

STATE CORPORATION COMMISSION

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

DEC 21 2007

 Docket
Room

In the Matter of the Application of Midwest)
Energy, Inc. for Approval to Make Certain) Docket No.: 08-MDWE-594-RTS
Changes in its Charges for Electric Service.)

**APPLICATION FOR APPROVAL TO MAKE CHANGES IN CHARGES FOR
ELECTRIC SERVICE AND NOTICE OF MOTION TO WITHDRAW PENDING
ELECTRIC RATE APPLICATION**

COMES NOW, Midwest Energy, Inc. ("Midwest Energy" or "Company"), and files this Application with the State Corporation Commission of the State of Kansas ("Commission" or "KCC") for the purpose of making changes to Midwest Energy's charges for electric service in accordance with K.S.A. 66-117 and K.A.R. 82-1-231. In support of its request, Midwest Energy states as follows:

1. Midwest Energy is a customer-owned Kansas corporation, operating on a not-for-profit cooperative basis, in good standing in all respects, and is engaged, among other things, in the business of an electric public utility, as defined in K.S.A. 66-104, in certain areas in Central and Western Kansas. Midwest Energy holds certificates of convenience and necessity issued by the KCC authorizing Midwest Energy to engage in such utility business. Midwest Energy's principal place of business is located at 1330 Canterbury Drive, Hays, Kansas, 67601. Midwest Energy has previously filed with the Commission certified copies of its Articles of Incorporation under which it was organized, and all amendments thereto and restatements thereof, and the same are incorporated herein by reference.

2. In addition to the undersigned, copies of all pleadings and correspondence in this docket should be sent to:

Patrick Parke
Vice President Customer Service
Midwest Energy, Inc.
1330 Canterbury Drive
P.O. Box 898
Hays, KS 67601
patparke@mwenergy.com

and

Michael Volker
Director Regulatory and Energy Services
Midwest Energy, Inc.
1330 Canterbury Drive
P.O. Box 898
Hays, KS 67601
mvolker@mwenergy.com

3. Midwest Energy's electric rates were last adjusted in Docket No. 03-MDWE-001-RTS (the "001-RTS Docket") by an Order of the Commission that was issued on February 14, 2003. In the Commission's Order, it approved the February 5, 2003 Stipulation and Agreement entered into between the Citizens' Utility Ratepayer Board ("CURB"), the Commission Staff ("Staff") and Midwest Energy, as supplemented by the February 10, 2003 filing, and found that the increase of \$600,000 as a settlement amount was just and reasonable, and that the adoption of the Stipulation and Agreement was in the public interest.

4. In Docket 03-MDWE-421-ACQ (the "421 Docket"), which was initiated subsequent to the rate case in the 001-RTS Docket, Midwest Energy acquired certain assets of Westar Energy, Inc. ("Westar"), including Westar's Certificates of Convenience and Necessity, with respect to substantially all of Westar's former transmission and regulated local distribution assets that were located in Ellsworth, Rice, Pratt, Barton, Stafford, Pawnee, and Edwards counties, and certain assets in Reno County, Kansas. These assets are now referred to by Midwest Energy as its "W" System. In the Stipulation and Agreement in the 421-ACQ Docket,

approved by Order of the Commission on June 25, 2003, Midwest Energy agreed not to seek recovery of the acquisition premium paid for these W System assets explicitly through rates as an operating cost or other expense item.

5. In the 421 Docket, the Stipulation and Agreement stated that, “Midwest Energy shall be subject to a five-year electric rate moratorium, except for adoption of an ECA.” *See*, p. 6, para. 26 of the Stipulation. On October 10, 2007, Midwest Energy and Staff filed a *Joint Motion for Clarification Regarding the Timing of Midwest Energy Inc.’s Next Electric Rate Case and Request for Expedited Decision*, which was jointly filed in Docket Nos. 03-MDWE-421-ACQ and 08-MDWE-180-ACT, and which sought to clarify whether an electric rate case could be filed prior to the expiration of the five-year period, as long as rates did not become effective prior to that date.

6. On November 2, 2007, Midwest Energy filed an electric rate application, which was docketed as Docket No. 08-MDWE-423-RTS (the “423 docket”). Because the issue of when Midwest Energy’s W System customers’ rates may be changed was subject to review and clarification at the time the 423 application was filed, Midwest Energy did not propose any changes to W System rates at that time. In addition, Midwest Energy noted that, pending the Commission’s determination regarding when W System rates may be changed, Midwest Energy expected to amend or refile its electric rate application or file a supplemental application in accordance with the Commission’s decision. Concurrently with the filing of this revised electric rate application, Midwest Energy has filed a Motion to Withdraw its currently pending 423 application, and requested that the Commission issue an order closing that proceeding. By service of both the Motion to Withdraw and this new application, Midwest Energy is providing notice to CURB of its withdrawal of the 423 application. This application replaces the 423

application and includes updated revenue requirements and proposed rates for the M and W Systems.

7. On November 20, 2007, the Commission issued an Order granting the Joint Motion and clarifying that Midwest may file a rate case for its W system prior to August 15, 2008, the date the five-year moratorium expires, as long as any rate changes for the W System do not take effect until August 15, 2008 or later. Also on November 20, 2007, the Commission issued an Order *nunc pro tunc* in the 421 docket that made the same clarification to the timing of filing Midwest Energy's next rate case for its W System. For administrative ease and efficiency, and to avoid any potential confusion that might result from amendments to the 423 application, Midwest Energy has conferred with Staff regarding its preference between amending and refileing and, as noted above, has elected to withdraw the 423 filing and submit this current electric rate application in its place. As such, this application includes proposed rates for both the M System and the W System.

8. Since its last electric rate case in 2003, Midwest Energy has undertaken substantial additional investment in generation, transmission and distribution plant, and has also seen increases in labor and various other costs. As stated in ¶3 of its Application for Accounting Order in Docket No. 08-MDWE-180-ACT (the "180 Docket"), "the primary and most significant cost change resulting in the need for rate relief is the completion of Midwest Energy's new generation plant, the Goodman Energy Center ("GMEC")." Midwest Energy anticipates that the start-up and commercial operation of the first six units of GMEC will occur on June 1, 2008. The start-up and commercial operation of the last three units of GMEC will occur on or about September 1, 2008.

9. As referenced in ¶8 of Midwest Energy's Application for Accounting Order, Midwest Energy did not seek a determination as to whether such costs related to the Goodman Energy Center should be recovered in the 180-ACT Docket, but only that Midwest Energy shall have the authority to account for and defer said costs, and that it may have the opportunity to seek recovery of those costs in its next rate case, subject to the Commission's finding that such costs were reasonable and prudently incurred.

10. On December 6, 2007, Staff filed a Memorandum in the 180-ACT docket, and recommended that the Commission issue an accounting order as requested by Midwest Energy. In its Memorandum, Staff noted that it found no fault with Midwest Energy's concerns regarding its need to recover its full investment in GMEC, while avoiding two separate rate cases. Staff also noted that further mitigating Staff's request is the fact that Midwest is a cooperative, and that any shortfall in Midwest's recovery of its full investment in Phase I of GMEC will affect its member/owners. After its review and analysis of Midwest Energy's request for an accounting authority order, Staff made specific accounting recommendations and recommended that Midwest Energy's request for an accounting authority order should be granted.

11. On December 19, 2007, the Commission issued an Order granting Midwest Energy's application for an accounting authority order and adopting Staff's recommendations. As such, Midwest Energy is seeking recovery of these costs in the current Application, as it submits that such costs were reasonable and prudently incurred, and should be recovered.

12. Midwest Energy should be permitted to earn an adequate and sufficient net margin to allow it to continue to serve its members with sufficient and efficient service and to continue to expand its investment that is needed for public service. The proposed revenues in this Application permit Midwest Energy to recover net margins of revenues in excess of

expenses which are in the public interest and are necessary: (1) to assure continuing, adequate, efficient and sufficient, and reliable utility service; (2) to provide for debt service and enable Midwest Energy to make the required interest and principal payments on its indebtedness; (3) to borrow the funds necessary for Midwest Energy to maintain, replace, improve and expand its electrical system in the State of Kansas; and (4) to achieve corporate equity goals and protect its financial integrity.

13. The schedules filed with this Application establish a gross revenue deficiency of \$10,028,870, based upon normalized operating results for the 12 months ending June 30, 2007, adjusted for known and measurable changes in revenues, operating and maintenance expenses, cost of capital and taxes, and other adjustments referred to herein. This revenue deficiency is based on Midwest Energy's total Kansas jurisdictional rate base of \$240,882,886. The total Kansas retail rate increase represents a rate increase of approximately 10.3 percent based on test year revenue of approximately \$97,828,457. The increase is 10.5 percent if "other revenue" is not included.

14. Submitted with this Application are accounting exhibits in accordance with the rules of this Commission which for the period ending June 30, 2007, as recorded, reflect a net margin of \$7,506,455 and a DSC ("Debt Service Coverage") of 1.59, and as adjusted, reflects a net loss of \$339,403, resulting in a DSC of 1.17.

15. The testimony of nine witnesses, as well as the schedules required by K.A.R. 82-1-231, are filed in support of this Application. The names of the witnesses and the subject of each witness' testimony are as follows:

<u>Witness</u>	<u>Subject Matter</u>
Earnest Lehman	Summary of Application and Impact on Customers
Thomas Meis	Accounting and Financial Data and Adjustments
Michael Volker	Revenue Adjustments, Cost of Service, Rate Design and Tariffs
William N. Dowling	Transmission Assets Classification
H. Edwin Overcast	Formula Transmission Rate
Gary Vicinus	Resource Plan and Wind Power Assessment
Ted. J. Kelly	Evaluation of Midwest Energy's Existing Generating Assets
Gary Groniger	Discussion of Midwest Energy's RFP for Generation and Capacity
William K. Edwards	Return on Equity

16. Midwest Energy is requesting a minimum return on equity of 12.39% based upon a targeted equity ratio of 40.0% in this rate Application. The proposed return on equity ("ROE") is described in the direct testimony of Midwest Energy witness William K. Edwards.

17. The proposed revenues in this Application are just and reasonable, and necessary to assure continuing, adequate, efficient and reliable utility service, and to maintain the financial integrity of Midwest Energy during the current period of major construction to finish construction and bring online the Goodman Energy Center.

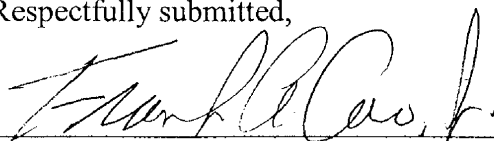
18. Midwest Energy witness Michael Volker provides testimony in support of the cost of service study and proposed tariff revisions that are being submitted with this application. Mr. Volker also sponsors all adjustments to the test year revenues and energy supply costs.

19. In addition, pursuant to K.S.A. 2007 Supp. 66-1237(b)(2), Midwest Energy is seeking approval of an initial Transmission Delivery Charge ("TDC") and, in conjunction with such request is requesting that the Commission determine Midwest Energy's transmission-related costs related to service to its Kansas retail customers.

20. Midwest Energy has attempted to keep the amount of confidential material in this filing to a minimum. However, pursuant to K.S.A. 66-1220a, certain highly confidential information has been redacted from the public versions of testimony, schedules, and exhibits where appropriate. Such highly confidential and proprietary information is clearly marked as such in the public versions of testimony, schedules, and exhibits, and unredacted, confidential versions of this information have been submitted to the Commission under seal. The confidential information included in the rate Application falls into two broad categories: (a) highly sensitive financial information concerning Midwest Energy's existing power supply portfolio and forward-looking information concerning the Company's long-term electricity supply plan; and (b) information concerning Midwest Energy's RFP for generation and capacity and the confidential responses received by Midwest Energy in response to the RFP. The public disclosure of such information would adversely impact the financial interests of Midwest Energy and/or the security of Midwest Energy's assets.

WHEREFORE, Midwest Energy respectfully requests that: (i) the Commission approve the proposed rate schedules and tariffs for electric service, and Order that they become effective as proposed; and (ii) that the Commission grant such other and further relief as it deems just and reasonable.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Frank A. Caro, Jr.", written in black ink over a horizontal line.

FRANK A. CARO, JR. (#11678)

ANNE E. CALLENBACH (#18488)

Polsinelli Shalton Flanigan Suelthaus, P.C.

6201 College Boulevard, Suite 500

Overland Park, Kansas 66211

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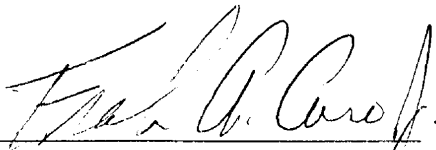
acallenbach@polsinelli.com

ATTORNEYS FOR MIDWEST ENERGY, INC.

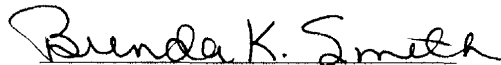
VERIFICATION

STATE OF Kansas)
) ss.
COUNTY OF Ophron)

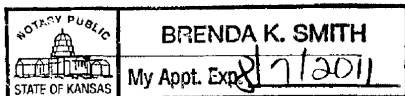
I, Frank A. Caro, Jr., being duly sworn, on oath state that I have read the foregoing Application, and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

By: 
Frank A. Caro, Jr.
Counsel for Midwest Energy, Inc.

The foregoing was subscribed and sworn to before me this December 21, 2007.


Notary Public

My Commission Expires:



CERTIFICATE OF SERVICE

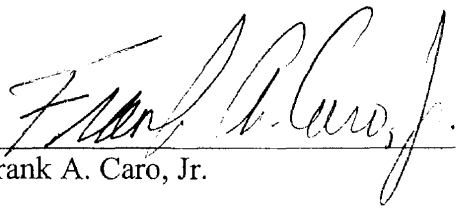
The undersigned hereby certifies that a true and correct copy of the above and foregoing pleading has been faxed, hand-delivered and/or mailed, First Class, postage prepaid, this December 21, 2007, to:

DON LOW
DIRECTOR UTILITY OPERATIONS
KANSAS CORPORATION
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1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

TOM STRATTON
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DAVID SPRINGE
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TOPEKA, KS 66604-4027

(PUBLIC VERSION)



Frank A. Caro, Jr.

MIDWEST ENERGY, INC.
REVENUE, INCREASE, AND RATE OF RETURN BY RATE CLASS
TEST YEAR ENDED JUNE 30, 2007

Rate Class	Current Allocated Revenue	Proposed Allocated Revenue	Proposed Increase	Percent Increase	Current Rate of Return	Proposed Rate of Return	Average Number of Customers	Annual Increase per Customer
1 M-SYSTEM								
2								
3 Residential	\$20,473,303	\$23,865,045	\$3,391,742	16.57%	-0.84%	4.08%	21,984	\$154
4 All Electric Residential	\$895,242	\$1,051,243	\$156,001	17.43%	-3.63%	1.65%	781	\$200
5 Total Residential	\$21,368,545	\$24,916,288	\$3,547,743	16.60%	-0.95%	3.96%	22,765	\$156
6								
7 Annual Service	\$436,251	\$567,967	\$131,716	30.19%	-2.97%	0.91%	2,260	\$58
8 Small Commercial	\$7,330,779	\$7,904,538	\$573,759	7.83%	2.86%	5.64%	6,628	\$87
9 Small Commercial - Demand	\$114,516	\$127,001	\$12,484	10.90%	6.40%	11.49%	38	\$326
10 Small Commercial - TD	\$15,258	\$16,012	\$754	4.94%	9.70%	12.20%	7	\$108
11 Medium Commercial	\$8,035,764	\$8,695,459	\$659,695	8.21%	10.49%	15.15%	597	\$1,105
12 Total Small Commercial	\$15,932,569	\$17,310,977	\$1,378,408	8.65%	5.19%	8.77%	9,530	\$145
13								
14 Large Commercial	\$6,397,402	\$6,500,739	\$103,337	1.62%	19.19%	20.37%	73	\$1,411
15 Large Commercial - TOD	\$245,139	\$285,235	\$40,096	16.36%	-3.12%	6.01%	11	\$3,538
16 Large Heating	\$654,809	\$669,355	\$14,546	2.22%	20.23%	22.13%	30	\$484
17 Transmission Level Service	\$2,190,279	\$2,278,200	\$87,921	4.01%	8.40%	11.31%	4	\$21,980
18 Total Large Commercial	\$9,487,628	\$9,733,529	\$245,900	2.59%	15.98%	17.88%	119	\$2,072
19								
20 Small Oil Field	\$1,985,908	\$2,034,473	\$48,565	2.45%	10.85%	12.22%	930	\$52
21 Small Oil Field - Demand	\$2,551,915	\$2,775,109	\$223,194	8.75%	9.22%	14.31%	811	\$275
22 Small Oil Field - TD	\$11,110	\$11,559	\$449	4.04%	12.84%	15.01%	7	\$64
23 Large Oil Field	\$15,211,209	\$15,373,808	\$162,599	1.07%	18.19%	18.98%	1,131	\$144
24 Total Oil Field	\$19,760,142	\$20,194,950	\$434,807	2.20%	15.89%	17.41%	2,879	\$151
25								
26 Irrigation - Frozen	\$2,067,923	\$2,503,501	\$435,578	21.06%	-2.79%	2.63%	697	\$625
27 Irrigation - TD	\$223,727	\$238,118	\$14,390	6.43%	-0.85%	1.05%	85	\$169
28 Irrigation - T&T	\$2,620,436	\$3,290,919	\$670,482	25.59%	-3.22%	3.40%	578	\$1,160
29 Incidental Irrigation	\$258,987	\$305,188	\$46,201	17.84%	-17.03%	-14.03%	799	\$58
30 Total Irrigation	\$5,171,074	\$6,337,725	\$1,166,651	22.56%	-4.00%	1.70%	2,159	\$540
31								
32 Lighting	\$978,943	\$978,943	\$0	0.00%	20.51%	20.51%	0	\$0
33								
34 Special Contracts	\$3,179,624	\$3,197,238	\$17,613	0.55%	8.47%	9.05%	6	\$0
35								
36 Total M-System Retail	\$75,878,526	\$82,669,649	\$6,791,123	8.95%	4.40%	8.22%	37,458	\$181
37								
38 W-SYSTEM								
39								
40 Residential	\$5,246,631	\$6,232,159	\$985,528	18.78%	-3.17%	1.79%	6,417	\$154
41 Residential Demand	\$271,044	\$325,174	\$54,130	19.97%	-7.02%	-1.23%	202	\$268
42 Total Residential	\$5,517,675	\$6,557,333	\$1,039,658	18.84%	-3.35%	1.65%	6,619	\$157
43								
44 Small Commercial	\$3,949,343	\$4,884,369	\$935,026	23.68%	-7.03%	0.02%	2,358	\$397
45 Public Schools	\$330,136	\$394,175	\$64,039	19.40%	-0.45%	7.82%	42	\$1,525
46 Total Small Commercial	\$4,279,479	\$5,278,544	\$999,065	23.35%	-6.67%	0.45%	2,400	\$416
47								
48 Large Power	\$6,803,309	\$7,440,223	\$636,915	9.36%	10.59%	16.86%	31	\$20,882
49								
50 Oil Field	\$2,103,985	\$2,544,605	\$440,620	20.94%	2.25%	13.99%	239	\$1,842
51								
52 Irrigation	\$778,091	\$898,811	\$120,720	15.51%	-9.90%	-6.81%	309	\$391
53								
54 Lighting	\$404,802	\$404,803	\$1	0.00%	14.75%	14.75%	0	\$0
55								
56 Total W-System Retail	\$19,887,340	\$23,124,319	\$3,236,979	16.28%	-1.29%	4.73%	9,597	\$337
57								
58 Total System Retail	\$95,765,867	\$105,793,968	\$10,028,101	10.47%	3.08%	7.41%	47,055	\$213

MIDWEST ENERGY, INC.

(Name of Issuing Utility)

Company Wide

(Territory to which schedule is applicable)

SCHEDULE ESA

Replacing Schedule ESA Sheet

which was filed July 16, 2003

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 1 Sheets

RETAIL ELECTRIC SERVICE AREA — M SYSTEM

The M System comprises territory served by Midwest Energy prior to August 15, 2003.

Communities and/or adjacent rural areas served include:

Albert*	Goodland	Jennings*	Munjor	Russell
Angeles	Gorham*	Jetmore	Oakley	Russell Springs*
Atwood*	Gove*	Kanorado*	Ogallah	Selden*
Bird City*	Grainfield*	LaCrosse	Page City	Sequin
Brewster*	Great Bend	Larned	Park*	Seward
Colby	Great Bend Westport*	Lenora*	Penokee	Sharon Springs
Collyer*	Grinnell*	Leoville	Pfeifer	Victoria*
Dresden*	Halford	Levant	Quinter*	WaKeeney*
Edmund*	Hanston*	McDonald*	Radium	Wallace*
Edson	Hays*	Menlo*	Rexford*	Walker
Ellis*	Hill City	Monument	Ruelton	Weskan
Fairport	Hoxie*	Morland*	Rush Center*	Winona*
Gen*				

RETAIL ELECTRIC SERVICE AREA — W SYSTEM

The W System comprises territory served by Westar Energy prior to August 15, 2003.

Communities and/or adjacent rural areas served include:

Abbyville*	Chase*	Hudson*	Lyons-Ellsworth Co	Plevna*	St. John
Alden*	Clatfin*	Kinsley*	Macksville*	Preston*	Stafford
Arlington*	Ellinwood	Langdon*	Mitchell	Raymond*	Sylvia*
Belpre*	Fellsburg	Larned	Natrona	Red Wing	Trousdale
Burdett*	Frederick*	Lewis*	Offerle*	Rozel*	Turon*
Bushton*	Garfield*	Little River*	Partridge*	Saxman	Zenith
Centerview	Geneseo*	Lyons*	Pawnee Rock*	Silica	

* Midwest Energy, Inc. holds an electric franchise agreement for service within the city limits of these communities.

NOTE: For tariff sheets (other than the Electric Terms and Conditions) marked with a territory "Company Wide" and a Commission stamp prior to the date of the Order allowing the Company's acquisition of the W System (July 16, 2003), Company Wide refers to the M System only. After that date, Company Wide refers to M and W Electric Systems.

