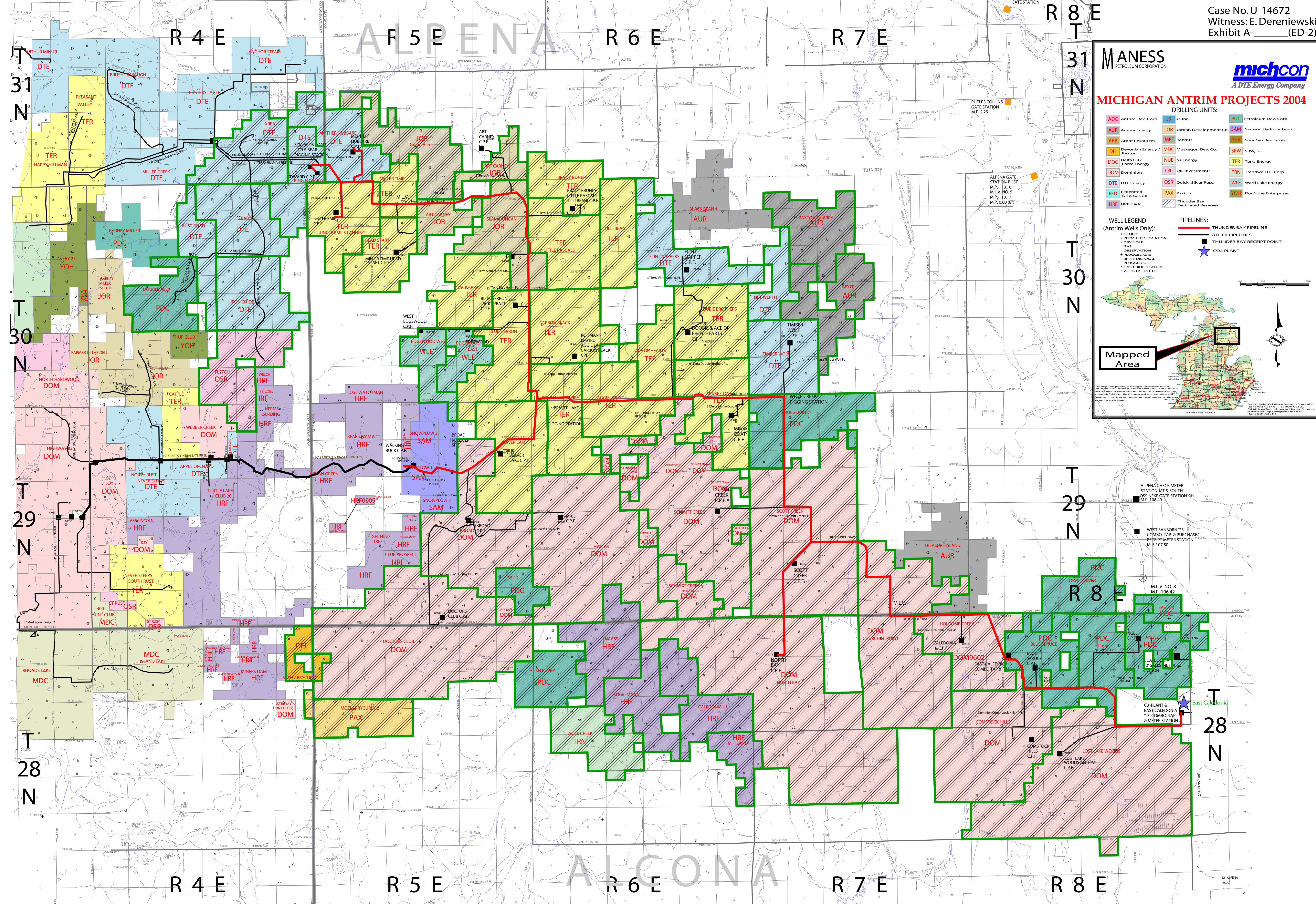


Thunder Bay List of Operators and Projects

<u>Count</u>	<u>Operator</u>	<u>Project</u>
1	Petroleum Development	35-12
2	Terra	Ace of Hearts
3	Petroleum Development	Angel
4	Terra	Aggieland
5	Jordan	ArtCarney
6	Terra	Beaver Lake
7	Samson	Beyer
8	Terra	Blue Herron
9	Petroleum Development	Blue Spruce
10	Terra	Brady Bunch
11	Dominion	Broad
12	HRF	Caledonia 11
13	Terra	Carbon Black
14	Dominion	Churchill Point
15	Dominion	Comstock Hills
16	Petroleum Development	Devils River
17	Dominion	Doctors Club
18	Petroleum Development	Double Alex
19	Terra	Dubie Brothers
20	Petroleum Development	East 23
21	Ward Lake	Edgewood Club East
22	Ward Lake	Edgewood Club West
23	Terra	Fletch @ 12.5%
24	DTE Oil & Gas	Flint Nappers
25	Jordan	GreenAcres
26	HRF	Haass
27	Terra	Head Start
28	Dominion	Highway 65
29	Dominion	Holcomb Creek
30	Petroleum Development	Hush Puppy
31	DTE Oil & Gas	Iron Oxide
32	Terra	Jack Spratt
33	DTE Oil & Gas	King Edwards
34	HRF	Kogelmann
35	Petroleum Development	Krugerrand
36	Terra	Little Rascals
37	Dominion	Lost Lake Woods
38	HRF	MH Land
39	Terra	Miller Time
40	Terra	Minke Coat
41	Paxton	MoeLarryCurly
42	Paxton	MoeLarryCurly#2
43	DTE Oil & Gas	Mother Hubbard
44	DTE Oil & Gas	Net Werth
45	Dominion	North Bay
46	Samson	Paxton Quarry
47	Dominion	Private Schmitt Creek
48	Terra	Rohmann Empire
49	DTE Oil & Gas	Rust Road
50	Dominion	Scott Creek
51	Jordan	Slam Duncan
52	Dominion	State Schmitt Creek
53	Terra	Tilli Bean
54	DTE Oil & Gas	Timber Wolf
55	Petroleum Development	Timm
56	Terra	Uncle Emils Landing
57	Trendwell	WolfCreek
58	DTE Oil & Gas	Xrea
59	DTE Oil & Gas	Zbart
60	Additions	Green Bean, Black Bean, Treasure Island, etc.

MPSC Case No.: U-14672
Witness: E. Dereniewski
Exhibit No.: TB-2 (ED-2)
Page No.: 1 of 2

MAP FOLLOWS AS PAGE 2 OF 2



MANESS
PETROLEUM CORPORATION

michcon
A DTE Energy Company

MICHIGAN ANTRIM PROJECTS 2004

DRILLING UNITS:

ADC Antrim Dev. Corp.	JS JS Inc.	PDC Petroleum Dev. Corp.
AUR Aurora Energy	JOR Jordan Development Co.	SAM Samson Hydrocarbons
ARB Arbor Resources	MRT Merritt	SRW Sour Gas Resources
DET Devonian Energy / Paxton	MDC Muskegon Dev. Co.	SRW SRW, Inc.
DOC Delta Oil / Force Energy	NUE NuEnergy	TER Terra Energy
DOM Dominion	OIL OIL Investments	TRN Trendwell Oil Corp.
DTE DTE Energy	QSR Quick-Silver Resc.	WLE Ward Lake Energy
FED Federated Oil & Gas Co.	PAX Paxton	YOH DonYoh Enterprises
HRF HRF E & P		

WELL LEGEND
(Antrim Wells Only):

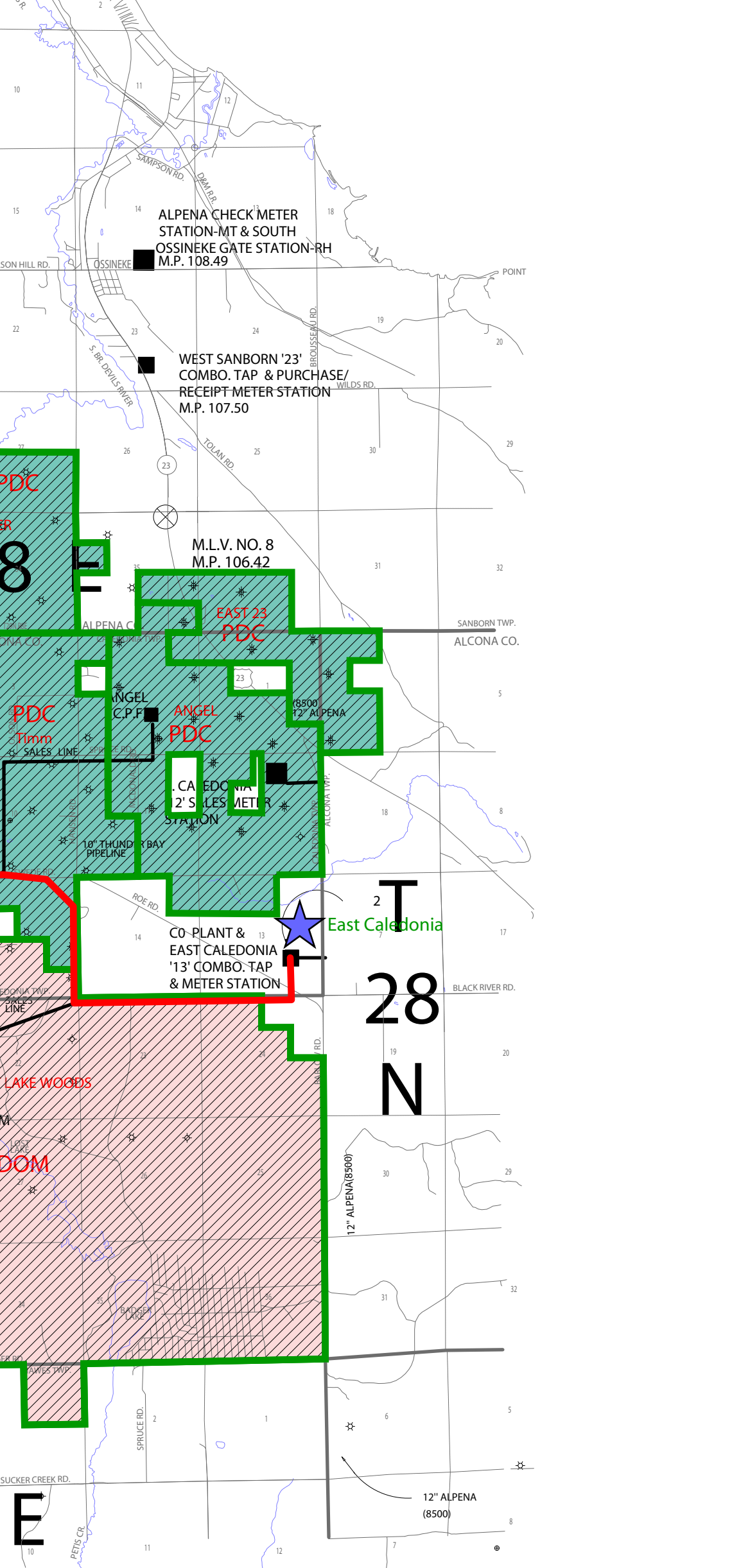
- OTHER
- PERMITTED LOCATION
- DRY HOLE
- GAS
- OBSERVATION
- PLUGGED GAS
- BRINE DISPOSAL
- PLUGGED OIL
- GAS-BRINE DISPOSAL
- AT TOTAL DEPTH

PIPELINES:

