
40	December	566,864	
41	TOTAL (Enter Total of Lines 29 Thru 40)	5,272,151	

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation				
GAS STORAGE PROJECTS (Continued)				
Line No.	Item (a)	Total Amount (b)		
	Storage Operations (In Mcf)			
42	Top or Working Gas End of Year (1)	4,056,270		
43	Cushion Gas (Including Native Gas) (2)	3,368,000		
44	Total Gas in Reservoir (Enter Total of Line 42 and Line 43) (1)	7,424,270		
45	Certificated Storage Capacity (2)	7,272,000		
46	Number of Injection - Withdrawal Wells (2)	14		
47	Number of Observation Wells (2)	6		
48	Maximum Day's Withdrawal from Storage (2)	12,051		
49	Date of Maximum Days' Withdrawal (2)	03/02/11		
50	LNG Terminal Companies (In Mcf)			
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			

(1) Includes both MGUC owned storage fields and gas stored for MGUC by Washington 10 Storage Corp., Consumer's Energy Company, and ANR Pipeline Company, all under storage contract.

(2) Includes only MGUC owned storage fields.

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
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 a title other than full ownership. Designate such lines with an asterisk and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.		3. Report separately any line that was not operated during the past year. Enter in a footnote the particulars (details) and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book cost are contemplated. 4. Report the number of miles of pipe to one decimal point.	
Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to 0.1) (b)	
1	<b>DISTRIBUTION</b>		
2	Benton Harbor	6.3	
3	<=1"	579.0	
4	2"	7.9	
5	3"	322.8	
6	4"	46.8	
7	6"	24.0	
8	8"	0.0	
9	10"	4.7	
10	12"		
11	Grand Haven	3.8	
12	<=1"	293.6	
13	2"	2.0	
14	3"	145.8	
15	4"	15.9	
16	6"	8.9	
17	8"	11.0	
18	12"		
19	Otsego	1.6	
20	<=1"	233.4	
21	2"	1.3	
22	3"	211.7	
23	4"	24.7	
24	6"	7.0	
25	8"	0.0	
26	12"		
27	Coldwater & Partello	1.7	
28	<=1"	388.2	
29	2"	5.0	
30	3"	265.2	
31	4"	26.3	
32	6"	61.7	
33	8"	0.0	
34	10"		
35	Monroe	4.9	
36	<=1"	475.5	
37	2"	9.9	
38	3"	376.3	
39	4"	94.9	
40	6"	23.6	
41	8"	18.6	
42	10"	3.4	
43	12"		
44	All lines are located in the State of Michigan.		
45	TOTAL	3,707.4	

Name of Respondent Michigan Gas Utilities Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2012	Year of Report December 31, 2011
DISTRIBUTION AND TRANSMISSION LINES (Continued)			
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 a title other than full ownership. Designate such lines with an asterisk and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.		3. Report separately any line that was not operated during the past year. Enter in a footnote the particulars (details) and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book cost are contemplated. 4. Report the number of miles of pipe to one decimal point.	
Line No.	Designation (Identification) of Line or Group of Lines (a)	Total Miles of Pipe (to 0.1) (b)	
1	<b>TRANSMISSION</b>		
2	Grand Haven 8"	0.5	
3			
4	Otsego 4"	0.0	
5	6"	7.7	
6	8"	12.4	
7			
8	Coldwater 4"	0.1	
9	6"	21.3	
10	8"	1.8	
11	10"	23.6	
12			
13	Monroe 10"	11.2	
14	12"	32.3	
15			
16	Partello <=1"	0.2	
17	2"	0.2	
18	3"	0.5	
19	4"	10.1	
20	6"	8.1	
21	8"	15.6	
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42			
43	All lines are located in the State of Michigan.		
44	<b>TOTAL</b>	<b>145.6</b>	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 30, 2012	December 31, 2011
DISTRIBUTION SYSTEM PEAK DELIVERIES				
1. Report below the total distribution system deliveries of gas, excluding deliveries to storage, for the periods of system peak deliveries indicated below during the calendar year.			2. Report Mcf 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)
<b>Section A. Three Highest Days of System Peak Deliveries</b>				
1	Date of Highest Day's Deliveries	02/09/11		No
2	Deliveries to Customers Subject to MPSC Rate Schedules		208,863	
3	Deliveries to Others		0	
4	TOTAL		208,863	
5	Date of Second Highest Day's Deliveries	02/10/11		No
6	Deliveries to Customers Subject to MPSC Rate Schedules		200,866	
7	Deliveries to Others		0	
8	TOTAL		200,866	
9	Date of Third Highest Day's Deliveries	01/21/11		No
10	Deliveries to Customers Subject to MPSC Rate Schedules		200,231	
11	Deliveries to Others			
12	TOTAL		200,231	
<b>Section B. Highest Consecutive 3-Day System Peak Deliveries (and Supplies)</b>				
13	Dates of Three Consecutive Days Highest System Peak Deliveries	02/08/11		No
		02/09/11		No
		02/10/11		No
14	Deliveries to Customers Subject to MPSC Rate Schedules		602,530	
15	Deliveries to Others		0	
16	TOTAL		602,530	
17	Supplies from Line Pack		0	
18	Supplies from Underground Storage (Note 1)		155,656	
19	Supplies from Other Peaking Facilities		0	
<b>Section C. Highest Month's System Deliveries</b>				
20	Month of Highest Month's System Deliveries	January		No
21	Deliveries to Customers Subject to MPSC Rate Schedules		5,123,204	
22	Deliveries to Others		0	
23	TOTAL		5,123,204	