Issued _____
Month Day Year

Effective Upon Commission Approval
Month Day Year

By Gene Argo _____
Signature of Officer Title

03-MWEE-421-400

Approved

Kansas Corporation Commission

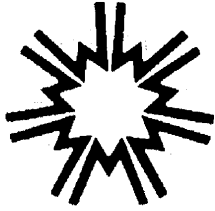
July 18, 2003

/s/ Susan K. Duffy

KDC

Summary of Reasons for the Request

1. General inflation of construction and operating costs since the last rate request. Five and one-half years have elapsed since the end of the test year for the prior rate case compared to the test year used in this application.
2. Construction of the Goodman Energy Center (GMEC). GMEC will be used in part to replace expiring power supply contracts. GMEC was the least cost alternative for 76 MW of peaking capacity based on a competitive Request for Proposals (RFP) for peaking capacity.
3. Costs of replacements and upgrades to an aging transmission and distribution system.
4. Extraordinary restoration costs resulting from extreme storm damage in 2005 – 2007.



MIDWEST ENERGY, INC.

NEWS FROM MIDWEST ENERGY, INC.

**For Immediate Release
December 26, 2007**

**For More Information Contact:
Bob Helm – 785-625-1463**

Midwest Energy Amends and Delays Electric Rate Increase Proposal

Midwest Energy announced that it has filed a revised request with the Kansas Corporation Commission (KCC) to increase its electric rates. The revised request is for \$10.0 million and will affect all Midwest Energy customers. The original \$6.4 million request did not include customers on the cooperative's "W System". A recent KCC ruling cleared the way for the W System rate changes in 2008 at the conclusion of a 5-year rate moratorium. The revised request will delay the originally proposed effective date by two months to September 1, 2008.

If approved, the request would result in an average increase of 10.5% in customers' monthly bills. Since the last rate case in early 2003, the company has made major investments in upgrading service to customers. The company's base rates have remained essentially unchanged since 1989. If approved, an average residential customer's bill would increase by approximately \$13.01 per month.

"In addition to the investment in system improvements we have made since our last rate case, we are in the early stages of other needed improvements to and replacement of our electric system for reliability," said Earnie Lehman, President and General Manager of Midwest Energy. Most notable on the cooperative's list of construction activities is the Goodman Energy Center, a 76 MW natural gas fired peaking power plant being built near Hays. The generating plant will replace some expiring power supply contracts and will be fully operational by the fall of 2008.

Lehman also noted recent storm damage as contributing to the rate request. "Two ice storms that preceded the December 2007 storm and the May, 2007 Greensburg tornado resulted in over \$90 million in damages. FEMA and the State of Kansas will assist with the lion's share of rebuilding costs, but even the remainder is beyond our normal construction budget," said Lehman. Damages from this month's ice storm have not been tallied and are not a part of the rate request. Additionally, extraordinary events such as the 2005 Gulf Coast hurricanes and explosive economic growth in markets such as China have resulted in materials cost increases well above the cost of inflation.

-More-

The KCC has 240 days to issue a ruling on Midwest Energy's application. Midwest Energy, headquartered in Hays, KS, is a customer-owned cooperative serving 48,000 electric customers and 41,000 natural gas customers in 41 central and western Kansas counties.

MIDWEST ENERGY, INC
ELECTRIC DEP'T
TEST YEAR ENDED JUNE 30, 2007

SUMMARY OF RATE BASE, OPERATING REVENUES AND EXPENSES

Line #	Description	Reference			PRO FORMA AT		
		[1] Function	[2] Section	[3] Schedule	[4] Present Rates	[5] Increase	[6] Proposed Rates
RATE BASE							
1	Utility Plant		4	1	\$ 374,607,750		\$ 374,607,750
2	Accumulated Depreciation		5	1	(146,698,374)		(146,698,374)
3	Net Plant in service	L 1 + L 2			227,909,376	-	227,909,376
4	Working Capital		6	1	6,025,979		6,025,979
5	Investment in NRUCFC		3	2	7,191,312		7,191,312
6	Customer Advances for Construction		3	3	(243,782)		(243,782)
7	TOTAL RATE BASE	Sum L 3 to L 6			\$ 240,882,885	\$ -	\$ 240,882,885
					(55,491,342)		
OPERATING REVENUES AND EXPENSES							
8	Operating Revenues		9	1	\$ 97,828,457	\$ 10,028,870	\$ 107,857,327
9	Operating Expenses		9	1	(89,572,159)		(89,572,159)
10	NET OPERATING MARGINS	L 8 + L 9			\$ 8,256,299	\$ 10,028,870	\$ 18,285,169
11	RATE OF RETURN	L 10 / L 7			3.4275%		7.5909%
REVENUE INCREASE REQUIRED							
12	Rate of Return at Present Rates	Line 11, Col 4			3.4275%		
13	Rate of Return Required		7	1	7.5909%		
14	Change in ROR	Line 13 - Line 12			4.1634%		
15	Change in Operating Income	Line 14 * Line 7			\$ 10,028,870		
16	TIMES INTEREST EARNED				0.96		2.03
17	DEBT SERVICE COVERAGE				1.17		1.75

MIDWEST ENERGY, INC
 ELECTRIC DEP'T
 TEST YEAR ENDED JUNE 30, 2007

INVESTMENT IN NRUCFC

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Function	Section	Schedule	Percent	Amount
1	Required Investment at 6/30/2007		7	8		<u>\$ 8,662,647</u>
<u>Allocation to Departments:</u>						
2	Electric Department		12	1	83.02%	\$ 7,191,312
3	Gas Department		12	1	16.98%	1,471,335
4	Other		12	1	0.00%	-
5	TOTAL	Sum L 2 to 4			<u>100.00%</u>	<u>\$ 8,662,647</u>

SOURCE:

MIDWEST ENERGY, INC
 ELECTRIC DEPT
 TEST YEAR ENDED JUNE 30, 2007

CUSTOMER ADVANCES FOR CONSTRUCTION

Line #	Description	[1]	[2]	[3]	[4]
		Reference			Amount
		Function	Section	Schedule	
CUSTOMER ADVANCES					
1	Electric Department	Actual			\$ 243,782
2	Gas Department	Actual			106,242
3	TOTAL				<u>\$ 350,024</u>

SOURCE:
 General Ledger and Sub-ledger — A/C 252

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

UTILITY PLANT-TEST YEAR SUMMARY

Line #	Description	[1] Schedule	[2] Total Recorded 6/30/2007	[3] Proforma Adjustments	[4] Total As Adjusted 6/30/2007
1	INTANGIBLE PLANT	Sec. 4, Sch 2	\$ 18,181	\$ -	\$ 18,181
2	STEAM PRODUCTION PLANT	Sec. 4, Sch 2	9,630,629	-	9,630,629
3	OTHER PRODUCTION PLANT	Sec. 4, Sch 2	4,773,639	61,650,896	66,424,535
4	TRANSMISSION PLANT	Sec. 4, Sch 2	66,946,784	(41,000)	66,905,784
5	DISTRIBUTION PLANT	Sec. 4, Sch 2	195,356,399	2,824,651	198,181,050
6	GENERAL PLANT	Sec. 4, Sch 2	16,038,464	(1,020,859)	15,017,605
7	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 6)	292,764,096	63,413,688	356,177,784
8	OTHER PLANT IN SERVICE	Sec. 4, Sch 3	12,391,251	1,099,663	13,490,914
9	COMPLETED CONSTRUCTION NOT CLASSIFIED	G/L a/c # 106	324,287	-	324,287
10	PLANT IN SERVICE		305,479,634	64,513,351	369,992,985
11	CONSTRUCTION WORK IN PROGRESS	G/L a/c # 107	25,086,740	(20,471,975)	4,614,765
12	OTHER		-	-	-
13	TOTAL UTILITY PLANT	Sum (L 7 to L 11)	<u>\$ 330,566,375</u>	<u>\$ 44,041,376</u>	<u>\$ 374,607,750</u>

Note: This schedule excludes account 114, the Acquisition premiums.

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SUMMARY PLANT IN SERVICE
2004 to 2007

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]
			Recorded Balances at December 31,					Pro Forma Adjustments (GMEC)	Test Year Balance
			2004	2005	2006	6/30/2007			[5] + [6]
INTANGIBLE PLANT									
1	Organization	301	\$ 18,181	\$ 18,181	\$ 18,181	\$ 18,181	\$ -		\$ 18,181
2	Franchise & Consent	302	-	-	-	-	-		-
3	Miscellaneous Intangible Plant	303	-	-	-	-	-		-
4	TOTAL INTANGIBLE	Sum L 1 to L 3	18,181	18,181	18,181	18,181	-		18,181
STEAM PRODUCTION PLANT									
5	Land and land rights	310	46,666	46,666	46,666	46,666	-		46,666
6	Structures, Improvements	311	2,099,352	2,111,572	2,111,572	2,149,694	-		2,149,694
7	Boiler Plant Equipment	312	3,527,861	3,527,861	3,527,861	3,527,862	-		3,527,862
8	Tubogenerator Units	314	3,415,015	3,415,016	3,415,016	3,415,016	-		3,415,016
9	Accessory Electric Equipment	315	355,308	355,308	419,797	419,797	-		419,797
10	Misc. Power Plant equipment	316	86,065	86,031	86,031	71,595	-		71,595
11	TOTAL PRODUCTION PLANT	Sum L 5 to L 10	9,530,287	9,542,454	9,606,943	9,630,629	-		9,630,629
OTHER PRODUCTION PLANT									
12	Land and land rights	340	528	528	528	528	41,000	A	41,528
13	Structures, Improvements	341	468,524	487,170	487,170	487,170	6,000,000	A	6,487,170
14	Fuel Holders, Products & Accessories	342	156,867	156,867	156,867	156,867	5,991,340	A/B	6,148,207
15	Prime Movers	343	1,892,124	1,892,124	1,892,124	1,892,124	4,435,277	A/B	6,327,401
16	Generators	344	2,118,738	2,118,738	2,118,738	2,118,738	39,720,489	A/B	41,839,227
17	Accessory Electric Equipment	345	112,522	112,522	112,522	112,522	2,933,494	A/B	3,046,016
18	Misc Power Plant Equipment	346	11,926	11,926	11,926	5,689	2,529,296	A/B	2,534,985
19	STORAGE EQUIPMENT	Sum L 12 to L 18	4,761,229	4,779,875	4,779,875	4,773,639	61,650,896		66,424,535
20	TOTAL PRODUCTION PLANT	(L 11 + L 19)	14,291,516	14,322,329	14,386,818	14,404,268	61,650,896		76,055,164
TRANSMISSION PLANT									
21	Land and land rights	350	2,310,023	2,311,023	2,316,023	2,316,023	(41,000)	A	2,275,023
22	Structures, Improvements	352	203,811	203,811	203,811	203,811	-		203,811
23	Station Equipment	353	21,213,625	21,474,179	22,389,908	22,579,956	-		22,579,956
24	Towers and Fixtures	354	-	-	-	-	-		-
25	Poles and Fixtures	355	23,752,203	24,053,405	24,804,361	24,881,140	-		24,881,140
26	Overhead Conductors and Devices	356	15,991,444	16,090,931	16,431,924	16,443,118	-		16,443,118
27	Underground Conduit	357	-	9,836	9,836	9,836	-		9,836
28	Underground Conductor & Devices	358	-	431,239	512,900	512,900	-		512,900
29	TOTAL TRANSMISSION PLANT	Sum L 21 to L 27	63,471,106	64,574,424	66,667,763	66,946,784	(41,000)		66,905,784
30	Pro Forma Adjustments				A	B	Total		
31		340			41,000	-	41,000		
32		341			6,000,000	-	6,000,000		
33		342			6,000,000	(8,660)	5,991,340		
34		343			5,000,000	(564,723)	4,435,277		
35		344			40,000,000	(279,511)	39,720,489		
36		345			3,000,000	(66,506)	2,933,494		
37		346			2,530,000	(704)	2,529,296		
38		350			(41,000)	-	(41,000)		
39		CWIP			(9,395,293)	-	(9,395,293)		
40	Total				53,134,707	(920,104)	52,214,603		

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SUMMARY PLANT IN SERVICE
2004 to 2007

Line #	Description	Account Number	Recorded Balances at December 31,				Pro Forma Adjustments (FEMA)	Adjusted Balance [5] + [6]
			2004	2005	2006	6/30/2007		
DISTRIBUTION PLANT								
41	Land and land rights	360	\$ 421,221	\$ 441,100	\$ 438,516	\$ 439,028	\$ -	\$ 439,028
42	Structures, Improvements	361	-	-	-	-	-	-
43	Station Equipment	362	16,172,806	17,179,826	17,437,911	17,860,230	-	17,860,230
44	Storage Battery Equipment	363	-	-	-	-	-	-
45	Poles, Towers and Fixtures	364	52,080,792	54,437,091	57,208,419	59,579,812	1,680,710	61,240,522
46	Overhead Conductors and Devices	365	36,940,635	38,675,836	40,661,228	41,757,871	1,163,941	42,921,612
47	Underground Conduit	366	2,132,105	2,209,383	2,231,313	2,234,046	-	2,234,046
48	Underground Conductors and Devices	367	10,940,579	12,128,261	12,932,092	13,271,500	-	13,271,500
49	Line Transformers	368	35,697,360	37,209,577	39,551,127	41,646,080	-	41,646,080
50	Services	369	3,895,058	3,875,860	3,860,016	3,856,351	-	3,856,351
51	Meters	370	8,574,235	9,007,308	9,598,350	10,024,088	-	10,024,088
52	Installations on Customers Premises	371	1,736,740	1,833,457	1,920,878	2,024,192	-	2,024,192
53	Leased Property On Customers Premises	372	84,935	85,048	85,048	85,048	-	-85,048
54	Street Lighting and Signaling Systems	373	2,319,454	2,382,101	2,441,902	2,578,353	-	2,578,353
55								
56	TOTAL DISTRIBUTION PLANT	Sum L 29 to L 46	170,995,920	179,467,646	188,566,800	195,356,399	2,824,651	198,181,050
GENERAL PLANT								
57	Land and land rights	389	193,135	193,135	193,135	193,135	-	193,135
58	Structures, Improvements	390	3,212,361	3,189,435	3,179,748	3,179,748	-	3,179,748
59	Office furniture and equipment	391	163,998	160,904	137,192	240,412	-	240,412
60	Transportation equipment	392	3,642,433	3,577,107	3,787,981	3,938,376	2,025,324	5,963,700
61	Store equipment	393	183,469	195,962	196,284	210,304	-	210,304
62	Tools, shop and garage equipment	394	1,720,443	1,815,549	2,002,505	2,014,863	14,500	2,029,363
63	Laboratory equipment	395	419,264	547,839	563,301	579,258	-	579,258
64	Power operated equipment	396	2,994,224	3,076,675	3,387,552	3,543,292	(3,060,683)	482,609
65	Electric communications equipment	397	2,136,935	2,142,752	2,152,209	2,123,835	-	2,123,835
66	Miscellaneous equipment	398	19,746	19,746	19,746	15,241	-	15,241
67	Other tangible property	399	-	-	-	-	-	-
68	TOTAL GENERAL	Sum L 48 to L 58	14,686,006	14,919,104	15,619,663	16,038,464	(1,020,859)	15,017,605
9	SUB-TOTAL (L 4 + L 20 + L 28 L 47 + L 59)		263,462,729	273,301,684	285,259,225	292,764,096	63,413,688	356,177,784
OTHER PLANT IN SERVICE								
70	Common Plant	118	10,470,028	7,709,801	12,236,775	12,391,251	1,099,663	13,490,914
71	Unclassified Construction	106	(289,411)	640,544	3,066,092	324,287	-	324,287
72	TOTAL PLANT IN SERVICE	Sum L 60 to L 62	\$273,633,346	\$281,652,029	\$300,562,092	\$ 305,479,634	\$ 64,513,351	\$ 369,992,985
73	Pro Forma Adjustment C: FEMA Projects CIAOC expected from FEMA (reduce CWIP)						\$ (8,252,031)	
74	Remaining balance transferred to Plant in Service						(2,824,651)	
75	Total Pro Forma Adj. C (reduce CWIP)						(11,076,682)	
76	Pro Forma Adjustments			D	E	F		
				Reclass Power- Operated Equip.	Reclass Common Vehicles	Energy Efficiency	Total	
77		392 (E)		3,060,683	(1,057,359)	22,000	2,025,324	
78		392 (G)			(224,198)		(224,198)	
79		394				14,500	14,500	
80		396		(3,060,683)			(3,060,683)	
81	Total Transferred from General Plant	118			1,281,557		1,281,557	
82	Total					36,500	36,500	

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

TOTAL COMPANY COMMON PLANT—ALLOCATED
2004 to 2007

Line #	Description	Account Number	Recorded Balances at December 31,				Pro Forma Adjustment	Test Year Balance
			[1] 2004	[2] 2005	[3] 2006	[4] 6/30/2007		
TOTAL COMMON PLANT								
1	Completed Construction - Not Classified	106	\$ 10,621	\$ 28,692	\$ 41,423	\$ (72,789)	\$ -	\$ (72,789)
2	Land and land rights	118-89	629,038	629,038	629,038	629,038		629,038
3	Structures, Improvements	118-90	4,510,567	464,278	4,839,661	4,862,384		4,862,384
4	Office furniture and equipment	118-91-00	1,177,524	1,243,205	1,310,199	1,282,381		1,282,381
5	Computer Equipment	118-91-10	3,790,994	3,791,064	4,292,994	4,127,816		4,127,816
6	Transportation equipment						1,281,557	E 1,281,557
7	Communications equipment	118-97	2,462,401	3,120,348	3,550,267	3,612,050		3,612,050
8	TOTAL COMMON PLANT	Sum L 1 to L 5	\$ 12,581,145	\$ 9,276,623	\$ 14,663,602	\$ 14,440,880	\$ 1,281,557	\$ 15,722,437
ALLOCATION FACTORS								
9	Electric Operations	Sec. 12, Sch 1	83.22%	83.11%	83.45%	85.81%	85.81%	85.81%
10	Gas Operations	Sec. 12, Sch 1	16.78%	16.89%	16.55%	14.19%	14.19%	14.19%
11	Other	Sec. 12, Sch 1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	TOTAL ALLOCATION		100.00%	100.00%	100.00%	100.00%		100.00%
COMMON PLANT-ELECTRIC								
13	Completed Construction - Not Classified	L 1 * L 9	\$ 8,839	\$ 23,846	\$ 34,567	\$ (62,458)	\$ -	\$ (62,458)
14	Land and land rights	L 2 * L 9	523,485	522,793	524,932	539,757		539,757
15	Structures, Improvements	L 3 * L 9	3,753,694	385,861	4,038,697	4,172,254		4,172,254
16	Office furniture and equipment	L 4 * L 9	979,935	1,033,228	1,093,361	1,100,370		1,100,370
7	Computer Equipment	L 5 * L 9	3,154,865	3,150,753	3,582,503	3,541,945		3,541,945
18	Transportation equipment	L 6 * L 9	-	-	-	-	1,099,663	E 1,099,663
19	Communications equipment	L 7 * L 9	2,049,210	2,593,320	2,962,715	3,099,383		3,099,383
20	TOTAL COMMON PLANT TO ELECTRIC	Sum L 11 to L 15	\$ 10,470,028	\$ 7,709,801	\$ 12,236,775	\$ 12,391,251	\$ 1,099,663	\$ 13,490,914
COMMON PLANT-GAS								
21	Completed Construction - Not Classified	L 1 * L 10	\$ 1,782	\$ 4,846	\$ 6,856	\$ (10,331)	\$ -	\$ (10,331)
22	Land and land rights	L 2 * L 10	105,553	106,245	104,106	89,281		89,281
23	Structures, Improvements	L 3 * L 10	756,873	78,417	800,964	690,130		690,130
24	Office furniture and equipment	L 4 * L 10	197,589	209,977	216,838	182,011		182,011
25	Computer Equipment	L 5 * L 10	636,129	640,311	710,491	585,871		585,871
26	Transportation equipment	L 6 * L 10	-	-	-	-	181,894	E 181,894
27	Communications equipment	L 7 * L 10	413,191	527,026	587,572	512,667		512,667
28	TOTAL COMMON PLANT TO GAS	Sum L 17 to L 21	\$ 2,111,117	\$ 1,566,822	\$ 2,426,827	\$ 2,049,629	\$ 181,894	\$ 2,231,523

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SECTION 5
SCHEDULE 1
Page 1 of 1

ACCUMULATED DEPRECIATION AND AMORTIZATION --TEST YEAR SUMMARY

Line #	Description	[1] Schedule	[2] Total Recorded 6/30/2007	[3] Adjustments	[4] Total As Adjusted 6/30/2007
1	INTANGIBLE PLANT		\$ -	\$ -	\$ -
2	PRODUCTION PLANT--STEAM		9,464,324	-	9,464,324
3	PRODUCTION PLANT--OTHER		4,453,927	(920,104) A	3,533,823
4	TRANSMISSION PLANT		37,476,664	-	37,476,664
5	DISTRIBUTION PLANT		79,880,927	-	79,880,927
5	GENERAL PLANT		5,787,231	-	5,787,231
6	TRANSPORTATION EQUIPMENT		2,274,841	-	2,274,841
7	SUB TOTAL	Sum L 1 to L 5	139,337,914	(920,104)	138,417,810
	<u>ALLOCATED COMMON PLANT</u>				
8	--OTHER UTILITY PLANT		8,280,564	-	8,280,564
9	--TRANSPORTATION		-	-	-
10	TOTAL ACCUMULATED DEPRECIATION	Sum L 6 to L 8	147,618,478	(920,104)	146,698,374
11	ACCUMULATED AMORTIZATION		2,022,494	-	2,022,494
12	TOTAL ACC DEPREC & AMORTIZATION		<u>\$ 149,640,972</u>	<u>\$ (920,104)</u>	<u>\$ 148,720,868</u>
	Pro Forma Adjustment A: To retire Ellis Plant			(920,104)	

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SECTION 5
SCHEDULE 2
Page 1 of 1

