



Minnesota Energy Resources Corporation  
Suite 200  
1995 Rahnclyff Court  
Eagan, MN 55122  
[www.minnesotaenergyresources.com](http://www.minnesotaenergyresources.com)

June 1, 2016

**VIA ELECTRONIC FILING**

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101

**Re: In the Matter of the Petition of Minnesota Energy Resources Corporation  
for its Annual Review of Depreciation Rates for 2016  
Docket No. G011/D-16-\_\_\_\_\_**

Dear Mr. Wolf:

Enclosed for filing with the Minnesota Public Utilities Commission (“Commission”), please find the Petition of Minnesota Energy Resources Corporation (“MERC”) for its Annual Review of Depreciation Rates for 2016. This Petition is submitted in compliance with the Commission’s October 9, 2015, Order requiring that MERC file its 2016 Annual Review of Depreciation Rates on or before June 1, 2016. MERC is requesting that the Commission approve the Company’s proposed depreciation lives and rates effective January 1, 2016.

Copies of this filing have been served on the Minnesota Department of Commerce, Division of Energy Resources and the Office of the Attorney General—Residential Utilities & Antitrust Division via electronic filing. A summary of the filing has been served on all parties on the attached service list.

Please contact me at (651) 322-8965 if you have any questions.

Sincerely,

/s/ Amber S. Lee

Amber S. Lee  
Regulatory and Legislative Affairs Manager  
Minnesota Energy Resources Corporation

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger  
Nancy Lange  
Dan Lipschultz  
Matt Schuerger  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Petition of Minnesota  
Energy Resources Corporation for Annual  
Review of Depreciation Rates for 2016

Docket No. G-011/D-16-\_\_\_\_\_

**PETITION FOR REVIEW OF ANNUAL DEPRECIATION RATES FOR 2016**

Pursuant to Minnesota Statute §216B.11 and Minnesota Rules 7825.0500 through 7825.0900, Minnesota Energy Resources Corporation (“MERC” or the “Company”) files with the Minnesota Public Utilities Commission (“Commission”) a petition for review of the Company’s plant in service, depreciation reserve, and depreciation accruals. This petition is being filed pursuant to the Commission’s October 9, 2015, Order requiring that MERC file its 2016 Annual Review of Depreciation Rates on or before June 1, 2016. MERC is requesting that the Commission approve the Company’s proposed depreciation lives and rates effective January 1, 2016.

**I. Summary of Filing**

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary of the filing is attached.

**II. Service**

Pursuant to Minn. R. 7829.1300, subp. 2, MERC has served a copy of this filing on the Department of Commerce, Division of Energy Resources and the Office of the Attorney General- Residential Utilities & Antitrust Division. In addition, MERC has served the summary of the filing on all parties on the attached service list.

**III. General Filing Information**

Pursuant to Minn. R. 7829.1300, subp.3, the following information is provided:

**A. Name, Address, and Telephone Number of Filing Party**

Minnesota Energy Resources Corporation  
1995 Rahncliff Court, Suite 200  
Eagan, MN 55122  
(651) 322-8901

**B. Name, Address, Electronic Address, and Telephone Number of Attorney for the Utility**

Kristin M. Stastny  
Briggs and Morgan, P.A.  
2200 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, MN 55402  
[KStastny@briggs.com](mailto:KStastny@briggs.com)  
(612) 977-8656

**C. Date of the Filing and Date Proposed Agreement Will Take Effect**

Date of Filing: June 1, 2016

Proposed Effective Date: MERC is requesting that the depreciation lives and rates proposed herein be effective January 1, 2016.

**D. Statute Controlling Schedule for Processing the Filing**

Under Minn. R. 7829.0100, subp. 11, this request for approval of depreciation lives and rates is a "miscellaneous" filing because no determination of MERC's general revenue requirement is necessary. Comments on a miscellaneous filing are due within 30 days of filing, with replies due 10 days thereafter. Minn. R. 7829.1400, subp. 1, 4.

**E. Signature, Electronic Address, and Title of Utility Employee Responsible for the Filing**



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Tina E Wuyts

Senior Accountant  
WEC Energy Group – Business Services  
PO Box 19001  
Green Bay, WI 54307-9001  
920-433-4951  
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**F. Description of the Filing, Impact on Rates and Services, and Reasons for the Filing**

MERC seeks the Commission’s approval of the Company’s annual review of its plant in service, depreciation reserve, and depreciation accruals. MERC requests that the depreciation lives and rates be effective January 1, 2016. The current lives and depreciation rates were approved in Docket No. G-011/D-15-534.

Vintage amortization accounting for certain general plant accounts was proposed and approved in Docket No. G-007,011/D-08-614. MERC continues to apply the lives and associated depreciation rates to the general plant accounts listed in the table below. As a result, these general plant accounts are excluded from the Annual Review of Depreciation Rates schedules.

<b>Account Number</b>	<b>Description</b>	<b>Amortizable Life (Years)</b>
391	Office Furniture & Equipment	20
391	Computer Equipment	5
393	Stores Equipment	20
394	Tools, Shop & Garage Equipment	20
395	Laboratory Equipment	20
397	Communication Equipment	12
398	Miscellaneous Equipment	20

As was approved in prior Annual Review of Depreciation Rates filings, MERC utilizes a revised report from the Company’s capital asset management system to simulate the methodology used by MERC’s depreciation consultant, Gannett Fleming. The report’s remaining life calculation uses total future book accruals over the total annual accrual for vintage years not fully accrued. The report incorporates additions as well as vintage retirements

to calculate a remaining life for each account based upon the approved life and curve from the most recent approved depreciation study filed in Docket No. G-007,011/D-12-533. Additionally, the report incorporates lives and curves approved in subsequent filings for Automated Meter Reading (AMR) Devices (Account 381.2) in Docket No. G-011/D-14-455 and Transportation Equipment (Account 392.1) in Docket No. G-011/D-15-534. A copy of this report is provided with the filing.

In Docket No. G-001,011/PA-14-107, MERC received Commission approval to purchase Interstate Power and Light's natural gas distribution property, which will utilize MERC's existing depreciation rates and lives. The assets were purchased in 2015 and have been incorporated into the results of MERC's 2016 Annual Review of Depreciation Rates filing.

Minn. R. 7825.0700, subp. 2B requires a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results. MERC has experienced an increased level of investment in distribution main and station accounts resulting in higher 2015 vintage year additions over prior years. Increased investment may continue dependent on the outcome of MERC's proposals in its rate case filing. The overall effect, however, is not expected to result in material changes to the current certification results based on the minimal impact to the calculated remaining lives reflected in this year's results.

The filing includes the following attachments:

Attachment 1: MERC 2016 Annual Review of Depreciation Rates

Attachment 2: MERC Calculated Remaining Life

## **I. CONCLUSION**

MERC respectfully requests that the Commission approve the Company's proposed depreciation lives and rates effective January 1, 2016.

DATED: June 1, 2016

Respectfully Submitted,

BRIGGS AND MORGAN, P.A.

By /s/ Kristin M. Stastny  
Kristin M. Stastny  
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Attorney for Minnesota Energy  
Resources Corporation

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger  
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In the Matter of the Petition of Minnesota  
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Review of Depreciation Rates for 2016

Docket No. G-011/D-16-\_\_\_\_\_

**SUMMARY OF FILING**

Pursuant to Minnesota Statute §216B.11 and Minnesota Rules 7825.0500 through 7825.0900, Minnesota Energy Resources Corporation (“MERC” or the “Company”) files with the Minnesota Public Utilities Commission (“Commission”) a petition for review of the Company’s plant in service, depreciation reserve, and depreciation accruals.

# **Minnesota Energy Resources Corporation**

## **2016 Annual Review of Depreciation Rates**



**MINNESOTA ENERGY RESOURCES CORPORATION**  
**ANNUAL REVIEW OF DEPRECIATION RATES**  
**2016**

This report presents the 2016 annual remaining life update of depreciation rates for Minnesota Energy Resources Corporation. This update retains parameters approved in Docket No. G-007, G011/D-12-533, G-011/D-14-455 (AMR Devices), and G-011/D-15-534 (Transportation Equipment). Plant and depreciation reserve data utilized in the study was as of December 31, 2015.

A summary of depreciation study results are as follows:

Function	Accrual Rate			2016 Annualized Accrual		
	Proposed	Present	Difference	Proposed	Present	Difference
Transmission	2.91%	2.89%	0.02%	\$ 343,405	\$ 341,034	\$ 2,371
Distribution	2.43%	2.41%	0.02%	\$ 9,799,585	\$ 9,707,123	\$ 92,462
General	4.62%	4.45%	0.17%	\$ 834,290	\$ 802,279	\$ 32,011
<b>Total Utility</b>	<b>2.54%</b>	<b>2.51%</b>	<b>0.03%</b>	<b>\$ 10,977,280</b>	<b>\$ 10,850,436</b>	<b>\$ 126,844</b>

The following statements are included in the report:

Statement 1A-2015 provides a rollforward of plant activity for 2015

Statement 1A-2014 provides a rollforward of plant activity for 2014

Statement 1B-2015 provides a rollforward of depreciation reserve activity for 2015

Statement 1B-2014 provides a rollforward of depreciation reserve activity for 2014

Statement 1C-2015 provides a summary of the annual depreciation accruals for 2015

Statement 1C-2014 provides a summary of the annual depreciation accruals for 2014