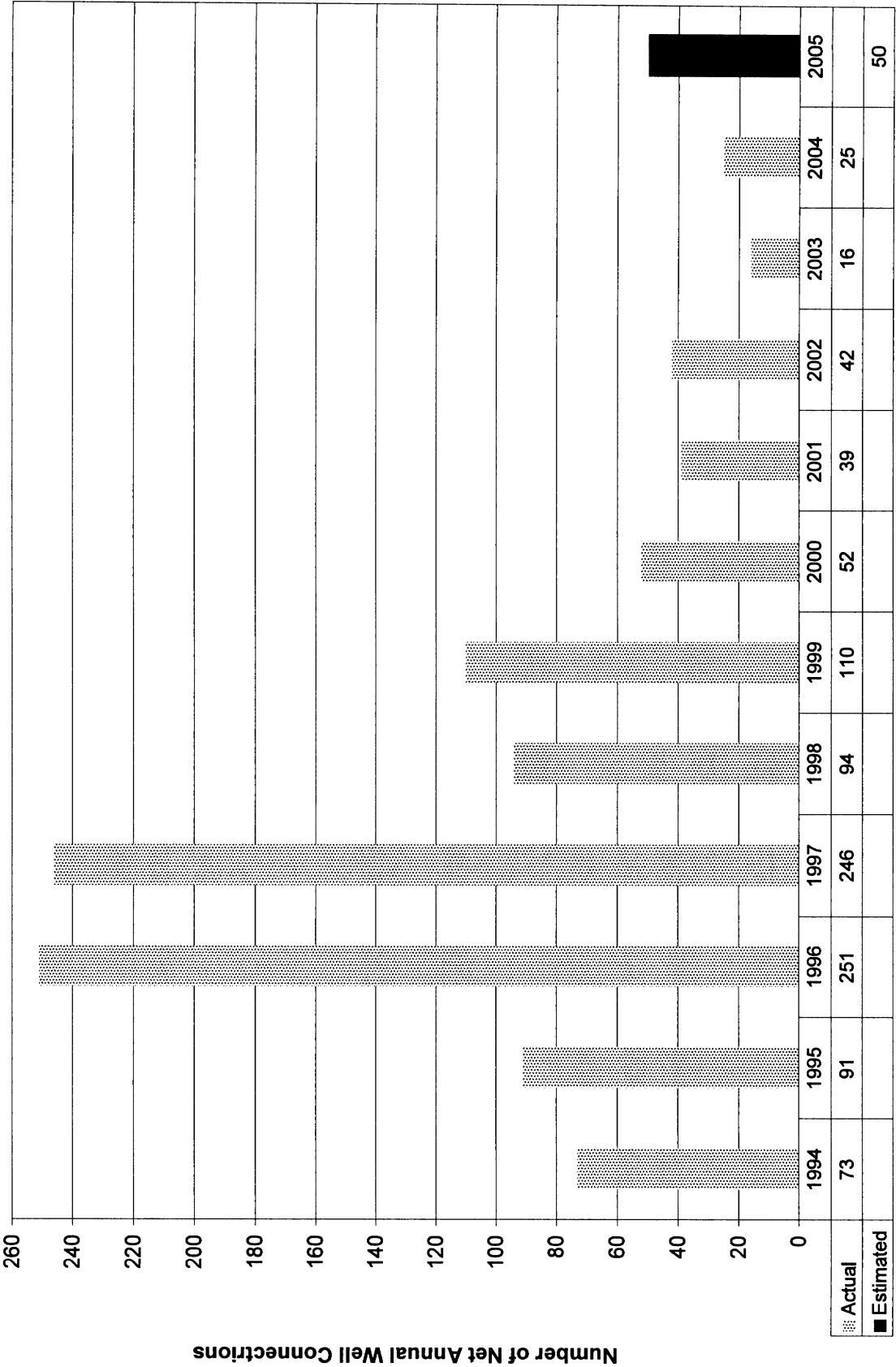
- THUNDER BAY PIPELINE
- OTHER PIPELINES
- THUNDER BAY RECEIPT POINT
- CO2 PLANT

Mapped Area

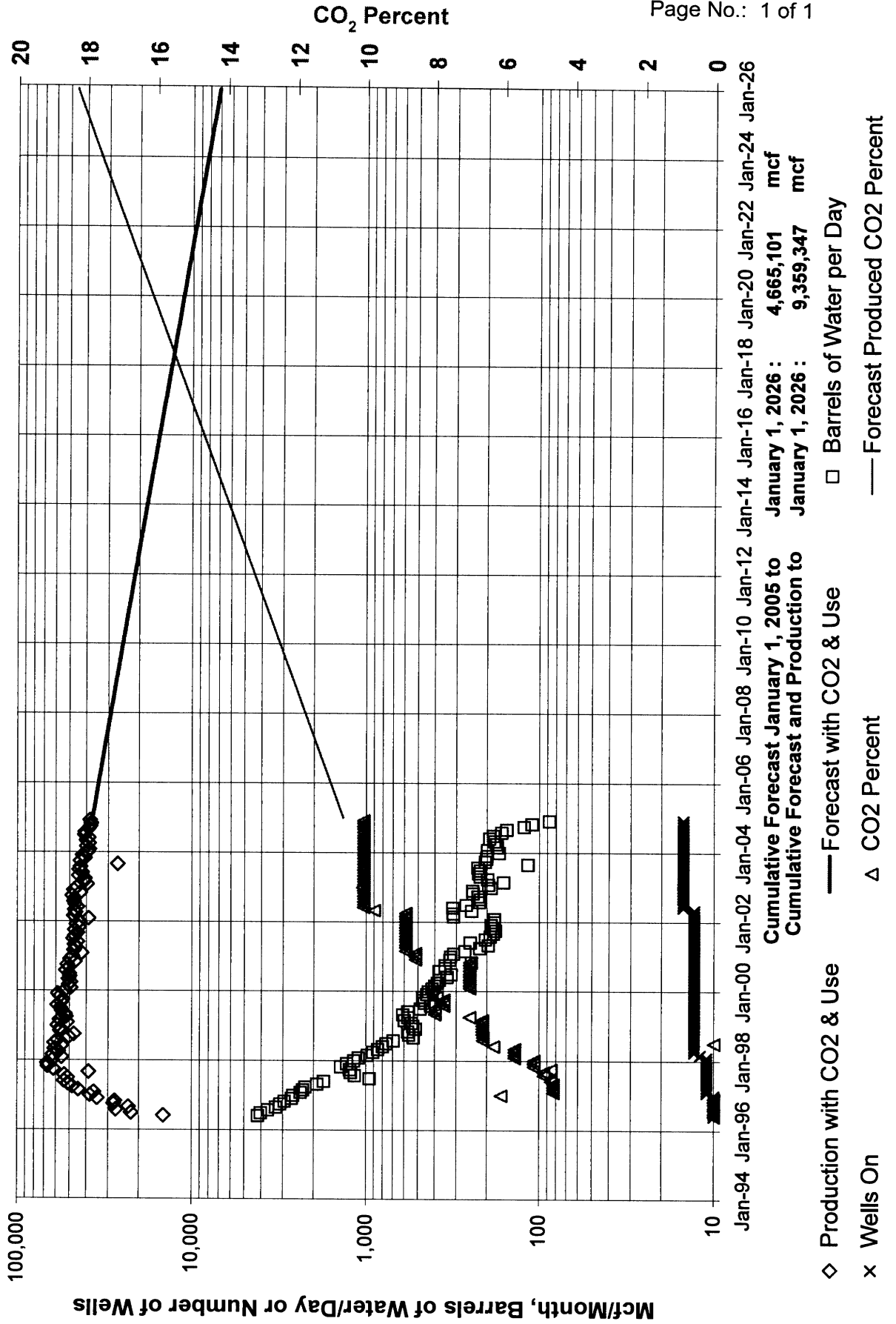
This map is the property of Michigan Consolidated Gas Co. It is not to be used for any purpose other than that for which it was prepared. The Company makes no representation as to the accuracy of the information on this map. It is the user's responsibility to verify the information on this map. The Company makes no representation as to the accuracy of the information on this map. It is the user's responsibility to verify the information on this map. The Company makes no representation as to the accuracy of the information on this map. It is the user's responsibility to verify the information on this map.