ACCUMULATED DEPRECIATION AND AMORTIZATION
2004 to 2007

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]
			Recorded Balances at December 31,				
			2004	2005	2006		6/30/2007
1	INTANGIBLE PLANT		\$ -	\$ -	\$ -		\$ -
2	PRODUCTION PLANT--STEAM	108-10	9,478,672	9,478,643	9,478,643		9,464,324
3	PRODUCTION PLANT--OTHER	108-40	4,090,079	4,237,954	4,386,105		4,453,927
4	TRANSMISSION PLANT	108-50	36,686,560	36,717,956	37,026,663		37,476,664
5	DISTRIBUTION PLANT	108-60	66,802,284	71,344,422	76,467,325		79,880,927
6	GENERAL PLANT	108-70	5,901,573	5,915,498	5,927,221		5,787,231
7	TRANSPORTATION EQUIPMENT	108-90	1,937,940	1,959,222	2,157,443		2,274,841
8	SUB TOTAL	Sum L 1 to L 7	124,899,108	129,653,695	135,443,400		139,337,914
<u>ALLOCATED COMMON PLANT</u>							
9	OTHER UTILITY PLANT	119-70	7,287,430	7,421,469	8,156,959		8,280,564
10	TRANSPORTATION		-	-	-		-
11	TOTAL ACCUMULATED DEPRECIATION	Sum L 8 to L 10	132,186,538	137,075,164	143,600,359		147,618,478
12	ACCUMULATED AMORTIZATION		876,641	1,354,001	1,799,907		2,022,494
13	TOTAL ACC DEPR & AMORTIZATION		<u>\$ 133,063,179</u>	<u>\$ 138,429,165</u>	<u>\$ 145,400,266</u>		<u>\$ 149,640,972</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SUMMARY OF WORKING CAPITAL

Line #	Description	[1] Reference	[2] Method	[3] Account Number	[4] Total Company Recorded 6/30/2007	[5] [6] [7] Working Capital Distributed To		
						Electric	Gas	Other
WORKING CAPITAL REQUIREMENT								
1	Fuel stocks--Electric	2	13-Month Avg	151	\$ 75,346	\$ 75,346	\$ -	\$ -
2	Wholesale gas	3	13-Month Avg	154.3	19,531	19,531		
3	Wholesale diesel fuel	3	13-Month Avg	154.4/5	21,984	21,663	321	
4	Wholesale oil	3	13-Month Avg	154.6	821	821		
5	Sub-total	Sum L 1 to L 4			117,682	117,361	321	-
6	Materials & Supplies	4	13-Month Avg	154.1	5,121,164	4,609,089	512,075	-
7	Prepaid Insurance	5	13-Month Avg	165.1	90,362	57,145	33,217	-
8	Prepaid Workers' Compensation	5	13-Month Avg	165.1	131,460	81,505	49,955	-
9	Cash Working Capital Calculation	6	1/8 Calculation	O & M	1,860,817	1,860,817	-	-
10	Purchased Power & Gas Working Capital	7	Lead/Lag		2,644,019	2,644,019		
11	TOTAL WORKING CAPITAL REQUIREMENT	Sum L 6 to L 10			9,965,504	9,369,936	595,568	-
WORKING CAPITAL PROVIDED								
12	Customer Deposits	8	13-Month Avg	235	(769,697)	(484,299)	(285,398)	
13	Accrued Property Taxes	9	13-Month Avg	236.1	(3,177,837)	(2,859,658)	(318,179)	-
14	TOTAL WORKING CAPITAL PROVIDED	L 12 + L 13			(3,947,534)	(3,343,957)	(603,577)	-
15	NET WORKING CAPITAL REQUIREMENT	L 11 + L 14			\$ 6,017,970	\$ 6,025,979	\$ (8,009)	\$ -
16	WORKING CAPITAL TO RATE BASE	L 15				\$ 6,025,979	\$ (8,009)	\$ -
WORKING CAPITAL TO COST OF SERVICE								
17	Factor to Include in Service Study	"1" = Yes / "0" = No				1	0	0
18	Plant Allocation Factor	8 + L 9 + L 14 + L 15				\$ 1,322,277	\$ -	\$ -
19	Total O & M Allocation Factor	L 11 + L 12				1,860,817	-	-
20	Payroll Allocation Factor	L 10				81,505	-	-
21	Commodity Allocation Factor	L 1 to L 6				2,761,380	-	-
22	WORKING CAPITAL TO COST OF SERVICE	L 20 to L 23				\$ 6,025,979	\$ -	\$ -

MIDWEST ENERGY, INC
ELECTRIC DEP'T
TEST YEAR ENDED JUNE 30, 2007

FUEL STOCKS—ELECTRIC

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Bird City	Ellis	Great Bend	Colby Gas Turbine	Total Fuel Stock Sum [1] to [4]
FUEL STOCKS—ELECTRIC—A/C 151						
1	June, 2006	\$ 11,010	\$ 8,551	\$ 8,756	\$ 52,513	\$ 80,830
2	July	11,010	8,551	8,756	52,513	80,830
3	August	10,002	8,551	3,959	52,513	75,025
4	September	10,002	8,551	3,460	52,513	74,526
5	October	10,002	8,551	3,460	52,513	74,526
6	November	10,002	8,551	3,460	52,513	74,526
7	December	10,002	8,551	3,460	52,513	74,526
8	January, 2007	10,002	8,551	3,460	52,513	74,526
9	February	10,002	8,551	3,460	52,513	74,526
10	March	10,002	8,551	3,460	52,513	74,526
11	April	10,002	8,551	3,460	52,513	74,526
12	May	10,002	3,364	8,647	51,705	73,718
13	June, 2007	10,002	3,364	7,813	51,705	72,884
14	TOTAL	<u>\$ 132,042</u>	<u>\$ 100,789</u>	<u>\$ 65,611</u>	<u>\$ 681,053</u>	<u>\$ 979,495</u>
15	13-Month Average	<u>\$ 10,157</u>	<u>\$ 7,753</u>	<u>\$ 5,047</u>	<u>\$ 52,389</u>	<u>\$ 75,346</u>

SOURCE:

MIDWEST ENERGY, INC
 ELECTRIC DEP'T
 TEST YEAR ENDED JUNE 30, 2007

WHOLESALE FUELS

Line #	Description	[1]	[2]	[3]	[4]	[5]
		WHOLESALE GAS AND OIL				
		A/C 154.3 Wholesale Gas	A/C 154.4 Backhoe Diesel Fuel	A/C 154.5 Diesel Fuel	A/C 154.6 Wholesale Oil	Other
1	June, 2006	\$ 19,348	\$ 396	\$ 26,858	\$ 277	\$ -
2	July	15,214	238	18,237	134	
3	August	38,010	174	2,795	1,315	
4	September	38,694	69	6,704	1,076	
5	October	20,826	466	29,175	838	
6	November	16,657	430	20,627	615	
7	December	12,571	350	11,418	374	
8	January, 2007	13,649	319	25,323	1,850	
9	February	16,889	262	28,071	1,106	
10	March	19,402	213	30,588	684	
11	April	13,069	509	20,004	409	
12	May	13,480	415	29,079	174	
13	June, 2007	16,097	329	32,738	1,822	
14	TOTAL	<u>\$ 253,906</u>	<u>\$ 4,170</u>	<u>\$ 281,617</u>	<u>\$ 10,674</u>	<u># \$ -</u>
15	13-Month Average	<u>\$ 19,531</u>	321	<u>21,663</u>	<u>\$ 821</u>	
16	Combine					
17						

SOURCE:

MIDWEST ENERGY, INC
 ELECTRIC DEP'T
 TEST YEAR ENDED JUNE 30, 2007

MATERIALS & SUPPLIES

Line #	Description	[1]	[2]	[3]	[4]
		MATERIALS AND SUPPLIES--A/C 154.1			
		ELECTRIC	GAS	OTHER	TOTAL Sum [1] to [3]
1	June, 2006	\$ 2,372,254	\$ 491,991	\$ -	\$ 2,864,245
2	July	2,439,363	452,028		2,891,391
3	August	2,827,669	480,656		3,308,325
4	September	3,613,998	488,093		4,102,091
5	October	4,298,017	504,469		4,802,486
6	November	4,675,079	501,643		5,176,722
7	December	4,928,929	523,336		5,452,265
8	January, 2007	5,334,930	519,044		5,853,974
9	February	5,649,927	520,633		6,170,560
10	March	5,587,089	523,774		6,110,863
11	April	5,723,038	536,504		6,259,542
12	May	6,500,030	549,902		7,049,932
13	June, 2007	5,967,838	564,902		6,532,740
14	TOTAL	<u>\$ 59,918,161</u>	<u>\$ 6,656,975</u>	<u>\$ -</u>	<u>\$ 66,575,136</u>
15	13-Month Average	<u>\$ 4,609,089</u>	<u>\$ 512,075</u>	<u>\$ -</u>	<u>\$ 5,121,164</u>
		To Sch. 1	To Sch. 1	To Sch. 1	

SOURCE:

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SECTION 6
SCHEDULE 5
Page 1 of 2

PREPAID INSURANCE

Line #	Description	[1]	[2]	[3]	[4]
		PREPAID INSURANCE --- A/C 165.1			
		GENERAL INSURANCE		WORKERS' COMPENSATION	
		Percent	Amount	Percent	Amount
1	June, 2006		\$ 91,723		\$ 176,602
2	July		45,861		143,563
3	August		137,590		106,949
4	September		91,727		90,864
5	October		45,863		72,477
6	November		137,592		55,630
7	December		91,728		198,119
8	January, 2007		45,864		181,686
9	February		137,589		167,961
10	March		91,726		150,222
11	April		45,860		134,929
12	May		-		117,277
13	June, 2007		81,579		112,696
14	TOTAL		<u>\$ 1,044,702</u>		<u>\$ 1,708,980</u>
15	13-Month Average		\$ 80,362		\$ 131,460
16	Additional amount for GMEC		<u>10,000</u>		<u>-</u>
17	Total Prepaid Insurance		90,362		131,460
	<u>ALLOCATION FACTORS</u>				
16	Electric	63.24%	\$ 57,145	62.00%	\$ 81,505
17	Gas	36.76%	33,217	38.00%	49,955
18	Other	0.00%	-	0.00%	-
19	Total Allocated	<u>100.00%</u>	<u>\$ 90,362</u>	<u>100.00%</u>	<u>\$ 131,460</u>

MIDWEST ENERGY, INC
 ELECTRIC DEPT
 TEST YEAR ENDED JUNE 30, 2007

PREPAID INSURANCE

Line #	Description	[1]	[2]	[3]
		PREPAID INSURANCE -- A/C 165.1		
		ELECTRIC	GAS	TOTAL
<u>WORKERS COMP</u>				
1	Payroll Distribution (Sch. 9-13)	62%	38%	100.00%
<u>GENERAL</u>				
1	All Risk Blanket	\$ 26,386	\$ 7,993	
2	DOM	2,910	2,910	
3	Vehicles	9,965	7,338	
4	Supplemental Travel	375	-	
5	Bodily Injury	7,732	7,265	
6	Property Damage	2,460	2,312	
7	Excess Liability	3,197	3,003	
8	Sub-Total General	\$ 53,025	\$ 30,821	\$ 83,846
9	Percent Allocation	63.24%	36.76%	

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

CASH WORKING CAPITAL

Line #	Description	[1] Reference	[2] Recorded Balance (Sch. 9-1)	[3] Pro Forma Balance (Sch. 9-1)	[4] Adjustment and Elimination	[5] Adjusted Total Sum [2] to [4]
1	Power production expense		\$ 250,999	\$ 4,949,154	\$ (3,152,339) [a]	\$ 1,796,816
2	Cost of purchased power		63,472,936	55,759,567	(55,759,567) [b]	-
3	Transmission expense		1,213,410	1,247,263		1,247,263
4	Distribution expense		4,331,700	4,544,481		4,544,481
5	Customer accounts expense		2,204,025	2,312,996		2,312,996
6	Customer services expense		549,743	634,447		634,447
7	Sales expense		149,237	153,072		153,072
8	Administrative and general		3,939,101	4,197,462		4,197,462
9	Depreciation		10,072,938	11,381,735	(11,381,735)	-
10	Taxes—Other than income		3,896,301	3,896,301	(3,896,301) [c]	-
11	Other		(795,380)	-		-
12	TOTAL		<u>\$ 89,285,010</u>	<u>\$ 89,076,479</u>	<u>\$ (74,189,941)</u>	<u>\$ 14,886,538</u>
13	Cash working capital factor	1/8th Formula				<u>12.50%</u>
4	Cash working capital					<u>\$ 1,860,817</u>

SOURCE:

- [a] GMEC Fuel included in lead/lag (Sch 6-7)
- [b] Purchased Commodity Account # 555
- [c] Property tax (Section 11, Schedule 1)

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

PURCHASED POWER AND PRODUCTION FUEL WORKING CAPITAL

MIDWEST ENERGY LEAD LAG STUDY

Revenue and Commodity Expense Lag

Line #	Billing Cycle A	Meter Read Date		Read Days D=C-B	Average Read Days E=1/2D	Midpoint F=365/12/2	Weighted Midpoint of Service Period G=E+F	Bill Date H	Bill Calc Lag I=H-C	Collection or Payment Lag J	Total Lag Days K=G+I+J	Electric Revenue L	Weighted Lag Days M
		Start B	End C										
Revenue Lag													
1	1	24	4	10	5	15.2	20.2	9.3	5.3	23.7	49.2	\$ 10,546,196	5.07
2	2	25	8	13	6.5	15.2	21.7	16.8	8.8	23.7	54.2	17,459,398	9.25
3	3	5	17	12	6	15.2	21.2	23.0	6.0	23.7	50.9	12,280,257	6.11
4	4	31	25	24	12	15.2	27.2	28.0	3.0	23.7	53.9	33,382,434	17.59
5	5	21	3	12	6	15.2	21.2	5.6	2.6	23.7	47.5	9,362,731	4.35
6	6	26	8	12	6	15.2	21.2	9.5	1.5	23.7	46.4	6,674,652	3.03
7	7	30	16	16	8	15.2	23.2	17.0	1.0	23.7	47.9	4,340,640	2.03
8	8	5	20	15	7.5	15.2	22.7	23.3	3.3	23.7	49.7	2,888,239	1.31
9	9	11	25	14	7	15.2	22.2	28.4	3.4	23.7	49.3	5,502,892	2.65
10												<u>\$102,237,438</u>	51.4

Supplier Lag

11	<i>Purchased Power:</i>												
12	Westar					15.2	15.2			19.7	34.9	\$ 58,186,443	30.9
13	Sunflower Electric					15.2	15.2			25.7	40.9	583,027	0.4
14	Southwest Power Pool					15.2	15.2			24.0	39.2	866,877	0.5
15	Aquila					15.2	15.2			20.3	35.5	1,521,992	0.9
16	OPPD					15.2	15.2			20.1	35.3	1,523,126	0.8
17	U.S. Dept. of Energy (WAPA)					15.2	15.2			22.3	37.5	176,797	0.1
18	Kansas City Power & Light					15.2	15.2			20.6	35.8	2,424,463	1.4
19	Tenaska					15.2	15.2			24.5	39.7	89,030	0.1
20	Kansas Municipal Energy					15.2	15.2			25.0	40.2	106,681	0.1
21	City of Oakley					15.2	15.2			24.6	39.8	47,597	0.0
22	City of Sterling					15.2	15.2			30.0	45.2	182,700	0.1
22	Other					15.2	15.2			9.3	24.5	(248,445)	-0.1
												<u>\$ 63,460,287</u>	35.1
<i>GMEC Purchased Gas:</i>													
3	Southern Star					15.2	15.2			17.3	32.5	\$ 859,881	32.5

24	Revenue Lag	Purchased Power	GMEC Gas
25	Supplier Lag	51.4	51.4
26	Net Lag (Lead)	35.1	32.5
		<u>16.2</u>	<u>18.9</u>
27	% of 365 Days	4.45%	5.19%
28	Purchased Commodity	55,759,567 (Sched. 9-1)	3,152,339 (Sched. 9-3)
29	Purchased Commodity Working Capital	2,480,553	163,466
30	Total Purchased Commodity Working Capital	2,644,019	

MIDWEST ENERGY, INC
 ELECTRIC DEPT
 TEST YEAR ENDED JUNE 30, 2007

PURCHASED POWER WORKING CAPITAL

MIDWEST ENERGY LEAD LAG STUDY

COLLECTION LAG CALCULATION

Line No.	Description	[1] Reference Or Factor	Electric AR Balance	Electric Revenue
1	June, 2006		\$ 6,295,125	
2	July		8,983,286	11,080,769
3	August		8,114,286	12,052,529
4	September		8,887,771	11,407,314
5	October		6,835,949	8,564,746
6	November		5,598,203	7,136,552
7	December		6,235,476	8,058,360
8	January, 2007		6,175,058	7,931,643
9	February		6,155,027	7,225,529
10	March		5,507,827	6,622,780
11	April		6,041,017	7,613,455
12	May		5,426,184	6,747,403
13	June, 2007		5,897,598	7,796,358
14	Average A/R Balance		\$ 6,627,139	102,237,438
15	Total Revenue			
16	A/R Turnover (L16/L15)	(L16/L15)	15.43	
7	Days of Receivables	365/L17	23.66	

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

PURCHASED POWER WORKING CAPITAL

MIDWEST ENERGY LEAD LAG STUDY

COLLECTION OR PAYMENT LAG

Line #		JULY '06	AUG '06	SEPT '06	OCT '06	NOV '06	DEC '06	JAN '07
1	Westar	\$ 5,541,138	\$ 7,768,522	\$ 7,080,339	\$ 3,924,277	\$ 4,313,614	\$ 4,248,336	\$ 3,893,113
2	Payment Clearing Date	20	21	21	16	17	18	22
3	Sunflower Electric	72,615	33,240	29,384	70,654	51,104	78,549	51,954
4	Payment Clearing Date	25	30	27	25	24	26	26
5	Southwest Power Pool	27,935	27,935	27,935	27,935	27,935	27,935	27,935
6	Payment Clearing Date	25	25	25	25	25	25	25
7	Aquila	108,190	415,254	279,525	26,179	125,965	13,035	36,405
8	Payment Clearing Date	20	21	20	20	20	20	22
9	OPPD	297,809	170,762	252,389	191,388	54,630	1,140	96,605
10	Payment Clearing Date	20	21	20	20	20	20	19
11	US Dept of Energy (WAPA)	16,525	18,670	16,525	14,233	12,948	12,948	13,542
12	Payment Clearing Date (ck)	24	21	18	23	20	26	22
13	Kansas City Power and Light	130,055	393,054	164,150	88,249	244,355	30,435	94,975
14	Payment Clearing Date	25	21	21	20	20	20	19
15	Tenaska Power	2,475	30,450	-	-	9,600	-	-
16	Payment Clearing Date	25	25	-	-	27	-	-
17	Kansas Municipal Energy	-	-	-	-	-	14,642	-
18	Payment Clearing Date	-	-	-	-	-	25	-
19	City of Oakley	-	-	-	-	-	-	-
20	Payment Clearing Date	-	-	-	-	-	-	-
21	City of Sterling	65,250	-	-	-	13,050	-	-
22	Payment Clearing Date	31	-	-	-	25	-	-
23	Other-WAPA Pwr Delivered	(25,132)	(31,415)	(25,132)	(18,421)	(18,363)	(18,363)	(20,473)
24	Payment Clearing Date	24	1	11	11	8	11	8
25	Total	\$ 6,236,859	\$ 8,826,471	\$ 7,825,114	\$ 4,324,494	\$ 4,834,837	\$ 4,408,656	\$ 4,194,055

	FEB '07	MAR '07	APR '07	MAY '07	JUN '07	TOTAL
26 Westar	\$ 3,658,594	\$ 4,050,747	\$ 3,638,738	\$ 3,672,746	\$ 4,396,280	\$ 56,186,443
27 Payment Clearing Date	20	23	19	21	18	19.67
28 Sunflower Electric	54,014	-	62,303	48,119	31,089	583,027
29 Payment Clearing Date	20	-	25	29	26	25.73
30 Southwest Power Pool	33,172	284,659	63,272	227,056	63,175	866,877
31 Payment Clearing Date	25	20	25	18	25	24.00
32 Aquila	18,850	8,415	173,215	113,560	203,400	1,521,992
33 Payment Clearing Date	20	20	20	21	20	20.33
34 OPPD	180,480	102,576	86,261	11,317	77,769	1,523,126
35 Payment Clearing Date	20	20	20	21	20	20.08
36 US Dept of Energy (WAPA)	13,985	12,508	13,013	15,771	16,128	176,797
37 Payment Clearing Date (ck)	26	26	23	21	18	22.33
38 Kansas City Power and Light	199,360	100,070	104,920	329,060	545,780	2,424,463
39 Payment Clearing Date	20	20	20	21	20	20.58
40 Tenaska Power	-	-	2,040	36,675	7,790	89,030.00
41 Payment Clearing Date	-	-	25	25	20	24.50
42 Kansas Municipal Energy	30,159	27,215	803	16,274	17,588	106,681.06
43 Payment Clearing Date	25	25	25	25	25	25.00
44 City of Oakley	25,247	7,500	4,950	4,950	4,950	47,596.56
45 Payment Clearing Date	21	26	30	21	25	24.60
46 City of Sterling	52,200	-	-	-	52,200	182,700.00
47 Payment Clearing Date	35	-	-	-	29	30.00
48 Other-WAPA Pwr Deliv'd - XCEL	(19,558)	(15,658)	(16,952)	(16,985)	(21,991)	(248,445.20)
49 Payment Clearing Date	1	13	18	2	4	9.33
50 Total	\$4,246,502.66	\$4,578,031.51	\$4,132,564.06	\$4,458,543.52	\$5,394,158.20	\$63,460,287.20

	JULY '06	AUG '06	SEPT '06	OCT '06	NOV '06	DEC '06	JAN '07
Southern Star	\$ 62,321.04	\$ 63,212.75	\$ 64,605.83	\$ 126,318.21	\$ 68,900.26	\$ 69,408.48	\$ 70,845.50
Payment Clearing Date	20	17	18	16	17	18	18

	FEB '07	MAR '07	APR '07	MAY '07	JUN '07	TOTAL
53 Southern Star	\$ 70,120.34	\$ 62,557.68	\$ 68,114.38	\$ 65,778.47	\$ 67,698.28	859,881.22
54 Payment Clearing Date	16	16	16	17	18	17.25

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

CUSTOMER DEPOSITS

Line #	Description	[1]	[2]	[3]
		CUSTOMER DEPOSITS—A/C 235		
		ELECTRIC	GAS	TOTAL [1]+[2]
1	June, 2006	\$ 433,327	\$ 259,862	\$ 693,189
2	July	446,842	265,761	712,603
3	August	455,156	267,146	722,302
4	September	470,531	271,867	742,398
5	October	484,001	281,254	765,255
6	November	491,070	289,420	780,490
7	December	502,531	294,073	796,604
8	January, 2007	500,691	300,662	801,353
9	February	507,659	301,901	809,560
10	March	507,743	303,144	810,887
11	April	498,490	290,572	789,062
12	May	501,430	295,359	796,789
13	June, 2007	496,414	289,156	785,570
14	TOTAL	<u>\$ 6,295,885</u>	<u>\$ 3,710,177</u>	<u>\$ 10,006,062</u>
15	13-Month Average	<u>\$ 484,299</u>	<u>\$ 285,398</u>	<u>\$ 769,697</u>