Statement 2A provides the computation of proposed depreciation accrual rates

MINNESOTA ENERGY RESOURCES CORPORATION  
Plant Activity for 2015  
STATEMENT 1A

Functional Class	Utility Account	Account Description	Beginning Balance (January 1, 2015)	Additions	Retirements	Adjustments	Transfers	Ending Balance (December 31, 2015)
A	B	C	D	E	F	G	H	I
<b>Transmission Plant</b>								
	367100	Mains	\$ 10,872,955.67	\$ 7,050.06	\$ (137.43)	\$ -	\$ 40,408.27	\$ 10,920,276.57
	369300	Measuring & Regulating Equipment	\$ 829,274.75	\$ 167,541.00	\$ (116,598.83)	\$ -	\$ -	\$ 880,216.92
<b>Total Transmission Plant</b>			<b>\$ 11,702,230.42</b>	<b>\$ 174,591.06</b>	<b>\$ (116,736.26)</b>	<b>\$ -</b>	<b>\$ 40,408.27</b>	<b>\$ 11,800,493.49</b>
<b>Distribution Plant</b>								
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	\$ -	\$ -	\$ -	\$ -	\$ 596,817.87
	375000	Structures & Improvements	\$ 173,856.72	\$ -	\$ (5,667.75)	\$ -	\$ -	\$ 168,188.97
	376000	Mains	\$ 160,390,633.40	\$ 15,381,929.56	\$ (1,149,650.05)	\$ 8,138,392.99	\$ (40,408.27)	\$ 182,720,897.63
	378000	Measuring & Regulating Equipment - General	\$ 9,794,567.57	\$ 1,949,604.88	\$ (396,392.01)	\$ 82,373.85	\$ (1,826.53)	\$ 11,428,327.76
	379000	Measuring & Regulating Equipment - City Gate	\$ 5,639,222.91	\$ 1,565,910.72	\$ (2,530.48)	\$ 572,685.69	\$ (46,950.22)	\$ 7,728,338.62
	380000	Services	\$ 123,961,061.14	\$ 6,650,092.89	\$ 323,339.84	\$ 4,663,231.82	\$ -	\$ 135,597,725.69
	381000	Meters	\$ 37,037,673.22	\$ 2,726,827.98	\$ (245,393.54)	\$ 3,796,351.54	\$ -	\$ 43,315,459.20
	381200	AMR Devices	\$ 339,538.31	\$ -	\$ -	\$ -	\$ -	\$ 339,538.31
	383000	House Regulators	\$ 18,406,935.70	\$ 291,952.01	\$ (33,571.76)	\$ 435,416.28	\$ -	\$ 19,100,732.23
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,726,581.40	\$ 284,700.60	\$ (29,360.46)	\$ -	\$ -	\$ 1,981,921.54
<b>Total Distribution Plant</b>			<b>\$ 358,066,888.24</b>	<b>\$ 28,851,018.64</b>	<b>\$ (1,539,226.21)</b>	<b>\$ 17,688,452.17</b>	<b>\$ (89,185.02)</b>	<b>\$ 402,977,947.82</b>
<b>General Plant</b>								
	390000	Structures & Improvements	\$ 12,050,900.15	\$ 450,943.38	\$ (90,705.16)	\$ -	\$ -	\$ 12,411,138.37
	392100	Transportation Equipment	\$ 5,239,648.34	\$ 626,014.10	\$ (634,015.13)	\$ -	\$ -	\$ 5,231,647.31
	392200	Trailers	\$ 78,653.93	\$ 17,563.98	\$ (5,617.95)	\$ -	\$ -	\$ 90,599.96
	396000	Power Operated Equipment	\$ 304,616.31	\$ 6,338.81	\$ -	\$ -	\$ -	\$ 310,955.12
<b>Total General Plant</b>			<b>\$ 17,673,818.73</b>	<b>\$ 1,100,860.27</b>	<b>\$ (730,338.24)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,044,340.76</b>
<b>Total Depreciable Gas Plant</b>			<b>\$ 387,442,937.39</b>	<b>\$ 30,126,469.97</b>	<b>\$ (2,386,300.71)</b>	<b>\$ 17,688,452.17</b>	<b>\$ (48,776.75)</b>	<b>\$ 432,822,782.07</b>
<b>Non-Depreciable &amp; Other Plant</b>								
	302000	Franchises & Consents	\$ 134,912.71	\$ -	\$ -	\$ -	\$ -	\$ 134,912.71
	302100	Farm Taps	\$ 3,811,837.48	\$ -	\$ -	\$ -	\$ -	\$ 3,811,837.48
	303300	Software	\$ 167,782.91	\$ -	\$ -	\$ -	\$ -	\$ 167,782.91
	365300	Land - Transmission	\$ 8,600.00	\$ -	\$ -	\$ -	\$ -	\$ 8,600.00
	374000	Land - Distribution	\$ 85,101.11	\$ -	\$ (708.00)	\$ 1,321.77	\$ -	\$ 85,714.88
	374200	Land & Land Rights NonDepr - Distribution	\$ 89,598.82	\$ -	\$ (3,032.03)	\$ -	\$ -	\$ 86,566.79
	389000	Land - General	\$ 1,118,700.26	\$ -	\$ -	\$ -	\$ -	\$ 1,118,700.26
<b>Total Non-Depreciable &amp; Other Plant</b>			<b>\$ 5,416,533.29</b>	<b>\$ -</b>	<b>\$ (3,740.03)</b>	<b>\$ 1,321.77</b>	<b>\$ -</b>	<b>\$ 5,414,115.03</b>
<b>Total Gas Plant</b>			<b>\$ 392,859,470.68</b>	<b>\$ 30,126,469.97</b>	<b>\$ (2,390,040.74)</b>	<b>\$ 17,689,773.94</b>	<b>\$ (48,776.75)</b>	<b>\$ 438,236,897.10</b>

MINNESOTA ENERGY RESOURCES CORPORATION  
Plant Activity for 2014  
STATEMENT 1A

Functional Class	Utility Account	Account Description	Beginning Balance (January 1, 2014)	Additions	Retirements	Adjustments	Transfers	Ending Balance (December 31, 2014)
A	B	C	D	E	F	G	H	I
<b>Transmission Plant</b>								
	367100	Mains	\$ 10,405,814.23	\$ 468,906.36	\$ (1,764.92)	\$ -	\$ -	\$ 10,872,955.67
	369300	Measuring & Regulating Equipment	\$ 873,211.91	\$ 75,561.62	\$ (128,748.08)	\$ -	\$ 9,249.30	\$ 829,274.75
<b>Total Transmission Plant</b>			<b>\$ 11,279,026.14</b>	<b>\$ 544,467.98</b>	<b>\$ (130,513.00)</b>	<b>\$ -</b>	<b>\$ 9,249.30</b>	<b>\$ 11,702,230.42</b>
<b>Distribution Plant</b>								
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	\$ -	\$ -	\$ -	\$ -	\$ 596,817.87
	375000	Structures & Improvements	\$ 186,630.57	\$ -	\$ (12,773.85)	\$ -	\$ -	\$ 173,856.72
	376000	Mains	\$ 151,155,441.98	\$ 9,877,623.55	\$ (642,432.13)	\$ -	\$ -	\$ 160,390,633.40
	378000	Measuring & Regulating Equipment - General	\$ 9,034,561.70	\$ 1,009,646.66	\$ (249,640.79)	\$ -	\$ -	\$ 9,794,567.57
	379000	Measuring & Regulating Equipment - City Gate	\$ 3,818,820.50	\$ 1,870,712.21	\$ (41,060.50)	\$ -	\$ (9,249.30)	\$ 5,639,222.91
	380000	Services	\$ 117,184,900.89	\$ 7,435,665.43	\$ (659,505.18)	\$ -	\$ -	\$ 123,961,061.14
	381000	Meters	\$ 34,290,650.93	\$ 3,075,671.18	\$ (328,648.89)	\$ -	\$ -	\$ 37,037,673.22
	381200	AMR Devices	\$ 503,222.96	\$ (163,684.65)	\$ -	\$ -	\$ -	\$ 339,538.31
	383000	House Regulators	\$ 18,120,335.41	\$ 333,539.37	\$ (46,939.08)	\$ -	\$ -	\$ 18,406,935.70
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,336,048.82	\$ 390,532.58	\$ -	\$ -	\$ -	\$ 1,726,581.40
<b>Total Distribution Plant</b>			<b>\$ 336,227,431.63</b>	<b>\$ 23,829,706.33</b>	<b>\$ (1,981,000.42)</b>	<b>\$ -</b>	<b>\$ (9,249.30)</b>	<b>\$ 358,066,888.24</b>
<b>General Plant</b>								
	390000	Structures & Improvements	\$ 11,975,766.36	\$ 284,242.97	\$ (166,559.41)	\$ -	\$ (42,549.77)	\$ 12,050,900.15
	392100	Transportation Equipment	\$ 4,630,386.01	\$ 928,978.71	\$ (319,716.38)	\$ -	\$ -	\$ 5,239,648.34
	392200	Trailers	\$ 74,255.84	\$ 9,802.26	\$ (5,404.17)	\$ -	\$ -	\$ 78,653.93
	396000	Power Operated Equipment	\$ 278,813.48	\$ 25,802.83	\$ -	\$ -	\$ -	\$ 304,616.31
<b>Total General Plant</b>			<b>\$ 16,959,221.69</b>	<b>\$ 1,248,826.77</b>	<b>\$ (491,679.96)</b>	<b>\$ -</b>	<b>\$ (42,549.77)</b>	<b>\$ 17,673,818.73</b>
<b>Total Depreciable Gas Plant</b>			<b>\$ 364,465,679.46</b>	<b>\$ 25,623,001.08</b>	<b>\$ (2,603,193.38)</b>	<b>\$ -</b>	<b>\$ (42,549.77)</b>	<b>\$ 387,442,937.39</b>
<b>Non-Depreciable &amp; Other Plant</b>								
	302000	Franchises & Consents	\$ 134,912.71	\$ -	\$ -	\$ -	\$ -	\$ 134,912.71
	302100	Farm Taps	\$ 3,811,837.48	\$ -	\$ -	\$ -	\$ -	\$ 3,811,837.48
	303300	Software	\$ -	\$ 167,782.91	\$ -	\$ -	\$ -	\$ 167,782.91
	365300	Land - Transmission	\$ 8,600.00	\$ -	\$ -	\$ -	\$ -	\$ 8,600.00
	374000	Land - Distribution	\$ 85,101.11	\$ -	\$ -	\$ -	\$ -	\$ 85,101.11
	374200	Land & Land Rights NonDepr - Distribution	\$ 89,598.82	\$ -	\$ -	\$ -	\$ -	\$ 89,598.82
	389000	Land - General	\$ 1,022,212.60	\$ 96,487.66	\$ -	\$ -	\$ -	\$ 1,118,700.26
<b>Total Non-Depreciable &amp; Other Plant</b>			<b>\$ 5,152,262.72</b>	<b>\$ 264,270.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,416,533.29</b>
<b>Total Gas Plant</b>			<b>\$ 369,617,942.18</b>	<b>\$ 25,887,271.65</b>	<b>\$ (2,603,193.38)</b>	<b>\$ -</b>	<b>\$ (42,549.77)</b>	<b>\$ 392,859,470.68</b>

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**Analysis of Depreciation Reserve for 2015**  
**STATEMENT 1B**