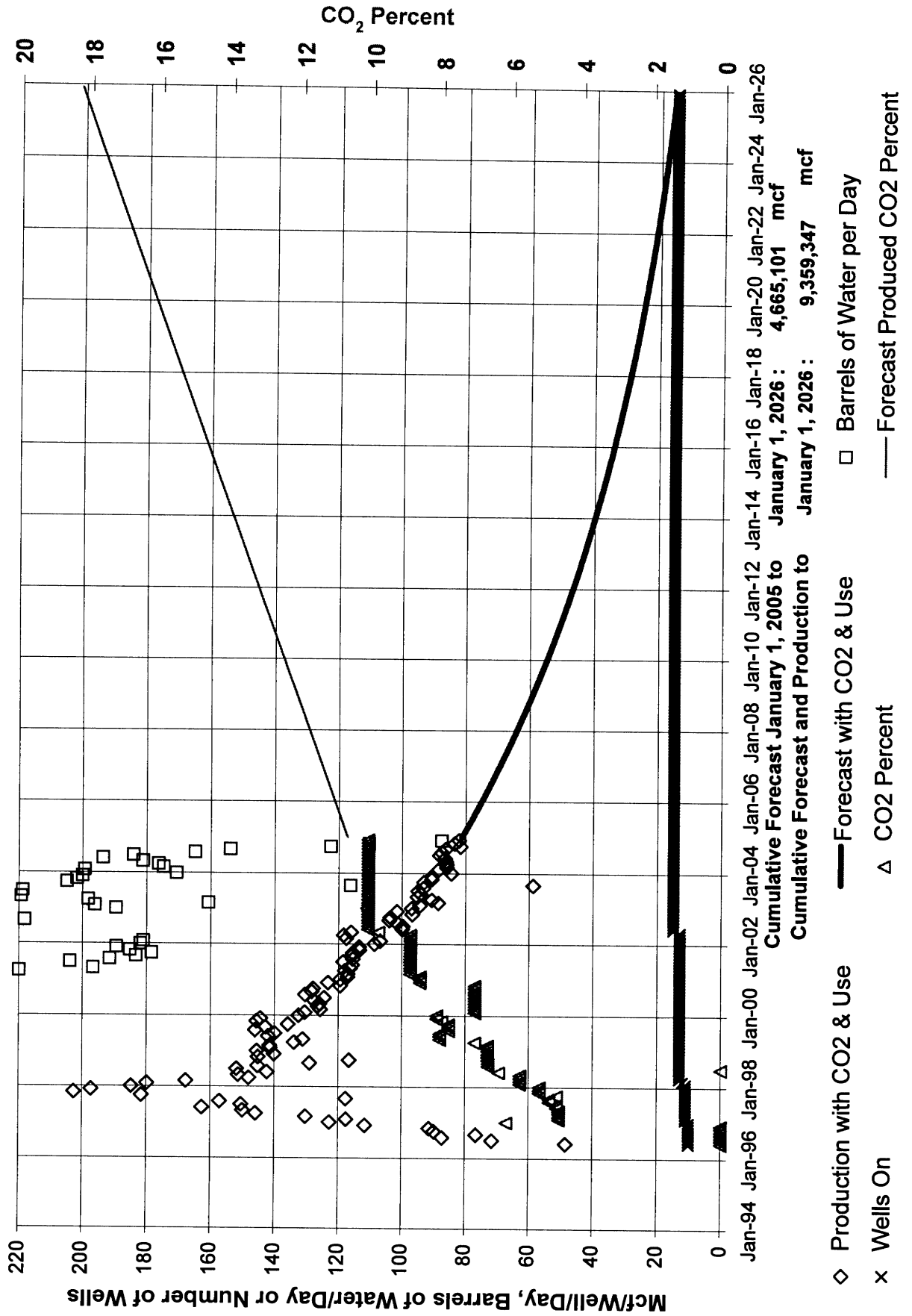
Thunder Bay Well Connections by Year



Edgewood Club West



Edgewood Club West

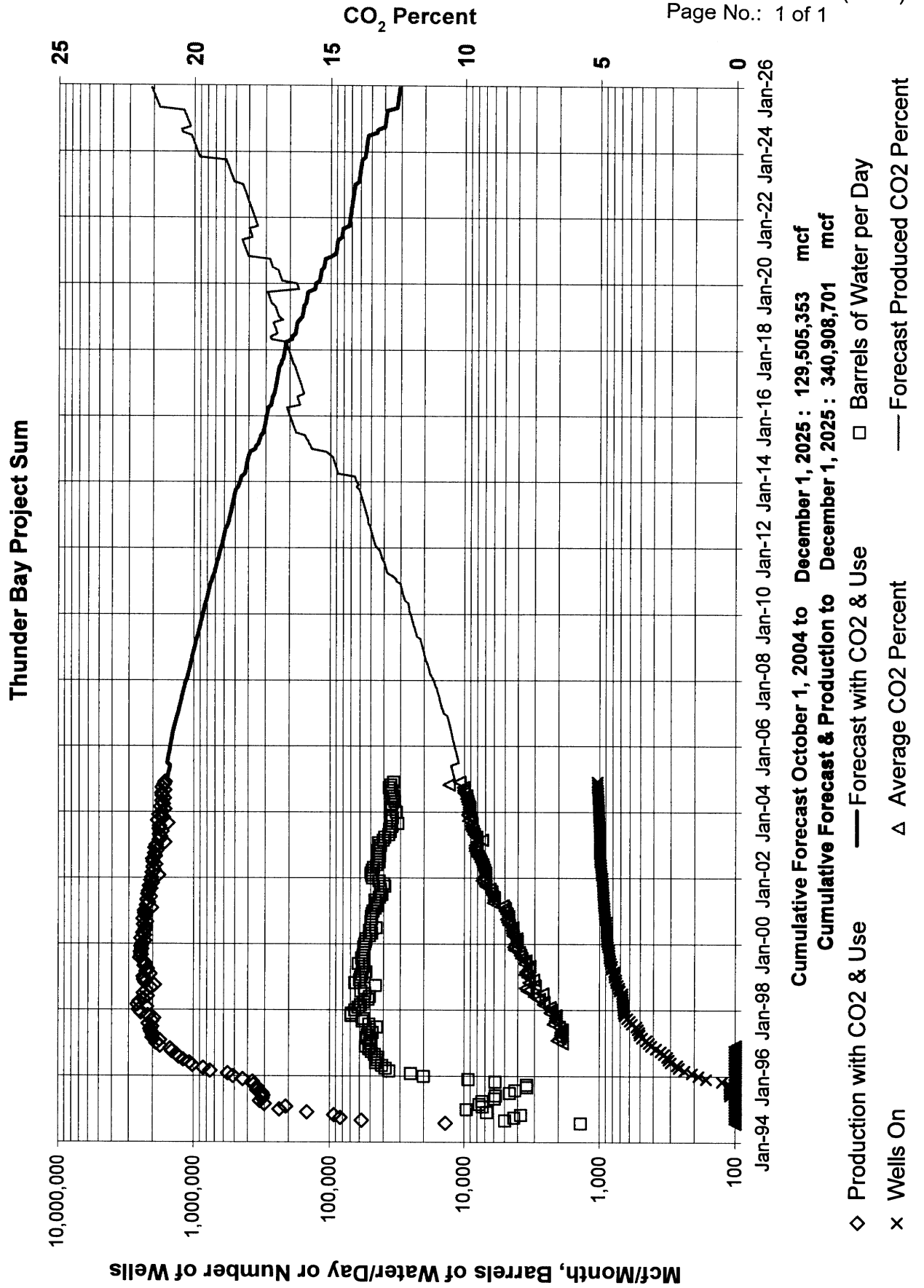


Edgewood Club West

(1) Date	(2) Wells On	(3) Mcf per Month	(4) Mcf per Day	(5) MCFDPD Well	(6) Barrels of Water per Month	(7) Barrels of Water per Day	(8) BWPDW ell	(9) CO ₂ Percent	(10) Wells/100	(11) Acres	(12) Acres/Well
January 1, 2026 :		4,318,615						2003 Average 1.55			
Jul-94											
Aug-94											
Sep-94											
Oct-94											
Nov-94											
Dec-94											
Jan-95											
Feb-95											
Mar-95											
Apr-95											
May-95											
Jun-95											
Jul-95											
Aug-95											
Sep-95											
Oct-95											
Nov-95											
Dec-95											
Jan-96											
Feb-96											
Mar-96											
Apr-96											
May-96											
Jun-96	10	14,349	478	48	125,397	4,180	418	0.00	0.10	1,040	104
Jul-96	10	21,908	707	71	124,685	4,022	402	0.00	0.10	1,040	104
Aug-96	10	26,739	863	86	114,074	3,680	368	0.00	0.10	1,040	104
Sep-96	10	22,685	756	76	98,968	3,299	330	0.00	0.10	1,040	104
Oct-96	10	27,524	888	89	96,552	3,115	311	0.00	0.10	1,040	104
Nov-96	10	27,098	903	90	88,495	2,950	295	0.00	0.10	1,040	104
Dec-96	10	34,216	1,104	110	83,044	2,679	268	0.00	0.10	1,040	104
Jan-97	10	35,433	1,143	114	81,543	2,630	263	6.10	0.10	1,040	104
Feb-97	11	34,189	1,221	111	66,773	2,385	217	4.60	0.11	1,040	95
Mar-97	11	41,951	1,353	123	71,587	2,309	210	4.60	0.11	1,040	95
Apr-97	11	45,485	1,516	138	67,137	2,238	203	4.60	0.11	1,040	95
May-97	11	48,317	1,559	142	59,331	1,914	174	4.60	0.11	1,040	95
Jun-97	11	50,682	1,689	154	52,524	1,751	159	4.66	0.11	1,040	95
Jul-97	11	48,429	1,562	142	29,536	953	87	4.66	0.11	1,040	95
Aug-97	11	50,480	1,628	148	35,998	1,161	106	4.87	0.11	1,040	95
Sep-97	11	36,582	1,219	111	36,745	1,225	111	4.87	0.11	1,040	95
Oct-97	11	58,434	1,885	171	38,495	1,242	113	4.66	0.11	1,040	95
Nov-97	11	62,818	2,094	190	41,851	1,395	127	5.15	0.11	1,040	95
Dec-97	11	63,201	2,039	185	39,925	1,288	117	5.15	0.11	1,040	95
Jan-98	11	59,173	1,909	174	36,331	1,172	107	5.15	0.11	1,040	95
Feb-98	11	51,772	1,849	168	30,934	1,105	100	5.71	0.11	1,040	95
Mar-98	12	58,290	1,880	157	30,342	979	82	5.71	0.12	1,040	87
Apr-98	13	53,958	1,799	138	27,225	908	70	5.71	0.13	1,040	80
May-98	13	57,003	1,839	141	26,397	852	66	5.71	0.13	1,040	80
Jun-98	13	51,597	1,720	132	24,039	801	62	6.31	0.13	1,040	80
Jul-98	13	60,512	1,952	150	23,651	763	59	0.00	0.13	1,040	80
Aug-98	13	54,228	1,749	135	21,566	696	54	6.62	0.13	1,040	80
Sep-98	13	46,614	1,554	120	15,912	530	41	6.62	0.13	1,040	80
Oct-98	13	43,532	1,404	108	17,467	563	43	6.63	0.13	1,040	80
Nov-98	13	52,445	1,748	134	17,214	574	44	6.63	0.13	1,040	80
Dec-98	13	52,348	1,689	130	16,025	517	40	6.63	0.13	1,040	80
Jan-99	13	54,346	1,753	135	16,571	535	41	6.63	0.13	1,040	80
Feb-99	13	47,702	1,704	131	15,257	545	42	6.63	0.13	1,040	80
Mar-99	13	52,853	1,705	131	18,583	599	46	6.63	0.13	1,040	80
Apr-99	13	48,215	1,607	124	17,202	573	44	7.00	0.13	1,040	80
May-99	13	48,370	1,560	120	18,998	613	47	8.00	0.13	1,040	80
Jun-99	13	50,641	1,688	130	17,209	574	44	8.00	0.13	1,040	80
Jul-99	13	51,583	1,664	128	15,019	484	37	8.00	0.13	1,040	80
Aug-99	13	53,947	1,740	134	13,070	422	32	7.75	0.13	1,040	80
Sep-99	13	51,078	1,703	131	13,789	460	35	7.75	0.13	1,040	80
Oct-99	13	50,186	1,619	125	14,583	470	36	7.75	0.13	1,040	80
Nov-99	13	51,970	1,732	133	14,090	470	36	7.95	0.13	1,040	80
Dec-99	13	53,201	1,716	132	13,786	445	34	8.09	0.13	1,040	80
Jan-00	13	48,780	1,574	121	13,496	435	33	8.09	0.13	1,040	80
Feb-00	13	45,425	1,566	120	11,996	414	32	7.00	0.13	1,040	80
Mar-00	13	46,760	1,508	116	12,405	400	31	7.00	0.13	1,040	80