SOURCE: General Ledger

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

ACCRUED PROPERTY TAXES

Line #	Description	[1] A/C 236.1 Accrued Property Taxes	[2] Electric	[3] Gas	[4] Other	[5] TOTAL Sum [2] to [4]
1	June, 2006	\$ 2,559,006				
2	July	2,985,465				
3	August	3,411,925				
4	September	3,838,384				
5	October	4,264,844				
6	November	4,370,365				
7	December	2,258,458				
8	January, 2007	2,664,897				
9	February	3,071,346				
10	March	3,477,785				
11	April	3,884,224				
12	May	2,086,540				
13	June, 2007	2,438,644				
14	TOTAL	<u>\$ 41,311,883</u>				
15	13-Month Average	<u>\$ 3,177,837</u>				
16	Property Tax Expense		\$ 3,896,301	\$ 433,521	\$ -	\$ 4,329,822
17	Allocation Factors (Section 12, Schedule 4)		<u>89.99%</u>	<u>10.01%</u>	<u>0.00%</u>	<u>100.00%</u>
18	Distribution of Accrued Property Taxes		<u>\$ 2,859,658</u>	<u>\$ 318,179</u>	<u>\$ -</u>	<u>3,177,837</u>
19	TOTAL					<u>\$ 3,177,837</u>

SOURCE:
[a] General Ledger

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

CAPITAL STRUCTURE AND COST OF CAPITAL

Line #	Description	[1] Reference	[2] Balance 12/31/2006	[3] Balance 8/31/2007	[4] Adjustments	[5] Adjusted	[6] Percent	[7] Cost Rate	[8] Weighted Cost
<u>EQUITY</u>									
1	Patronage Capital	201	\$ 83,999,838	\$ 91,222,350	\$ -	\$ 91,222,350	29.21%		
2	Other Equities	217	4,636,395	5,158,710		5,158,710	1.65%		
3	Margins		9,290,392	5,897,916		5,897,916	1.89%		
4	Total Equity		<u>97,926,625</u>	<u>102,278,976</u>	<u>-</u>	<u>102,278,976</u>	<u>32.75%</u>	<u>12.3943%</u>	<u>4.05910%</u>
<u>LONG-TERM DEBT</u>									
5	NRUCFC	Sch. 9-3	115,950,693	96,340,546		96,340,546	30.85%		
6	CoBank	Sch. 9-3	22,857,143	58,690,641	55,000,000 A	113,690,641	36.40%		
7	Other	Sch. 9-3	-	-		-	0.00%		
8	Total Long Term Debt		<u>138,807,836</u>	<u>155,031,187</u>	<u>55,000,000</u>	<u>210,031,187</u>	<u>67.25%</u>	<u>5.2517%</u>	<u>3.53180%</u>
9	TOTAL CAPITAL		<u>\$ 236,734,461</u>	<u>\$ 257,310,163</u>	<u>\$ 55,000,000</u>	<u>\$ 312,310,163</u>	<u>100.00%</u>		<u>7.59090%</u>

Pro Forma Adjustment A: Add projected additional CoBank debt (see Schedule 7-3)

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

EQUITY RETURN REQUIREMENT

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Amount	[5] Total
1	Growth Rate	g	4.74%			
2	Current Equity Level	weA	32.75%			
3	Target Equity Level	We	40.00%			
4	Time to reachy Target Equity %	t	8			
5	Capital Credits Rotation	n	20			
6	$Ke = g + (1/n) + \{(1+g) * [(We/weA)^{(1/t)} - 1]\}$					
7	g	Line 1	0.0474			
8	+ 1/n	Line 5 +	0.0500			
9	Sub-total	Line 7 + Line 8				0.0974
10	1+g	Line 1	1.0474		1.0474	
11	We/weA	Line 3 / Line 2	1.2214			
12	1/t	Line 4 ^	0.1250			
13	Sub-total	Line 11 ^ Line 12		1.0253		
14	-1			(1.0000)		
15		Line 13 + Line 14			0.0253	
16		Line 10 * Line 15 *				0.0265
17		Line 9+ Line 16				12.3943%

NET PLANT

ANNUAL GROWTH

	NET PLANT		ANNUAL GROWTH	
	Before Acq	After Acq	2002 - 2006	1997 - 2011
18	2011 Projected (Exclude GMEC)	\$ -	\$ 220,651,947	3.94%
19	2010 Projected (Exclude GMEC)		212,292,497	4.16%
20	2009 Projected (Exclude GMEC)		203,822,296	4.03%
21	2008 Projected (Exclude GMEC)		195,928,805	5.21%
22	2007 Projected (Exclude GMEC)		186,227,408	6.39%
23	2006		175,041,928	6.57%
24	2005		164,253,068	2.26%
25	2004		160,618,996	0.95%
26	2003	126,022,555	159,101,005	2.97%
27	2002	122,389,599		2.61%
28	2001	119,273,798		1.41%
29	2000	117,620,137		2.18%
30	1999	115,115,561		2.08%
31	1998	112,767,630		1.93%
32	1997	110,637,175		
33	Projected Growth Rate 2007 - 2011			4.74%
34	Average Growth Rate 2002 - 2006			3.07%
35	Average Growth Rate 1997 - 2006			2.55%

**MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007**

DETAIL OF LONG-TERM DEBT OBLIGATIONS

Line #	Description	[1] Reference	[2] Stated Interest Rate	[3] Net Interest Rate	[4] Balance 8/31/2007	[5] Annualized Interest Expense	[6] Weighted Cost
<u>LONG-TERM DEBT</u>							
1	NRUCFC		5.900%	5.669%	\$ 16,374,384	\$ 928,264	5.669%
2	NRUCFC		5.700%	5.469%	5,231,670	286,120	5.469%
3	NRUCFC		6.150%	5.919%	15,653,472	926,529	5.919%
4	NRUCFC		5.850%	5.619%	7,692,319	432,231	5.619%
5	NRUCFC		4.650%	4.619%	2,920,060	134,878	4.619%
6	NRUCFC		5.200%	4.969%	2,900,000	144,101	4.969%
7	NRUCFC		5.550%	5.319%	3,155,000	167,814	5.319%
8	NRUCFC		7.050%	6.819%	3,400,000	231,846	6.819%
9	NRUCFC		7.100%	6.869%	4,331,000	297,496	6.869%
10	NRUCFC		6.050%	5.819%	16,380,454	953,179	5.819%
11	NRUCFC		5.600%	5.369%	1,865,191	100,142	5.369%
12	NRUCFC		6.850%	6.619%	1,122,449	74,295	6.619%
13	NRUCFC		6.900%	6.669%	8,979,592	598,849	6.669%
14	NRUCFC		7.000%	6.769%	6,334,956	428,813	6.769%
15	Total NRUCFC	224-12			96,340,546	5,704,557	5.921%
16	Patronage Received By NRUCFC Net NRUCFC		-0.350%	-0.350%		(337,192)	-0.350%
					<u>96,340,546</u>	<u>5,367,366</u>	<u>5.571%</u>
18	CoBank		6.355%	6.355%	7,615,635	483,974	6.355%
19	CoBank		6.375%	6.375%	11,075,006	706,032	6.375%
20	CoBank		5.905%	5.905%	15,000,000	885,750	5.905%
21	CoBank (GMEC)		6.880%	6.880%	5,000,000	344,000	6.880%
22	CoBank (GMEC)		6.170%	6.170%	10,000,000	617,000	6.170%
23	CoBank		5.990%	5.990%	10,000,000	599,000	5.990%
24	Total Current CoBank	224-12			58,690,641	3,635,755	6.195%
25	Projected CoBank (D&T)		6.600%	6.600%	10,000,000	660,000	6.600%
26	Projected CoBank (GMEC)		6.000%	6.000%	5,000,000	300,000	6.000%
27	Projected CoBank (GMEC)		6.180%	6.180%	10,000,000	618,000	6.180%
28	Projected CoBank (GMEC)		6.600%	6.600%	30,000,000	1,980,000	6.600%
29	Total Projected CoBank				<u>55,000,000</u>	<u>3,558,000</u>	<u>6.469%</u>
30	Total CoBank				113,690,641	7,193,755	6.327%
31	Patronage Received By CoBank		-0.700%	-0.700%		(795,834)	-0.700%
32	Net CoBank				<u>113,690,641</u>	<u>6,397,921</u>	<u>5.627%</u>
33	Discount on RUS Buyout					(735,112)	
34	TOTAL LONG-TERM DEBT				<u>\$ 210,031,187</u>	<u>\$ 11,030,174</u>	<u>5.2517%</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

TIER AND DSC COVERAGE REQUIREMENTS

Line #	Description	[1] Reference	[2] Actual As Adjusted	[3] Minimum Requirements	[4] Requested Coverage
1	Times Interest Earned Ratio ("TIER")	$\frac{A+B}{B}$			
2	A = Margins	Sch. 9-1	\$ (339,403)	\$ 2,753,617	\$ 9,689,467
3	B = Interest Expense		<u>9,387,327</u>	<u>9,387,327</u>	<u>9,387,327</u>
4	Total	Line 3 + Line 4	<u>\$ 9,047,924</u>	<u>\$ 12,140,944</u> [a]	<u>\$ 19,076,794</u>
5	TIER--Calculation	Line 5 / Line 4	<u>0.96</u>	<u>1.29</u>	<u>2.03</u>
DEBT SERVICE COVERAGE (DSC)					
6	DSC =	$\frac{A+B+C}{D}$			
7	A = Margins	Sch. 9-1	\$ (339,403)	\$ 2,753,617	\$ 9,689,467
8	B = Interest Expense	Sch. 7-5	<u>9,387,327</u>	<u>9,387,327</u>	<u>9,387,327</u>
9	C = Depreciation and	Sec 10, Sch 1, P 2	<u>11,381,735</u>	<u>11,381,735</u>	<u>11,381,735</u>
10	Amortization				
11	Total	Line 3 + Line 4	<u>\$ 20,429,659</u>	<u>\$ 23,522,679</u> [a]	<u>\$ 30,458,529</u>
12	D = Required Principal and Interest Expense	Sec 7, Sch 5, L 12	<u>\$ 17,424,206</u>	<u>\$ 17,424,206</u>	<u>\$ 17,424,206</u>
13	DSC--Calculation	Line 11 / Line 12	<u>1.17</u>	<u>1.35</u>	<u>1.75</u>

MIDWEST ENERGY, INC
ELECTRIC DEP'T
TEST YEAR ENDED JUNE 30, 2007

PRO FORMA INTEREST AND DEBT SERVICE REQUIREMENTS

	[1]	[2]	[3]	[4]	[5]	
Line #	Description	Reference	Electric	Gas	Other	Total
<u>DEBT SERVICE COVERAGE</u>						
1	Annualized Interest on Adjusted LTD	Sec 7, Sch 3				\$ 11,030,174
2	Add back non-cash discount on RUS buyout and patronage income.	Sec 7, Sch 3				1,868,138
3	Total annualized interest (cash)	L1 + L2				12,898,313
4	Principal Payments 7/01/07 - 6/30/08	Sec 7, Sch 7				7,575,251
5	Pro Forma Interest and Debt Payments	L3 + L4				<u>\$ 20,473,564</u>
<u>PRO FORMA INTEREST ADJUSTMENT</u>						
6	Annualized Interest Expense	Line 1				\$ 11,030,174
7	Electric Portion	Schedule 12-1	85.11%			9,387,327
8	Recorded Interest Expense	Schedule 9-1				4,755,438
9	Interest Expense Adjustment	Line 4 - Line 5				<u>\$ 4,631,889</u>
<u>ALLOCATED DEBT SERVICE</u>						
10	Total annualized interest (cash)	L3 * L13	\$ 10,977,222	\$ 1,921,090	# \$ -	\$ 12,898,313
11	Principal Payments	L4 * L13	6,446,984	1,128,267	-	7,575,251
12	TOTAL	Line 7 + Line 8	<u>\$ 17,424,206</u>	<u>\$ 3,049,357</u>	<u>\$ -</u>	<u>\$ 20,473,564</u>
13	Allocation Factor For Interest & Principal (Gross Plant Allocation Factor)	Sec 12, Sch 1	<u>85.11%</u>	<u>14.89%</u>	<u>0.00%</u>	<u>100.00%</u>

MIDWEST ENERGY, INC
ELECTRIC DEPARTMENT
TEST YEAR ENDED DECEMBER 31, 2001

Section 7
Schedule 6
Page 1 of 1

ELECTRIC HISTORICAL DEBT SERVICE COVERAGE

Line #	Description	2004	2005	2006	6/30/2007
1	Net Margins - Electric	\$ 8,514,793	\$ 6,466,376	\$ 8,709,574	# \$ 7,506,455
2	Depreciation - Electric	9,164,739	9,377,943	9,785,011	10,072,938
3	Interest Expense Allocated to Electric	4,424,372	4,655,544	4,740,422	4,755,438
4	Total (1+2+3)	<u>\$ 22,103,904</u>	<u>\$ 20,499,863</u>	<u>\$ 23,235,007</u>	<u>\$ 22,334,831</u>
5	DEBT SERVICE				
6	Interest Expense Allocated to Electric	4,424,372	4,655,544	4,740,422	4,755,438
7	RUS Discount Allocated to Electric	548,753	519,023	513,512	513,512
8	Interest Paid Allocated to Electric	4,973,125	5,174,567	5,253,934	5,268,950
9	Principal Paid	\$ 8,682,040	\$ 9,294,128	\$ 9,791,878	\$ 10,217,895
7	Electric	7,225,194	7,724,350	8,171,322	8,767,645
8	Gas	1,456,846	1,569,778	1,620,556	1,450,250
9	Other	-	-	-	-
10	Total (7+8+9)	<u>\$ 8,682,040</u>	<u>\$ 9,294,128</u>	<u>\$ 9,791,878</u>	<u>\$ 10,217,895</u>
11					
12	Total Debt Service - Electric	<u>\$ 12,198,319</u>	<u>\$ 12,898,917</u>	<u>\$ 13,425,256</u>	# <u>\$ 14,036,595</u>
13					
14	Total Debt Service Coverage	1.81	1.59	1.73	1.59

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

ANALYSIS OF LONG-TERM DEBT AND SERVICE PAYMENTS

Line #	Description	[1]	[2]	[3] [4] [5]		
		Rates	Adjusted Debt Balance At 8/31/2007	Payments Scheduled for 12 Mos. Following Test Year (1)		
				Principal Payments	Interest Payments	Total
						[3]+[4]
<u>LONG TERM DEBT</u>						
1	NRUCFC	5.669%	\$ 16,374,384	\$ 2,860,716	\$ 847,177	\$ 3,707,893
2	NRUCFC	5.469%	5,231,670	1,211,102	253,002	1,464,104
3	NRUCFC	5.919%	15,653,472	1,520,630	881,526	2,402,156
4	NRUCFC	5.619%	7,692,319	105,913	429,256	535,169
5	NRUCFC	4.619%	2,920,060	328,094	127,300	455,394
6	NRUCFC	4.969%	2,900,000	-	144,101	144,101
7	NRUCFC	5.319%	3,155,000	-	167,814	167,814
8	NRUCFC	6.819%	3,400,000	-	231,846	231,846
9	NRUCFC	6.869%	4,331,000	-	297,496	297,496
10	NRUCFC	5.819%	16,380,454	268,354	945,371	1,213,725
11	NRUCFC	5.369%	1,865,191	27,598	99,401	126,999
12	NRUCFC	6.619%	1,122,449	-	74,295	74,295
13	NRUCFC	6.669%	8,979,592	-	598,849	598,849
14	NRUCFC	6.769%	6,334,956	55,545	426,933	482,478
15	Total NRUCFC		<u>96,340,546</u>	<u>6,377,952</u>	<u>5,524,367</u>	<u>11,902,319</u>
16	CoBank	6.355%	7,615,635	334,988	473,329	808,317
17	CoBank	6.375%	11,075,006	163,830	700,810	864,640
18	CoBank	5.905%	15,000,000	38,051	884,627	922,678
19	CoBank (GMEC)	6.880%	5,000,000	37,127	342,723	379,850
20	CoBank (GMEC)	6.170%	10,000,000	86,542	614,330	700,872
21	CoBank	5.990%	10,000,000	89,930	596,307	686,237
22	Total Current CoBank		<u>58,690,641</u>	<u>750,468</u>	<u>3,612,126</u>	<u>4,362,594</u>
23	Projected CoBank (D&T)	6.600%	10,000,000	78,901	657,396	736,297
24	Projected CoBank (GMEC)	6.000%	5,000,000	44,869	298,654	343,523
25	Projected CoBank (GMEC)	6.180%	10,000,000	86,357	615,332	701,689
26	Projected CoBank (GMEC)	6.600%	30,000,000	236,704	1,972,189	2,208,893
27	Total Projected CoBank		<u>55,000,000</u>	<u>446,832</u>	<u>3,543,571</u>	<u>3,990,403</u>
28	Total CoBank		<u>113,690,641</u>	<u>1,197,299</u>	<u>7,155,697</u>	<u>8,352,996</u>
29	TOTAL L-T DEBT		<u>\$ 210,031,187</u>	<u>\$ 7,575,251</u>	<u>\$ 12,680,064</u>	<u>\$ 20,255,315</u>

Note 1: All debt indicated has projected annual principal payments.

ALLOCATION

NRUCFC Allocation (Includes Discounts)						
30	Electric	85.11%		\$ 6,446,984	\$ 10,791,480	\$ 17,238,464
31	Gas	14.89%		1,128,267	1,888,584	3,016,851
32	Other	0.00%		-	-	-
3	Total	<u>100.00%</u>		<u>\$ 7,575,251</u>	<u>\$ 12,680,064</u>	<u>\$ 20,255,315</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

INVESTMENTS---NRUCFC & CoBank

Line #	Description	[1] Reference	[2] 6/30/2007 Amount	[3] Interest Rate	[4] Annual Income [2] * [3]	[5] Electric	[6] Gas
<u>PRO FORMA INTEREST INCOME</u>							
1	Investment in NRUCFC		\$ 1,757,658	0.00%	\$ -		
2	Investment in NRUCFC		2,400,000	3.00%	72,000		
3	Investment in NRUCFC		2,032,106	5.00%	101,605		
4	Patronage Capital Certificates - NRUCFC		2,435,255	0.00%	-		
5	Patronage Capital Certificates - CoBank		37,628	0.00%	-		
6	Total Pro Forma Calculation	Sum L 1 to L 4	<u>\$ 8,662,647</u>		<u>\$ 173,605</u>		
<u>ALLOCATION OF INTEREST INCOME</u>							
7	Allocation Factors (Plant Allocator)	Sec 12, Sch 1				83.02%	16.98%
8	Allocated Pro Forma Amount	Line 5 * Line 6			\$ 173,605	\$ 144,118	\$ 29,487
9	Recorded Interest Income-Capital Term Certificates For Test Year				172,923	120,927	51,996
10	Pro Forma Adjustment	Line 6 - Line 7			<u>\$ 682</u>	<u>\$ 23,191</u>	<u>\$ (22,509)</u>

MIDWEST ENERGY, INC
ELECTRIC DEP'T
TEST YEAR ENDED JUNE 30, 2007

BALANCE SHEETS—TOTAL COMPANY
2004 to 2007

Line #	Description	[1] 2004	[2] 2005	[3] 2006	[4] 6/30/2007
<u>UTILITY PLANT</u>					
1	Electric Plant	\$ 263,163,318	\$ 273,942,228	\$ 288,325,317	\$ 293,088,383
2	Gas Plant	53,300,145	55,591,687	56,659,728	57,277,394
3	Other Utility Plant	12,581,146	13,454,622	14,663,603	14,440,879
4	Total Plant In Service	<u>329,044,609</u>	<u>342,988,537</u>	<u>359,648,648</u>	<u>364,806,656</u>
5	Construction Work In Progress (107)(108.80)	6,967,800	3,389,053	5,763,819	26,139,338
6	Plant Acquisition Adjustment (114)	27,436,443	27,451,827	27,451,828	27,451,828
7	Total Utility Plant	<u>363,448,852</u>	<u>373,829,417</u>	<u>392,864,295</u>	<u>418,397,822</u>
8	Accumulated Provision for Depreciation	(161,618,700)	(168,169,781)	(176,802,881)	(182,062,124)
9	Net Utility Plant	<u>201,830,152</u>	<u>205,659,636</u>	<u>216,061,414</u>	<u>236,335,698</u>
<u>OTHER PROPERTY INVESTMENTS</u>					
10	Non-utility Property	-	-	-	-
11	Investments - Patronage Capital	2,843,661	2,845,435	3,083,421	3,100,324
12	Investments - Non-General Funds	7,388,591	7,144,619	6,972,434	6,307,670
13	Other Investments	16,433,070	17,772,653	10,272,262	2,159,341
4	Total Other Property and Investments	<u>26,665,322</u>	<u>27,762,707</u>	<u>20,328,117</u>	<u>11,567,335</u>
<u>CURRENT AND ACCRUED ASSETS</u>					
15	Cash (131)	596,993	1,019,808	315,448	320,863
16	Temporary Cash Investments	-	-	-	-
17	Notes Receivable	279,388	43	-	-
18	Accounts Receivable (Less provision for uncollectible accounts)	20,548,758	24,724,906	22,278,772	17,826,853
19	Receivables from Associated Companies	-	-	-	-
20	Materials and Supplies	5,433,616	5,602,001	8,402,152	8,780,037
21	Prepayments (165)	713,746	413,896	401,270	309,995
22	Working Funds and Other Assets	1,043,940	911,038	678,221	542,242
23	Total Current and Accrued Assets	<u>28,616,441</u>	<u>32,671,692</u>	<u>32,075,863</u>	<u>27,779,990</u>
<u>DEFERRED DEBITS</u>					
24	Miscellaneous Deferred Debit	924,596	620,074	1,475,709	2,361,930
25	Deferred Acquisition Costs	-	-	-	-
26	Clearing Accounts (184)	22,221	26,622	28,059	23,772
27	Unrecovered Purchased Gas Costs	1,198,344	(432,909)	(293,328)	(662,255)
28	Unamortized Loss on Reacquired Debt	-	-	-	-
29	Total Deferred Debits	<u>2,145,161</u>	<u>213,787</u>	<u>1,210,440</u>	<u>1,723,447</u>
30	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 259,257,076</u>	<u>\$ 266,307,822</u>	<u>\$ 269,675,834</u>	<u>\$ 277,406,470</u>

**MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007**

SECTION 8
SCHEDULE 1
Page 2 of 2

BALANCE SHEETS—TOTAL COMPANY
2004 to 2007

Line #	Description	[1] 2004	[2] 2005	[3] 2006	[4] 2007
<u>PATRONAGE CAPITAL & MARGINS</u>					
31	Patronage Capital	\$ 73,371,658	\$ 80,533,943	\$ 83,999,838	\$ 93,088,079
32	Non-operating Funds	1,480,827	2,262,036	2,850,075	605,217
33	Operating Margins	7,105,165	3,346,470	6,440,317	637,950
33	Special Equity Items	-	-	-	-
34	Other Margins and Capital Items	3,023,360	5,240,896	4,636,395	4,665,208
35	Total Patronage Capital & Margins	<u>84,981,010</u>	<u>91,383,345</u>	<u>97,926,625</u>	<u>98,996,454</u>
<u>LONG TERM DEBT</u>					
36	Notes Payable - NRUCFC	139,757,533	129,968,936	105,884,404	87,861,495
37	Notes Payable - CoBank	-	-	22,237,749	38,193,015
38	Other Long-term Debt	148,911	-	-	-
39	Total Long-term Debt	<u>139,906,444</u>	<u>129,968,936</u>	<u>128,122,153</u>	<u>126,054,510</u>
<u>CURRENT & ACCRUED LIABILITIES</u>					
40	Notes Payable	6,000,000	14,500,000	14,000,000	23,700,000
41	Accounts Payable	9,730,866	11,762,239	10,629,793	9,203,971
42	Current Portion of Long Term Debt	9,294,128	9,788,597	10,685,683	10,685,683
43	Customer Deposits	515,379	627,187	796,605	785,570
44	Taxes Accrued	2,301,894	2,522,217	2,256,522	2,477,331
45	Interest Accrued	656,047	693,162	688,621	1,219,453
46	Taxes Collections Payable	318,482	442,904	324,828	462,661
47	Gas Line Surcharge	-	-	-	-
48	Miscellaneous Current & Accrued Liabilities	1,447,074	1,484,356	1,714,172	1,635,057
49	Total Current & Accrued Liabilities	<u>30,263,870</u>	<u>41,820,662</u>	<u>41,096,224</u>	<u>50,169,726</u>
<u>OTHER DEFERRED CREDITS</u>					
50	Customer Advances for Construction	184,721	255,455	335,121	350,024
51	REA Discounts on Buy-out	-	-	-	-
52	Unamortized Gain on Reacquired Debt	3,675,560	2,940,448	2,205,337	1,837,781
53	Other Deferred Credits	245,471	(61,024)	(9,626)	(2,025)
54	Total Other Deferred Credits	<u>4,105,752</u>	<u>3,134,879</u>	<u>2,530,832</u>	<u>2,185,780</u>
55	TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 259,257,076</u>	<u>\$ 266,307,822</u>	<u>\$ 269,675,834</u>	<u>\$ 277,406,470</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

STATEMENT OF OPERATING MARGINS
2004 to 2007

Line #	Description	[1]	[2]	[3]	[4]
		2004	2005	2006	2007
<u>PATRONAGE CAPITAL & MARGINS</u>					
1	Balance At Beginning of Year	\$ 80,528,728	\$ 84,981,010	\$ 91,383,345	\$ 97,926,625
2	Operating Margins	7,105,165	3,346,470	6,440,317	637,950
3	Non-Operating Margins	2,147,864	2,236,589	2,267,353	400,961
4	Adjustments to Other Margins	-	-	-	-
5	Retired During Year	(3,213,058)	(857,832)	(1,614,718)	(173,338)
6	Balance At End of Year	86,568,699	89,706,237	98,476,297	98,792,198
7	Equity in Earnings for Year	(1,587,689)	1,677,108	(549,672)	204,256
		<u>\$ 84,981,010</u>	<u>\$ 91,383,345</u>	<u>\$ 97,926,625</u>	<u>\$ 98,996,454</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

OPERATING INCOME
2004 to 2007

Line #	Description	[1] 2004	[2] 2005	[3] 2006	[4] 6/30/2007
OPERATING REVENUES					
1	Residential	\$ 23,096,246	\$ 24,457,849	\$ 26,034,305	\$ 26,260,963
2	Commercial	41,780,652	43,736,308	47,589,612	48,250,883
3	Industrial	14,111,203	15,318,123	17,680,372	16,613,636
4	Public Street and Highway Lighting	1,255,847	1,256,790	1,310,046	1,346,342
5	Interdepartmental	14,725	16,980	17,809	18,646
6	Sales for Resale	5,063,523	6,350,409	7,070,780	6,791,534
7	Other	4,776,244	3,165,006	3,778,986	2,042,206
8	Total Operating Revenues	<u>90,098,440</u>	<u>94,301,465</u>	<u>103,481,910</u>	<u>101,324,210</u>
OPERATING EXPENSES					
Production Expenses:					
9	---Steam Power Generation	-	-	-	-
10	---Other Power Generation	127,584	185,744	216,514	250,999
11	---Purchase Power Expenses	51,429,743	56,138,422	63,889,370	63,472,936
12	---System Control and Load Dispatching	374,639	491,424	635,321	589,680
13	---Unbilled Purchased Power	522,119	222,130	391,022	(795,380)
14	Total Production Expense	<u>52,454,085</u>	<u>57,037,720</u>	<u>65,132,227</u>	<u>63,518,235</u>
Transmission Expenses:					
5	---Operations	521,469	553,038	580,283	566,711
16	---Maintenance	543,289	529,527	597,512	646,699
17	Total Transmission Expense	<u>1,064,758</u>	<u>1,082,565</u>	<u>1,177,795</u>	<u>1,213,410</u>
Distribution Expenses					
18	---Operations	1,814,310	1,572,481	1,436,603	1,795,693
19	---Maintenance	2,505,810	2,427,165	2,537,888	2,536,007
20	Total Distribution Expenses	<u>4,320,120</u>	<u>3,999,646</u>	<u>3,974,491</u>	<u>4,331,700</u>
21	Customer Accounts Expenses	2,048,805	2,017,857	2,202,912	2,204,025
22	Customer Service & Information Expense	684,903	455,925	437,003	549,743
23	Sales Expense	83,843	103,550	138,977	149,237
24	Administrative & General Expense	4,038,373	5,257,466	3,969,081	3,939,101
25	Total Operating Expenses	<u>64,694,887</u>	<u>69,954,729</u>	<u>77,032,486</u>	<u>75,905,451</u>
26	Depreciation & Amortization Expense	9,164,739	9,377,943	9,785,011	10,072,938
27	Taxes-Other Than Income	3,943,212	4,477,199	3,962,253	3,896,301
28	Donations	66,785	90,355	96,623	100,235
29	CTC Interest Income	(153,336)	(157,658)	(124,411)	(120,927)
30	Total Expenses	<u>77,716,287</u>	<u>83,742,568</u>	<u>90,751,962</u>	<u>89,853,998</u>
31	NET OPERATING INCOME (Line 8 - Line 28)	<u>\$ 12,382,153</u>	<u>\$ 10,558,897</u>	<u>\$ 12,729,948</u>	<u>\$ 11,470,212</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

OPERATING REVENUES
2004 to 2007

Line #	Description	Reference/ Account Number	[1] 2004	[2] 2005	[3] 2006	[4] 6/30/2007
SALES OF COMMODITY						
1	Residential Sales	440	\$ 23,096,246	\$ 24,457,849	\$ 26,034,305	\$ 26,260,963
2	Irrigation Sales	441	4,147,691	4,867,246	6,420,385	5,641,320
3	Commercial Sales	442.1	41,780,652	43,736,308	47,569,612	48,250,863
4	Industrial Sales	442.2	9,963,512	10,450,877	11,259,987	10,972,316
5	Public Street & Hwy Lighting	444.0	1,255,847	1,256,790	1,310,046	1,345,342
6	Sales for Resale	447.0	5,063,523	6,350,409	7,070,780	6,791,534
7	Interdepartmental Sales	448.0	14,725	16,980	17,809	18,646
8	Total Commodity Sales	Sum L 1 to L 7	<u>85,322,196</u>	<u>91,136,459</u>	<u>99,702,924</u>	<u>99,282,004</u>
OTHER OPERATING REVENUES						
9	Other Utility Revenues	456	22,894	26,967	25,823	28,542
10	Transmission Service Sales	456.20.1	1,328,014	1,326,341	1,084,380	946,476
11	XMSN Service Loss Comp Demand	456.20.2	107,503	116,855	91,102	61,421
12	XMSN Service Loss Comp Energy	456.20.3	71,803	77,875	57,893	34,444
13	XMSN Service Ancillary Sales	456.20.4	(36,635)	(36,646)	(39,646)	(45,312)
14	Transmission Sales - Muni Firm	456.20.5	164,558	164,784	170,384	130,173
15	Transmission Service - RTO	456.20.7	901,038	858,598	896,348	904,533
16	Other Electric Revenues		<u>2,559,175</u>	<u>2,536,794</u>	<u>2,286,284</u>	<u>2,060,277</u>
17	Unbilled Revenue	457	1,910,899	288,809	753,297	(913,228)
18	Forfeited Discounts	450	137,900	139,319	143,995	137,072
19	Miscellaneous Service Revenues	451	22,352	26,769	383,070	551,722
20	Rentals	454	145,918	173,315	212,340	206,363
21	Other Revenues		-	-	-	-
22	Other	418/426.1	-	-	-	-
23	Total Other Revenues	Sum L 9 to L 13	<u>2,217,069</u>	<u>628,212</u>	<u>1,492,702</u>	<u>(18,071)</u>
24	TOTAL REVENUES	L7 + L8 + L14	<u>\$ 90,098,440</u>	<u>\$ 94,301,465</u>	<u>\$ 103,481,910</u>	<u>\$ 101,324,210</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

OPERATING EXPENSES
2004 to 2007

	[1]	[2]	[3]	[4]	[5]	
Line #	Account Number	2004	2005	2006	6/30/2007	
PRODUCTION EXPENSES						
1	Steam Power Generation-Operations ---Operation and Supervision	500	\$ -	\$ -	\$ -	\$ -
2	---Electric Expenses	505	-	-	-	-
3	Total Operations	L 1 + L 2	-	-	-	-
4	Steam Power Generation-Maintenance	513	-	-	-	-
5	Total Steam Power Generation	L 3 + L 4	-	-	-	-
Other Power Generation						
6	---Operation Supervision and Engineering	546	-	961	738	687
7	---Fuel	547	5,569	43,546	49,916	45,201
8	---Generation Expense	548	1,242	8,869	31,730	68,531
9	---Miscellaneous Othe Power Generation	549	32,701	30,938	30,900	33,540
10	---Rents	550	-	-	-	-
11	Total Operations	Sum L 6 to L 10	39,512	84,314	113,284	147,959
Other Power Generation Maintenance						
12	---Maintenance Supervision and Engineering	551	11,450	10,648	11,808	8,937
13	---Maintenance of Structures	552	2,458	1,840	4,053	3,787
14	---Maintenance of Generating and Electric Plant	553	73,954	88,560	85,313	88,346
15	---Maintenacne of Misc. Other Power Plant	554	210	382	2,056	1,970
6	Total Mainenance	Sum L 12 to L 15	88,072	101,430	103,230	103,040
17	Total Other Power Production Expenses	L 11 + L 16	127,584	185,744	216,514	250,999
Other Power Supply Expenses						
18	---Purchase Power Expenses	555	51,141,771	55,853,982	64,361,881	63,460,287
19	---System Control and Load Dispatching	556	374,639	491,424	635,321	589,680
20	---ECA Over/Under Recovery	557	287,972	284,440	(472,511)	12,649
21	---Other Expenses	558	522,119	222,130	391,022	(795,380)
22	Total Power Supply	Sum L 18 to L 20	52,326,501	56,851,976	64,915,713	63,267,236
23	TOTAL POWER PRODUCTION EXPENSES	L 5 + L 17 + L 21	52,454,085	57,037,720	65,132,227	63,518,235
TRANSMISSION EXPENSES						
Operations:						
24	---Supervision and Engineering	560	80,552	81,684	51,481	64,454
25	---Load Dispatching	561	-	-	-	-
26	---Station Expenses	562	41,833	39,001	39,376	40,727
27	---Overhead Lines Expense	563	96,861	97,769	138,393	136,228
28	---Undergroung Lines Expenses	564	357	48	549	549
29	---Miscellaneous Transmission Expenses	566	76,472	103,150	117,587	91,856
30	---Rents	567	225,394	231,366	232,897	232,897
31	Total Operations	Sum L 23 of L 29	521,469	553,038	580,283	566,711

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

OPERATING EXPENSES
2004 to 2007

Line #	Description	Account Number	[1] 2004	[2] 2005	[3] 2006	[4] 6/30/2007
Maintenance:						
32	---Supervision and Engineering	568	\$ 1,527	\$ 3,294	\$ 2,695	423
33	---Structures and Improvements	569	59,147	33,739	53,045	68,084
34	---Station Equipment	570	260,349	267,063	220,743	280,028
35	---Overhead Lines	571	217,354	223,164	320,620	294,566
36	---Underground Lines	573	4,912	2,267	409	3,598
37	Total Maintenance	Sum L 31 to L 35	543,289	529,527	597,512	646,699
38	TOTAL TRANSMISSION	L 30 + L 36	1,064,758	1,082,565	1,177,795	1,213,410
DISTRIBUTION EXPENSE						
Operations:						
39	---Supervision and Engineering	580	210,724	213,539	182,025	186,006
40	---Distribution Load Dispatching	581	14,249	16,657	24,217	29,282
41	---Station Expenses	582	92,523	83,467	123,224	94,580
42	---Overhead Line Expenses	583	84,740	55,813	(132,133)	(63,704)
43	---Underground Line Expenses	584	249,880	242,867	265,693	252,322
44	---Street Lighting and Shgnal System Expenses	585	76,278	61,874	72,494	75,930
45	---Meter Expenses	586	48,065	(11,202)	(6,451)	27,881
46	---Customer Installations Expenses	587	63,506	60,441	66,653	58,566
47	---Miscellaneous Expenses	588	966,616	842,873	821,053	1,098,247
48	---Rents	589	7,729	6,147	19,828	36,583
9	Total Operations	Sum L 38 to L 47	1,814,310	1,572,481	1,436,603	1,795,693
Maintenance:						
50	---Supervision and Engineering	590	69,278	95,961	138,057	140,931
51	---Station Equipment	592	316,529	271,898	334,919	362,185
52	---Overhead Lines	593	1,723,211	1,695,158	1,677,851	1,640,008
53	---Underground Lines	594	88,255	95,041	84,672	115,505
54	---Line Transformers	595	34,615	44,144	52,214	52,740
55	---Street Lighting and Signal Systems	596	106,724	95,940	96,030	79,666
56	---Meters	597	151,249	120,752	145,568	128,533
57	---Miscellaneous Distribution Plant	598	15,949	8,271	8,577	16,439
58	Total Maintenance Expenses	Sum L 49 to L 56	2,505,810	2,427,165	2,537,888	2,536,007
59	TOTAL DISTRIBUTION EXPENSE	L 48 + L 57	4,320,120	3,999,646	3,974,491	4,331,700
CUSTOMER ACCOUNTS EXPENSE						
60	Supervision	901	81,069	84,585	92,334	97,670
61	Meter Reading	902	929,836	895,762	920,596	925,452
62	Customer Records & Collection Expense	903	693,535	989,559	988,654	1,000,970
63	Uncollectible Accounts	904	294,907	45,182	199,143	178,785
64	Miscellaneous Customer Accounts Expense	905	49,458	2,769	2,185	1,143
65	TOTAL CUSTOMER ACCOUNTS EXPENSE	Sum L 59 to L 63	2,048,805	2,017,857	2,202,912	2,204,025

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

OPERATING EXPENSES
2004 to 2007

		[1]	[2]	[3]	[4]	[5]
Line #	Description	Account Number	2004	2005	2006	6/30/2007
<u>CUSTOMER SERVICE & INFORMATION</u>						
66	Supervision	907	\$ 34,151	\$ 26,731	\$ 23,271	28,581
67	Customer Assistance	908	598,144	398,778	380,812	461,943
68	Information & Instructions	909	50,982	28,924	32,644	59,219
69	Miscellaneous Customer Service & Information	910	1,626	1,492	276	-
70	TOTAL CUSTOMER SERVICE & INFO	Sum L 65 to L 68	684,903	455,925	437,003	549,743
<u>SALES EXPENSE</u>						
71	Supervision	911	-	-	-	-
72	Demonstration & Selling	912	83,843	103,550	138,977	149,237
73	Advertising Expense	913	-	-	-	-
74	TOTAL SALES EXPENSE	Sum L 70 to L 72	83,843	103,550	138,977	149,237
<u>ADMINISTRATIVE & GENERAL EXPENSE</u>						
Operations:						
75	---Administrative and General Salaries	920.0	1,264,068	1,406,484	1,516,331	1,502,726
76	---Office Supplies and Expense	921.0	709,217	659,276	615,251	600,830
77	---Outside Services Employed	923.0	99,890	210,491	155,254	133,523
78	---Property Insurance	924.0	113,637	117,493	122,804	125,306
79	---Injuries and Damages	925.0	34,521	98,729	98,601	94,235
80	---Employees Pensions & Benefits--Pensions	926.0	79,296	72,178	81,940	93,855
81	---Employees Pensions & Benefits--Benefits		-	-	-	-
82	---Employees Pensions & Benefits--Training		-	-	-	-
83	---Regulatory Commission Expense	928.0	408,403	370,325	205,080	190,086
84	---Duplicate Charges -- Credit Electric	929.0	(167,111)	(165,568)	(176,378)	(184,739)
85	---General Advertising Expense	930.1	85,330	109,801	84,743	61,555
86	---Miscellaneous General Expense	930.2	565,103	1,536,369	404,711	368,627
87	---Rents	931.0	14,937	13,725	18,477	17,572
88	Total Operating Administrative Expense	Sum L 53 to L 65	3,207,291	4,429,303	3,126,814	3,003,576
Maintenance:						
89	---Maintenance of General Plant	935.0	831,082	828,163	842,267	935,525
90	TOTAL ADMINISTRATIVE & GENERAL	L 66 + L 67	4,038,373	5,257,466	3,969,081	3,939,101
91	TOTAL OPERATIONS AND MAINTENANCE (L 7 + L 19 + L 37 + L 43 + L 48 + L 52 + L 68)		\$ 64,694,887	\$ 69,954,729	\$ 77,032,486	\$ 75,905,451

**MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007**

AVERAGE REVENUE / UNIT OF SALES
2004 to 2007

[1] [2] [3] [4] [5]

Line #	Description	Account Number	2004	2005	2006	6/30/2007
<u>UNITS OF SALES (MWh)</u>						
1	Residential Sales		282,690	300,902	302,054	307,479
2	Irrigation Sales		46,342	54,827	70,399	59,774
3	Commercial Sales		563,831	595,939	608,363	623,295
4	Industrial Sales		189,965	198,314	200,784	195,813
5	Public Street & Hwy Lighting		10,318	10,266	10,149	10,270
6	Other		-	-	-	-
7	Total Sales to Ultimate Customers	Sum L 1 to L 6	<u>1,093,146</u>	<u>1,160,248</u>	<u>1,191,749</u>	<u>1,196,631</u>
8	Sales for Resale		155,191	172,325	179,209	173,855
9	TOTAL UNIT SALES	L 7 + L 8	<u>1,248,337</u>	<u>1,332,573</u>	<u>1,370,958</u>	<u>1,370,486</u>
<u>REVENUES</u>						
10	Residential Sales		\$ 23,096,246	\$ 24,457,849	\$ 26,034,305	\$ 26,260,963
11	Irrigation Sales		4,147,691	4,867,246	6,420,385	5,641,320
12	Commercial Sales		41,780,652	43,736,308	47,589,612	48,250,883
13	Industrial Sales		9,963,512	10,450,877	11,259,987	10,972,316
14	Public Street & Hwy Lighting		1,255,847	1,256,790	1,310,046	1,346,342
15	Other		-	-	-	-
16	Total Sales to Ultimate Customers	Sum L 10 to L 15	<u>80,243,948</u>	<u>84,769,070</u>	<u>92,614,335</u>	<u>92,471,824</u>
17	Sales for Resale		5,063,523	6,350,409	7,070,780	6,791,534
18	TOTAL UNIT SALES	L 16 + L 17	<u>\$ 85,307,471</u>	<u>\$ 91,119,479</u>	<u>\$ 99,685,115</u>	<u>\$ 99,263,358</u>
<u>AVERAGE REVENUE PER UNIT OF SALES</u>						
19	Residential Sales	L 10 / L 1	\$ 81.70	\$ 81.28	\$ 86.19	\$ 85.41
20	Irrigation Sales	L 11 / L 2	89.50	88.77	91.20	94.38
21	Commercial Sales	L 12 / L 3	74.10	73.39	78.23	77.41
22	Industrial Sales	L 13 / L 4	52.45	52.70	56.08	56.03
23	Public Street & Hwy Lighting	L 14 / L 5	121.71	122.42	129.08	131.09
24	Other	L 15 / L 6	-	-	-	-
25	Total Sales to Ultimate Customers	L 16 / L 7	<u>73.41</u>	<u>73.06</u>	<u>77.71</u>	<u>77.28</u>
26	Sales for Resale	L 17 / L 8	32.63	36.85	39.46	39.06
27	TOTAL UNIT SALES	L 18 / L 9	<u>\$ 68.34</u>	<u>\$ 68.38</u>	<u>\$ 72.71</u>	<u>\$ 72.43</u>

**MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007**

AVERAGE NUMBER OF CUSTOMERS
2004 to 2007

[1] [2] [3] [4] [5]