Functional Class A	Utility Account B	Account Description C	Beginning Balance (January 1, 2015) D	Accruals E	Salvage and Other Credits F	Retirements G	Cost Of Removal H	Transfers and Adjustments I	Ending Balance J	Allocated RWIP K	Total Reserve (December 31, 2015) L=J+K
<b>Transmission Plant</b>											
	367100	Mains	\$ 4,615,525.39	\$ 314,780.65	\$ -	\$ (137.43)	\$ (14,661.77)	\$ 45,429.13	\$ 4,960,935.97	\$ (34,307.91)	\$ 4,926,628.06
	369300	Measuring & Regulating Equipment	\$ 117,586.13	\$ 26,019.16	\$ -	\$ (116,598.83)	\$ (16,256.26)	\$ -	\$ 10,750.20	\$ (17,589.38)	\$ (6,839.18)
<b>Total Transmission Plant</b>			<b>\$ 4,733,111.52</b>	<b>\$ 340,799.81</b>	<b>\$ -</b>	<b>\$ (116,736.26)</b>	<b>\$ (30,918.03)</b>	<b>\$ 45,429.13</b>	<b>\$ 4,971,686.17</b>	<b>\$ (51,897.29)</b>	<b>\$ 4,919,788.88</b>
<b>Distribution Plant</b>											
	374100	Land & Land Rights Depr - Distribution	\$ 194,667.19	\$ 24,350.16	\$ -	\$ -	\$ -	\$ -	\$ 219,017.35	\$ -	\$ 219,017.35
	375000	Structures & Improvements	\$ 136,233.44	\$ 3,513.09	\$ -	\$ (5,667.75)	\$ (260.00)	\$ -	\$ 133,818.78	\$ (8,786.43)	\$ 125,032.35
	376000	Mains	\$ 66,446,583.97	\$ 3,427,672.99	\$ -	\$ (1,149,650.05)	\$ (118,375.98)	\$ 3,915,781.45	\$ 72,522,012.38	\$ (56,607.16)	\$ 72,465,405.22
	378000	Measuring & Regulating Equipment - General	\$ 1,951,455.63	\$ 265,167.92	\$ -	\$ (396,392.01)	\$ (31,486.33)	\$ (24,982.67)	\$ 1,763,762.54	\$ (117,543.53)	\$ 1,646,219.01
	379000	Measuring & Regulating Equipment - City Gate	\$ 687,056.34	\$ 191,758.77	\$ -	\$ (2,530.48)	\$ (505.31)	\$ 228,355.17	\$ 1,104,134.49	\$ (90,726.52)	\$ 1,013,407.97
	380000	Services	\$ 62,816,880.60	\$ 3,718,318.34	\$ (511.00)	\$ 323,339.84	\$ (359,334.30)	\$ 2,781,590.01	\$ 69,280,283.49	\$ (50,466.14)	\$ 69,229,817.35
	381000	Meters	\$ 11,604,459.99	\$ 1,108,294.69	\$ 763.66	\$ (245,393.54)	\$ (8,910.72)	\$ 1,774,812.83	\$ 14,234,026.91	\$ (13,328.29)	\$ 14,220,698.62
	381200	AMR Devices	\$ 56,459.61	\$ 24,922.08	\$ -	\$ -	\$ -	\$ -	\$ 81,381.69	\$ (74.99)	\$ 81,306.70
	383000	House Regulators	\$ 9,765,637.57	\$ 308,068.72	\$ 436.34	\$ (33,571.76)	\$ (9,251.40)	\$ 108,306.40	\$ 10,139,625.87	\$ (8,210.49)	\$ 10,131,415.38
	385000	Measuring & Regulating Equipment - Industrial	\$ 683,463.89	\$ 55,717.26	\$ -	\$ (29,360.46)	\$ (5,415.88)	\$ (850.29)	\$ 703,554.52	\$ -	\$ 703,554.52
<b>Total Distribution Plant</b>			<b>\$ 154,342,898.23</b>	<b>\$ 9,127,784.02</b>	<b>\$ 689.00</b>	<b>\$ (1,539,226.21)</b>	<b>\$ (533,539.92)</b>	<b>\$ 8,783,012.90</b>	<b>\$ 170,181,618.02</b>	<b>\$ (345,743.55)</b>	<b>\$ 169,835,874.47</b>
<b>General Plant</b>											
	390000	Structures & Improvements	\$ 3,398,500.88	\$ 288,946.73	\$ -	\$ (90,705.16)	\$ (11,786.07)	\$ -	\$ 3,584,956.38	\$ (23,024.11)	\$ 3,561,932.27
	392100	Transportation Equipment	\$ 1,466,987.86	\$ 487,576.97	\$ 84,070.11	\$ (634,015.13)	\$ (756.33)	\$ -	\$ 1,403,863.48	\$ (8,792.02)	\$ 1,395,071.46
	392200	Trailers	\$ 55,010.34	\$ 2,195.63	\$ 1,200.89	\$ (5,617.95)	\$ (10.84)	\$ -	\$ 52,778.07	\$ (330.35)	\$ 52,447.72
	396000	Power Operated Equipment	\$ 124,031.01	\$ 14,735.71	\$ -	\$ -	\$ -	\$ -	\$ 138,766.72	\$ (871.26)	\$ 137,895.46
<b>Total General Plant</b>			<b>\$ 5,044,530.09</b>	<b>\$ 793,455.04</b>	<b>\$ 85,271.00</b>	<b>\$ (730,338.24)</b>	<b>\$ (12,553.24)</b>	<b>\$ -</b>	<b>\$ 5,180,364.65</b>	<b>\$ (33,017.74)</b>	<b>\$ 5,147,346.91</b>
<b>Total Depreciable Gas Plant</b>			<b>\$ 164,120,539.84</b>	<b>\$ 10,262,038.87</b>	<b>\$ 85,960.00</b>	<b>\$ (2,386,300.71)</b>	<b>\$ (577,011.19)</b>	<b>\$ 8,828,442.03</b>	<b>\$ 180,333,668.84</b>	<b>\$ (430,658.58)</b>	<b>\$ 179,903,010.26</b>
<b>Non-Depreciable &amp; Other Plant</b>											
	302000	Franchises & Consents	\$ 128,212.96	\$ 3,257.59	\$ -	\$ -	\$ -	\$ -	\$ 131,470.55	\$ -	\$ 131,470.55
	302100	Farm Taps	\$ 3,739,599.15	\$ 17,380.31	\$ -	\$ -	\$ -	\$ -	\$ 3,756,979.46	\$ -	\$ 3,756,979.46
	303300	Software	\$ 36,943.17	\$ 52,335.89	\$ -	\$ -	\$ -	\$ -	\$ 89,279.06	\$ -	\$ 89,279.06
	365300	Land - Transmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	374000	Land - Distribution	\$ -	\$ -	\$ (46.94)	\$ (708.00)	\$ -	\$ 754.94	\$ -	\$ -	\$ -
	374200	Land & Land Rights NonDepr - Distribution	\$ -	\$ -	\$ (201.03)	\$ (3,032.03)	\$ -	\$ 3,233.06	\$ -	\$ -	\$ -
	389000	Land - General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Non-Depreciable &amp; Other Plant</b>			<b>\$ 3,904,755.28</b>	<b>\$ 72,973.79</b>	<b>\$ (247.97)</b>	<b>\$ (3,740.03)</b>	<b>\$ -</b>	<b>\$ 3,988.00</b>	<b>\$ 3,977,729.07</b>	<b>\$ -</b>	<b>\$ 3,977,729.07</b>
<b>Total Gas Plant</b>			<b>\$ 168,025,295.12</b>	<b>\$ 10,335,012.66</b>	<b>\$ 85,712.03</b>	<b>\$ (2,390,040.74)</b>	<b>\$ (577,011.19)</b>	<b>\$ 8,832,430.03</b>	<b>\$ 184,311,397.91</b>	<b>\$ (430,658.58)</b>	<b>\$ 183,880,739.33</b>

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**Analysis of Depreciation Reserve for 2014**  
**STATEMENT 1B**

Functional Class A	Utility Account B	Account Description C	Beginning Balance (January 1, 2014) D	Accruals E	Salvage and Other Credits F	Retirements G	Cost Of Removal H	Transfers and Adjustments I	Ending Balance J	Allocated RWIP K	Total Reserve (December 31, 2014) L=J+K
<b>Transmission Plant</b>											
	367100	Mains	\$ 4,314,366.93	\$ 304,502.76	\$ -	\$ (1,764.92)	\$ (1,579.38)	\$ -	\$ 4,615,525.39	\$ (15,040.02)	\$ 4,600,485.37
	369300	Measuring & Regulating Equipment	\$ 272,722.66	\$ 21,002.07	\$ -	\$ (128,748.08)	\$ (51,424.80)	\$ 4,034.28	\$ 117,586.13	\$ (9,291.17)	\$ 108,294.96
<b>Total Transmission Plant</b>			<b>\$ 4,587,089.59</b>	<b>\$ 325,504.83</b>	<b>\$ -</b>	<b>\$ (130,513.00)</b>	<b>\$ (53,004.16)</b>	<b>\$ 4,034.28</b>	<b>\$ 4,733,111.52</b>	<b>\$ (24,331.19)</b>	<b>\$ 4,708,780.33</b>
<b>Distribution Plant</b>											
	374100	Land & Land Rights Depr - Distribution	\$ 170,317.03	\$ 24,350.16	\$ -	\$ -	\$ -	\$ -	\$ 194,667.19	\$ -	\$ 194,667.19
	375000	Structures & Improvements	\$ 145,379.27	\$ 3,628.02	\$ -	\$ (12,773.85)	\$ -	\$ -	\$ 136,233.44	\$ (2,807.68)	\$ 133,425.76
	376000	Mains	\$ 64,112,996.20	\$ 3,071,962.83	\$ -	\$ (642,432.13)	\$ (95,942.93)	\$ -	\$ 66,446,583.97	\$ (34,582.40)	\$ 66,412,001.57
	378000	Measuring & Regulating Equipment - General	\$ 1,998,270.97	\$ 240,706.36	\$ -	\$ (249,640.79)	\$ (37,880.91)	\$ -	\$ 1,951,455.63	\$ (40,255.29)	\$ 1,911,200.34
	379000	Measuring & Regulating Equipment - City Gate	\$ 623,858.90	\$ 130,719.40	\$ -	\$ (41,060.50)	\$ (22,427.18)	\$ (4,034.28)	\$ 687,056.34	\$ (19,497.44)	\$ 667,558.90
	380000	Services	\$ 60,268,117.44	\$ 3,390,803.42	\$ 718.75	\$ (659,505.18)	\$ (183,253.83)	\$ -	\$ 62,816,880.60	\$ (30,438.20)	\$ 62,786,442.40
	381000	Meters	\$ 10,951,098.43	\$ 982,922.23	\$ 564.51	\$ (328,648.89)	\$ (1,476.29)	\$ -	\$ 11,604,459.99	\$ (7,408.20)	\$ 11,597,051.79
	381200	AMR Devices	\$ 18,740.60	\$ 37,719.01	\$ -	\$ -	\$ -	\$ -	\$ 56,459.61	\$ (33.22)	\$ 56,426.39
	383000	House Regulators	\$ 9,518,489.71	\$ 295,510.72	\$ 25.49	\$ (46,939.08)	\$ (1,449.27)	\$ -	\$ 9,765,637.57	\$ (4,978.30)	\$ 9,760,659.27
	385000	Measuring & Regulating Equipment - Industrial	\$ 636,367.05	\$ 47,096.84	\$ -	\$ -	\$ -	\$ -	\$ 683,463.89	\$ -	\$ 683,463.89
<b>Total Distribution Plant</b>			<b>\$ 148,443,635.60</b>	<b>\$ 8,225,418.99</b>	<b>\$ 1,308.75</b>	<b>\$ (1,981,000.42)</b>	<b>\$ (342,430.41)</b>	<b>\$ (4,034.28)</b>	<b>\$ 154,342,898.23</b>	<b>\$ (140,000.73)</b>	<b>\$ 154,202,897.50</b>
<b>General Plant</b>											
	390000	Structures & Improvements	\$ 3,369,571.56	\$ 282,860.83	\$ 9,177.92	\$ (166,559.41)	\$ (95,216.20)	\$ (1,333.82)	\$ 3,398,500.88	\$ (6,535.31)	\$ 3,391,965.57
	392100	Transportation Equipment	\$ 1,307,278.99	\$ 414,677.26	\$ 65,035.08	\$ (319,716.38)	\$ (287.09)	\$ -	\$ 1,466,987.86	\$ (2,740.09)	\$ 1,464,247.77
	392200	Trailers	\$ 59,206.37	\$ 46.46	\$ 1,161.68	\$ (5,404.17)	\$ -	\$ -	\$ 55,010.34	\$ (102.72)	\$ 54,907.62
	396000	Power Operated Equipment	\$ 110,652.30	\$ 13,378.71	\$ -	\$ -	\$ -	\$ -	\$ 124,031.01	\$ (232.48)	\$ 123,798.53
<b>Total General Plant</b>			<b>\$ 4,846,709.22</b>	<b>\$ 710,963.26</b>	<b>\$ 75,374.68</b>	<b>\$ (491,679.96)</b>	<b>\$ (95,503.29)</b>	<b>\$ (1,333.82)</b>	<b>\$ 5,044,530.09</b>	<b>\$ (9,610.60)</b>	<b>\$ 5,034,919.49</b>
<b>Total Depreciable Gas Plant</b>			<b>\$ 157,877,434.41</b>	<b>\$ 9,261,887.08</b>	<b>\$ 76,683.43</b>	<b>\$ (2,603,193.38)</b>	<b>\$ (490,937.88)</b>	<b>\$ (1,333.82)</b>	<b>\$ 164,120,539.84</b>	<b>\$ (173,942.52)</b>	<b>\$ 163,946,597.32</b>
<b>Non-Depreciable &amp; Other Plant</b>											
	302000	Franchises & Consents	\$ 124,443.82	\$ 3,769.14	\$ -	\$ -	\$ -	\$ -	\$ 128,212.96	\$ -	\$ 128,212.96
	302100	Farm Taps	\$ 3,720,491.76	\$ 19,107.39	\$ -	\$ -	\$ -	\$ -	\$ 3,739,599.15	\$ -	\$ 3,739,599.15
	303300	Software	\$ -	\$ 36,943.17	\$ -	\$ -	\$ -	\$ -	\$ 36,943.17	\$ -	\$ 36,943.17
	365300	Land - Transmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	374000	Land - Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	374200	Land & Land Rights NonDepr - Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	389000	Land - General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Non-Depreciable &amp; Other Plant</b>			<b>\$ 3,844,935.58</b>	<b>\$ 59,819.70</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,904,755.28</b>	<b>\$ -</b>	<b>\$ 3,904,755.28</b>
<b>Total Gas Plant</b>			<b>\$ 161,722,369.99</b>	<b>\$ 9,321,706.78</b>	<b>\$ 76,683.43</b>	<b>\$ (2,603,193.38)</b>	<b>\$ (490,937.88)</b>	<b>\$ (1,333.82)</b>	<b>\$ 168,025,295.12</b>	<b>\$ (173,942.52)</b>	<b>\$ 167,851,352.60</b>