Edgewood Club West

(1) Date	(2) Wells On	(3) Mcf per Month	(4) Mcf per Day	(5) MCFDPD Well	(6) Barrels of Water per Month	(7) Barrels of Water per Day	(8) BWPDPW ell	(9) CO ₂ Percent	(10) Wells/100	(11) Acres	(12) Acres/Well
January 1, 2026 :		4,318,615						2003 Average 1.55			
Apr-00	13	45,536	1,518	117	11,571	386	30	7.00	0.13	1,040	80
May-00	13	46,862	1,512	116	11,664	376	29	7.00	0.13	1,040	80
Jun-00	13	45,977	1,533	118	10,195	340	26	7.00	0.13	1,040	80
Jul-00	13	46,320	1,494	115	9,974	322	25	7.00	0.13	1,040	80
Aug-00	13	48,532	1,566	120	11,707	378	29	7.00	0.13	1,040	80
Sep-00	13	46,222	1,541	119	10,450	348	27	7.00	0.13	1,040	80
Oct-00	13	47,593	1,535	118	10,801	348	27	7.00	0.13	1,040	80
Nov-00	13	43,022	1,434	110	7,354	245	19	7.00	0.13	1,040	80
Dec-00	13	45,206	1,458	112	10,116	326	25	8.57	0.13	1,040	80
Jan-01	13	43,797	1,413	109	10,065	325	25	8.57	0.13	1,040	80
Feb-01	13	38,778	1,385	107	8,739	312	24	8.57	0.13	1,040	80
Mar-01	13	42,793	1,380	106	8,317	268	21	8.85	0.13	1,040	80
Apr-01	13	41,745	1,392	107	6,601	220	17	8.85	0.13	1,040	80
May-01	13	42,527	1,372	106	6,099	197	15	8.85	0.13	1,040	80
Jun-01	13	40,939	1,365	105	7,506	250	19	8.85	0.13	1,040	80
Jul-01	13	43,357	1,399	108	6,322	204	16	8.85	0.13	1,040	80
Aug-01	13	42,227	1,362	105	5,937	192	15	8.85	0.13	1,040	80
Sep-01	13	41,027	1,368	105	5,499	183	14	8.85	0.13	1,040	80
Oct-01	13	42,255	1,363	105	5,533	178	14	8.85	0.13	1,040	80
Nov-01	13	40,134	1,338	103	5,556	185	14	8.85	0.13	1,040	80
Dec-01	13	41,510	1,339	103	5,872	189	15	8.85	0.13	1,040	80
Jan-02	13	39,734	1,282	99	5,641	182	14	8.85	0.13	1,040	80
Feb-02	13	35,307	1,261	97	5,069	181	14	8.85	0.13	1,040	80
Mar-02	13	42,997	1,387	107	9,692	313	24	8.85	0.13	1,040	80
Apr-02	13	41,896	1,397	107	9,422	314	24	8.85	0.13	1,040	80
May-02	13	42,072	1,357	104	7,609	245	19	9.77	0.13	1,040	80
Jun-02	15	40,346	1,345	90	9,467	316	21	10.07	0.15	1,040	69
Jul-02	15	41,632	1,343	90	8,161	263	18	10.07	0.15	1,040	69
Aug-02	15	42,337	1,366	91	6,847	221	15	10.07	0.15	1,040	69
Sep-02	15	42,029	1,401	93	6,549	218	15	10.07	0.15	1,040	69
Oct-02	15	43,270	1,396	93	6,990	225	15	10.07	0.15	1,040	69
Nov-02	15	39,057	1,302	87	7,225	241	16	10.07	0.15	1,040	69
Dec-02	15	42,425	1,369	91	7,516	242	16	10.07	0.15	1,040	69
Jan-03	15	40,437	1,304	87	5,875	190	13	10.10	0.15	1,040	69
Feb-03	15	35,585	1,271	85	5,493	196	13	10.07	0.15	1,040	69
Mar-03	15	36,970	1,193	80	4,983	161	11	10.07	0.15	1,040	69
Apr-03	15	36,606	1,220	81	5,949	198	13	10.07	0.15	1,040	69
May-03	15	39,712	1,281	85	6,799	219	15	10.07	0.15	1,040	69
Jun-03	15	37,996	1,267	84	6,702	223	15	10.07	0.15	1,040	69
Jul-03	15	39,619	1,278	85	6,785	219	15	10.07	0.15	1,040	69
Aug-03	15	38,880	1,254	84	7,011	226	15	10.07	0.15	1,040	69
Sep-03	15	23,730	791	53	3,488	116	8	10.07	0.15	1,040	69
Oct-03	15	38,829	1,253	84	6,353	205	14	10.07	0.15	1,040	69
Nov-03	15	36,614	1,220	81	6,052	202	13	10.07	0.15	1,040	69
Dec-03	15	37,779	1,219	81	6,202	200	13	10.07	0.15	1,040	69
Jan-04	15	35,259	1,137	76	5,292	171	11	10.07	0.15	1,040	69
Feb-04	15	34,599	1,193	80	5,782	199	13	10.07	0.15	1,040	69
Mar-04	15	35,832	1,156	77	5,418	175	12	10.07	0.15	1,040	69
Apr-04	15	34,711	1,157	77	5,288	176	12	10.07	0.15	1,040	69
May-04	15	35,925	1,159	77	5,616	181	12	10.07	0.15	1,040	69
Jun-04	15	34,914	1,164	78	5,808	194	13	10.07	0.15	1,040	69
Jul-04	15	36,773	1,186	79	5,709	184	12	10.07	0.15	1,040	69
Aug-04	15	36,500	1,177	78	5,113	165	11	10.07	0.15	1,040	69
Sep-04	15	34,835	1,161	77	4,620	154	10	10.07	0.15	1,040	69
Oct-04	15	34,034	1,098	73	3,800	123	8	10.07	0.15	1,040	69
Nov-04	15	33,722	1,124	75	3,314	110	7	10.07	0.15	1,040	69
Dec-04	15	34,222	1,104	74	2,715	88	6	10.07	0.15	1,040	69



Thunder Bay Reserve And Production Summary (Volumes in MMcf)

(1) Year	(2) MichCon Study	(3) TIPS	(4) Percent	(5) Modifier	(6) Transported @ 14,650 psia	(8) Comments
1996	13,248		86%		15,405	
1997	24,570		86%		28,570	
1998	27,546	31,792	86.6%	2-year average of 86%	31,792	
1999	28,042	32,674	85.8%		32,674	
2000	27,799	28,887	96.2%		28,887	
2001	25,584	26,723	95.7%		26,723	
2002	23,393	24,833	94.2%		24,833	
2003	21,043	22,921	91.8%		22,921	
2004	20,177	21,333	94.6%		21,333	
2005 (Est)	18,395		93.2%	2-year average of 93.2%	19,737	
		189,163			252,875	Production Through 2005
2006	229,798		93.2%		18,197	
2007	16,960		93.2%		15,875	
2008	14,795		93.2%		13,715	
2009	12,783		93.2%		11,963	
2010	11,150		93.2%		10,451	
2011	9,740		93.2%		8,910	
2012	8,304		93.2%		7,641	
2013	7,121		93.2%		6,609	
2014	6,160		93.2%		5,430	
2015	5,061		93.2%		4,160	
2016	3,877		93.2%		3,519	
2017	3,279		93.2%		3,051	
2018	2,843		93.2%		2,482	
2019	2,314		93.2%		1,945	
2020	1,812		93.2%		1,459	
2021	1,360		93.2%		1,070	
2022	997		93.2%		894	
2023	833		93.2%		776	
2024	724		93.2%		632	
2025	589		93.2%		439	
	409					
	111,111				119,217	Forecast Through 2025
	340,909				372,092	Reserves

Alpena County Dry Antrim Holes

Count	API Well #	Permit #	Current Permittee	Well Name & #	Well Type	Well Status	Date Status	TD
1	21-007-49005-00-00	49005	DOMINION MIDWEST ENERGY INC	STATE OSSINEKE B3-23	Dry Hole	Well Completed	12/3/1994	728
2	21-007-49229-00-00	49229	TERRA ENERGY LTD	SCHALKOFSKI 8-21	Dry Hole	Plugging Approved	3/17/1998	505
3	21-007-49469-00-00	49469	TERRA ENERGY LTD	FLETCHER 5-2	Dry Hole	Plugging Approved	10/7/1999	464
4	21-007-49593-00-00	49593	SAMSON HYDROCARBONS CO	BROAD A1-10	Dry Hole	Plugging Approved	11/14/2003	700
5	21-007-49597-00-00	49597	SAMSON HYDROCARBONS CO	BROAD A4-10	Dry Hole	Plugging Approved	11/14/2003	111
6	21-007-49743-00-00	49743	WOLVERINE ENVIRONMENTAL PRODUCTION INC	HISKE D3-28	Dry Hole	Plugging Approved	7/25/1997	750
7	21-007-50233-00-00	50233	H R F EXPLORATION AND PRODUCTION INC	UPPER MULVANEY B3-16	Dry Hole	Plugging Approved	8/26/1997	750
8	21-007-50256-00-00	50256	H R F EXPLORATION AND PRODUCTION INC	UPPER MULVANEY D4-4	Dry Hole	Plugging Approved	5/7/1998	679
9	21-007-50338-00-00	50338	DOMINION MIDWEST ENERGY INC	STATE OSSINEKE B4-24	Dry Hole	Well Completed	10/26/1995	690
10	21-007-50951-00-00	50951	TERRA ENERGY LTD	BUCHINGER 3-25	Dry Hole	Plugging Approved	3/17/1998	509
11	21-007-50952-00-00	50952	TERRA ENERGY LTD	VANSIPE 18-24	Dry Hole	Plugging Approved	1/8/1997	406
12	21-007-51227-00-00	51227	D T E GAS AND OIL CO	ZBYTOWSKI 12-2	Dry Hole	Plugging Completed	5/27/2003	271
13	21-007-51270-00-00	51270	TERRA ENERGY LTD	STATE GREEN 2-28	Dry Hole	Plugging Approved	1/2/2003	368
14	21-007-51300-00-00	51300	TERRA ENERGY LTD	HISKE 15-27	Dry Hole	Plugging Approved	9/30/2003	1002
15	21-007-51408-00-00	51408	D T E GAS AND OIL CO	COLLINS 15-11	Dry Hole	Plugging Approved	12/29/2003	391
16	21-007-51691-00-00	51691	DOMINION MIDWEST ENERGY INC	BROAD A2-22HDS	Dry Hole	Plugging Approved	5/16/2001	900
17	21-007-52840-00-00	52640	JET EXPLORATION 1995-1 LLC	KUJAWA A1-15	Dry Hole	Plugging Approved	9/9/1998	308
18	21-007-52876-00-00	52676	JET EXPLORATION 1995-1 LLC	WERTH B2-16	Dry Hole	Plugging Approved	9/17/1999	830
19	21-007-52880-00-00	52680	JET EXPLORATION 1995-1 LLC	TIMM A4-33	Dry Hole	Plugging Approved	8/10/1999	380
20	21-007-53388-00-00	53388	H R F EXPLORATION AND PRODUCTION INC	TLC A1-18	Dry Hole	Plugging Approved	3/11/2003	603
21	21-007-53623-00-00	53623	DOMINION MIDWEST ENERGY INC	BADDER ET AL B3-33	Dry Hole	Well Completed	11/5/1999	380
22	21-007-54305-00-00	54305	AURORA ENERGY LTD	BEYER D2-21	Dry Hole	Plugging Approved	12/10/2002	248
23	21-007-54648-00-00	54648	DOMINION MIDWEST ENERGY INC	WOLF CREEK LAND CO B2-28	Dry Hole	Well Completed	3/22/2004	955
24	21-007-55292-00-00	55292	AURORA ENERGY LTD	STATE OSSINEKE & KIELISZEWSKI D3-24	Dry Hole	Plugging Approved	8/2/2004	605
25	21-007-55438-00-00	55438	AURORA ENERGY LTD	SCHUELKE A2-12	Dry Hole	Plugging Completed	9/23/2003	260
26	21-007-55514-00-00	55514	AURORA ENERGY LTD	LEE A1-31	Dry Hole	Plugging Approved	9/9/2003	561
27	21-007-55802-00-00	55802	SAMSON RESOURCES CO	RABEAU B3-11	Dry Hole	Plugging Completed	12/15/2004	435
28	21-007-56501-00-00	56501	SAMSON RESOURCES CO	KOWALSKI D2-35	Dry Hole	Well Completed	5/23/2005	416

Angel Project Production

Fuel Percent 2.72

Date	Wells On	Mcf per Month	Mcf per Day	MCFDPD Well	Barrels of Water per Month	CO ₂ Percent	Acres	Daily Pre-treatment Volume - mcf	Monthly Pre-treatment Volume - mcf
2003 Average CO ₂ 1.55									
Jan-97									
Feb-97									
Mar-97									
Apr-97									
May-97									
Jun-97									
Jul-97									
Dec-97	12	0	0	0	69,848		1,860	0.00	0
Jan-98	12	0	0	0	188,271		1,860	0.00	-
Feb-98	12	0	0	0	195,629		1,860	0.00	-
Mar-98	8	0	0	0	164,492		1,860	0.00	-
Apr-98	9	0	0	0	170,198		1,860	0.00	-
May-98	12	0	0	0	234,276		1,860	0.00	-
Jun-98	13	0	0	0	254,041		1,860	0.00	-
Jul-98	13	0	0	0	268,802		1,860	0.00	-
Aug-98	13	0	0	0	205,506		1,860	0.00	-
Sep-98	13	3,281	109	8	175,947	7.06	1,860	7.06	3,556
Oct-98	13	3,273	106	8	162,740	6.54	1,860	6.54	3,530
Nov-98	13	3,680	123	9	145,435	6.54	1,860	6.54	3,969
Dec-98	13	3,680	119	9	130,396	6.54	1,860	6.54	3,969
Jan-99	13	3,322	107	8	118,262	6.54	1,860	6.54	3,583
Feb-99	13	2,797	100	8	120,746	6.54	1,860	6.54	3,016
Mar-99	13	4,043	130	10	120,384	6.54	1,860	6.54	4,360
Apr-99	13	4,584	153	12	73,268	6.54	1,860	6.54	4,944
May-99	13	6,529	211	16	95,032	6.54	1,860	6.54	7,041
Jun-99	13	5,809	194	15	83,907	6.54	1,860	6.54	6,265
Jul-99	13	6,895	222	17	90,134	6.54	1,860	6.54	7,436
Aug-99	13	6,947	224	17	91,206	6.54	1,860	6.54	7,492
Sep-99	13	6,768	226	17	91,135	6.54	1,860	6.54	7,299
Oct-99	13	5,177	167	13	73,317	6.54	1,860	6.54	5,583
Nov-99	13	4,583	153	12	59,840	6.54	1,860	6.54	4,943
Dec-99	13	3,308	107	8	70,866	6.54	1,860	6.54	3,568
Jan-00	13	3,154	102	8	49,171	6.54	1,860	6.54	3,401
Feb-00	13	2,986	103	8	47,315	6.54	1,860	6.54	3,220
Mar-00	13	3,963	128	10	49,867	6.54	1,860	6.54	4,274
Apr-00	13	4,571	152	12	47,026	6.54	1,860	6.54	4,930
May-00	13	3,439	111	9	35,329	6.54	1,860	6.54	3,709
Jun-00	0	0	0		0		1,860	0.00	-
Jul-00	0	0	0		0		1,860	0.00	-
Aug-00	0	0	0		0		1,860	0.00	-
Sep-00	0	0	0		0		1,860	0.00	-
Oct-00	0	0	0		0		920	0.00	-
Nov-00	0	0	0		0		920	0.00	-
Dec-00	0	0	0		0		920	0.00	-
Jan-01									