Line #	Description	Account Number	2004	2005	2006	6/30/2007
<u>NUMBER OF CUSTOMERS</u>						
1	Residential Sales		28,748	28,749	28,919	29,384
2	Irrigation Sales		2,317	2,376	2,442	2,468
3	Commercial Sales		14,261	14,546	14,853	15,177
4	Industrial Sales		30	30	29	29
5	Public Street & Hwy Lighting		-	-	-	-
6	Other		-	-	-	-
7	Total Sales to Ultimate Customers	Sum L 1 to L 6	45,356	45,701	46,243	47,058
8	Sales for Resale		-	-	-	-
9	TOTAL UNIT SALES	L 7 + L 8	45,356	45,701	46,243	47,058
<u>REVENUES</u>						
10	Residential Sales		\$ 23,096,246	\$ 24,457,849	\$ 26,034,305	\$ 26,260,963
11	Irrigation Sales		4,147,691	4,867,246	6,420,385	5,641,320
12	Commercial Sales		41,780,652	43,736,308	47,589,612	48,250,883
13	Industrial Sales		9,963,512	10,450,877	11,259,987	10,972,316
14	Public Street & Hwy Lighting		1,255,847	1,256,790	1,310,046	1,346,342
15	Other		-	-	-	-
16	Total Sales to Ultimate Customers	Sum L 10 to L 15	80,243,948	84,769,070	92,614,335	92,471,824
17	Sales for Resale		5,063,523	6,350,409	7,070,780	6,791,534
18	TOTAL UNIT SALES	L 16 + L 17	\$ 85,307,471	\$ 91,119,479	\$ 99,685,115	\$ 99,263,358
<u>AVERAGE REVENUE PER CUSTOMER</u>						
19	Residential Sales	L 10 / L 1	\$ 803.40	\$ 850.74	\$ 900.25	\$ 893.72
20	Irrigation Sales	L 11 / L 2	1,790.11	2,048.50	2,629.15	2,285.79
21	Commercial Sales	L 12 / L 3	2,929.71	3,006.76	3,204.04	3,179.21
22	Industrial Sales	L 13 / L 4	332,117.07	348,362.57	388,275.41	378,355.72
23	Public Street & Hwy Lighting	L 14 / L 5	1,255,847.00	1,256,790.00	1,310,046.00	1,346,342.00
24	Other	L 15 / L 6	-	-	-	-
25	Total Sales to Ultimate Customers	L 16 / L 7	1,769.20	1,854.86	2,002.78	1,965.06
26	Sales for Resale	L 17 / L 8	-	-	-	-
27	TOTAL UNIT SALES	L 18 / L 9	\$ 1,880.84	\$ 1,993.82	\$ 2,155.68	\$ 2,109.38

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

AVERAGE MAINT EXP / UNIT OF SALES
2004 to 2007

	[1]	[2]	[3]	[4]	[5]
Line #	Account Number	2004	2005	2006	6/30/2007
<u>TOTAL UNIT SALES</u>					
1	Sales in MWH	<u>1,248,337</u>	<u>1,332,573</u>	<u>1,370,958</u>	<u>1,370,486</u>
<u>MAINTENANCE EXPENSES</u>					
2	Production	\$ 88,072	\$ 101,430	\$ 103,230	\$ 103,040
3	Transmission	543,289	529,527	597,512	646,699
4	Distribution	2,505,810	2,427,165	2,537,888	2,536,007
5	General Plant	831,082	828,163	842,267	935,525
6	TOTAL MAINTENANCE EXPENSE L2 to L5	<u>\$ 3,968,253</u>	<u>\$ 3,886,285</u>	<u>\$ 4,080,897</u>	<u>\$ 4,221,271</u>
<u>MAINTENANCE EXPENSES PER UNIT OF SALES</u>					
	Production L 2 / L 1	\$ 0.0706	\$ 0.0761	\$ 0.0753	\$ 0.0752
8	Transmission L 3 / L 1	0.4352	0.3974	0.4358	0.4719
9	Distribution L 4 / L 1	2.0073	1.8214	1.8512	1.8504
10	General Plant L 5 / L 1	0.6658	0.6215	0.6144	0.6826
11	TOTAL MAINTENANCE EXPENSE L 6 / L 1	<u>\$ 3.1788</u>	<u>\$ 2.9164</u>	<u>\$ 2.9767</u>	<u>\$ 3.0801</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SALARIES AND WAGES
2004 to 2007

[1] [2] [3] [4] [5]

Line #	Description	Account Number	2004	2005	2006	6/30/2007
<u>OPERATIONS</u>						
1	Production		\$ 247,396	\$ 300,078	\$ 347,427	\$ 344,032
2	Transmission		125,984	118,530	113,878	115,503
3	Distribution		741,080	701,013	677,940	759,511
4	Customer Accounts		715,096	857,512	840,383	857,058
5	Customer Service and Information Expense		374,890	222,616	211,320	232,414
6	Sales Expense		34,905	30,724	28,085	30,166
7	Administrative & General		953,561	1,142,729	1,034,452	994,991
8	Total Operations	Sum L 1 to L 7	<u>3,192,912</u>	<u>3,373,202</u>	<u>3,253,485</u>	<u>3,333,675</u>
<u>MAINTENANCE</u>						
9	Production		\$ 45,749	\$ 55,354	\$ 18,763	\$ 16,319
10	Transmission		118,796	108,986	120,748	150,750
11	Distribution		623,307	705,136	802,944	914,024
12	Administrative & General		193,940	222,274	222,092	250,528
13	Total Maintenance	Sum L 9 to L 11	<u>981,792</u>	<u>1,091,750</u>	<u>1,164,547</u>	<u>1,331,621</u>
14	Total Direct Payroll	L 8 + L 12	\$ 4,174,704	\$ 4,464,952	\$ 4,418,032	\$ 4,665,296
15	CONSTRUCTION		\$ 1,431,190	\$ 1,813,935	\$ 2,039,607	\$ 2,862,339
J	PLANT REMOVAL		195,211	231,122	225,801	244,850
17	DEFERRED ACCOUNTS		-	-	-	-
18	OTHER		46,323	197,082	36,338	24,902
<u>PAYROLL CHARGED TO CLEARING ACCOUNTS</u>						
19	Operation & Maintenance		1,074,956	987,652	1,043,865	1,111,826
20	Construction		368,521	405,302	481,906	682,148
21	Plant Removal		50,265	51,316	53,351	58,352
22	Other		11,928	44,478	8,586	5,935
23	TOTAL UTILITY PAYROLL	Sum L 13 to L 21	\$ 7,353,098	\$ 8,195,839	\$ 8,307,485	\$ 9,655,648
<u>OTHER UTILITY SERVICE</u>						
24	Gas		6,027,019	5,961,976	5,919,066	5,952,072
25	Propane/Other		-	-	-	-
26	TOTAL PAYROLL	Sum L 22 to L 24	<u>\$ 13,380,117</u>	<u>\$ 14,157,815</u>	<u>\$ 14,226,551</u>	<u>\$ 15,607,720</u>

**MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007**

SECTION 9
SCHEDULE 1
Page 1 of 1

SUMMARY OF NET MARGINS AS RECORDED,
AS ADJUSTED AND REFLECTING PROPOSED INCREASE

Line #	Description	[1] As Recorded And Allocated	[2] As Adjusted And Allocated	[3] As Adjusted And Allocated With Proposed Increase
	OPERATING REVENUES			
1	Sales of Electricity	\$ 99,263,414	\$ 94,853,998	\$ 104,880,857
2	Interdepartmental	18,646	19,026	21,037
3	Other Utility Revenues	2,749,071	2,749,071	2,749,071
4	Unbilled Revenues	(913,228)	-	-
5	Other	206,363	206,363	206,363
6	Total operating revenues (L1 to L6)	<u>101,324,266</u>	<u>97,828,457</u>	<u>107,857,327</u>
	OPERATING EXPENSES			
7	Power Production Expense	250,999	4,949,154	4,949,154
8	Cost of Purchased Power	63,472,936	55,759,567	55,759,567
9	Other Production Expenses	589,680	589,680	589,680
10	Unbilled Purchased Power	(795,380)	-	-
11	Transmission	1,213,410	1,247,263	1,247,263
12	Distribution	4,331,700	4,544,481	4,544,481
13	Customer accounts	2,204,025	2,312,996	2,312,996
14	Customer service and information	549,743	634,447	634,447
15	Sales	149,237	153,072	153,072
16	Administrative and general	3,939,101	4,197,462	4,197,462
17	Depreciation & Amortization	10,072,938	11,381,735	11,381,735
18	Taxes other than income taxes	3,896,301	3,896,301	3,896,301
19	Donations	100,235	50,118	50,118
20	CTC Interest income	(120,927)	(144,118)	(144,118)
21	Total operating expenses (L7 to L20)	<u>89,853,998</u>	<u>89,572,159</u>	<u>89,572,159</u>
22	Net operating margins (L6 - L 21)	11,470,268	8,256,299	18,285,169
23	Interest & Dividend Income	791,625	791,625	791,625
24	Interest Expense	(4,755,438)	(9,387,327)	(9,387,327)
25	Net margins (loss) (L22 to L24)	<u>\$ 7,506,455</u>	<u>\$ (339,403)</u>	<u>\$ 9,689,467</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007
STATEMENT OF NET MARGINS AS RECORDED,
AS ADJUSTED AND REFLECTING AS PROPOSED INCREASE

SECTION 9
SCHEDULE 2
Page 1 of 1

Line #	Description	[1]	[2]	[3]	[4]	[5]	
		As Recorded And Allocated	Adjustments Pg 1 Increase (Decrease)	As Adjusted And Allocated	Proposed Increase (See Note)	As Adjusted And Allocated With Proposed Increase	
<u>OPERATING REVENUES</u>							
1	Residential Sales	440	\$ 26,260,963	\$ 134,944	\$ 26,395,908	\$ 2,790,268	\$ 29,186,175
2	Small Commercial & Industrial	442.1 / .2	27,128,461	837,642	27,966,103	2,956,250	30,922,354
3	Large Commercial & Industrial	442.1 / .2	7,968,486	314,586	8,283,072	875,590	9,158,662
4	Oil Field	442.1 / .2	21,122,422	653,327	21,775,749	2,301,878	24,077,627
5	Special Contract	442.1 / .2	3,003,831	171,275	3,175,106	335,635	3,510,741
6	Street Lighting	442.1 / .2	-	-	-	-	-
7	Irrigation Sales	441	5,641,320	247,861	5,889,181	622,536	6,511,716
8	Street Lighting--Leased	444	1,346,398	22,482	1,368,879	144,702	1,513,581
9	Wholesale	447	6,791,534	(6,791,534)	-	-	-
10	Interdepartmental	448	18,646	379	19,026	2,011	21,037
11	Forfeited Discount Revenue	450	137,072	-	137,072	-	137,072
12	Miscellaneous Service Revenue	451	551,722	-	551,722	-	551,722
13	Transmission Service & Demand	456	1,155,744	-	1,155,744	-	1,155,744
14	Transmission Service - RTO	456.20.7	904,533	-	904,533	-	904,533
15	Unbilled Revenue	457	(913,228)	-	-	-	-
16	Rent From Utility Property	454	206,363	-	206,363	-	206,363
17	Other		-	-	-	-	-
18	Total Operating Revenue (L1 to L17)		<u>101,324,266</u>	<u>(4,409,037)</u>	<u>97,828,457</u>	<u>10,028,870</u>	<u>107,857,327</u>
<u>OPERATING EXPENSES</u>							
19	Power Production Expense		250,999	4,698,155	4,949,154	-	4,949,154
20	Cost of Purchased Power		63,472,936	(7,713,369)	55,759,567	-	55,759,567
21	Other Production Expenses		589,680	-	589,680	-	589,680
22	Unbilled Purchased Power		(795,380)	795,380	-	-	-
23	Transmission		1,213,410	33,853	1,247,263	-	1,247,263
24	Distribution		4,331,700	212,781	4,544,481	-	4,544,481
25	Customer accounts		2,204,025	108,971	2,312,996	-	2,312,996
26	Customer service and information		549,743	84,704	634,447	-	634,447
27	Sales		149,237	3,835	153,072	-	153,072
28	Administrative and general		3,939,101	258,361	4,197,462	-	4,197,462
29	Depreciation & Amortization		10,072,938	1,308,797	11,381,735	-	11,381,735
30	Taxes other than income taxes		3,896,301	-	3,896,301	-	3,896,301
31	Donations		100,235	(50,118)	50,118	-	50,118
32	CTC Interest Income		(120,927)	(23,191)	(144,118)	-	(144,118)
33	Total Operating Expenses (L19 to L32)		<u>89,853,998</u>	<u>(281,839)</u>	<u>89,572,159</u>	<u>-</u>	<u>89,572,159</u>
34	Net operating margins (L6 - L 21)		11,470,268	(4,127,198)	8,256,299	10,028,870	18,285,169
35	Interest & Dividend Income		791,625	-	791,625	-	791,625
36	Interest Expense		(4,755,438)	(4,631,889)	(9,387,327)	-	(9,387,327)
37	Net Margins (L34 to L36)		<u>\$ 7,506,455</u>	<u>\$ (8,759,086)</u>	<u>\$ (339,403)</u>	<u>\$ 10,028,870</u>	<u>\$ 9,689,467</u>

Note: Allocation of increase is based on test year amounts and for presentation purposes only.

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SUMMARY OF PRO FORMA ADJUSTMENTS

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[13]
		As Recorded And Allocated	#1-6 Revenues (Sch. 9-4)	#7-13 Energy Supply Costs (Sch. 9-5)	#14 GMEC Fuel (Sch. 9-5)	#15 GMEC Non-Fuel O&M (Sch. 9-12)	Adjustments #16 Salaries & Wages (Sch. 9-13)	#17 Benefits & Payroll Taxes (Sch. 9-14)	#18 Rate Case Amortization (Sch. 9-15)	#19 Depreciation (Sch. 10-1)	#20 Donations (Sch. 9-16)	#21 Interest Income (Sch. 7-8)	#22 Interest Expense (Sch. 7-5)	Total Adjustments	Total Proforma
1	Residential Sales	440	\$ 26,260,963	\$ 134,944										\$ 134,944	\$ 26,395,908
2	Small Commercial & Industrial	442.1 / .2	27,128,461	837,642										837,642	27,966,103
3	Large Commercial & Industrial	442.1 / .2	7,968,486	314,586										314,586	8,283,072
4	Oil Field	442.1 / .2	21,122,422	653,327										653,327	21,775,749
5	Special Contract	442.1 / .2	3,003,831	171,275										171,275	3,175,106
6	Street Lighting	442.1 / .2	-	-										-	-
7	Irrigation Sales	441	5,641,320	247,861										247,861	5,889,181
8	Street Lighting-Leased	444	1,346,398	22,482										22,482	1,368,879
9	Wholesale	447	6,791,534	(6,791,534)										(6,791,534)	-
10	Interdepartmental	448	18,646	379										379	19,026
11	Forfeited Discount Revenue	450	137,072	-										-	137,072
12	Miscellaneous Service Revenue	451	551,722	-										-	551,722
13	Transmission Service & Demand	456	1,155,744	-										-	1,155,744
14	Transmission Service - RTO	456.20.7	904,533	-										-	904,533
15	Unbilled Revenue	457	(913,228)	913,228										913,228	-
16	Rent From Utility Property	454	206,363	-										-	206,363
17															
18	Total Operating Revenues	L1 to L16	101,324,266	(3,495,809)	-	-	-	-	-	-	-	-	-	(3,495,809)	97,828,457
	OPERATING EXPENSES														
19	Power Production Expense		250,999		3,152,339	1,500,000	36,234	9,583						\$ 4,698,155	\$ 4,949,154
20	Cost of Purchased Power		63,472,936	(7,713,369)										(7,713,369)	55,759,567
21	Other Production Expenses		589,680											-	589,680
22	Unbilled Purchased Power		(795,380)	795,380										795,380	-
23	Transmission		1,213,410				26,772	7,081						33,853	1,247,263
24	Distribution		4,331,700				168,276	44,505						212,781	4,544,481
25	Customer accounts		2,204,025				86,178	22,792						108,971	2,312,996
26	Customer service and information		549,743				77,450	7,255						84,704	634,447
27	Sales		149,237				3,033	802						3,835	153,072
28	Administrative and general		3,939,101				125,239	33,123	100,000					258,361	4,197,462
29	Depreciation & Amortization		10,072,938											1,308,797	11,381,735
30	Taxes other than income taxes		3,896,301							1,308,797				-	3,896,301
31	Donations		100,235											(50,118)	50,118
32	CTC Interest Income		(120,927)									(23,191)		(23,191)	(144,118)
33	Total Operating Expenses	L19 to L32	89,853,998	(6,917,989)	3,152,339	1,500,000	523,182	125,141	100,000	1,308,797	(50,118)	(23,191)	-	(281,839)	89,572,159
34	Net Operating Margins	L18 - L33	11,470,268	(3,495,809)	6,917,989	(3,152,339)	(1,500,000)	(523,182)	(125,141)	(100,000)	(1,308,797)	50,118	23,191	(3,213,970)	8,256,299
35	Interest & Dividend Income		791,625												791,625
36	Interest Expense		(4,755,438)										(4,631,889)	(4,631,889)	(9,387,327)
37	Net Margins	L34 to L36	\$ 7,506,455	\$ (3,495,809)	\$ 6,917,989	\$ (3,152,339)	\$ (1,500,000)	\$ (523,182)	\$ (125,141)	\$ (100,000)	\$ (1,308,797)	\$ 50,118	\$ 23,191	\$ (4,631,889)	\$ (339,403)

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SUMMARY OF REVENUE ADJUSTMENTS
ADJUSTMENT #s 1-6

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	
		Reference Or Account Number	Balance At 6/30/2007	#1 Annualization	#2 Weather Normalization	#3 Oakley Acq Annualization	#4 Unregulated Sales	#5 ECA Cost Pass Through	6 Miscellaneous	Total Proforma Adjustments [3 to 7]	Proforma Adjusted At Present Rates [1] + [8]
1	Residential Sales	440	\$ 26,260,963	\$ (236,648)	\$ (552,692)	\$ 271,808	\$ -	652,477	-	134,944	\$ 26,395,908
2	Small Commercial & Industrial	442.1 / .2	27,128,461	(38,453)	(117,440)	354,111	-	703,534	(64,110)	837,642	27,966,103
3	Large Commercial & Industrial	442.1 / .2	7,968,486	(35,760)	(3,642)	113,011	-	240,977	-	314,586	8,283,072
4	Oil Field	442.1 / .2	21,122,422	(11,786)	-	-	-	665,114	-	653,327	21,775,749
5	Special Contract	442.1 / .2	3,003,831	18,526	9,172	-	-	143,577	-	171,275	3,175,106
6											
7	Irrigation Sales	441	5,641,320	(71,631)	118,377	-	-	137,005	64,110	247,861	5,889,181
8	Lighting	444	1,346,398	1,763	-	-	-	20,718	-	22,482	1,368,879
9	Wholesale	447	6,791,534	-	-	-	(6,791,534)	-	-	(6,791,534)	-
10	Unreconciled Wholesale										
11	Interdepartmental	448	18,646	106	-	-	-	273	-	379	19,026
12	Forfeited Discount Revenue	450	137,072	-	-	-	-	-	-	-	137,072
13	Miscellaneous Service Revenue	451	551,722	-	-	-	-	-	-	-	551,722
14	Other Utility Revenues	456	28,542	-	-	-	-	-	-	-	28,542
15	Transmission Service Sales	456.20.1	946,476	-	-	-	-	-	-	-	946,476
16	XMSN Service Loss Comp Demand	456.20.2	61,421	-	-	-	-	-	-	-	61,421
17	XMSN Service Loss Comp Energy	456.20.3	34,444	-	-	-	-	-	-	-	34,444
18	XMSN Service Ancillary Sales	456.20.4	(45,312)	-	-	-	-	-	-	-	(45,312)
19	Transmission Sales - Muni Firm	456.20.5	130,173	-	-	-	-	-	-	-	130,173
20	Transmission Service - RTO	456.20.7	904,533	-	-	-	-	-	-	-	904,533
21	Unbilled Revenue	457	(913,228)	-	-	-	-	-	913,228	913,228	-
22											
23	Sub-Total Operating Revenues	L1 to L22	101,117,903	(373,883)	(546,224)	738,930	(6,791,534)	2,563,674	913,228	(3,495,809)	97,622,094
24	Rent From Utility Property	454	206,363								206,363
25	TOTAL REVENUES		\$ 101,324,266	\$ (373,883)	\$ (546,224)	\$ 738,930	\$ (6,791,534)	\$ 2,563,674	\$ -	\$ (3,495,809)	\$ 97,828,457

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

SUMMARY OF PURCHASED POWER COST ADJUSTMENTS
ADJUSTMENTS # 7-12

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		Reference Or Account Number	Booked Test Year Spread to Contracts	Adjustment #7 Annualization Adjustment	Adjustment #8 Normalization Adjustment	Adjustment #9 Oakley Ann. Adjustment	Adjustment #10 Removing Unreg. Sales	Adjustment #11 Adjusting PP for New Contracts	Adjustment #12 Removing Unbilled PP	Total Proforma Adjustments	Total Adjusted PP Cost* Sum [2] to [6]
Total Purchased Power and Adjustments			\$ 8,675,395	\$ (458,668)	\$ (379,491)	\$ 450,546	\$ (6,737,092)	\$ (588,664)	\$ 795,380		
Demand											
1	Old M Schedule #1	\$ 9,969,996	\$ 9,969,996				\$ -	\$ -		\$ -	\$ 9,969,996
2	Old M Schedule #2	328,633	328,633					(0)		(0)	328,633
3	Old M Schedule #3	2,678,940	2,678,940				(433,740)	(2,245,200)		(2,678,940)	-
4	Old M Schedule #4	68,000	68,000					(68,000)		(68,000)	-
5	Old M Schedule #5	468,000	468,000					(468,000)		(468,000)	-
6	Old M Schedule #6	41,817	41,817								41,817
7	Old M Schedule #7	29,850	29,850								29,850
8	New M Schedule #2	-	-					10,251,000		10,251,000	10,251,000
9	New M Schedule #3	-	-					1,800,000		1,800,000	1,800,000
10	Old W Schedule #1	2,462,400	2,462,400				(114,312)	(2,348,088)		(2,462,400)	-
11	Old W Schedule #2	828,000	828,000					(828,000)		(828,000)	-
12	Old W Schedule #3	252,000	252,000					(252,000)		(252,000)	-
13	Sched/Dispatch	124,967	124,967								124,967
14	New W Schedule #1	162,000	162,000								162,000
15	New W Schedule #2	-	-					5,049,000		5,049,000	5,049,000
16	New W Schedule #3	-	-					1,200,000		1,200,000	1,200,000
17	Total Demand	\$ 17,414,603	\$ 17,414,603	\$ -	\$ -	\$ -	\$ (548,052)	\$ 12,090,712	\$ -	\$ 11,542,660	\$ 28,957,263
Energy											
20	Old M Schedule #1	\$ 14,182,905	\$ 17,564,280	\$ (322,040)	\$ (286,127)	\$ 450,546	\$ (3,715,984)	\$ (7,786,023)		\$ (11,619,627)	\$ 5,944,653
21	Old M Schedule #2	2,250,076	2,790,457					(2,790,457)		(2,790,457)	-
22	Old M Schedule #3	3,176,823	3,939,771					(3,939,771)		(3,939,771)	-
23	Old M Schedule #4	533,238	651,298					(651,298)		(651,298)	-
24	Old M Schedule #5	5,921,247	7,343,299					(7,343,299)		(7,343,299)	-
25	Old M Schedule #6	47,270	58,622					(11,346)		(11,346)	47,276
26	Old M Schedule #7	17,739	21,999					(21,999)		(21,999)	-
27	New M Schedule #1	-	-					2,601,769		2,601,769	2,601,769
28	New M Schedule #2	4,000	4,961					10,266,139		10,266,139	10,271,100
29	New M Schedule #3	-	-					210,240		210,240	210,240
30	Old W Schedule #1	6,098,724	7,451,785	\$ (136,628)	(113,365)			(4,728,736)		(7,451,785)	-
31	Old W Schedule #2	2,375,101	2,945,508					(2,945,508)		(2,945,508)	-
32	Old W Schedule #3	1,828,145	2,016,682					(2,016,682)		(2,016,682)	-
33	New W Schedule #1	-	-					847,481		847,481	847,481
34	New W Schedule #2	-	-					5,058,900		5,058,900	5,058,900
35	New W Schedule #3	-	-					561,214		561,214	561,214
36	Total Energy	\$ 36,123,287	\$ 44,798,662	\$ (458,668)	\$ (379,491)	\$ 450,546	\$ (6,189,040)	\$ (12,679,376)	\$ -	\$ (19,256,029)	\$ 25,542,633
Transmission											
39	SPP Schedule Fees	\$ 260,117	\$ 260,117							\$ -	\$ 260,117
40	Other Transmission - #1	507,508	507,508							-	507,508
41	SPP Network Trans. System	94,988	94,988							-	94,988
42	Other Transmission - #2	397,057	397,057							-	397,057
43	Total Transmission	\$ 1,259,671	\$ 1,259,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,259,671
44	Total Purchased Power	\$ 54,797,541	\$ 63,472,936	\$ (458,668)	\$ (379,491)	\$ 450,546	\$ (6,737,092)	\$ (588,664)	\$ -	\$ (7,713,369)	\$ 55,759,567
47	System Control and Load Dispatching 556		\$ 589,680							\$ -	\$ 589,680
48	Unbilled Purchased Power Expense 558		(795,380)						795,380	795,380	-
49	Total Other Production Expenses		\$ (205,700)						\$ 795,380	\$ 795,380	\$ 589,680
51	Book Purchased Power + ECA O/U		63,472,936								

* From Purchased Power Cost Adjustments.xls spreadsheet, see sheet "555 Combined Eng Dem"
The Adjustment for New Contracts takes into account that there will be less Purchased Capacity and Energy due to the GMEC.