MINNESOTA ENERGY RESOURCES CORPORATION  
Analysis of Depreciation Reserve for 2015  
STATEMENT 1C

Functional Class	Utility Account	Account Description	Ending Plant Balance	Estimated Future Net Salvage		Ending Depreciation Reserve	Average Life (Years)	Remaining Life	Annual Accrual	Accrual Rate
			(December 31, 2015)	Percent	Amount	(December 31, 2015)		(From 2015 Remaining Life Update)		
A	B	C	From Statement 1A	E	F=D*E	G	H	I	From Statement 1B	K
<b>Transmission Plant</b>										
	367100	Mains	\$ 10,920,276.57	-45.00%	\$ (4,914,124.46)	\$ 4,926,628.06	50.00	35.51	\$ 314,780.65	2.89%
	369300	Measuring & Regulating Equipment	\$ 880,216.92	-5.00%	\$ (44,010.85)	\$ (6,839.18)	45.00	31.86	\$ 26,019.16	2.89%
<b>Total Transmission Plant</b>			<b>\$ 11,800,493.49</b>	<b>-42.02%</b>	<b>\$ (4,958,135.30)</b>	<b>\$ 4,919,788.88</b>			<b>\$ 340,799.81</b>	<b>2.89%</b>
<b>Distribution Plant</b>										
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	0.00%	\$ -	\$ 219,017.35	25.00	16.50	\$ 24,350.16	4.08%
	375000	Structures & Improvements	\$ 168,188.97	-5.00%	\$ (8,409.45)	\$ 125,032.35	38.00	13.61	\$ 3,513.09	2.08%
	376000	Mains	\$ 182,720,897.63	-45.00%	\$ (82,224,403.93)	\$ 72,465,405.22	65.00	51.48	\$ 3,427,672.99	2.01%
	378000	Measuring & Regulating Equipment - General	\$ 11,428,327.76	-10.00%	\$ (1,142,832.78)	\$ 1,646,219.01	44.00	34.12	\$ 265,167.92	2.65%
	379000	Measuring & Regulating Equipment - City Gate	\$ 7,728,338.62	-15.00%	\$ (1,159,250.79)	\$ 1,013,407.97	40.00	33.30	\$ 191,758.77	3.10%
	380000	Services	\$ 135,597,725.69	-60.00%	\$ (81,358,635.41)	\$ 69,229,817.35	50.00	38.27	\$ 3,718,318.34	2.86%
	381000	Meters	\$ 43,315,459.20	-1.00%	\$ (433,154.59)	\$ 14,220,698.62	38.00	25.40	\$ 1,108,294.69	2.74%
	381200	AMR Devices	\$ 339,538.31	-1.00%	\$ (3,395.38)	\$ 81,306.70	15.00	11.50	\$ 24,922.08	7.34%
	383000	House Regulators	\$ 19,100,732.23	-5.00%	\$ (955,036.61)	\$ 10,131,415.38	44.00	31.65	\$ 308,068.72	1.64%
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,981,921.54	-5.00%	\$ (99,096.08)	\$ 703,554.52	36.00	21.23	\$ 55,717.26	3.08%
<b>Total Distribution Plant</b>			<b>\$ 402,977,947.82</b>	<b>-41.54%</b>	<b>\$ (167,384,215.03)</b>	<b>\$ 169,835,874.47</b>			<b>\$ 9,127,784.02</b>	<b>2.27%</b>
<b>General Plant</b>										
	390000	Structures & Improvements	\$ 12,411,138.37	-5.00%	\$ (620,556.92)	\$ 3,561,932.27	55.00	41.91	\$ 288,946.73	2.37%
	392100	Transportation Equipment	\$ 5,231,647.31	25.00%	\$ 1,307,911.83	\$ 1,395,071.46	8.00	5.03	\$ 487,576.97	9.35%
	392200	Trailers	\$ 90,599.96	30.00%	\$ 27,179.99	\$ 52,447.72	15.00	14.25	\$ 2,195.63	4.47%
	396000	Power Operated Equipment	\$ 310,955.12	10.00%	\$ 31,095.51	\$ 137,895.46	14.00	10.28	\$ 14,735.71	4.80%
<b>Total General Plant</b>			<b>\$ 18,044,340.76</b>	<b>4.13%</b>	<b>\$ 745,630.41</b>	<b>\$ 5,147,346.91</b>			<b>\$ 793,455.04</b>	<b>4.40%</b>
<b>Total Depreciable Gas Plant</b>			<b>\$ 432,822,782.07</b>	<b>-39.65%</b>	<b>\$ (171,596,719.92)</b>	<b>\$ 179,903,010.26</b>			<b>\$ 10,262,038.87</b>	<b>2.37%</b>

\*Future investments in Trailers, Account 392200, will use the General Plant composite depreciation rate of 4.47 percent.

MINNESOTA ENERGY RESOURCES CORPORATION  
Analysis of Depreciation Reserve for 2014  
STATEMENT 1C

Functional Class	Utility Account	Account Description	Ending Plant Balance	Estimated Future Net Salvage		Ending Depreciation Reserve	Average Life (Years)	Remaining Life (From 2014 Remainnig Life Update)	Annual Accrual	Accrual Rate
			(December 31, 2014)	Percent	Amount	(December 31, 2014)				
A	B	C	From Statement 1A	E	F=D*E	From Statement 1B	H	I	From Statement 1B	K
			D			G			J	
<b>Transmission Plant</b>										
	367100	Mains	\$ 10,872,955.67	-45.00%	\$ (4,892,830.05)	\$ 4,600,485.37	50.00	35.64	\$ 304,502.76	2.91%
	369300	Measuring & Regulating Equipment	\$ 829,274.75	-5.00%	\$ (41,463.74)	\$ 108,294.96	45.00	30.50	\$ 21,002.07	2.61%
		<b>Total Transmission Plant</b>	<b>\$ 11,702,230.42</b>	<b>-42.17%</b>	<b>\$ (4,934,293.79)</b>	<b>\$ 4,708,780.33</b>			<b>\$ 325,504.83</b>	<b>2.78%</b>
<b>Distribution Plant</b>										
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	0.00%	\$ -	\$ 194,667.19	25.00	17.50	\$ 24,350.16	4.08%
	375000	Structures & Improvements	\$ 173,856.72	-5.00%	\$ (8,692.84)	\$ 133,425.76	38.00	14.05	\$ 3,628.02	2.04%
	376000	Mains	\$ 160,390,633.40	-45.00%	\$ (72,175,785.03)	\$ 66,412,001.57	65.00	51.52	\$ 3,071,962.83	1.99%
	378000	Measuring & Regulating Equipment - General	\$ 9,794,567.57	-10.00%	\$ (979,456.76)	\$ 1,911,200.34	44.00	33.66	\$ 240,706.36	2.62%
	379000	Measuring & Regulating Equipment - City Gate	\$ 5,639,222.91	-15.00%	\$ (845,883.44)	\$ 667,558.90	40.00	31.49	\$ 130,719.40	3.15%
	380000	Services	\$ 123,961,061.14	-60.00%	\$ (74,376,636.68)	\$ 62,786,442.40	50.00	38.36	\$ 3,390,803.42	2.83%
	381000	Meters	\$ 37,037,673.22	-1.00%	\$ (370,376.73)	\$ 11,597,051.79	38.00	25.04	\$ 982,922.23	2.76%
	381200	AMR Devices	\$ 339,538.31	-1.00%	\$ (3,395.38)	\$ 56,426.39	15.00	12.50	\$ 37,719.01	7.78%
	383000	House Regulators	\$ 18,406,935.70	-5.00%	\$ (920,346.79)	\$ 9,760,659.27	44.00	32.34	\$ 295,510.72	1.62%
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,726,581.40	-5.00%	\$ (86,329.07)	\$ 683,463.89	36.00	17.80	\$ 47,096.84	3.22%
		<b>Total Distribution Plant</b>	<b>\$ 358,066,888.24</b>	<b>-41.83%</b>	<b>\$ (149,766,902.71)</b>	<b>\$ 154,202,897.50</b>			<b>\$ 8,225,418.99</b>	<b>2.30%</b>
<b>General Plant</b>										
	390000	Structures & Improvements	\$ 12,050,900.15	-5.00%	\$ (602,545.01)	\$ 3,391,965.57	55.00	42.57	\$ 282,860.83	2.37%
	392100	Transportation Equipment	\$ 5,239,648.34	30.00%	\$ 1,571,894.50	\$ 1,464,247.77	6.00	3.99	\$ 414,677.26	8.63%
	392200	Trailers	\$ 78,653.93	30.00%	\$ 23,596.18	\$ 54,907.62	15.00	0.00	\$ 46.46	0.18%
	396000	Power Operated Equipment	\$ 304,616.31	10.00%	\$ 30,461.63	\$ 123,798.53	14.00	10.65	\$ 13,378.71	4.78%
		<b>Total General Plant</b>	<b>\$ 17,673,818.73</b>	<b>5.79%</b>	<b>\$ 1,023,407.30</b>	<b>\$ 5,034,919.49</b>			<b>\$ 710,963.26</b>	<b>4.02%</b>
		<b>Total Depreciable Gas Plant</b>	<b>\$ 387,442,937.39</b>	<b>-39.66%</b>	<b>\$ (153,677,789.20)</b>	<b>\$ 163,946,597.32</b>			<b>\$ 9,261,887.08</b>	<b>2.39%</b>

MINNESOTA ENERGY RESOURCES CORPORATION  
 Computation of Proposed Depreciation Rate  
 STATEMENT 2A