Total Pre-treatment	100,086	mcf
1999 Factor	85.8%	
TIPS Equivalent	116,651	mcf
Acres	1,860	acres
Volume / 40 acres	2.5	mmcf

East 23 Project Production

Fuel Percent 2.72

Date	Wells On	Mcf per Month	Mcf per Day	MCFDPD Well	Barrels of Water per Month	CO ₂ Percent	Acres	Daily Pre-treatment Volume - mcf	Monthly Pre-treatment Volume - mcf
2003 Average CO2 1.55									
Jan-97									
Feb-97									
Mar-97									
Apr-97									
May-97									
Jun-97									
Jul-97									
Aug-97									
Sep-97									
Oct-97									
Nov-97									
Dec-97									
Jan-98									
Feb-98									
Mar-98									
Apr-98									
May-98									
Jun-98									
Jul-98									
Aug-98	6	0	0	0	37,538		920	0.00	0
Sep-98	6	0	0	0	86,836		920	0.00	0
Oct-98	6	2,450	79	13	74,405	2.26	920	2.26	14
Nov-98	6	3,084	103	17	96,357	2.26	920	2.26	18
Dec-98	6	3,107	100	17	95,719	2.26	920	2.26	17
Jan-99	6	2,770	89	15	70,997	2.26	920	2.26	15
Feb-99	6	4,274	153	25	51,030	2.26	920	2.26	26
Mar-99	6	3,049	98	16	37,870	2.26	920	2.26	17
Apr-99	6	2,098	70	12	61,499	2.26	920	2.26	12
May-99	6	1,813	58	10	79,675	2.26	920	2.26	10
Jun-99	6	1,225	41	7	73,655	2.26	920	2.26	7
Jul-99	6	0	0	0	21,912		920	0.00	0
Aug-99	6	0	0	0	21,361		920	0.00	0
Sep-99	6	0	0	0	19,871		920	0.00	0
Oct-99	0	0	0		0		920	0.00	0
Nov-99	0	0	0		0		920	0.00	0
Dec-99	0	0	0		0		920	0.00	0
Jan-00	0	0	0		0		920	0.00	0
Feb-00	0	0	0		0		920	0.00	0
Mar-00	0	0	0		0		920	0.00	0
Apr-00	0	0	0		0		920	0.00	0
May-00	0	0	0		0		920	0.00	0
Jun-00	0	0	0		0		920	0.00	0
Jul-00	0	0	0		0		920	0.00	0
Aug-00	0	0	0		0		920	0.00	0
Sep-00	0	0	0		0		920	0.00	0

Total Pre-treatment	24,693	mcf
1999 Factor	85.8%	
TIPS Equivalent	28,780	mcf
Acres	920	acres
Volume / 40 acres	1.3	mmcf

October 25, 2005

MPSC Case No.: U-14672
 Witness: M. C. Cieslak
 Exhibit No.: TB-12 (MCC-1)
 Page No.: 1 of 1

Thunder Bay Gathering Company
Booked Gross Plant Levels
 (\$000)

<u>Line No.</u>		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)
Beginning of the Year - Gross Plant										
1	Pipeline	\$ -	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,446	\$ 13,446
2	Non-Pipeline	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ 106
3	Beginning of the Year - Gross Plant	\$ -	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,552	\$ 13,552
Net Additions										
4	Pipeline	\$ -	\$ 248	\$ 37	\$ 438	\$ 34	\$ -	\$ -	\$ -	\$ -
5	Non-Pipeline	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ -	\$ -
6	Net Additions	\$ -	\$ 248	\$ 37	\$ 438	\$ 34	\$ -	\$ 106	\$ -	\$ -
End of the Year - Gross Plant										
7	Pipeline	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,446	\$ 13,446	\$ 13,446
8	Non-Pipeline	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ 106	\$ 106
9	End of the Year - Gross Plant	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,552	\$ 13,552	\$ 13,552

October 25, 2005

Case No.: U-14672
 Witness: M. C. Cieslak
 Exhibit No.: TB-13 (MCC-2)
 Page No.: 1 of 2

Thunder Bay Gathering Company
Booked and Restated Depreciation Expense
Booked
(\$000)

<u>Line No.</u>		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)
Based on Booked Depreciation Expense										
Beginning of the Year - Net Plant										
1	Gross Plant	\$ -	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,552	\$ 13,552
2	Less: Accumulated Depreciation	\$ -	\$ -	\$ 678	\$ 1,199	\$ 2,021	\$ 3,159	\$ 4,116	\$ 4,954	\$ 5,645
3	Less: Accumulated Asset Retirement Obligation (ARO)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ 178
4	Less: Accumulated Deferred Federal Income Tax (DFIT)	\$ -	\$ -	\$ 148	\$ 302	\$ 291	\$ 139	\$ 145	\$ 48	\$ (40)
5	Beginning of the Year - Net Plant	\$ -	\$ 12,689	\$ 12,111	\$ 11,473	\$ 11,100	\$ 10,148	\$ 9,185	\$ 8,383	\$ 7,769
Change to Accumulated Book Depreciation										
6	Depreciation Expense - Pipeline	\$ -	\$ 678	\$ 521	\$ 822	\$ 1,138	\$ 957	\$ 804	\$ 686	\$ 257
7	Depreciation Expense - Asset Retirement Cost (ARC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	\$ 5	\$ 5
8	Increase to Accumulated Depreciation	\$ -	\$ 678	\$ 521	\$ 822	\$ 1,138	\$ 957	\$ 838	\$ 691	\$ 262
9	Change to Asset Retirement Obligation (ARO)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ 11	\$ 12
Change to Accumulated Deferred Federal Income Tax (tax/book differences)										
10	Depreciation (1)	\$ -	\$ 209	\$ 97	\$ (20)	\$ (141)	\$ (95)	\$ (70)	\$ (34)	\$ 115
11	Other	\$ -	\$ (61)	\$ 57	\$ 9	\$ (12)	\$ 102	\$ (27)	\$ (54)	\$ -
12	Decrease to Accumulated DFIT	\$ -	\$ 148	\$ 154	\$ (11)	\$ (153)	\$ 7	\$ (97)	\$ (88)	\$ 115
End of the Year - Net Plant (adjusted for DFIT)										
13	Gross Plant	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,552	\$ 13,552	\$ 13,552
14	Less: Accumulated Depreciation	\$ -	\$ 678	\$ 1,199	\$ 2,021	\$ 3,159	\$ 4,116	\$ 4,954	\$ 5,645	\$ 5,907
15	Less: Accumulated Asset Retirement Obligation (ARO)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ 178	\$ 190
16	Less: Accumulated Deferred Federal Income Tax	\$ -	\$ 148	\$ 302	\$ 291	\$ 139	\$ 145	\$ 48	\$ (40)	\$ 75
17	End of the Year - Net Plant	\$ 12,689	\$ 12,111	\$ 11,473	\$ 11,100	\$ 10,148	\$ 9,185	\$ 8,383	\$ 7,769	\$ 7,380
18	Transportation Volumes per Exhibit TB-8 (ED-8) - MMcf	28,570	31,792	32,674	28,887	26,723	24,833	22,921	21,333	19,737

(1) Calculation of DFIT related to book / tax depreciation:

19	Book Depreciation	\$ 678	\$ 521	\$ 822	\$ 1,138	\$ 957	\$ 838	\$ 691	\$ 262
20	Tax Depreciation	\$ 1,276	\$ 797	\$ 766	\$ 736	\$ 685	\$ 637	\$ 593	\$ 590
21	Book / Tax Difference	\$ 598	\$ 276	\$ (56)	\$ (402)	\$ (272)	\$ (201)	\$ (98)	\$ 328
22	FIT Rate	35%	35%	35%	35%	35%	35%	35%	35%
23	Deferred Federal Income Tax - Book / Tax Depreciation	\$ 209	\$ 97	\$ (20)	\$ (141)	\$ (95)	\$ (70)	\$ (34)	\$ 115

October 25, 2005

Case No.: U-14672
 Witness: M. C. Cieslak
 Exhibit No.: TB-13 (MCC-2)
 Page No.: 2 of 2

Thunder Bay Pipeline Company
Booked and Restated Depreciation Expense
Restated
(\$000)