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED DECEMBER 31, 2001

ADJUSTMENT #1 - REVENUE ANNUALIZATION
ADJUSTMENT #7 - ENERGY SUPPLY ANNUALIZATION

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Description	Reference Or Account Number	Test Year Volumes 6/30/2007	Booked Volumes Jul-07	Booked Volumes Jul-06	Annualization Volume Adjustment [(3)-(4)] x 0.67	Margin Rates	Additional Margin Revenue [(5) x (6)]	Incremental Purchased Power	Additional Purchased Power Revenue [(5) x (8)]	Adjustment #1 Total Revenue Annualization [(7) + (9)]
M System										
1 Residential	440	236,725,513	23,345,044	26,312,241	(1,988,022)	\$0.0236	\$ (46,891)	\$0.0500	\$ (99,401)	\$ (146,293)
2 Small C&I	442.1 / .2	236,758,831	21,976,975	21,899,989	51,581	\$0.0410	2,114	\$0.0500	2,579	4,693
3 Large C&I	442.1 / .2	21,089,700	2,083,800	1,967,400	77,988	\$0.0293	2,284	\$0.0500	3,899	6,183
4 Trans Level Service	442.1 / .2	34,150,816	2,747,696	3,198,656	(302,143)	\$0.0068	(2,055)	\$0.0500	(15,107)	(17,162)
5 Oil Field	442.1 / .2	253,707,318	20,711,757	20,986,461	(184,052)	\$0.0212	(3,900)	\$0.0500	(9,203)	(13,102)
6 Irrigation	441	50,653,060	12,349,154	12,591,661	(162,480)	\$0.0379	(6,156)	\$0.0500	(8,124)	(14,280)
7 Lighting	444	6,543,264	558,769	527,783	20,761	\$0.0410	851	\$0.0500	1,038	1,889
8 Special Contracts	442.1 / .2	58,483,156	4,789,291	4,328,447	308,765	\$0.0100	3,088	\$0.0500	15,438	18,526
9 Resale	447	92,790,487	7,100,844	9,423,054	0	0	-	-	-	-
10 Total M System		990,902,144	95,663,331	101,235,692	(2,177,601)		\$ (50,665)		\$ (108,880)	\$ (159,546)
11										
W System										
13 Residential	440	70,753,186	6,417,039	8,284,532	(1,251,220)	\$0.0222	\$ (27,795)	\$0.0500	\$ (62,561)	\$ (90,356)
14 Small C&I	442.1 / .2	90,235,447	8,000,542	8,954,672	(639,267)	\$0.0140	(8,944)	\$0.0500	(31,963)	(40,907)
15 Public Schools	442.1 / .2	5,137,003	289,247	332,625	(29,063)	\$0.0270	(786)	\$0.0500	(1,453)	(2,239)
16 Large C&I	442.1 / .2	82,089,220	6,025,860	6,601,180	(385,464)	\$0.0143	(5,509)	\$0.0500	(19,273)	(24,782)
17 Oil Field	442.1 / .2	37,456,423	3,164,504	3,133,811	20,564	\$0.0140	288	\$0.0500	1,028	1,316
18 Irrigation	441	9,121,619	1,164,327	2,501,998	(896,239)	\$0.0140	(12,539)	\$0.0500	(44,812)	(57,351)
19 Lighting	444	3,726,521	315,227	317,291	(1,383)	\$0.0410	(57)	\$0.0500	(69)	(126)
20 Resale	447	81,064,116	5,376,393	6,680,078	-	\$0.0000	-	-	-	-
21 Total W System		379,583,535	30,753,138	36,806,187	(3,182,074)	\$0.0000	\$ (55,341)	\$0.0000	\$ (159,104)	\$ (214,445)
22										
23 Interdepartmental	448	102,104	10,115	8,369	1,170	\$0.0410	\$ 48	\$0.0500	\$ 58	\$ 106
24										
25 Total		1,370,587,783	126,426,584	138,050,248	(5,358,505)		\$ (105,958)		\$ (267,925)	\$ (373,883)
26										
27 Adjustment #7	Total 555	Less Cost of Sales for Resale	Retail Cost of Purchased Power							
28										
29 Purchased Power Costs - 7/07	6,422,298	509,096	5,913,202							
30 Purchased Power Costs - 7/06	7,090,697	718,827	6,371,870							
Annualization Adjustment to 555	-668,399	-209,731	-458,668							

**MIDWEST ENERGY, INC
ELECTRIC DEPT
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**ADJUSTMENT #2 - REVENUE WEATHER NORMALIZATION
ADJUSTMENT #8 - ENERGY SUPPLY WEATHER NORMALIZATION**

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Description	Reference Or Account Number	Test Year Volumes 6/30/2007	Weather Adjustment to Volumes	Average Margin Rate	Weather Adjustment to Margin Revenue [3] x [4]	Incremental Purchased Power	Adjustment #8 Additional Energy Supply Costs/Revenue [3] x [6]	Adjustment #2 Total Weather Adj. to Revenue [5] + [7]
M System								
1 Residential	440	236,725,513	(5,972,636)	\$ 0.0236	\$ (140,877)	\$ 0.0500	\$ (298,632)	\$ (439,508)
2 Small C&I	442.1 / .2	236,758,831	(1,081,281)	0.0410	(44,318)	0.0500	(54,064)	(98,383)
3 Large C&I	442.1 / .2	21,089,700	(195,715)	0.0293	(5,732)	0.0500	(9,786)	(15,518)
4 Trans Level Service	442.1 / .2	34,150,816	-	0.0068	-	0.0500	-	-
5 Oil Field	442.1 / .2	253,707,318	-	0.0212	-	0.0500	-	-
6 Irrigation	441	50,653,060	1,774,222	0.0379	67,220	0.0500	88,711	155,931
7 Lighting	444	6,543,264	-	0.0410	-	0.0500	-	-
8 Special Contracts	442.1 / .2	58,483,156	152,873	0.0100	1,529	0.0500	7,644	9,172
9 Resale	447	92,790,487	-	-	-	-	-	-
10 Total M System		990,902,144	(5,322,536)		\$ (122,178)		\$ (266,127)	\$ (388,305)
11								
12 W System								
13 Residential	440	70,753,186	(1,567,336)	\$ 0.0222	\$ (34,817)	\$ 0.0500	\$ (78,367)	\$ (113,184)
14 Small C&I	442.1 / .2	90,235,447	(297,816)	0.0140	(4,167)	0.0500	(14,891)	(19,058)
15 Public Schools	442.1 / .2	5,137,003	-	0.0270	-	0.0500	-	-
16 Large C&I	442.1 / .2	82,089,220	184,721	0.0143	2,640	0.0500	9,236	11,876
17 Oil Field	442.1 / .2	37,456,423	-	0.0140	-	0.0500	-	-
18 Irrigation	441	9,121,619	(586,863)	0.0140	(8,211)	0.0500	(29,343)	(37,554)
19 Lighting	444	3,726,521	-	0.0410	-	0.0500	-	-
20 Resale	447	81,064,116	-	-	-	-	-	-
21 Total W System		379,583,535	(2,267,293)		\$ (44,554)		\$ (113,365)	\$ (157,919)
22								
23 Interdepartmental	448	102,104	-	0.0410	\$ -	0.0500	\$ -	\$ -
Total								
		<u>1,370,587,783</u>	<u>(7,589,829)</u>		<u>\$ (166,733)</u>		<u>\$ (379,491)</u>	<u>\$ (546,224)</u>

MIDWEST ENERGY, INC
ELECTRIC DEP'T
TEST YEAR ENDED JUNE 30, 2007

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ADJUSTMENT #3 - OAKLEY ACQUISITION REVENUE ANNUALIZATION
ADJUSTMENT #9 - OAKLEY ACQUISITION ENERGY SUPPLY ADJUSTMENT NORMALIZATION

Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
	Reference Or Account Number	Estimated Oakley Sales July-November kWh	Oakley Adjustment to Volumes	Average Margin Rate	Oakly Annualized Adjustment to Margin Revenue [3] x [4]	Incremental Purchased Power	Adjustment #9 Additional Oakley Energy Supply Costs/Revenue [3] x [6]	Adjustment #3 Additional Oakley Total Revenue [5] + [7]
M System								
1 Residential	440	3,693,695	3,693,695	\$ 0.0236	\$ 87,123	\$ 0.0500	\$ 184,685	\$ 271,808
2 Small C&I	442.1 / .2	3,891,890	3,891,890	0.0410	159,517	0.0500	194,595	354,111
3 Large C&I	442.1 / .2	1,425,340	1,425,340	0.0293	41,744	0.0500	71,267	113,011
4 Trans Level Service	442.1 / .2	-	-	0.0068	-	0.0500	-	-
5 Oil Field	442.1 / .2	-	-	0.0212	-	0.0500	-	-
6 Irrigation	441	-	-	0.0379	-	0.0500	-	-
7 Lighting	444	-	-	0.0410	-	-	-	-
8 Special Contracts	442.1 / .2	-	-	0.0100	-	-	-	-
9 Resale	447	-	-	-	-	-	-	-
10 Total M System		9,010,925	9,010,925		\$ 288,384		\$ 450,546	\$ 738,930
11								
12 W System								
13 Residential	440	-	-	0.0222	\$ -	\$ 0.0500	\$ -	\$ -
14 Small C&I	442.1 / .2	-	-	0.0140	-	0.0500	-	-
15 Public Schools	442.1 / .2	-	-	0.0270	-	0.0500	-	-
16 Large C&I	442.1 / .2	-	-	0.0143	-	0.0500	-	-
17 Oil Field	442.1 / .2	-	-	0.0140	-	0.0500	-	-
18 Irrigation	441	-	-	0.0140	-	0.0500	-	-
19 Lighting	444	-	-	0.0410	-	0.0500	-	-
20 Resale	447	-	-	-	-	-	-	-
21 Total W System		-	-		\$ -		\$ -	\$ -
22								
23 Interdepartmental	448	-	-	-	\$ -	-	\$ -	\$ -
Total		9,010,925	9,010,925		\$ 288,384		\$ 450,546	\$ 738,930

MIDWEST ENERGY, INC
 ELECTRIC DEPT
 TEST YEAR ENDED JUNE 30, 2007

ADJUSTMENTS #4 AND 10 - REMOVING UNREGULATED POWER SALES
 FROM RETAIL REVENUE AND ENERGY SUPPLY COSTS

Line #	Description	[1] Account Number	[2] Recorded Balance 6/30/2001	[3] Adjustment #10 Adjustment to Energy Supply Costs	[4]	[5]	[6]	[7] Adjustment #4 Adjustment to Revenues for Unregulated Sales	[8]
1	Wholesale Power Sales	447.0	\$ 6,791,534	\$ (6,737,092)				\$ (6,791,534)	
2									
3									
4									
5									
6									
7	Sales w/o ECA as Filed								
8	June 2007	\$45,495	\$266,658	\$312,153	7,196,085	\$9,511	\$216,715	\$226,226	7,039,427
9	May 2007	\$45,495	\$192,554	\$238,049	6,600,401	\$9,511	\$155,909	\$165,420	6,993,371
10	April 2007	\$45,495	\$177,468	\$222,963	6,691,813	\$9,511	\$144,489	\$154,000	7,069,770
11	March 2007	\$45,495	\$255,600	\$301,095	8,951,476	\$9,511	\$198,923	\$208,434	8,791,667
12	February 2007	\$45,495	\$225,673	\$271,168	9,067,196	\$9,511	\$271,168	\$280,679	8,791,667
13	January 2007	\$45,495	\$197,055	\$242,550	7,919,971	\$9,511	\$170,582	\$180,093	8,473,368
14	December 2006	\$51,193	\$235,467	\$286,660	8,755,589	\$9,511	\$182,016	\$191,527	7,613,231
15	November 2006	\$3,020	\$280,660	\$283,680	8,653,736	\$9,511	\$142,429	\$151,940	5,551,857
16	October 2006	\$3,020	\$245,368	\$248,388	8,274,078	\$9,511	\$102,901	\$112,412	4,386,923
17	September 2006	\$3,020	\$563,479	\$566,499	11,576,915	\$9,511	\$315,382	\$324,893	7,697,459
18	August 2006	\$50,208	\$642,546	\$692,754	13,299,549	\$9,511	\$347,170	\$356,681	8,451,345
19	July 2006	\$50,309	\$433,456	\$483,765	10,805,878	\$9,691	\$225,372	\$235,063	7,161,043
20									
21	Total	<u>\$433,740</u>	<u>\$3,715,984</u>	<u>\$4,149,724</u>	<u>107,792,687</u>	<u>\$114,312</u>	<u>\$2,473,056</u>	<u>\$2,587,368</u>	<u>88,021,128</u>
22									
23									
24									
25									
26									
27	Test Year Total	<u>\$548,052</u>	<u>\$6,189,040</u>	<u>\$6,737,092</u>	<u>195,813,815</u>				

MIDWEST ENERGY, INC
ELECTRIC DEP'T
TEST YEAR ENDED JUNE 30, 2007

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ADJUSTMENT #5 - REVENUE ADJUSTMENT FOR ECA PASS THROUGH CHANGES
ADJUSTMENT #11 and #14 - ADJUSTMENTS TO COST FOR PURCHASED POWER AND GMEC FUEL

Description	[1] Reference Or Account Number	[2] Adjusted Sales Volume kWh	[3] Adjustment #11 Pass Thru of Revenues for Purchased Power	[4] Adjustment #14 Pass Thru of Revenues for GMEC Fuel	[5] Adjustment #5 Total ECA Pass Thru Adjustment [3] + [4]
M System					
1 Residential	440	232,458,550	\$ (48,125)	\$ 614,345	\$ 566,220
2 Small C&I	442.1 / .2	239,621,020	(49,608)	633,274	583,666
3 Large C&I	442.1 / .2	22,397,313	(4,637)	59,192	54,555
4 Trans Level Service	442.1 / .2	33,848,673	(7,008)	89,456	82,448
5 Oil Field	442.1 / .2	253,523,266	(52,486)	670,015	617,529
6 Irrigation	441	52,264,803	(10,820)	138,126	127,306
7 Lighting	444	6,564,025	(1,359)	17,348	15,989
8 Special Contracts	442.1 / .2	58,944,795	(12,203)	155,780	143,577
9 Resale	447	-	-	-	-
10 Total M System (w/Interdepartmental)		<u>899,622,445</u>	<u>\$ (186,245)</u>	<u>\$ 2,377,536</u>	<u>\$ 2,191,290</u>
W System					
13 Residential	440	67,934,630	\$ (93,282)	\$ 179,539	\$ 86,257
14 Small C&I	442.1 / .2	89,298,364	(122,617)	235,999	113,382
15 Public Schools	442.1 / .2	5,107,940	(7,014)	13,499	6,486
16 Large C&I	442.1 / .2	81,888,477	(112,442)	216,416	103,974
17 Oil Field	442.1 / .2	37,476,987	(51,460)	99,045	47,585
18 Irrigation	441	7,638,517	(10,489)	20,187	9,699
19 Lighting	444	3,725,138	(5,115)	9,845	4,730
20 Resale	447	-	-	-	-
21 Total W System		<u>293,070,052</u>	<u>\$ (402,419)</u>	<u>\$ 774,530</u>	<u>\$ 372,111</u>
22					
23 Interdepartmental	448	103,274	\$ -	\$ 273	\$ 273
24 Total		<u>1,192,795,771</u>	<u>\$ (588,664)</u>	<u>\$ 3,152,339</u>	<u>\$ 2,563,674</u>

Note: Adjustment 5 is made to revenues to ensure the adjustments made to costs that are passed thru via the ECA mechanism are reflected in revenues the same amount they are reflected in Account 555 (purchased power) or Account

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007
VOLUME ADJUSTMENT SUMMARY

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Description	[3] Booked Volumes Test Year kWh	[4] Annualization Adjustment Volumes kWh	[5] Weather Adjustment Volumes kWh	[6] Removing Unregulated Sales Volumes kWh	[7] Estimated Oakley Sales July-November* kWh	[8] Total Volume Adjustments kWh	[9] Adjusted Volume kWh
						Sum Col. 4 to 7	Sum Col. 3 + 8
1 Residential							
2 Regular Residential - M System	225,214,357	(1,934,974)	(6,005,433)	-	3,660,271	(4,280,136)	220,934,221
3 Regular Residential - W System	66,421,743	(1,212,497)	(1,539,084)	-	-	(2,751,581)	63,670,162
4 Total Elec - M System	11,511,155	(53,047)	32,797	-	33,424	13,174	11,524,329
5 Peak Mgmt - W System	4,331,443	(38,724)	(28,252)	-	-	(66,975)	4,264,467
6 Total Residential	307,478,689	(3,239,242)	(7,539,971)	-	3,893,695	(7,085,518)	300,393,180
7							
8 Small C&I (< 1000 KVA)							
9 Annual Service - M System	1,335,601	(2,299)	-	-	-	(2,299)	1,333,302
10 General Service (Small) - M System	77,358,872	(275,194)	(725,073)	-	1,811,279	811,012	78,167,884
11 General Service (Small) - W System	52,986,517	(586,762)	(297,816)	-	-	(884,578)	52,101,939
12 General Service (Large) - M System	158,066,358	329,074	(356,208)	-	2,080,611	2,053,477	160,119,835
13 General Service (Large) - W System	37,219,560	(52,930)	-	-	-	(52,930)	37,166,630
14 Public Schools - W System	5,137,003	(29,063)	-	-	-	(29,063)	5,107,940
15 Other - W System	29,370	425	-	-	-	425	29,795
16 Special Contracts - M System	-	-	-	-	-	-	-
17	332,131,281	(616,750)	(1,379,097)	-	3,891,890	1,896,043	334,027,324
18							
19 Oil Field							
20 Small Oil - M System	54,829,640	(855,213)	-	-	-	(855,213)	53,974,426
21 Small Oil - W System	26,750,943	125,285	-	-	-	125,285	26,876,228
22 Large Oil - M System	198,877,678	871,162	-	-	-	871,162	199,548,840
23 Large Oil - W System	10,705,480	(104,721)	-	-	-	(104,721)	10,600,759
24	291,163,740	(163,487)	-	-	-	(163,487)	291,000,253
25							
26 Total Small C & I	623,295,021	(780,237)	(1,379,097)	-	3,891,890	1,732,556	625,027,577
27							
28 Large Commercial & Industrial (> 1000 KVA)							
29 General Service - M System	21,089,700	77,988	(195,715)	-	1,425,340	1,307,613	22,397,313
30 General Service - W System	82,089,220	(385,464)	184,721	-	-	(200,743)	81,888,477
31 Transmission Level Service - M Syst	34,150,816	(302,143)	-	-	-	(302,143)	33,848,673
32 Special Contracts - M System	58,483,156	308,765	152,873	-	-	461,639	58,944,795
33	195,812,892	(300,854)	141,880	-	1,425,340	1,286,366	197,079,258
34							
35 Irrigation							
36 Incidental Irrigation - M System	1,476,827	(5,954)	51,729	-	-	45,774	1,522,601
37 Irrigation Frozen - M System	18,251,954	(628,654)	639,310	-	-	10,656	18,262,610
38 Irrigation TOD - M System	2,011,804	(113,007)	70,467	-	-	(42,540)	1,969,264
39 Irrigation T&T - M System	28,912,475	585,136	1,012,716	-	-	1,597,852	30,510,327
40 Irrigation - W System	9,121,619	(896,239)	(586,863)	-	-	(1,483,102)	7,638,517
41	59,774,680	(1,058,719)	1,187,359	-	-	128,640	59,903,320
42							
43 Lighting							
44 M System	6,543,264	20,761	-	-	-	20,761	6,564,025
45 W System	3,725,521	(1,383)	-	-	-	(1,383)	3,725,138
46	10,268,785	19,378	-	-	-	19,378	10,289,163
47 Subtotal Sales							
48 M System	898,111,657	(2,177,601)	(5,322,536)	-	9,010,925	1,510,788	899,622,445
49 W System	298,519,419	(3,182,074)	(2,267,293)	-	-	(5,449,367)	293,070,052
50	1,196,631,076	(5,359,675)	(7,589,829)	-	9,010,925	(3,938,579)	1,192,692,487
51							
52 Resale - Municipalities							
53 M System	92,030,487	-	-	(92,030,487)	-	(92,030,487)	-
54 W System	81,064,116	-	-	(81,064,116)	-	(81,064,116)	-
55 Off-System Sales	780,000	-	-	(780,000)	-	(780,000)	-
56	173,854,603	-	-	(173,854,603)	-	(173,854,603)	-
57							
58 Interdepartmental	102,104	1,170	-	-	-	1,170	103,274
59							
60 TOTAL RETAIL ELECTRIC	1,196,733,180	(5,358,505)	(7,589,829)	-	9,010,925	(3,937,409)	1,192,795,771
61							
62 TOTAL ELECTRIC	<u>1,370,587,783</u>	<u>(5,358,505)</u>	<u>(7,589,829)</u>	<u>(173,854,603)</u>	<u>9,010,925</u>	<u>(177,792,012)</u>	<u>1,192,795,771</u>
63							
64							

65 Note: In the test year, Oakley sales are in billed volumes from December 12/06 thru 6/07, only 7/06 thru 11/06 sales are missing.