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2015)	Ending Reserve Balance (December 31, 2015)	Percent of Recorded Reserve	Variable Group Average Service Life	Remaining Life (Calculated)	Net Salvage	Proposed Depreciation Rate	Present Depreciation Rate	Proposed Annual Depreciation Expense	Present Annual Depreciation Expense	Change in Annual Depreciation Expense
A	B	C	D	E	F=E/D	G	H	I	J=(I-F)/H	K	L=D*J	M=E*K	N=L-M
<b>Transmission Plant</b>													
	367100	Mains	\$ 10,920,276.57	\$ 4,926,628.06	45.11%	50.00	34.68	-45.00%	2.88%	2.89%	\$ 314,526	\$ 315,596	\$ (1,070)
	369300	Measuring & Regulating Equipment	\$ 880,216.92	\$ (6,839.18)	-0.78%	45.00	32.24	-5.00%	3.28%	2.89%	\$ 28,879	\$ 25,438	\$ 3,441
<b>Total Transmission Plant</b>			<b>\$ 11,800,493.49</b>	<b>\$ 4,919,788.88</b>	<b>41.69%</b>			<b>-42.02%</b>	<b>2.91%</b>	<b>2.89%</b>	<b>\$ 343,405</b>	<b>\$ 341,034</b>	<b>\$ 2,371</b>
<b>Distribution Plant</b>													
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	\$ 219,017.35	36.70%	25.00	15.50	0.00%	4.08%	4.08%	\$ 24,374	\$ 24,350	\$ 24
	375000	Structures & Improvements	\$ 168,188.97	\$ 125,032.35	74.34%	38.00	11.68	-5.00%	2.62%	2.08%	\$ 4,415	\$ 3,498	\$ 917
	376000	Mains	\$ 182,720,897.63	\$ 72,465,405.22	39.66%	65.00	51.75	-45.00%	2.04%	2.01%	\$ 3,719,418	\$ 3,672,690	\$ 46,728
	378000	Measuring & Regulating Equipment - General	\$ 11,428,327.76	\$ 1,646,219.01	14.40%	44.00	34.82	-10.00%	2.75%	2.65%	\$ 313,755	\$ 302,851	\$ 10,904
	379000	Measuring & Regulating Equipment - City Gate	\$ 7,728,338.62	\$ 1,013,407.97	13.11%	40.00	33.48	-15.00%	3.04%	3.10%	\$ 235,191	\$ 239,578	\$ (4,387)
	380000	Services	\$ 135,597,725.69	\$ 69,229,817.35	51.06%	50.00	38.00	-60.00%	2.87%	2.86%	\$ 3,887,541	\$ 3,878,095	\$ 9,446
	381000	Meters	\$ 43,315,459.20	\$ 14,220,698.62	32.83%	38.00	24.48	-1.00%	2.78%	2.74%	\$ 1,206,206	\$ 1,186,844	\$ 19,362
	381200	AMR Devices	\$ 339,538.31	\$ 81,306.70	23.95%	15.00	10.50	-1.00%	7.34%	7.34%	\$ 24,917	\$ 24,922	\$ (5)
	383000	House Regulators	\$ 19,100,732.23	\$ 10,131,415.38	53.04%	44.00	30.73	-5.00%	1.69%	1.64%	\$ 322,953	\$ 313,252	\$ 9,701
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,981,921.54	\$ 703,554.52	35.50%	36.00	22.65	-5.00%	3.07%	3.08%	\$ 60,815	\$ 61,043	\$ (228)
<b>Total Distribution Plant</b>			<b>\$ 402,977,947.82</b>	<b>\$ 169,835,874.47</b>	<b>42.15%</b>			<b>-41.54%</b>	<b>2.43%</b>	<b>2.41%</b>	<b>\$ 9,799,585</b>	<b>\$ 9,707,123</b>	<b>\$ 92,462</b>
<b>General Plant</b>													
	390000	Structures & Improvements (1)	\$ 12,411,138.37	\$ 3,561,932.27	28.70%	55.00	41.43	-5.00%	2.37%	2.37%	\$ 294,144	\$ 294,144	\$ -
	392100	Transportation Equipment	\$ 5,231,647.31	\$ 1,395,071.46	26.67%	8.00	4.82	25.00%	10.03%	9.35%	\$ 524,619	\$ 489,159	\$ 35,460
	392200	Trailers	\$ 90,599.96	\$ 52,447.72	57.89%	15.00	14.25	30.00%	0.85%	4.47%	\$ 770	\$ 4,050	\$ (3,280)
	396000	Power Operated Equipment	\$ 310,955.12	\$ 137,895.46	44.35%	14.00	9.62	10.00%	4.75%	4.80%	\$ 14,757	\$ 14,926	\$ (169)
<b>Total General Plant</b>			<b>\$ 18,044,340.76</b>	<b>\$ 5,147,346.91</b>	<b>28.53%</b>			<b>4.13%</b>	<b>4.62%</b>	<b>4.45%</b>	<b>\$ 834,290</b>	<b>\$ 802,279</b>	<b>\$ 32,011</b>
<b>Total Depreciable Gas Plant</b>			<b>\$ 432,822,782.07</b>	<b>\$ 179,903,010.26</b>	<b>41.57%</b>			<b>-39.65%</b>	<b>2.54%</b>	<b>2.51%</b>	<b>\$ 10,977,280</b>	<b>\$ 10,850,436</b>	<b>\$ 126,844</b>

Footnotes:

(1) In Docket Number G007, G011/D-12-533, MERC responded in DOC Information Request No. 20 that MERC would not request any changes to Account 390000 Structures & Improvement in the annual remaining life updates.



**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3671 RCG33 Mains**

Survivor Curve: S1  
Average Service Life: 50  
Net Salvage Percent: -45  
Remaining Life (Years): 34.68

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1965	\$40,049.62	\$39,674.76	\$40,252.49	\$17,819.46	15.84	\$1,124.97
1966	\$8,413.56	\$8,232.33	\$8,352.21	\$3,847.45	16.26	\$236.62
1991	\$1,335,251.57	\$800,389.85	\$812,044.87	\$1,124,069.90	29.33	\$38,324.92
1992	\$2,173,443.33	\$1,261,227.43	\$1,279,593.03	\$1,871,899.80	29.99	\$62,417.47
1994	\$1,135.00	\$613.54	\$622.47	\$1,023.28	31.36	\$32.63
1998	\$1,036,168.34	\$472,368.42	\$479,246.90	\$1,023,197.19	34.28	\$29,848.23
1999	\$3,469,094.89	\$1,504,026.09	\$1,525,927.25	\$3,504,260.35	35.05	\$99,978.90
2000	\$844,537.67	\$347,045.86	\$352,099.44	\$872,480.18	35.83	\$24,350.55
2002	\$16.92	\$6.16	\$6.25	\$18.29	37.45	\$0.49
2003	\$569,223.54	\$193,302.62	\$196,117.43	\$629,256.70	38.29	\$16,433.97
2005	\$495,464.19	\$143,540.93	\$145,631.13	\$572,791.95	40.01	\$14,316.22
2010	\$308,032.34	\$48,327.19	\$49,030.92	\$397,615.97	44.59	\$8,917.16
2012	\$163,603.25	\$16,463.40	\$16,703.13	\$220,521.58	46.53	\$4,739.34
2014	\$475,842.35	\$20,699.14	\$21,000.56	\$668,970.85	48.50	\$13,793.21
	\$10,920,276.57	\$4,855,917.72	\$4,926,628.07	\$10,907,772.96		\$314,514.66

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3693 RCG33 Meas & Reg Equip**

Survivor Curve: S2  
Average Service Life: 45  
Net Salvage Percent: -5  
Remaining Life (Years): 32.24

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1951	\$453.29	\$420.00	(\$17.51)	\$493.47	5.29	\$93.28
1952	\$1,673.37	\$1,540.73	(\$64.24)	\$1,821.28	5.54	\$328.75
1979	\$78,273.98	\$54,389.98	(\$2,267.75)	\$84,455.43	15.22	\$5,548.98
1982	\$15,000.00	\$9,863.00	(\$411.23)	\$16,161.23	16.82	\$960.83
1983	\$15,000.00	\$9,667.00	(\$403.06)	\$16,153.06	17.38	\$929.40
1986	\$1,970.95	\$1,187.43	(\$49.51)	\$2,119.01	19.18	\$110.48
1989	\$15,000.00	\$8,347.50	(\$348.04)	\$16,098.04	21.15	\$761.14
1992	\$28,000.00	\$14,177.33	(\$591.11)	\$29,991.11	23.30	\$1,287.17
1993	\$28,280.78	\$13,817.99	(\$576.13)	\$30,270.95	24.06	\$1,258.14
1997	\$11,384.90	\$4,704.62	(\$196.16)	\$12,150.30	27.29	\$445.23
2006	\$15,740.26	\$3,467.05	(\$144.56)	\$16,671.83	35.56	\$468.84
2007	\$5,086.30	\$1,004.04	(\$41.86)	\$5,382.48	36.54	\$147.30
2010	\$6,242.83	\$799.71	(\$33.34)	\$6,588.31	39.51	\$166.75
2011	\$90,656.18	\$9,518.90	(\$396.88)	\$95,585.87	40.50	\$2,360.15
2012	\$324,351.46	\$26,488.70	(\$1,104.43)	\$341,673.46	41.50	\$8,233.10
2014	\$77,200.16	\$2,702.01	(\$112.66)	\$81,172.83	43.50	\$1,866.04
2015	\$165,902.46	\$1,935.53	(\$80.70)	\$174,278.28	44.50	\$3,916.37
	\$880,216.92	\$164,031.52	(\$6,839.18)	\$931,066.95		\$28,881.95

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3741 RCG01 Land Rt/ROW Depr**

Survivor Curve: SQ  
Average Service Life: 25  
Net Salvage Percent: 0  
Remaining Life (Years): 15.50

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2006	\$596,817.87	\$226,790.79	\$219,017.35	\$377,800.52	15.50	\$24,374.23
	\$596,817.87	\$226,790.79	\$219,017.35	\$377,800.52		\$24,374.23

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group: 3750 RCG01 Struct & Improvement**

Survivor Curve: S2.5  
Average Service Life: 38  
Net Salvage Percent: -5  
Remaining Life (Years): 11.68

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1932	\$15,520.12	\$16,296.13	\$16,296.13	\$0.00	0.00	\$0.00
1933	\$480.97	\$505.02	\$505.02	\$0.00	0.00	\$0.00
1936	\$886.59	\$930.92	\$930.92	\$0.00	0.00	\$0.00
1939	\$365.65	\$383.93	\$383.93	\$0.00	0.00	\$0.00
1944	\$677.83	\$695.80	\$684.44	\$27.28	0.85	\$32.10
1949	\$2,147.43	\$2,150.96	\$2,115.84	\$138.97	1.75	\$79.41
1950	\$1,858.29	\$1,851.59	\$1,821.35	\$129.85	1.94	\$66.93
1952	\$551.26	\$543.64	\$534.76	\$44.06	2.31	\$19.08
1953	\$183.59	\$180.09	\$177.15	\$15.62	2.50	\$6.25
1954	\$1,878.52	\$1,832.82	\$1,802.89	\$169.56	2.69	\$63.03
1955	\$532.99	\$517.37	\$508.92	\$50.72	2.87	\$17.67
1956	\$47.40	\$45.76	\$45.01	\$4.76	3.06	\$1.55
1957	\$1,246.87	\$1,197.24	\$1,177.69	\$131.52	3.25	\$40.47
1958	\$1,095.68	\$1,046.01	\$1,028.93	\$121.53	3.45	\$35.23
1960	\$4,988.03	\$4,708.18	\$4,631.29	\$606.14	3.84	\$157.85
1961	\$2,887.76	\$2,709.78	\$2,665.53	\$366.62	4.04	\$90.75
1964	\$214.36	\$197.36	\$194.13	\$30.94	4.68	\$6.61
1966	\$316.02	\$286.94	\$282.25	\$49.57	5.14	\$9.64
1967	\$60.72	\$54.73	\$53.84	\$9.92	5.38	\$1.84
1969	\$696.97	\$618.58	\$608.48	\$123.34	5.88	\$20.98
1970	\$2,888.38	\$2,541.96	\$2,500.45	\$532.35	6.15	\$86.56
1972	\$116.74	\$100.90	\$99.25	\$23.32	6.72	\$3.47
1973	\$53.61	\$45.88	\$45.13	\$11.16	7.03	\$1.59
1975	\$1,901.35	\$1,593.46	\$1,567.43	\$428.98	7.67	\$55.93
1976	\$413.45	\$342.50	\$336.91	\$97.22	8.02	\$12.12
1979	\$49,995.94	\$39,841.50	\$39,190.88	\$13,304.85	9.16	\$1,452.50
1980	\$2,280.45	\$1,790.81	\$1,761.57	\$632.90	9.58	\$66.07
1982	\$835.66	\$635.68	\$625.30	\$252.14	10.47	\$24.08
1985	\$376.17	\$270.56	\$266.14	\$128.84	11.97	\$10.76
1986	\$7,075.05	\$4,981.21	\$4,899.86	\$2,528.94	12.52	\$201.99
1988	\$22,226.37	\$14,923.84	\$14,680.13	\$8,657.56	13.70	\$631.94
1992	\$9,091.44	\$5,436.20	\$5,347.43	\$4,198.58	16.36	\$256.64
1994	\$17,793.00	\$9,906.72	\$9,744.94	\$8,937.71	17.85	\$500.71
1995	\$7,450.00	\$3,987.42	\$3,922.30	\$3,900.20	18.63	\$209.35
1997	\$1,035.22	\$507.16	\$498.88	\$588.10	20.27	\$29.01
2001	\$8,019.09	\$3,148.65	\$3,097.24	\$5,322.81	23.79	\$223.74
	\$168,188.97	\$126,807.30	\$125,032.35	\$51,566.07		\$4,415.85