Line No.	(Col. 1)	1997 (Col. 2)	1998 (Col. 3)	1999 (Col. 4)	2000 (Col. 5)	2001 (Col. 6)	2002 (Col. 7)	2003 (Col. 8)	2004 (Col. 9)	2005 (Col. 10)
Based on Restated Depreciation Expense										
Beginning of the Year - Net Plant										
1	Gross Plant	\$ -	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,552	\$ 13,552
2	Less: Accumulated Depreciation	\$ -	\$ -	\$ 413	\$ 838	\$ 1,214	\$ 1,561	\$ 1,884	\$ 2,216	\$ 2,498
3	Less: Accumulated Asset Retirement Obligation (ARO)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ 178
3	Less: Accumulated Deferred Federal Income Tax (DFIT)	\$ -	\$ -	\$ 241	\$ 428	\$ 574	\$ 698	\$ 927	\$ 1,018	\$ 1,075
4	Beginning of the Year - Net Plant	\$ -	\$ 12,689	\$ 12,283	\$ 11,708	\$ 11,625	\$ 11,187	\$ 10,636	\$ 10,151	\$ 9,801
Change to Accumulated Book Depreciation										
5	Depreciation Expense - Pipeline (1)	\$ -	\$ 413	\$ 425	\$ 376	\$ 347	\$ 323	\$ 298	\$ 277	\$ 257
6	Depreciation Expense - Asset Retirement Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	\$ 5	\$ 5
7										
8	Increase to Accumulated Depreciation	\$ -	\$ 413	\$ 425	\$ 376	\$ 347	\$ 323	\$ 332	\$ 282	\$ 262
9	Change to Asset Retirement Obligation (ARO)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ 11	\$ 12
Change to Accumulated Deferred Federal Income Tax (tax/book differences)										
10	Depreciation (2)	\$ -	\$ 302	\$ 130	\$ 137	\$ 136	\$ 127	\$ 129	\$ 110	\$ 117
11	Other	\$ -	\$ (61)	\$ 57	\$ 9	\$ (12)	\$ 102	\$ (37)	\$ (54)	\$ -
12	Decrease to Accumulated DFIT	\$ -	\$ 241	\$ 187	\$ 146	\$ 124	\$ 229	\$ 92	\$ 56	\$ 117
End of the Year - Net Plant (adjusted for DFIT)										
13	Gross Plant	\$ 12,689	\$ 12,937	\$ 12,974	\$ 13,412	\$ 13,446	\$ 13,446	\$ 13,552	\$ 13,552	\$ 13,552
14	Less: Accumulated Depreciation	\$ -	\$ 413	\$ 838	\$ 1,214	\$ 1,561	\$ 1,884	\$ 2,216	\$ 2,498	\$ 2,760
15	Less: Accumulated Asset Retirement Obligation (ARO)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ 178	\$ 190
16	Less: Accumulated Deferred Federal Income Tax	\$ -	\$ 241	\$ 428	\$ 574	\$ 698	\$ 927	\$ 1,018	\$ 1,075	\$ 1,192
17	End of the Year - Net Plant	\$ 12,689	\$ 12,283	\$ 11,708	\$ 11,625	\$ 11,187	\$ 10,636	\$ 10,151	\$ 9,801	\$ 9,411
(1) Calculation of Restated Depreciation Expense										
18	Transportation Volumes per TB-8 (ED-8) - MMcf		31,792	32,674	28,887	26,723	24,833	22,921	21,333	19,737
19	Depreciation Rate adopted in Case No. U-10782 (1)	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130
20	Restated Depreciation Expense	\$ 413	\$ 425	\$ 376	\$ 347	\$ 323	\$ 298	\$ 277	\$ 257	
21 (1)	Original Projected Construction Costs	\$ 10,819	(Per Order Page 26)							
22	Original Projected Thunder Bay Reserves - MMcf	833,475	(Per Order Page 32, and Pages 8-11)							
23	Unit of Transportation Depreciation Rate	\$ 0.0130								
(2) Calculation of DFIT related to restated book / tax depreciation:										
24	Restated Depreciation	\$ 413	\$ 425	\$ 376	\$ 347	\$ 323	\$ 269	\$ 277	\$ 257	
25	Tax Depreciation	\$ 1,276	\$ 797	\$ 766	\$ 736	\$ 685	\$ 637	\$ 593	\$ 590	
26	Book / Tax Difference	\$ 863	\$ 372	\$ 390	\$ 389	\$ 362	\$ 368	\$ 316	\$ 333	
27	FIT Rate	35%	35%	35%	35%	35%	35%	35%	35%	
28	Deferred Federal Income Tax - Book / Tax Depreciation	\$ 302	\$ 130	\$ 137	\$ 136	\$ 127	\$ 129	\$ 110	\$ 117	

October 25, 2005

Case No.: U-14672
Witness: M. C. Cieslak
Exhibit No.: TB-14 (MCC-3)
Page No.: 1 of 1

Thunder Bay Gathering Company
Adjusted Booked Operations and Maintenance Expense Levels
(\$000)

<u>Line No.</u>		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Three-Year</u>
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	Average (Col. 5)
1	Pipeline Operations and Maintenance Expenses	\$ 206	\$ 187	\$ 260	\$ 218
2	Other Direct Services	\$ 50	\$ 55	\$ 40	\$ 48
3	Cumulative Effect of FAS 143 Obligation	\$ -	\$ 52	\$ -	\$ 17
4	Accretion Expense	\$ -	\$ 11	\$ 11	\$ 7
5	Parent Company Charges	\$ 138	\$ 237	\$ 179	\$ 185
6	Booked Operations and Maintenance Expenses	\$ 394	\$ 542	\$ 490	\$ 475
7	Adjustment to Levelize FAS 143 Obligation	\$ 11	\$ (52)	\$ -	\$ (14)
8	Operations and Maintenance Expenses	\$ 405	\$ 490	\$ 490	\$ 462
9	Receipt Point Expenses included in Total			<u>\$ 167</u>	

October 25, 2005

Case No.: U-14672
Witness: M. C. Cieslak
Exhibit No.: TB-15 (MCC-4)
Page No. 1 of 1

Thunder Bay Gathering Company
Booked Property and Other Taxes
(\$000)

<u>Line No.</u>	(Col. 1)	<u>2001</u> (Col. 2)	<u>2002</u> (Col. 3)	<u>2003</u> (Col. 4)	<u>2004</u> (Col. 5)	<u>2005</u> (Col. 6)
	Booked Property Tax Expense					
1	Booked Property Tax Expense	\$ 47	\$ 53	\$ 35	\$ 50	\$ 50

October 25, 2005

Case No.: U-14672
 Witness: M. C. Cieslak
 Exhibit No.: TB-16 (MCC-5)
 Page No.: 1 of 1

Thunder Bay Gathering Company
Booked and Restated Cost of Capital
 (\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>2001</u> <u>(Col. 2)</u>	<u>2002</u> <u>(Col. 3)</u>	<u>2003</u> <u>(Col. 4)</u>	<u>2004</u> <u>(Col. 5)</u>
Based on Booked Financial Results					
1	Net Income / (Loss)		\$ (33)	\$ (73)	\$ 22
2	Shareholder's Equity	\$ 11,485	\$ 10,452	\$ 10,379	\$ 8,401
3	Average Shareholder's Equity		\$ 10,969	\$ 10,416	\$ 9,390
4	Return on Shareholder's Equity		-0.30%	-0.70%	0.23%
Based on Restated Financial Results					
5	Booked Net Income / (Loss)		\$ (33)	\$ (73)	\$ 22
6	Addback: Booked Depreciation per TB-13 (MCC-2), p1, L8		\$ 957	\$ 838	\$ 691
7	Subtract: Restated Depreciation Expense per TB-13 (MCC-2), p2, L8		\$ 323	\$ 332	\$ 282
8	Change in Depreciation		\$ 634	\$ 506	\$ 409
9	Net of Tax @ 65% (increase to income)		\$ 412	\$ 329	\$ 266
10	Subtract: Restated Long-term Debt Expense @ 6.57% per MichCon's Rate Order (Case No. U-13898) times L14		\$ 360	\$ 342	\$ 308
11	Net of Tax @ 65% (decrease to income)		\$ 234	\$ 222	\$ 200
12	Restated Net Income		\$ 145	\$ 34	\$ 87
13	Booked Average Shareholder's Equity		\$ 10,969	\$ 10,416	\$ 9,390
14	Adjust Shareholder's Equity to Reflect 50:50 Debt:Equity Balance (L13 * 50%)		\$ 5,484	\$ 5,208	\$ 4,695
15	Restated Return on Shareholder's Equity		2.64%	0.64%	1.86%

Note: Shareholder Equity was not trued up to reflect income adjustments noted above.

October 25, 2005

Case No.: U-14672
 Witness: M. C. Cieslak
 Exhibit No.: TB-17 (MCC-6)
 Page No.: 1 of 5

Thunder Bay Gathering Company
Projected Cost of Service and Revised Rate - Summary
(\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>2006</u> <u>(Col. 2)</u>	<u>2007</u> <u>(Col. 3)</u>	<u>2008</u> <u>(Col. 4)</u>	<u>2009</u> <u>(Col. 5)</u>	<u>2010</u> <u>(Col. 6)</u>
1	Average Net Plant	p2 of 5	\$ 8,772	\$ 7,561	\$ 6,479	\$ 5,511	\$ 4,637
2	Return and Taxes	p5 of 5	\$ 1,085	\$ 935	\$ 801	\$ 681	\$ 573
3	Operations and Maintenance Expenses	p3 of 5	\$ 462	\$ 487	\$ 495	\$ 505	\$ 515
4	Depreciation Expense	p2 of 5	\$ 1,623	\$ 1,417	\$ 1,225	\$ 1,069	\$ 934
5	Single Business Tax Adjustment for Depreciation	p4 of 5	\$ 31	\$ 27	\$ 23	\$ 20	\$ 18
6	Property Taxes	p4 of 5	\$ 37	\$ 34	\$ 32	\$ 30	\$ 29
7	Total Cost of Service		\$ 3,238	\$ 2,900	\$ 2,576	\$ 2,305	\$ 2,070
8	Receipt Point Fees (33 meters * \$450 * 12 months)		\$ 178	\$ 178	\$ 178	\$ 178	\$ 178
9	Administrative Charge Revenues (10 customers * \$300 * 12 months)		\$ 36	\$ 36	\$ 36	\$ 36	\$ 36
10	Net Cost of Service		\$ 3,024	\$ 2,686	\$ 2,362	\$ 2,091	\$ 1,856
11	Present Value Cost of Service		\$ 2,773	\$ 2,259	\$ 1,822	\$ 1,480	\$ 1,204
12	Total Present Value Cost of Service		\$ 9,539				
13	Annual Transportation Volume - MMcf	(ED-8)	18,197	15,875	13,715	11,963	10,451
14	Five Year Levelized Rate per Mcf	Solve For	\$ 0.171	\$ 0.171	\$ 0.171	\$ 0.171	\$ 0.171
15	Total Revenues		\$ 3,112	\$ 2,715	\$ 2,345	\$ 2,046	\$ 1,787
16	Present Value Revenues		\$ 2,854	\$ 2,283	\$ 1,809	\$ 1,447	\$ 1,160
17	Total Present Value Revenues		\$ 9,553				
18	Year 2006	After-Tax Rate 0.0904	Factor 1.0904	Disc. Factor 1.0904	1 / Disc.Factor 0.9171	(After-Tax Rate per p5 of 5)	
19	Year 2007	0.0904	1.0904	1.1889	0.8411		
20	Year 2008	0.0904	1.0904	1.2963	0.7714		
21 Transp	Year 2009	0.0904	1.0904	1.4134	0.7075		
22	Year 2010	0.0904	1.0904	1.5411	0.6489		

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Case No.: U-14672
 Witness: M. C. Cieslak
 Exhibit No.: TB-17 (MCC-6)
 Page No.: 2 of 5

Thunder Bay Gathering Company
Projected Cost of Service and Revised Rate - Net Plant and Depreciation Calculation
 (\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>2005</u>	<u>2006</u> <u>(Col. 2)</u>	<u>2007</u> <u>(Col. 3)</u>	<u>2008</u> <u>(Col. 4)</u>	<u>2009</u> <u>(Col. 5)</u>	<u>2010</u> <u>(Col. 6)</u>
1	Restated Net Plant @ 12/31/2005	MCC-2,p2, L17 + L16	\$ 10,602	\$ 10,602	\$ 10,602	\$ 10,602	\$ 10,602	\$ 10,602
2	Transportation Volume	ED-8		18,197	15,875	13,715	11,963	10,451
3	Depreciation Rate	(1)		\$ 0.0889	\$ 0.0889	\$ 0.0889	\$ 0.0889	\$ 0.0889
4	Unit of Transportation Depreciation			\$ 1,618	\$ 1,412	\$ 1,220	\$ 1,064	\$ 929
5	Asset Retirement Cost Depreciation			\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
6	Booked Depreciation Expense	L4 + L5		\$ 1,623	\$ 1,417	\$ 1,225	\$ 1,069	\$ 934
7	Incremental Accumulated Book Depreciation			\$ 1,623	\$ 3,040	\$ 4,265	\$ 5,334	\$ 6,268
8	Net Plant @ Year-End		\$ 10,602	\$ 8,979	\$ 7,562	\$ 6,337	\$ 5,269	\$ 4,334
9	Tax Depreciation Rates - Pipelines	Workpaper		4.70%	4.70%	4.70%	4.70%	4.70%
10	Gross Plant @ 12/31/2005	MCC-2,p2,L13		\$ 13,552	\$ 13,552	\$ 13,552	\$ 13,552	\$ 13,552
11	Tax Depreciation Expense	L10 x L9		\$ 637	\$ 637	\$ 637	\$ 637	\$ 637
12	Incremental Accumulated Tax Depreciation			\$ 637	\$ 1,274	\$ 1,911	\$ 2,548	\$ 3,185
13	Difference Between Tax and Book Depreciation	L12 - L7		\$ (986)	\$ (1,766)	\$ (2,354)	\$ (2,786)	\$ (3,083)
14	Deferred Federal Income Tax @ 35%	L13 x 35%		\$ (345)	\$ (618)	\$ (824)	\$ (975)	\$ (1,079)
15	Restated Deferred Federal Income Tax - Liability	MCC-2,p2,L16	\$ 1,192	\$ 846	\$ 573	\$ 368	\$ 217	\$ 112
16	Adjusted Net Plant	MCC-2,p2,L17	\$ 9,411	\$ 8,133	\$ 6,989	\$ 5,970	\$ 5,052	\$ 4,222
17	Average Adjusted Net Plant			\$ 8,772	\$ 7,561	\$ 6,479	\$ 5,511	\$ 4,637
18 (1)	Unit of Transportation Depreciation Rate:							
19	Restated Net Plant @ 12/31/2005	\$ 10,602						
20	Expected Transportation Volumes per MMcf 2006 - 2025	119,217						
21	Unit of Transportation Depreciation Rate per Mcf	\$ 0.0889						