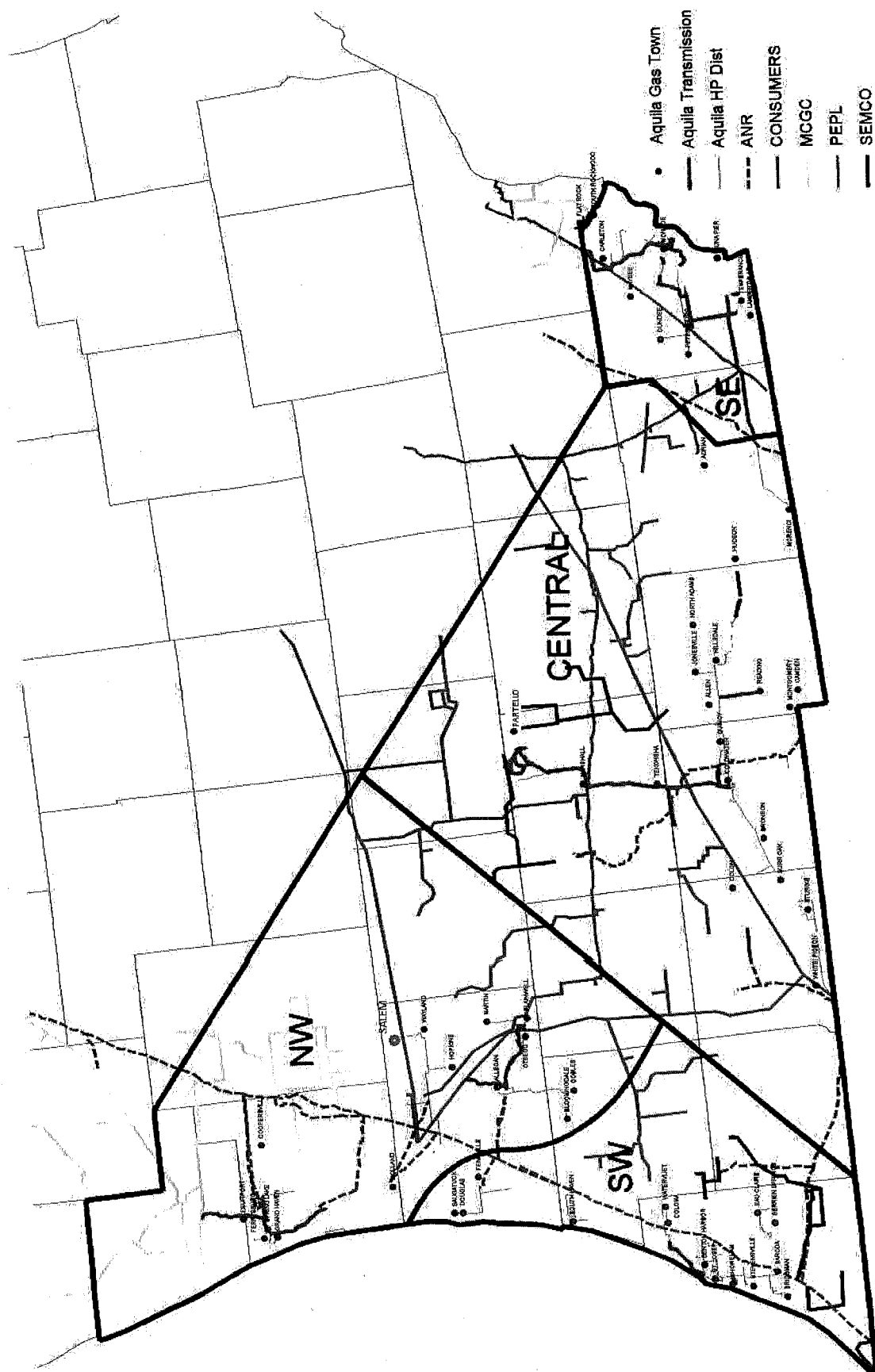
Note 1: Line 18 reflects storage volumes delivered at the citygate.



Name of Respondent		This Report Is:		Date of Report		Year of Report	
Michigan Gas Utilities Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		April 30, 2012		December 31, 2011	
AUXILIARY PEAKING FACILITIES							
1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc. 2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted.				For other facilities, report the rated maximum daily delivery capacities. 3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.			
	Location of Facility	Type of Facility	Maximum Daily Delivery Capacity of Facility, Mcf at 14.73 psia at 60°F	Cost of Facility (In dollars)	Was Facility Operated on Day of Highest Transmission Peak Delivery?		
	(a)	(b)	(c)	(d)	Yes (e)	No (f)	
1	Partello/Anderson/Mymachod-Calhoun County, MI Cortright/Cambell - Calhoun County, MI Lee 3/3A - Calhoun & Eaton Counties, MI	Underground Storage	15,000 - 28,000	7,037,923			
3		Underground Storage	12,000 - 20,000	889,942			
5		Underground Storage	17,500 - 30,000	3,490,868			
6							
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NOTE: The daily deliverability of MGUC owned storage is less than the combined total of the three reservoirs due to pipeline constraints.

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) April 30, 2012	Year of Report December 31, 2011
Michigan Gas Utilities Corporation			
SYSTEM MAPS			
<p>1. Furnish 5 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> <p>(a) Transmission lines - colored in red, if they are not otherwise clearly indicated.</p> <p>(b) Principal pipeline arteries of gathering systems.</p> <p>(c) Sizes of pipe in principal pipelines shown on map.</p> <p>(d) Normal directions of gas flow - indicated by arrows.</p> <p>(e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas.</p> <p>(f) Locations of compressor stations, products extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc.</p> <p>(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.</p> <p>(h) Principal communities in which respondent renders local distribution service.</p> <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>			
See Page 522A			



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# 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 power .....	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 changes 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
revenues – 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