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3760 RCG01 Gas Mains**

Survivor Curve: R2.5  
Average Service Life: 65  
Net Salvage Percent: -45  
Remaining Life (Years): 51.75

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1953	\$381,219.97	\$410,579.77	\$503,201.06	\$49,567.90	16.72	\$2,964.59
1954	\$324,083.41	\$345,428.04	\$423,351.97	\$46,568.97	17.22	\$2,704.35
1955	\$145,145.90	\$153,054.12	\$187,581.07	\$22,880.48	17.73	\$1,290.50
1956	\$105,356.95	\$109,851.64	\$134,632.70	\$18,134.88	18.26	\$993.15
1957	\$136,016.01	\$140,180.19	\$171,802.96	\$25,420.25	18.80	\$1,352.14
1958	\$163,562.45	\$166,563.19	\$204,137.61	\$33,027.94	19.35	\$1,706.87
1959	\$689,852.16	\$693,890.45	\$850,422.82	\$149,862.81	19.91	\$7,527.01
1960	\$751,749.05	\$746,423.20	\$914,806.25	\$175,229.87	20.49	\$8,551.97
1961	\$1,451,613.09	\$1,422,547.33	\$1,743,454.92	\$361,384.06	21.07	\$17,151.59
1962	\$266,485.51	\$257,582.84	\$315,690.08	\$70,713.91	21.67	\$3,263.22
1963	\$230,375.29	\$219,544.11	\$269,070.31	\$64,973.86	22.28	\$2,916.24
1964	\$278,881.13	\$261,912.29	\$320,996.18	\$83,381.46	22.90	\$3,641.11
1965	\$510,659.14	\$472,410.77	\$578,980.30	\$161,475.45	23.53	\$6,862.54
1966	\$841,904.32	\$766,825.88	\$939,811.51	\$280,949.75	24.17	\$11,623.90
1967	\$750,425.75	\$672,623.92	\$824,358.85	\$263,758.49	24.82	\$10,626.85
1968	\$468,022.25	\$412,608.42	\$505,687.34	\$172,944.93	25.48	\$6,787.48
1969	\$605,150.25	\$524,320.80	\$642,600.53	\$234,867.33	26.16	\$8,978.11
1970	\$1,437,601.47	\$1,223,774.84	\$1,499,842.02	\$584,680.11	26.84	\$21,783.91
1971	\$582,117.73	\$486,574.30	\$596,338.93	\$247,731.78	27.53	\$8,998.61
1972	\$437,134.62	\$358,658.87	\$439,567.50	\$194,277.70	28.22	\$6,884.40
1973	\$535,842.51	\$431,159.49	\$528,423.29	\$248,548.35	28.93	\$8,591.37
1974	\$347,328.90	\$273,895.56	\$335,682.72	\$167,944.19	29.65	\$5,664.22
1975	\$453,716.57	\$350,503.03	\$429,571.81	\$228,317.22	30.37	\$7,517.85
1976	\$229,111.77	\$173,261.37	\$212,346.81	\$119,865.26	31.10	\$3,854.19
1977	\$171,519.82	\$126,877.17	\$155,498.96	\$93,204.78	31.84	\$2,927.29
1978	\$573,669.11	\$414,758.35	\$508,322.27	\$323,497.94	32.59	\$9,926.29
1979	\$7,641,707.80	\$5,397,044.31	\$6,614,545.08	\$4,465,931.23	33.34	\$133,951.15
1980	\$2,204,284.06	\$1,519,429.96	\$1,862,192.97	\$1,334,018.92	34.10	\$39,120.79
1981	\$1,713,325.13	\$1,151,578.54	\$1,411,359.20	\$1,072,962.24	34.87	\$30,770.35
1982	\$1,585,368.50	\$1,037,989.54	\$1,272,146.05	\$1,026,638.28	35.65	\$28,797.71
1983	\$1,240,794.77	\$790,519.89	\$968,850.57	\$830,301.84	36.44	\$22,785.45
1984	\$1,649,635.91	\$1,021,924.07	\$1,252,456.42	\$1,139,515.65	37.23	\$30,607.46
1985	\$1,865,004.87	\$1,122,474.70	\$1,375,689.93	\$1,328,567.13	38.02	\$34,943.90
1986	\$1,618,171.20	\$944,675.90	\$1,157,782.10	\$1,188,566.14	38.83	\$30,609.48
1987	\$1,710,212.19	\$967,506.50	\$1,185,762.99	\$1,294,044.69	39.64	\$32,644.92
1988	\$2,193,855.01	\$1,200,983.74	\$1,471,909.55	\$1,709,180.21	40.46	\$42,243.70
1989	\$2,518,909.94	\$1,332,852.13	\$1,633,525.68	\$2,018,893.73	41.28	\$48,907.31
1990	\$4,168,742.50	\$2,128,656.12	\$2,608,852.38	\$3,435,824.25	42.11	\$81,591.65
1991	\$6,577,214.36	\$3,235,230.56	\$3,965,055.15	\$5,571,905.67	42.95	\$129,730.05
1992	\$5,558,647.26	\$2,630,052.57	\$3,223,357.14	\$4,836,681.39	43.79	\$110,451.73
1993	\$2,415,856.38	\$1,097,244.80	\$1,344,768.50	\$2,158,223.25	44.64	\$48,347.29
1994	\$2,612,948.67	\$1,136,632.67	\$1,393,041.75	\$2,395,733.82	45.50	\$52,653.49
1995	\$3,946,480.97	\$1,641,007.50	\$2,011,196.77	\$3,711,200.63	46.36	\$80,051.78
1996	\$2,682,862.43	\$1,064,105.79	\$1,304,153.78	\$2,585,996.75	47.22	\$54,764.86
1997	\$3,446,893.33	\$1,299,478.79	\$1,592,623.76	\$3,405,371.57	48.10	\$70,797.75
1998	\$1,951,319.90	\$697,776.99	\$855,186.11	\$1,974,227.74	48.97	\$40,315.04
1999	\$660,638.78	\$223,270.50	\$273,637.33	\$684,288.90	49.85	\$13,726.96
2000	\$4,680,758.27	\$1,488,985.21	\$1,824,880.29	\$4,962,219.20	50.74	\$97,796.99
2001	\$4,074,630.63	\$1,215,274.26	\$1,489,423.82	\$4,418,790.59	51.63	\$85,585.72
2002	\$6,104,124.24	\$1,698,026.50	\$2,081,078.49	\$6,769,901.66	52.53	\$128,876.86
2003	\$7,073,678.79	\$1,825,716.50	\$2,237,573.64	\$8,019,260.61	53.43	\$150,089.10
2004	\$4,644,959.67	\$1,105,607.59	\$1,355,017.83	\$5,380,173.69	54.33	\$99,027.68
2005	\$6,456,872.46	\$1,405,810.14	\$1,722,942.04	\$7,639,523.03	55.24	\$138,296.94
2006	\$7,774,131.69	\$1,534,793.00	\$1,881,021.70	\$9,391,469.25	56.15	\$167,256.80

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3760 RCG01 Gas Mains**

Survivor Curve: R2.5  
Average Service Life: 65  
Net Salvage Percent: -45  
Remaining Life (Years): 51.75

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2007	\$6,082,210.14	\$1,075,942.97	\$1,318,661.27	\$7,500,543.43	57.07	\$131,427.08
2008	\$8,239,423.39	\$1,288,455.68	\$1,579,113.99	\$10,368,049.93	57.99	\$178,790.31
2009	\$6,174,436.57	\$838,820.96	\$1,028,047.71	\$7,924,885.32	58.91	\$134,525.30
2010	\$5,636,332.23	\$648,785.20	\$795,142.43	\$7,377,539.30	59.84	\$123,287.76
2011	\$4,826,796.82	\$455,463.97	\$558,210.53	\$6,440,644.85	60.77	\$105,983.95
2012	\$6,515,158.13	\$478,162.49	\$586,029.53	\$8,860,949.76	61.71	\$143,590.18
2013	\$6,701,177.17	\$352,791.20	\$432,376.17	\$9,284,330.73	62.64	\$148,217.28
2014	\$9,301,586.27	\$294,645.63	\$361,113.73	\$13,126,186.36	63.58	\$206,451.50
2015	\$15,603,202.07	\$163,593.57	\$200,498.09	\$22,424,144.91	64.53	\$347,499.53
	\$182,720,897.63	\$59,127,120.35	\$72,465,405.25	\$192,479,896.31		\$3,719,605.56

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3780 RCG01 Meas & Reg Equip**

Survivor Curve: R1.5  
Average Service Life: 44  
Net Salvage Percent: -10  
Remaining Life (Years): 34.82