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Thunder Bay Gathering Company
Projected Cost of Service and Revised Rate - Operations and Maintenance Expenses
(\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>3-Yr Ave</u> <u>2002-04</u> <u>(Col. 2)</u>	<u>2006</u> <u>(Col. 3)</u>	<u>2007</u> <u>(Col. 4)</u>	<u>2008</u> <u>(Col. 5)</u>	<u>2009</u> <u>(Col. 6)</u>	<u>2010</u> <u>(Col. 7)</u>
1	Transportation Volumes perTB-8 (ED-8) - MMcf Average 2002-04 O & M Expenses	MCC-3,p1,L8	\$ 462	\$ 476	\$ 487	\$ 495	\$ 505	\$ 515
2	Inflation Rate	(1)	3.0%	2.5%	1.6%	1.9%	2.1%	2.2%
3	Operations and Maintenance Expenses		<u>\$ 476</u>	<u>\$ 487</u>	<u>\$ 495</u>	<u>\$ 505</u>	<u>\$ 515</u>	<u>\$ 527</u>

(1) Inflation rates derived from CPI information available as of the May 2005

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Case No.: U-14672
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Thunder Bay Gathering Company
Projected Cost of Service and Revised Rate - Property and Other Taxes
(\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>2005</u> (Col. 2)	<u>2006</u> (Col. 3)	<u>2007</u> (Col. 4)	<u>2008</u> (Col. 5)	<u>2009</u> (Col. 6)	<u>2010</u> (Col. 7)
	Property Tax Expense							
1	Property Tax Expense based on Expected Cash Payments	Workpaper	\$ 37	\$ 34	\$ 32	\$ 30	\$ 29	
	Single Business Tax Adjustment							
2	Eliminate Booked Depreciation from SBT Calculation	MCC-6,p2,L6	\$ 1,623	\$ 1,417	\$ 1,225	\$ 1,069	\$ 934	
3	Single Business Tax Rate		1.90%	1.90%	1.90%	1.90%	1.90%	
4	Single Business Tax Adjustment		\$ 31	\$ 27	\$ 23	\$ 20	\$ 18	

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Thunder Bay Gathering Company
Projected Cost of Service and Revised Rate - Cost of Capital
(\$000)

<u>Line No.</u>		<u>Source</u>	<u>%</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>	<u>(2) Pre-tax Factor</u>	<u>Weighted Pre-tax Cost of Cap.</u>
	(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)
1	Long-term Debt	(1)	50%	6.57%	3.29%	1.01936	3.35%
2	Common Equity	(1)	50%	11.50%	5.75%	1.56826	9.02%
3	Overall Cost of Capital				<u>9.04%</u>		<u>12.37%</u>

(1) Cost Rates are pursuant to MichCon's Rate Order Case No. U-13898, page 33. Fifty basis points added to the equity component to reflect differential that existed between MichCon's previous authorized rate and the return originally adopted by the MPSC in Thunder Bay's initial case.

(2) Single Business Tax Rate is 1.9%, Federal Income Tax Rate is 35%.

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 Witness: M. C. Cieslak
 Exhibit No.: TB-18 (MCC-7)
 Page No.: 1 of 5

Thunder Bay Gathering Company
Forward Looking - Using the Original Rate Setting Cost of Service Assumptions - Summary
 (\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>2006</u> <u>(Col. 2)</u>	<u>2007</u> <u>(Col. 3)</u>	<u>2008</u> <u>(Col. 4)</u>	<u>2009</u> <u>(Col. 5)</u>	<u>2010</u> <u>(Col. 6)</u>
1	Average Net Plant	p2 of 5	\$ 5,876	\$ 4,995	\$ 4,206	\$ 3,498	\$ 2,856
2	Return and Taxes	p5 of 5	\$ 727	\$ 618	\$ 520	\$ 433	\$ 353
3	Operations and Maintenance Expenses	p3 of 5	\$ 158	\$ 161	\$ 164	\$ 167	\$ 171
4	Depreciation Expense	p2 of 5	\$ 1,155	\$ 1,008	\$ 871	\$ 761	\$ 665
5	Single Business Tax Adjustment for Depreciation	p4 of 5	\$ 22	\$ 19	\$ 17	\$ 14	\$ 13
6	Property Taxes	p4 of 5	\$ 81	\$ 75	\$ 70	\$ 66	\$ 63
7	Total Cost of Service		\$ 2,142	\$ 1,881	\$ 1,642	\$ 1,440	\$ 1,265
8	Receipt Point Fees		\$ -	\$ -	\$ -	\$ -	\$ -
9	Administrative Charge Revenues (10 customers * \$300 * 12 months)		\$ 36	\$ 36	\$ 36	\$ 36	\$ 36
10	Net Cost of Service		\$ 2,106	\$ 1,845	\$ 1,606	\$ 1,404	\$ 1,229
11	Present Value Cost of Service		\$ 1,932	\$ 1,552	\$ 1,239	\$ 994	\$ 798
12	Total Present Value Cost of Service		\$ 6,514				
13	Annual Transportation Volume - MMcf	(ED-8)	18,197	15,875	13,715	11,963	10,451
14	Five Year Levelized Rate per Mcf	Solve For	\$ 0.117	\$ 0.117	\$ 0.117	\$ 0.117	\$ 0.117
15	Total Revenues		\$ 2,129	\$ 1,857	\$ 1,605	\$ 1,400	\$ 1,223
16	Present Value Revenues		\$ 1,953	\$ 1,562	\$ 1,238	\$ 990	\$ 793
17	Total Present Value Revenues		\$ 6,537				
18		<u>After-Tax Rate</u>	<u>Factor</u>	<u>Disc. Factor</u>	<u>1 / Disc.Factor</u>	(After-Tax Rate per p5 of 5)	
19	Year 2006	0.0904	1.0904	1.0904	0.9171		
20	Year 2007	0.0904	1.0904	1.1889	0.8411		
21	Year 2008	0.0904	1.0904	1.2963	0.7714		
22	Year 2009	0.0904	1.0904	1.4134	0.7075		
23	Year 2010	0.0904	1.0904	1.5411	0.6489		

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Case No.: U-14672
 Witness: M. C. Cieslak
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Thunder Bay Gathering Company
Forward Looking - Using the Original Rate Setting Cost of Service Assumptions - Net Plant and Depreciation
(\$000)

<u>Line No.</u>	<u>Source</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)
1	Restated Net Plant @ 12/31/2005	(1)	\$ 7,532	\$ 7,532	\$ 7,532	\$ 7,532	\$ 7,532
2	Transportation Volume	ED-8		18,197	15,875	13,715	11,963
3	Depreciation Rate	(2)		\$ 0.0632	\$ 0.0632	\$ 0.0632	\$ 0.0632
4	Unit of Transportation Depreciation		\$ 1,150	\$ 1,003	\$ 866	\$ 756	\$ 660
5	Asset Retirement Cost Depreciation		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
6	Booked Depreciation Expense		\$ 1,155	\$ 1,008	\$ 871	\$ 761	\$ 665
7	Incremental Accumulated Book Depreciation		\$ 1,155	\$ 2,163	\$ 3,034	\$ 3,795	\$ 4,460
8	Net Plant @ Year-End		\$ 7,532	\$ 6,377	\$ 5,369	\$ 4,498	\$ 3,737
9	Tax Depreciation Rates - Pipelines			4.7000%	4.7000%	4.7000%	4.7000%
10	Gross Plant @ 12/31/2005	MCC-2,p2,L14	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819
11	Tax Depreciation Expense		\$ 508	\$ 508	\$ 508	\$ 508	\$ 508
12	Incremental Accumulated Tax Depreciation		\$ 508	\$ 1,017	\$ 1,525	\$ 2,034	\$ 2,542
13	Difference Between Tax and Book Depreciation		\$ (646)	\$ (1,146)	\$ (1,509)	\$ (1,761)	\$ (1,918)
14	Deferred Federal Income Tax @ 35%		\$ (226)	\$ (401)	\$ (528)	\$ (616)	\$ (671)
15	Restated Deferred Federal Income Tax - Liability / (Asset)		\$ 1,192	\$ 966	\$ 791	\$ 664	\$ 521
16	Adjusted Net Plant		\$ 6,340	\$ 5,412	\$ 4,578	\$ 3,834	\$ 3,161
17	Average Adjusted Net Plant		\$ 5,876	\$ 4,995	\$ 4,206	\$ 3,498	\$ 2,856
18	(1) MPSC adopted construction, Order p26 and 27	\$ 10,819					
19	Thunder Bay volumes 1996 - 2005 (Exhibit ED-8)	252,875					
20	MPSC adopted depreciation rate (MCC-2,p2,L23)	\$ 0.0130					
21	Accumulated Depreciation	\$ 3,287					
22	Restated Net Plant @ 12/31/2005	\$ 7,532					
				(2) Unit of Transportation Depreciation Rate:			
				Restated Net Plant @ 12/31/2005		\$ 7,532	
				Expected Transportation Volumes per MMcf 2006 - 2025		119,217	
				Unit of Transportation Depreciation Rate per Mcf		\$ 0.0632	

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Thunder Bay Gathering Company
Forward Looking - Using the Original Rate Setting Cost of Service Assumptions - Operations and Maintenance Expenses
(\$000)

<u>Line No.</u>		<u>Source</u>	<u>Adopted</u> <u>O & M</u> <u>(Col. 2)</u>	<u>2006</u> <u>(Col. 3)</u>	<u>2007</u> <u>(Col. 4)</u>	<u>2008</u> <u>(Col. 5)</u>	<u>2009</u> <u>(Col. 6)</u>	<u>2010</u> <u>(Col. 7)</u>
	(Col. 1)							
	Transportation Volumes perTB-8 (ED-8) - MMcf							
	O&M Expense							
1	1996 - Base		\$ 127					
2	1997		\$ 130					
3	1998		\$ 132					
4	1999		\$ 135					
5	2000		\$ 139					
6	2001		\$ 143					
7	2002		\$ 146					
8	2003		\$ 149					
9	2004		\$ 153					
10	2005		\$ 158					
11	Test Period O & M Expense			\$ 158	\$ 161	\$ 164	\$ 167	\$ 171
12	Inflation Rate	(1)		2.5%	1.6%	1.9%	2.1%	2.2%
13	Operations and Maintenance Expenses			<u>\$ 161</u>	<u>\$ 164</u>	<u>\$ 167</u>	<u>\$ 171</u>	<u>\$ 174</u>