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007
ADJUSTMENT #15 --GMEC NON-FUEL O&M EXPENSE

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Line #	Acct.	[1] Description	[2] Amount	[3] Amount
Summary by account:				
1	546	Operation supervision & engineering		\$ 120,000
2	548	Generation expenses		706,000
3	551	Maintenance supervision & engineering		80,000
4	553	Maintenance of generating & electric plant		594,000
5		Total		<u>\$ 1,500,000</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

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SCHEDULE 13
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ADJUSTMENT—SALARIES AND WAGES
ADJUSTMENT # 16

Line #	Description	[1] Account Number	[2] Test Year Amounts	[3] Redistribute General Categories	[4] Payroll As Distributed	[5] Total Annualized Payroll	[6] Adjustment
<u>OPERATIONS</u>							
1	Production	500-550	\$ 426,021		\$ 426,021	\$ 460,614	\$ 34,593
2	Transmission	560-567	143,030		143,030	154,644	11,614
3	Distribution	580-589	940,516		940,516	1,016,866	76,370
4	Customer Accounts	901-905	1,061,311		1,061,311	1,147,489	86,178
5	Customer service and information	907-910	287,803		287,803	365,253	77,450
6	Sales	911-916	37,355		37,355	40,388	3,033
7	Administration and general	920-931	1,232,115		1,232,115	1,332,163	100,048
8	Total Operations		<u>4,128,151</u>	<u>-</u>	<u>4,128,151</u>	<u>4,517,437</u>	<u>389,286</u>
<u>MAINTENANCE</u>							
9	Production	510-557	20,208		20,208	21,849	1,641
10	Transmission	568-573	186,676		186,676	201,834	15,158
11	Distribution	590-598	1,131,853		1,131,853	1,223,759	91,906
12	Administration and general	935	310,234		310,234	335,425	25,191
13	Total Maintenance		<u>1,648,971</u>	<u>-</u>	<u>1,648,971</u>	<u>1,782,867</u>	<u>133,896</u>
14	Total Electric O&M Payroll		5,777,122	-	5,777,122	\$ 6,300,304	\$ 523,182
15			<u>37.01%</u>				<u>9.056%</u>
<u>OTHER ELECTRIC</u>							
16	Construction	107	3,544,487		3,544,487		
17	Plant removal	108	303,203		303,203		
18	Deferred Debits	186	22,945		22,945		
19	TOTAL PAYROLL--ELECTRIC		<u>9,647,757</u>	<u>\$ -</u>	<u>\$ 9,647,757</u>	61.81%	
<u>OTHER SERVICES</u>							
20	GAS		5,811,051		5,811,051	37.23%	
21	NON-REGULATED ACTIVITIES	416	148,911		148,911	0.95%	
22	TOTAL COMPANY PAYROLL		<u>\$ 15,607,719</u>	<u>\$ -</u>	<u>\$ 15,607,719</u>		

MIDWEST ENERGY, INC
ELECTRIC DEP'T
TEST YEAR ENDED JUNE 30, 2007

ADJUSTMENT—SALARIES AND WAGES
ADJUSTMENT # 16

Line #	Description	[1] Reference Or Function	[2] Amount	[3] Amount	[4] Amounts	[5] Amounts	[6] Amounts	[7] Pro Forma Total Payroll
1	Test Year Electric Payroll	Page 1	9,647,757					
2	2007 Wage Increase Percent		<u>4.00%</u>					
3	2007 Wage Increase Applied to Last 6 mos. of 2006	L1 /2 * L2		<u>192,955</u>				
4	Current Electric Payroll	L1 + L3		<u>9,840,712</u>				
5	Pro Forma Wage Increase Percent	Need to Support			6.00%			
6	Pro Forma Wage Increase Amount	L4 * L5			<u>590,443</u>			
7	Electric Payroll With Wage Increases	L4 + L6				10,431,155		
8	Recorded Electric Payroll	L1				9,647,757		
9	Combined Wage Increase Percent	(L7 - L8) / L8				8.120%		
10	Test Year Electric Payroll Charged to Expense	Page 1				5,777,122		
11	Pro Forma Electric Payroll Expensed (Current Workforce)	(1 + L9) * L10					6,246,224	
12	New Position - Energy Efficiency Technician	Need to Support					<u>54,080</u>	
13	TOTAL PRO FORMA ELECTRIC PAYROLL EXPENSED							<u>\$ 6,300,304</u>
14	Total Pro Forma Electric Payroll (Expensed) Increase Percent							9.056%

MIDWEST ENERGY, INC
 GAS DEPT
 TEST YEAR ENDED JUNE 30, 2007

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 SCHEDULE 14
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ADJUSTMENT #17 --EMPLOYEE BENEFITS & PAYROLL TAXES

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Sub-Total	[5] Total
EMPLOYEE BENEFITS						
<u>July 1, 2006 - June 30 2007 Amount</u>						
1	Medical		\$ 2,189,875			
2	Pension		<u>1,692,045</u>			
3	TOTAL	L1 + L2		\$ 3,881,920		
<u>July 1, 2005 - June 30 2006 Amount</u>						
4	Medical		\$ 2,282,977			
5	Pension		<u>1,527,372</u>			
6	TOTAL	L4 + L5		\$ 3,810,349		
7	Proforma Medical & Pension Increase	L3 - L6		\$ 71,571		
8	Payroll Percent Allocated to Electric Expense	Sch. 9-10, Pg. 1, L15		37.01%		
9	Medical & Pension Proforma Adj. Allocated to Electric Expense	L7 * L8			\$ 26,492	
<u>Wellness Incentive Program</u>						
10	Non-Union Portion	\$ 463,900	61.81%	\$ 286,755		
11	Union - Electric	299,500	100.00%	299,500		
12	Union - Gas	213,800	0.00%	-		
13	TOTAL	<u>\$ 977,200</u>		<u>\$ 586,255</u>		
14	Wellness Program Amortization Allocated to Electric Expense	10 Years			\$ 58,626	
PAYROLL TAXES						
15	Proforma Payroll Adjustment to Electric Expense	Sch. 9-10, Pg. 1	523,182			
16	Proforma FICA Increase		7.65%			
17	Payroll Tax Projorma Adj. Allocated to Electric Expense	L8 * L9			\$ 40,023	
18	TOTAL PROFORMA BENEFITS & TAXES	L9 + L12				<u>\$ 125,141</u>
DISTRIBUTION						
<u>Q&M</u>		<u>PAYROLL</u>				
19	Production	500-557		\$ 482,463		\$ 9,583
20	Transmission	560-573		356,478		7,081
21	Distribution	580-598		2,240,645		44,505
22	Customer Accounts	901-905		1,147,489		22,792
23	Customer service and information	907-910		365,253		7,255
24	Sales	911-916		40,388		802
25	Administration and general	920-935		<u>1,667,588</u>		<u>33,123</u>
26	Total Operation & Maintenance			<u>\$ 6,300,304</u>		<u>\$ 125,141</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007
ADJUSTMENT #18 ---RATE CASE EXPENSE

SECTION 9
SCHEDULE 15
Page 1 of 1

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Sub-Total	[5] Total
PREPARATION						
1	Expended by filing date			\$ 10,000		
2	Additional expected:					
3	---Legal			15,000		
4	---Transmission Formula Rates			40,000		
5	---Depreciation			65,000		
6	---Other Costs			30,000		
7	TOTAL COSTS TO FILING				150,000	
DISCOVERY						
8	---Regulatory Support			15,000		
9	---Cost of Service Support			15,000		
10	---Depreciation			5,000		
11	---Cost of Capital			3,000		
12	---Legal			20,000		
13	---Transmission Formula Rates			10,000		
14	---Other			30,000		
15	TOTAL COSTS TO HEARING				98,000	
HEARING AND BRIEFING						
16	---Regulatory Support			5,000		
17	---Cost of Service Support			5,000		
18	---Depreciation			5,000		
19	---Cost of Capital			2,000		
20	---Legal			5,000		
21	---Other			5,000		
22	---Other			25,000		
23	TOTAL COSTS FOR HEARING & BRIEFING				52,000	
24	TOTAL COSTS				\$ 300,000	
25	Total Amortization In Years	<u>3</u>				\$ 100,000
PRIOR RATE CASE AMORTIZATION INCLUDED IN TEST YEAR						\$ -
						\$ 100,000

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007
ADJUSTMENT #20 ---CHARITABLE DONATIONS

SECTION 9
 SCHEDULE 16
 Page 1 of 1

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Sub-Total	[5] Total
1	Test Year Recorded Amount	426		\$ 100,235		
2	50% Disallowance			(50,118)		
3	Recoverable Donation Expense			<u>50,118</u>		

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

DEPRECIATION & AMORTIZATION EXPENSE ANNUALIZATION - ADJUSTMENT #11

Line #	Description	[1] Account Number	[2] Plant Balance At 6/30/2007	[3] Adjustments and/or Plant Reclassification	[4] Adjusted Plant Balance [2] + [3]	[5] Annualized Depreciation Rate	[6] Pro Forma Annualized Depreciation Expense [4] * [5]	[7] Recorded Depreciation Expense	[8] Pro Forma Adjustment [6] - [7]
INTANGIBLE PLANT									
1	Organization	301	\$ 18,181	\$ -	\$ 18,181		\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-		-	-	-
3	Miscellaneous Intangible Plant	303	-	-	-		-	-	-
4	TOTAL INTANGIBLE	Sum L 1 to L 3	18,181	-	18,181		-	-	-
PRODUCTION PLANT--Steam									
5	Land and land rights	310	46,666	-	46,666		-	-	-
6	Structures, Improvements	311	2,149,694	-	2,149,694		-	-	-
7	Boiler Plant Equipment	312	3,527,862	-	3,527,862		-	-	-
8	Turbogenerator Units	314	3,415,016	-	3,415,016		-	-	-
9	Accessory Electric Equipment	315	419,797	-	419,797		-	-	-
10	Misc. Power Plan equipment	316	71,595	-	71,595		-	-	-
11	TOTAL PRODUCTION PLANT - STEAM	Sum L 5 to L 10	9,630,629	-	9,630,629		-	-	-
PRODUCTION PLANT--OTHER (NON-GMEC)									
12	Land and land rights	340	528	-	528		-	-	-
13	Structures, Improvements	341	487,170	-	478,510	0.0164	7,848	-	-
14	Fuel Holders, Products & Accessories	342	156,867	(8,660)	(407,856)	0.0164	(6,689)	-	-
15	Prime Movers	343	1,892,124	(564,723)	1,612,613	0.0164	26,447	-	-
16	Generators	344	2,118,738	(279,511)	2,052,232	0.0164	33,657	-	-
17	Accessory Electric Equipment	345	112,522	(66,506)	111,818	0.0164	1,834	-	-
18	Misc Power Plant Equipment	346	5,689	(704)	(914,415)	0.0164	(14,996)	-	-
19	TOTAL PROD. PLANT - OTHER (NON-GMEC)	Sum L 12 to L 18	4,773,639	(920,104)	2,933,431		48,101	148,135	(100,034)
PRODUCTION PLANT--OTHER (GMEC)									
20	Land and land rights	340	-	41,000	41,000		-	-	-
21	Structures, Improvements	341	-	6,000,000	6,000,000	0.0286	171,600	-	-
22	Fuel Holders, Products & Accessories	342	-	6,000,000	6,000,000	0.0286	171,600	-	-
23	Prime Movers	343	-	5,000,000	5,000,000	0.0286	143,000	-	-
24	Generators	344	-	40,000,000	40,000,000	0.0286	1,144,000	-	-
25	Accessory Electric Equipment	345	-	3,000,000	3,000,000	0.0286	85,800	-	-
26	Misc Power Plant Equipment	346	-	2,530,000	2,530,000	0.0286	72,358	-	-
27	TOTAL PROD. PLANT - OTHER (GMEC)	Sum L 20 to L 26	-	62,571,000	62,571,000		1,788,358	-	1,788,358
28	TOTAL PRODUCTION PLANT	(L11+L19+L27)	14,404,268	61,650,896	75,135,060		1,836,459	148,135	1,688,324

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

DEPRECIATION EXPENSE ANNUALIZATION - ADJUSTMENT #11

Line #	Description	[1] Account Number	[2] Plant Balance At 6/30/2007	[3] Adjustments and/or Plant Reclassification	[4] Adjusted Plant Balance [2]+[3]	[5] Annualized Depreciation Rate	[6] Pro Forma Annualized Depreciation Expense [4]*[5]	[7] Recorded Depreciation Expense	[8] Pro Forma Adjustment [6]-[7]
<u>TRANSMISSION PLANT</u>									
29	Land and land rights	350	\$ 2,316,023	\$ (41,000)	\$ 2,275,023		\$ -		
30	Structures, Improvements	352	203,811	-	203,811	0.0129	2,629		
31	Station Equipment	353	22,579,956	-	22,579,956	0.0144	325,151		
32	Towers and Fixtures	354	-	-	-		-		
33	Poles and Fixtures	355	24,881,140	-	24,881,140	0.0160	398,098		
34	Overhead Conductors and Devices	356	16,443,118	-	16,443,118	0.0178	292,688		
35	Underground Conduit	357	9,836	-	9,836	0.0200	197		
36	Underground Conductor & Devices	358	512,900	-	512,900	0.0200	10,258		
37	Other Transmission Plant				(41,000)		-		
38	TOTAL TRANSMISSION PLANT	Sum L 29 to L 37	<u>66,946,784</u>	<u>(41,000)</u>	<u>66,864,784</u>		<u>1,029,021</u>	<u>991,911</u>	<u>37,110</u>
<u>DISTRIBUTION PLANT</u>									
39	Land and land rights	360	439,028	-	439,028		-		
40	Structures, Improvements	361	-	-	-		-		
41	Station Equipment	362	17,860,230	-	17,860,230	0.0208	371,493		
42	Storage Battery Equipment	363	-	-	-		-		
43	Poles, Towers and Fixtures	364	59,579,812	1,660,710	61,240,522	0.0460	2,817,064		
44	Overhead Conductors and Devices	365	41,757,671	1,163,941	42,921,612	0.0363	1,558,055		
45	Underground Conduit	366	2,234,046	-	2,234,046	0.0166	37,085		
46	Underground Conductors and Devices	367	13,271,500	-	13,271,500	0.0244	323,825		
47	Line Transformers	368	41,646,080	-	41,646,080	0.0285	1,186,913		
48	Services	369	3,856,351	-	3,856,351	0.0276	106,435		
49	Meters	370	10,024,088	-	10,024,088	0.0438	439,055		
50	Installations on Customers Premises	371	2,024,192	-	2,024,192	0.0941	190,476		
51	Leased Property On Customers Premises	372	85,048	-	85,048	0.0577	4,907		
52	Street Lighting and Signaling Systems	373	2,578,353	-	2,578,353	0.0344	88,695		
53	TOTAL DISTRIBUTION PLANT	Sum L 39 to L526	<u>195,356,399</u>	<u>2,824,651</u>	<u>198,181,050</u>		<u>7,124,003</u>	<u>7,529,620</u>	<u>(405,617)</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

DEPRECIATION & AMORTIZATION EXPENSE ANNUALIZATION - ADJUSTMENT #11

Line #	Description	[1] Account Number	[2] Plant Balance At 6/30/2007	[3] Adjustments and/or Plant Reclassification	[4] Adjusted Plant Balance [2] + [3]	[5] Annualized Depreciation Rate	[6] Pro Forma Annualized Depreciation Expense [4] * [5]	[7] Recorded Depreciation Expense	[8] Pro Forma Adjustment [6] - [7]
GENERAL PLANT									
54	Land and land rights	389	\$ 193,135	\$ -	\$ 193,135		\$ -		
55	Structures, Improvements	390	3,179,748	-	3,179,748	0.0170	54,056		
56	Office furniture and equipment	391	240,412	-	240,412	0.0236	5,674		
57	Transportation equipment	392	3,938,376	2,025,324	5,963,700	N/A	-		
58	Store equipment	393	210,304	-	210,304	0.0150	3,155		
59	Tools, shop and garage equipment	394	2,014,863	14,500	2,029,363	0.0227	46,067		
60	Laboratory equipment	395	579,258	-	579,258	0.0212	12,280		
61	Power operated equipment	396	3,543,292	(3,060,683)	482,609	0.0577	27,847		
62	Electric communications equipment	397	2,123,835	-	2,123,835	0.0322	68,387		
63	Miscellaneous equipment	398	15,241	-	15,241	0.0011	17		
64	Other tangible property	399	-	-	-		-		
65	TOTAL GENERAL	Sum L 54 to L64	<u>16,038,464</u>	<u>(1,020,859)</u>	<u>15,017,605</u>		<u>217,483</u>	<u>170,814</u>	<u>46,669</u>
66	SUBTOTAL (L4 + L28 + L38 + L53 + L65)		<u>292,764,096</u>	<u>63,413,688</u>	<u>355,216,680</u>		<u>10,206,966</u>	<u>8,840,480</u>	<u>1,366,486</u>
AMORTIZATION OF ACQUISITION ADJUSTMENTS									
67	CKP		398,463		398,463	0.0241	9,601	4,801	
68	Centel		32,918	(32,918)	-		-	(365)	
69	Westar - Acquisition Costs		667,443		667,443	0.0333	22,248	22,248	
70	Westar - Acquisition Premium		12,320,898	(12,320,898)	-		-	410,697	
71	Orcom License		33,542	-	33,542		9,583	9,583	
72	Misc Amortization		-	-	-		3,636	3,636	
73	TOTAL ACQUISITION ADJUSTMENT		<u>13,453,264</u>	<u>(12,353,816)</u>	<u>1,099,448</u>		<u>45,068</u>	<u>450,600</u>	<u>(405,532)</u>
74	COMMON PLANT	Sched. 10-2	12,453,709	1,099,663	13,553,372		1,129,700	781,857	347,843
75	TOTAL PLANT IN SERVICE	Sum L66+L73+L74	<u>\$ 318,671,069</u>	<u>\$ 52,159,535</u>	<u>\$ 369,869,499</u>		<u>\$ 11,381,734</u>	<u>\$ 10,072,937</u>	<u>\$ 1,308,797</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

COMMON PLANT DEPRECIATION & ACQUISITION ADJUSTMENT AMORTIZATION

Line #	Description	[1] Account Number	[2] Balance Allocated To Electric 6/30/2007	[3] Adjustments and/or Plant Reclassification	[4] Adjusted Plant Balance [2]+[3]	[5] Annualized Depreciation Rate	[6] Pro Forma Annualized Depreciation Expense [4]*[5]	[7] Recorded Depreciation Expense	[8] Pro Forma Adjustment [6]-[7]
<u>COMMON PLANT</u>									
1	Land and land rights	118-89	\$ 539,757	\$ -	\$ 539,757		\$ -		
2	Structures, Improvements	118-90	4,172,254	-	4,172,254	0.0234	97,631		
3	Office furniture and equipment	118-91-00	1,100,370	-	1,100,370	0.0131	14,415		
4	Computer Equipment	118-91-10	3,541,945	-	3,541,945	0.2433	861,755		
5	Transportation equipment		-	1,099,663	1,099,663	-	-		
6	Communications equipment	118-97	3,099,383	-	3,099,383	0.0503	155,899		
7	Other		-	-	-		-		
8	TOTAL COMMON PLANT	Sum L 1 to L 7	<u>\$ 12,453,709</u>	<u>\$ 1,099,663</u>	<u>\$ 13,553,372</u>		<u>\$ 1,129,700</u>	<u>\$ 781,857</u>	<u>\$ 347,843</u>

MIDWEST ENERGY, INC
ELECTRIC DEPT
TEST YEAR ENDED JUNE 30, 2007

TAXES OTHER THAN INCOME TAXES

Line #	Description	[1] Account Number	[2] Recorded Balance 12 Months Ended 6/30/2007	[3] Pro Forma Adjustments	[4] Adjusted Tax Expense 6/30/2007
1	Property Taxes	408.1	\$ 3,896,301	\$ -	\$ 3,896,301
2	Social Security	408.3	726,335		726,335
3	Federal Unemployment Insurance	408.2	10,551		10,551
4	State Unemployment Insurance	408.4	10,221		10,221
5	Other		-		-
6	Payroll Taxes Allocated	408.5	(747,107)		(747,107)
	Total	Sum L 1 to L 6	<u>\$ 3,896,301</u>	<u>\$ -</u>	<u>\$ 3,896,301</u>