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1967	\$18,134.60	\$14,439.68	\$10,057.87	\$9,890.19	12.15	\$814.01
1972	\$3,438.06	\$2,545.88	\$1,773.32	\$2,008.55	14.38	\$139.68
1973	\$29,709.49	\$21,643.36	\$15,075.55	\$17,604.89	14.86	\$1,184.72
1974	\$26,495.21	\$18,970.57	\$13,213.83	\$15,930.90	15.36	\$1,037.17
1975	\$30,482.24	\$21,444.26	\$14,936.86	\$18,593.60	15.86	\$1,172.36
1976	\$36,006.00	\$24,862.14	\$17,317.57	\$22,289.03	16.38	\$1,360.75
1977	\$18,067.79	\$12,236.41	\$8,523.20	\$11,351.37	16.91	\$671.28
1978	\$117,587.45	\$78,048.67	\$54,364.32	\$74,981.88	17.45	\$4,296.96
1979	\$50,952.72	\$33,119.27	\$23,069.02	\$32,978.97	18.00	\$1,832.17
1980	\$116,240.23	\$73,928.79	\$51,494.64	\$76,369.62	18.56	\$4,114.74
1981	\$94,242.63	\$58,571.79	\$40,797.82	\$62,869.07	19.14	\$3,284.70
1982	\$151,807.59	\$92,147.21	\$64,184.56	\$102,803.78	19.72	\$5,213.17
1983	\$55,015.44	\$32,569.14	\$22,685.83	\$37,831.15	20.32	\$1,861.77
1984	\$29,327.76	\$16,914.79	\$11,781.89	\$20,478.65	20.93	\$978.44
1985	\$77,923.71	\$43,754.16	\$30,476.69	\$55,239.39	21.54	\$2,564.50
1986	\$33,505.16	\$18,285.44	\$12,736.61	\$24,119.07	22.17	\$1,087.91
1987	\$72,344.26	\$38,342.46	\$26,707.20	\$52,871.49	22.80	\$2,318.92
1988	\$146,242.31	\$75,131.99	\$52,332.72	\$108,533.82	23.45	\$4,628.31
1989	\$242,751.87	\$120,708.37	\$84,078.66	\$182,948.39	24.11	\$7,588.07
1990	\$204,752.28	\$98,434.66	\$68,564.05	\$156,663.46	24.77	\$6,324.73
1991	\$285,271.03	\$132,365.76	\$92,198.55	\$221,599.59	25.44	\$8,710.68
1992	\$649,594.05	\$290,368.54	\$202,254.40	\$512,299.05	26.12	\$19,613.29
1993	\$346,743.38	\$149,012.97	\$103,794.06	\$277,623.66	26.81	\$10,355.23
1994	\$132,742.08	\$54,722.92	\$38,116.91	\$107,899.38	27.51	\$3,922.19
1995	\$42,113.86	\$16,613.92	\$11,572.32	\$34,752.92	28.22	\$1,231.50
1996	\$120,176.23	\$45,276.39	\$31,536.99	\$100,656.86	28.93	\$3,479.32
1997	\$136,097.20	\$48,824.87	\$34,008.66	\$115,698.26	29.65	\$3,902.13
1998	\$233,663.45	\$79,620.82	\$55,459.39	\$201,570.41	30.37	\$6,637.16
1999	\$89,009.82	\$28,683.41	\$19,979.25	\$77,931.55	31.11	\$2,505.03
2000	\$69,525.33	\$21,118.32	\$14,709.83	\$61,768.03	31.85	\$1,939.34
2001	\$111,945.47	\$31,932.45	\$22,242.35	\$100,897.67	32.59	\$3,095.97
2002	\$170,337.24	\$45,394.87	\$31,619.52	\$155,751.45	33.34	\$4,671.61
2003	\$13,003.94	\$3,218.48	\$2,241.81	\$12,062.53	34.10	\$353.74
2004	\$3,308.54	\$756.00	\$526.59	\$3,112.81	34.86	\$89.29
2005	\$198,930.40	\$41,675.92	\$29,029.10	\$189,794.34	35.62	\$5,328.31
2006	\$507,127.05	\$96,354.14	\$67,114.88	\$490,724.88	36.40	\$13,481.45
2007	\$96,732.76	\$16,517.12	\$11,504.90	\$94,901.14	37.17	\$2,553.16
2008	\$103,803.36	\$15,674.31	\$10,917.84	\$103,265.85	37.96	\$2,720.39
2009	\$52,367.11	\$6,873.18	\$4,787.47	\$52,816.35	38.75	\$1,363.00
2010	\$315,164.69	\$35,140.86	\$24,477.15	\$322,204.01	39.54	\$8,148.81
2011	\$1,302,667.35	\$119,194.06	\$83,023.88	\$1,349,910.20	40.34	\$33,463.32
2012	\$1,573,841.70	\$112,529.68	\$78,381.85	\$1,652,844.02	41.14	\$40,176.08
2013	\$559,668.09	\$28,682.99	\$19,978.96	\$595,655.94	41.95	\$14,199.19
2014	\$901,225.39	\$27,712.68	\$19,303.10	\$972,044.83	42.77	\$22,727.26
2015	\$1,858,241.44	\$19,046.97	\$13,267.05	\$2,030,798.53	43.59	\$46,588.63
	\$11,428,327.76	\$2,363,410.67	\$1,646,219.01	\$10,924,941.53		\$313,730.42

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3790 RCG01 Meas & Reg Eq-City G**

Survivor Curve: R3  
Average Service Life: 40  
Net Salvage Percent: -15  
Remaining Life (Years): 33.48

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1931	\$2,510.06	\$2,886.57	\$2,886.57	\$0.00	0.00	\$0.00
1942	\$1,255.03	\$1,443.28	\$1,443.28	\$0.00	0.00	\$0.00
1949	\$552.55	\$630.19	\$512.78	\$122.65	0.33	\$371.66
1950	\$702.48	\$797.15	\$648.64	\$159.21	0.53	\$300.40
1953	\$2,510.06	\$2,798.53	\$2,277.16	\$609.41	1.22	\$499.52
1954	\$2,529.67	\$2,802.94	\$2,280.75	\$628.37	1.46	\$430.39
1955	\$2,529.67	\$2,784.76	\$2,265.95	\$643.17	1.71	\$376.12
1958	\$4,216.11	\$4,547.92	\$3,700.64	\$1,147.89	2.48	\$462.86
1959	\$3,372.89	\$3,614.09	\$2,940.78	\$938.04	2.73	\$343.60
1961	\$3,216.01	\$3,397.92	\$2,764.88	\$933.53	3.25	\$287.24
1962	\$3,765.08	\$3,949.90	\$3,214.03	\$1,115.81	3.51	\$317.90
1965	\$5,595.33	\$5,742.91	\$4,673.00	\$1,761.63	4.30	\$409.68
1966	\$15,945.73	\$16,237.94	\$13,212.79	\$5,124.80	4.58	\$1,118.95
1967	\$15,809.10	\$15,966.99	\$12,992.32	\$5,188.14	4.87	\$1,065.33
1972	\$3,769.36	\$3,622.78	\$2,947.85	\$1,386.91	6.57	\$211.10
1974	\$213.76	\$200.41	\$163.07	\$82.75	7.39	\$11.20
1975	\$305.44	\$282.41	\$229.80	\$121.46	7.84	\$15.49
1979	\$29,656.41	\$25,698.02	\$20,910.45	\$13,194.42	9.86	\$1,338.18
1981	\$5,498.44	\$4,582.74	\$3,728.97	\$2,594.23	11.01	\$235.63
1982	\$6,360.45	\$5,189.65	\$4,222.81	\$3,091.71	11.62	\$266.07
1985	\$1,949.35	\$1,481.80	\$1,205.74	\$1,036.01	13.56	\$76.40
1987	\$21,255.70	\$15,308.09	\$12,456.17	\$11,987.88	14.95	\$801.86
1988	\$1,554.41	\$1,087.29	\$884.73	\$902.84	15.67	\$57.62
1989	\$5,490.75	\$3,725.47	\$3,031.41	\$3,282.95	16.40	\$200.18
1990	\$41,080.00	\$26,986.99	\$21,959.28	\$25,282.72	17.15	\$1,474.21
1991	\$161,241.31	\$102,402.34	\$83,324.66	\$102,102.85	17.91	\$5,700.88
1992	\$61,696.52	\$37,799.14	\$30,757.12	\$40,193.88	18.69	\$2,150.56
1993	\$98,112.38	\$57,881.40	\$47,098.02	\$65,731.21	19.48	\$3,374.29
1994	\$23,368.37	\$13,241.98	\$10,774.98	\$16,098.64	20.29	\$793.43
1995	\$41,323.00	\$22,453.89	\$18,270.70	\$29,250.75	21.10	\$1,386.29
1996	\$22,852.70	\$11,872.26	\$9,660.45	\$16,620.16	21.93	\$757.87
1997	\$214,685.23	\$106,285.29	\$86,484.21	\$160,403.81	22.78	\$7,041.43
1998	\$46,938.18	\$22,090.87	\$17,975.31	\$36,003.60	23.63	\$1,523.64
1999	\$52,662.29	\$23,482.77	\$19,107.90	\$41,453.73	24.49	\$1,692.68
2000	\$48,637.67	\$20,457.61	\$16,646.33	\$39,286.99	25.37	\$1,548.56
2001	\$246,076.71	\$97,206.45	\$79,096.77	\$203,891.45	26.26	\$7,764.34
2002	\$71,249.00	\$26,322.05	\$21,418.22	\$60,518.13	27.15	\$2,229.03
2005	\$34,055.71	\$9,888.93	\$8,046.61	\$31,117.46	29.90	\$1,040.72
2006	\$167,070.40	\$44,046.02	\$35,840.19	\$156,290.77	30.83	\$5,069.44
2007	\$153,932.88	\$36,422.44	\$29,636.90	\$147,385.91	31.77	\$4,639.15
2008	\$90,257.48	\$18,890.89	\$15,371.49	\$88,424.61	32.72	\$2,702.46
2009	\$180,894.17	\$32,868.47	\$26,745.03	\$181,283.26	33.68	\$5,382.52
2010	\$407,350.32	\$62,772.68	\$51,078.06	\$417,374.81	34.64	\$12,048.93
2011	\$1,513,846.46	\$191,501.58	\$155,824.60	\$1,585,098.83	35.60	\$44,525.25
2012	\$315,511.89	\$31,113.42	\$25,316.95	\$337,521.73	36.57	\$9,229.47
2013	\$408,725.86	\$28,789.63	\$23,426.08	\$446,608.65	37.55	\$11,893.71
2014	\$1,632,652.00	\$68,999.96	\$56,145.18	\$1,821,404.62	38.53	\$47,272.38
2015	\$1,553,554.25	\$21,885.70	\$17,808.36	\$1,768,779.02	39.51	\$44,767.88
	\$7,728,338.62	\$1,244,442.50	\$1,013,407.98	\$7,874,181.44		\$235,206.49



**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3800 RCG01 Gas Services**

Survivor Curve: R2.5  
Average Service Life: 50  
Net Salvage Percent: -60  
Remaining Life (Years): 38.00