(1) Inflation rate based on CPI information available in May 2005

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Thunder Bay Gathering Company
Forward Looking - Using the Original Rate Setting Cost of Service Assumptions - Property and Other Taxes
(\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>2005</u> (Col. 2)	<u>2006</u> (Col. 3)	<u>2007</u> (Col. 4)	<u>2008</u> (Col. 5)	<u>2009</u> (Col. 6)	<u>2010</u> (Col. 7)
Property Tax Expense								
1	Gross Plant @ 12/31/2005	MCC-2,p2,L14	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819
2	Equalized Assessment Percent			50%	50%	50%	50%	50%
3	Property Tax Base			\$ 5,410	\$ 5,410	\$ 5,410	\$ 5,410	\$ 5,410
4	Property Tax Factor			36%	33%	31%	29%	28%
5	Amount Subject to Property Tax			\$ 1,947	\$ 1,785	\$ 1,677	\$ 1,569	\$ 1,515
6	Property Tax Rate	(1)		4.18%	4.18%	4.18%	4.18%	4.18%
7	Property Tax Expense			\$ 81	\$ 75	\$ 70	\$ 66	\$ 63
Single Business Tax Adjustment								
8	Eliminate Booked Depreciation from SBT Calculation	MCC-6,p2,L6		\$ 1,155	\$ 1,008	\$ 871	\$ 761	\$ 665
9	Single Business Tax Rate			1.90%	1.90%	1.90%	1.90%	1.90%
10	Single Business Tax Adjustment			\$ 22	\$ 19	\$ 17	\$ 14	\$ 13

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Thunder Bay Gathering Company
Forward Looking - Using the Original Rate Setting Cost of Service Assumptions - Cost of Capital
 (\$000)

<u>Line No.</u>		<u>Source</u>	<u>%</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>	<u>(2) Pre-tax Factor</u>	<u>Weighted Pre-tax Cost of Cap.</u>
	(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)
1	Long-term Debt	(1)	50%	6.57%	3.29%	1.01936	3.35%
2	Common Equity	(1)	50%	11.50%	5.75%	1.56826	9.02%
3	Overall Cost of Capital				<u>9.04%</u>		<u>12.37%</u>

(1) Cost Rates are pursuant to MichCon's Rate Order Case No. U-13898, page 33. In addition 50 basis points added to the equity component to reflect the differential that existed between MichCon's previous authorized rate and the return originally adopted by the MPSC in Thunder Bay's initial case.

(2) Single Business Tax Rate is 1.9%, Federal Income Tax Rate is 35%.

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Case No.: U-14672
 Witness: M. C. Cieslak
 Exhibit No.: TB-19 (MCC-8)
 Page No.: 1 of 5

Thunder Bay Gathering Company
Initial Five-Year Cost of Service with Current Expected Reserves - Summary
 (\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>Yr 1</u> <u>(Col. 2)</u>	<u>Yr 2</u> <u>(Col. 3)</u>	<u>Yr 3</u> <u>(Col. 4)</u>	<u>Yr 4</u> <u>(Col. 5)</u>	<u>Yr 5</u> <u>(Col. 6)</u>
1	Average Net Plant	p2 of 5	\$ 10,454	\$ 9,609	\$ 8,658	\$ 7,769	\$ 6,967
2	Return and Taxes	p5 of 5	\$ 1,427	\$ 1,312	\$ 1,182	\$ 1,061	\$ 951
3	Operations and Maintenance Expenses	p3 of 5	\$ 127	\$ 131	\$ 135	\$ 139	\$ 143
4	Depreciation Expense	p2 of 5	\$ 831	\$ 924	\$ 950	\$ 840	\$ 777
5	Single Business Tax Adjustment for Depreciation	p4 of 5	\$ (235)	\$ 21	\$ 22	\$ 19	\$ 18
6	Property Taxes	p4 of 5	\$ 203	\$ 199	\$ 191	\$ 183	\$ 179
7	Total Cost of Service		\$ 2,353	\$ 2,588	\$ 2,480	\$ 2,242	\$ 2,068
8	Administrative Charge Revenues (14 customers * \$300 * 12 months)		\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
9	Net Cost of Service		\$ 2,303	\$ 2,538	\$ 2,430	\$ 2,192	\$ 2,018
10	Present Value Cost of Service		\$ 2,092	\$ 2,093	\$ 1,821	\$ 1,491	\$ 1,247
11	Total Present Value Cost of Service		\$ 8,744				
12	Annual Transportation Volume - MMcf	(ED-8)	28,570	31,792	32,674	28,887	26,723
13	Five Year Levelized Rate per Mcf	Solve For	\$ 0.0775	\$ 0.0775	\$ 0.0775	\$ 0.0775	\$ 0.0775
14	Total Revenues		\$ 2,214	\$ 2,464	\$ 2,532	\$ 2,239	\$ 2,071
15	Present Value Revenues		\$ 2,011	\$ 2,033	\$ 1,897	\$ 1,524	\$ 1,280
16	Total Present Value Revenues		\$ 8,745				
17	Year 2006	After-Tax Rate 0.1010	Factor 1.1010	Disc. Factor 1.1010	1 / Disc.Factor 0.9083	(After-Tax Rate per p5 of 5)	
18	Year 2007	0.1010	1.1010	1.2122	0.8249		
19	Year 2008	0.1010	1.1010	1.3346	0.7493		
20	Year 2009	0.1010	1.1010	1.4694	0.6805		
21 Transp	Year 2010	0.1010	1.1010	1.6178	0.6181		

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Thunder Bay Gathering Company
Initial Five-Year Cost of Service with Current Expected Reserves - Net Plant and Depreciation
 (\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>Original</u>	<u>Yr 1</u> <u>(Col. 2)</u>	<u>Yr 2</u> <u>(Col. 3)</u>	<u>Yr 3</u> <u>(Col. 4)</u>	<u>Yr 4</u> <u>(Col. 5)</u>	<u>Yr 5</u> <u>(Col. 6)</u>
1	Construction Costs per Order p26 and 27		\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819
2	Transportation Volume	ED-8 (2)		28,570	31,792	32,674	28,887	26,723
3	Depreciation Rate		\$ 0.0291	\$ 0.0291	\$ 0.0291	\$ 0.0291	\$ 0.0291	\$ 0.0291
4	Unit of Transportation Depreciation		\$ 831	\$ 924	\$ 950	\$ 840	\$ 777	
5	Asset Retirement Cost Depreciation		\$ -	\$ -	\$ -	\$ -	\$ -	
6	Booked Depreciation Expense		\$ 831	\$ 924	\$ 950	\$ 840	\$ 777	
7	Incremental Accumulated Book Depreciation		\$ 831	\$ 1,755	\$ 2,705	\$ 3,545	\$ 4,322	
8	Net Plant @ Year-End		\$ 10,819	\$ 9,988	\$ 9,064	\$ 8,114	\$ 7,274	\$ 6,497
9	Tax Depreciation Rates - Pipelines	MCC-2,p2,L14		5.00%	9.50%	8.55%	7.70%	6.93%
10	Gross Plant @ 12/31/2005		\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819
11	Tax Depreciation Expense		\$ 541	\$ 1,028	\$ 925	\$ 833	\$ 750	
12	Incremental Accumulated Tax Depreciation		\$ 541	\$ 1,569	\$ 2,494	\$ 3,327	\$ 4,077	
13	Difference Between Tax and Book Depreciation		\$ (290)	\$ (186)	\$ (211)	\$ (218)	\$ (245)	
14	Deferred Federal Income Tax @ 35%		\$ (101)	\$ (65)	\$ (74)	\$ (76)	\$ (86)	
15	Adjusted Net Plant		\$ 10,819	\$ 10,090	\$ 9,129	\$ 8,188	\$ 7,350	\$ 6,583
16	Average Adjusted Net Plant		\$ 10,454	\$ 9,609	\$ 8,658	\$ 7,769	\$ 6,967	
17	(2) Unit of Transportation Depreciation Rate:							
18	Construction Costs						\$ 10,819	
19	Transportation Volumes per MMcf 1996 - 2025						372,092	
20	Unit of Transportation Depreciation Rate per Mcf						\$ 0.0291	
21								

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Thunder Bay Gathering Company
Initial Five-Year Cost of Service with Current Expected Reserves - Operations and Maintenance Expenses
(\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>Adopted</u> <u>O & M</u> <u>(Col. 2)</u>	<u>Yr 1</u> <u>(Col. 3)</u>	<u>Yr 2</u> <u>(Col. 4)</u>	<u>Yr 3</u> <u>(Col. 5)</u>	<u>Yr 4</u> <u>(Col. 6)</u>	<u>Yr 5</u> <u>(Col. 7)</u>
1	O&M Expense							
2	Transp Initial Five-Year Period O & M Expense		\$ 127	\$ 127	\$ 127	\$ 131	\$ 135	\$ 139
3	Inflation Rate	(1)			3%	3%	3%	3%
4	Operations and Maintenance Expenses			\$ 127	\$ 131	\$ 135	\$ 139	\$ 143

(1) Inflation rate based on MPSC Staff's original CPI expectations adopted in the MPSC Order.

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Case No.: U-14672
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Thunder Bay Gathering Company
Initial Five-Year Cost of Service with Current Expected Reserves - Property and Other Taxes
 (\$000)

<u>Line No.</u>	<u>(Col. 1)</u>	<u>Source</u>	<u>Original</u> <u>(Col. 2)</u>	<u>Yr 1</u> <u>(Col. 3)</u>	<u>Yr 2</u> <u>(Col. 4)</u>	<u>Yr 3</u> <u>(Col. 5)</u>	<u>Yr 4</u> <u>(Col. 6)</u>	<u>Yr 5</u> <u>(Col. 7)</u>
Property Tax Expense								
1	Gross Plant	MCC-2,p2,L14	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819	\$ 10,819
2	Equalized Assessment Percent			50%	50%	50%	50%	50%
3	Property Tax Base			\$ 5,410	\$ 5,410	\$ 5,410	\$ 5,410	\$ 5,410
4	Property Tax Factor			100%	98%	94%	90%	88%
5	Amount Subject to Property Tax			\$ 5,410	\$ 5,301	\$ 5,085	\$ 4,869	\$ 4,760
6	Property Tax Rate	(1)		3.76%	3.76%	3.76%	3.76%	3.76%
7	Property Tax Expense			\$ 203	\$ 199	\$ 191	\$ 183	\$ 179
Single Business Tax Adjustment								
8	Gross Plant			\$ 10,819				
9	Single Business Tax Rate			2.35%				
10	SBT 1st Year Re-captured			<u>\$ (254)</u>				
11	Eliminate Booked Depreciation from SBT Calculation	MCC-6,p2,L6		\$ 831	\$ 924	\$ 950	\$ 840	\$ 777
12	Single Business Tax Rate			2.3%	2.3%	2.3%	2.3%	2.3%
13	Single Business Tax Adjustment			<u>\$ 19</u>	<u>\$ 21</u>	<u>\$ 22</u>	<u>\$ 19</u>	<u>\$ 18</u>
14	First Year Single Business Tax Adjustment			<u>\$ (235)</u>				

October 25, 2005

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 Witness: M. C. Cieslak
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Thunder Bay Gathering Company
Initial Five-Year Cost of Service with Current Expected Reserves - Cost of Capital
 (\$000)

<u>Line No.</u>		<u>Source</u>	<u>%</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>	<u>(2) Pre-tax Factor</u>	<u>Weighted Pre-tax Cost of Cap.</u>
	(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)
1	Long-term Debt	(1)	50.00%	8.20%	4.10%	1.02350	4.20%
2	Common Equity	(1)	50.00%	12.00%	6.00%	1.57570	9.45%
3	Overall Cost of Capital				<u>10.10%</u>		<u>13.65%</u>

- (1) Cost Rates are consistent with the rates adopted by the MPSC in Thunder Bay's initial case. Per B. Ballinger's Schedule D-1, page 1 of 12 and R. Mogis' Schedule RCM-1, page 2 of 7.
- (2) Single Business Tax Rate is 2.3%, Federal Income Tax Rate is 35% as reflected on B. Ballinger's Schedule D-1, page 1 of 12.