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1953	\$118,280.72	\$160,975.33	\$189,249.15	\$0.00	7.47	\$0.00
1954	\$96,484.09	\$130,446.49	\$154,374.54	\$0.00	7.75	\$0.00
1955	\$20,986.84	\$28,179.45	\$33,578.94	\$0.00	8.04	\$0.00
1956	\$26,546.04	\$35,389.06	\$42,473.66	\$0.00	8.34	\$0.00
1957	\$72,375.69	\$95,744.35	\$115,250.83	\$550.27	8.66	\$63.54
1958	\$110,593.99	\$145,134.70	\$174,703.73	\$2,246.66	8.99	\$249.91
1959	\$226,603.54	\$294,910.91	\$354,994.59	\$7,571.07	9.33	\$811.48
1960	\$162,489.64	\$209,598.64	\$252,301.22	\$7,682.21	9.69	\$792.80
1961	\$322,595.72	\$412,303.14	\$496,303.72	\$19,849.43	10.06	\$1,973.10
1962	\$175,352.57	\$221,926.21	\$267,140.35	\$13,423.76	10.45	\$1,284.57
1963	\$156,371.45	\$195,852.11	\$235,754.05	\$14,440.27	10.86	\$1,329.68
1964	\$184,163.86	\$228,186.39	\$274,675.95	\$19,986.23	11.28	\$1,771.83
1965	\$215,639.50	\$264,149.76	\$317,966.32	\$27,056.88	11.72	\$2,308.61
1966	\$212,908.41	\$257,670.27	\$310,166.73	\$30,486.72	12.18	\$2,503.02
1967	\$250,727.23	\$299,588.95	\$360,625.71	\$40,537.86	12.66	\$3,202.04
1968	\$187,100.64	\$220,629.07	\$265,578.94	\$33,782.08	13.15	\$2,568.98
1969	\$292,212.29	\$339,807.83	\$409,038.58	\$58,501.08	13.66	\$4,282.66
1970	\$210,552.07	\$241,275.83	\$290,432.16	\$46,451.15	14.19	\$3,273.51
1971	\$318,012.52	\$358,921.65	\$432,046.56	\$76,773.47	14.73	\$5,212.05
1972	\$247,025.38	\$274,376.03	\$330,276.03	\$64,964.57	15.29	\$4,248.83
1973	\$162,699.34	\$177,693.71	\$213,896.14	\$46,422.80	15.87	\$2,925.19
1974	\$143,073.87	\$153,558.32	\$184,843.53	\$44,074.66	16.46	\$2,677.68
1975	\$231,252.64	\$243,684.78	\$293,331.90	\$76,672.32	17.07	\$4,491.64
1976	\$154,173.80	\$159,403.38	\$191,879.42	\$54,798.66	17.69	\$3,097.72
1977	\$236,554.91	\$239,809.91	\$288,667.58	\$89,820.28	18.32	\$4,902.85
1978	\$561,374.01	\$557,421.94	\$670,988.30	\$227,210.11	18.97	\$11,977.34
1979	\$2,178,411.50	\$2,117,067.43	\$2,548,388.20	\$937,070.20	19.63	\$47,736.64
1980	\$1,692,357.42	\$1,608,416.49	\$1,936,107.25	\$771,664.62	20.30	\$38,013.04
1981	\$1,234,957.65	\$1,146,435.89	\$1,380,005.02	\$595,927.22	20.99	\$28,391.01
1982	\$1,447,558.95	\$1,311,835.82	\$1,579,102.72	\$736,991.60	21.68	\$33,994.08
1983	\$1,299,104.09	\$1,147,784.45	\$1,381,628.33	\$696,938.22	22.39	\$31,127.21
1984	\$1,428,109.58	\$1,228,859.73	\$1,479,221.49	\$805,753.84	23.11	\$34,866.03
1985	\$1,815,318.75	\$1,519,639.63	\$1,829,243.44	\$1,075,266.56	23.84	\$45,103.46
1986	\$1,720,931.84	\$1,399,874.80	\$1,685,078.31	\$1,068,412.63	24.58	\$43,466.75
1987	\$2,143,334.25	\$1,692,033.79	\$2,036,760.32	\$1,392,574.48	25.33	\$54,977.28
1988	\$2,204,971.72	\$1,687,067.96	\$2,030,782.78	\$1,497,171.97	26.09	\$57,384.90
1989	\$2,330,996.34	\$1,726,056.17	\$2,077,714.25	\$1,651,879.89	26.86	\$61,499.62
1990	\$3,624,582.57	\$2,594,621.19	\$3,123,236.38	\$2,676,095.74	27.63	\$96,854.71
1991	\$3,875,164.89	\$2,676,033.87	\$3,221,235.67	\$2,979,028.15	28.42	\$104,821.54
1992	\$3,796,098.12	\$2,524,253.41	\$3,038,532.21	\$3,035,224.78	29.22	\$103,874.91
1993	\$2,582,604.99	\$1,651,214.33	\$1,987,624.50	\$2,144,543.48	30.02	\$71,437.16
1994	\$2,930,672.36	\$1,796,853.84	\$2,162,935.88	\$2,526,139.89	30.84	\$81,911.15
1995	\$3,395,979.09	\$1,993,032.21	\$2,399,082.66	\$3,034,483.89	31.66	\$95,845.99
1996	\$2,932,817.07	\$1,643,316.06	\$1,978,117.08	\$2,714,390.23	32.49	\$83,545.41
1997	\$3,895,949.61	\$2,078,255.36	\$2,501,668.75	\$3,731,850.63	33.33	\$111,966.72
1998	\$450,733.54	\$228,179.35	\$274,667.47	\$446,506.19	34.18	\$13,063.38
1999	\$2,635,514.17	\$1,262,516.71	\$1,519,735.57	\$2,697,087.10	35.03	\$76,993.64
2000	\$3,401,339.92	\$1,535,773.00	\$1,848,663.74	\$3,593,480.13	35.89	\$100,124.83
2001	\$4,481,069.51	\$1,898,539.53	\$2,285,338.51	\$4,884,372.70	36.76	\$132,871.95
2002	\$3,848,827.00	\$1,522,288.06	\$1,832,431.44	\$4,325,691.76	37.64	\$114,922.74
2003	\$3,810,645.67	\$1,399,878.79	\$1,685,083.12	\$4,411,949.95	38.52	\$114,536.60
2004	\$3,904,320.27	\$1,323,096.05	\$1,592,657.05	\$4,654,255.38	39.41	\$118,098.34
2005	\$3,332,959.47	\$1,034,550.62	\$1,245,324.81	\$4,087,410.35	40.30	\$101,424.57
2006	\$4,741,376.24	\$1,335,171.55	\$1,607,192.75	\$5,979,009.24	41.20	\$145,121.58

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3800 RCG01 Gas Services**

Survivor Curve: R2.5  
Average Service Life: 50  
Net Salvage Percent: -60  
Remaining Life (Years): 38.00

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2007	\$5,448,742.91	\$1,375,698.61	\$1,655,976.59	\$7,062,012.07	42.11	\$167,703.92
2008	\$4,689,680.00	\$1,047,486.92	\$1,260,896.69	\$6,242,591.31	43.02	\$145,109.05
2009	\$3,863,596.14	\$750,464.91	\$903,360.90	\$5,278,392.93	43.93	\$120,154.63
2010	\$4,285,499.68	\$704,878.99	\$848,487.52	\$6,008,311.97	44.86	\$133,934.73
2011	\$6,235,941.91	\$842,101.60	\$1,013,667.18	\$8,963,839.88	45.78	\$195,802.53
2012	\$7,647,239.07	\$805,101.33	\$969,128.66	\$11,266,453.85	46.71	\$241,200.04
2013	\$6,931,320.76	\$521,235.32	\$627,429.21	\$10,462,684.01	47.65	\$219,573.64
2014	\$7,582,645.60	\$342,128.97	\$411,832.62	\$11,720,400.34	48.59	\$241,210.13
2015	\$6,680,202.28	\$100,470.24	\$120,939.55	\$10,567,384.10	49.53	\$213,353.20
	\$135,597,725.69	\$57,518,851.18	\$69,229,817.26	\$147,726,543.84		\$3,887,966.09

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3810 RCG01 Meter & Installation**

Survivor Curve: S2  
Average Service Life: 38  
Net Salvage Percent: -1  
Remaining Life (Years): 24.48

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1905	\$3,796,351.54	\$3,834,315.06	\$3,834,315.06	\$0.00	0.00	\$0.00
1966	\$150,407.15	\$128,764.75	\$104,355.62	\$47,555.60	5.79	\$8,213.40
1967	\$199,745.54	\$169,464.12	\$137,339.86	\$64,403.13	6.08	\$10,592.62
1968	\$258,713.92	\$217,498.75	\$176,268.87	\$85,032.19	6.37	\$13,348.85
1969	\$76,410.80	\$63,628.68	\$51,566.99	\$25,607.92	6.67	\$3,839.27
1970	\$109,796.93	\$90,525.26	\$73,364.95	\$37,529.95	6.98	\$5,376.78
1971	\$131,074.63	\$106,953.45	\$86,678.95	\$45,706.43	7.30	\$6,261.15
1972	\$125,768.09	\$101,520.33	\$82,275.76	\$44,750.01	7.63	\$5,865.01
1973	\$194,164.21	\$154,975.23	\$125,597.54	\$70,508.31	7.97	\$8,846.71
1974	\$279,386.94	\$220,398.06	\$178,618.58	\$103,562.23	8.32	\$12,447.38
1975	\$136,529.47	\$106,396.70	\$86,227.74	\$51,667.03	8.68	\$5,952.42
1976	\$101,425.54	\$78,042.95	\$63,248.83	\$39,190.96	9.05	\$4,330.49
1977	\$128,238.18	\$97,379.01	\$78,919.48	\$50,601.08	9.43	\$5,365.97
1978	\$226,881.27	\$169,872.57	\$137,670.89	\$91,479.19	9.83	\$9,306.12
1979	\$361,142.57	\$266,462.39	\$215,950.78	\$148,803.22	10.24	\$14,531.56
1980	\$550,809.00	\$400,255.51	\$324,381.57	\$231,935.52	10.66	\$21,757.55
1981	\$428,522.71	\$306,382.46	\$248,303.45	\$184,504.49	11.10	\$16,622.03
1982	\$222,604.07	\$156,434.42	\$126,780.13	\$98,049.98	11.56	\$8,481.83
1983	\$177,541.38	\$122,548.87	\$99,318.05	\$79,998.75	12.03	\$6,649.94
1984	\$313,036.55	\$212,081.44	\$171,878.48	\$144,288.43	12.51	\$11,533.85
1985	\$258,704.56	\$171,764.85	\$139,204.46	\$122,087.15	13.02	\$9,376.89
1986	\$270,451.37	\$175,826.13	\$142,495.87	\$130,660.02	13.54	\$9,649.93
1987	\$298,377.20	\$189,698.80	\$153,738.78	\$147,622.19	14.08	\$10,484.53
1988	\$489,318.01	\$303,809.83	\$246,218.49	\$247,992.70	14.64	\$16,939.39
1989	\$590,492.53	\$357,367.63	\$289,623.68	\$306,773.77	15.23	\$20,142.73
1990	\$739,277.40	\$435,623.10	\$353,044.75	\$393,625.43	15.83	\$24,865.79
1991	\$1,412,773.98	\$808,827.97	\$655,503.50	\$771,398.22	16.46	\$46,865.02
1992	\$835,030.68	\$463,637.60	\$375,748.71	\$467,632.27	17.11	\$27,330.93
1993	\$428,836.23	\$230,467.88	\$186,779.52	\$246,345.07	17.78	\$13,855.18
1994	\$710,824.17	\$368,979.47	\$299,034.34	\$418,898.07	18.47	\$22,679.92
1995	\$592,785.66	\$296,363.19	\$240,183.47	\$358,530.05	19.19	\$18,683.17
1996	\$632,308.39	\$303,518.01	\$245,982.00	\$392,649.48	19.94	\$19,691.55
1997	\$840,141.51	\$386,310.33	\$313,079.89	\$535,463.03	20.70	\$25,867.78
1998	\$693,459.68	\$304,118.57	\$246,468.71	\$453,925.57	21.50	\$21,112.82
1999	\$843,239.11	\$351,650.68	\$284,990.46	\$566,681.05	22.31	\$25,400.32
2000	\$983,362.80	\$388,130.71	\$314,555.19	\$678,641.24	23.15	\$29,314.96
2001	\$1,155,400.99	\$429,623.70	\$348,182.61	\$818,772.39	24.01	\$34,101.31
2002	\$1,184,295.58	\$412,667.79	\$334,440.94	\$861,697.60	24.89	\$34,620.23
2003	\$1,207,833.26	\$391,976.86	\$317,672.25	\$902,239.34	25.79	\$34,984.08
2004	\$1,041,502.06	\$312,530.10	\$253,285.72	\$798,631.36	26.71	\$29,900.09
2005	\$1,030,495.81	\$283,481.26	\$229,743.49	\$811,057.28	27.65	\$29,332.99
2006	\$1,798,896.28	\$449,440.03	\$364,242.49	\$1,452,642.75	28.60	\$50,791.70
2007	\$1,639,626.94	\$367,811.47	\$298,087.75	\$1,357,935.46	29.56	\$45,938.28
2008	\$1,214,071.91	\$240,724.90	\$195,092.18	\$1,031,120.45	30.54	\$33,762.95
2009	\$1,806,758.40	\$311,180.85	\$252,192.24	\$1,572,633.74	31.52	\$49,893.20
2010	\$2,025,263.00	\$295,523.18	\$239,502.69	\$1,806,012.94	32.51	\$55,552.54
2011	\$2,063,404.52	\$246,794.04	\$200,010.83	\$1,884,027.73	33.50	\$56,239.63
2012	\$988,462.48	\$91,953.02	\$74,522.06	\$923,825.04	34.50	\$26,777.54
2013	\$1,769,015.04	\$117,546.39	\$95,263.86	\$1,691,441.33	35.50	\$47,646.23
2014	\$3,075,671.18	\$122,622.15	\$99,377.44	\$3,007,050.45	36.50	\$82,384.94
2015	\$2,726,827.98	\$36,238.11	\$29,368.68	\$2,724,727.58	37.50	\$72,659.40
	\$43,315,459.20	\$16,650,108.63	\$14,220,698.61	\$29,527,915.18		\$1,206,168.97

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3812 RCG01 AMR Devices**

Survivor Curve: SQ  
Average Service Life: 15  
Net Salvage Percent: -1  
Remaining Life (Years): 10.50

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2011	\$339,538.31	\$102,880.11	\$81,306.70	\$261,626.99	10.50	\$24,916.86
	\$339,538.31	\$102,880.11	\$81,306.70	\$261,626.99		\$24,916.86

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3830 RCG01 House Regulators**

Survivor Curve: R3  
Average Service Life: 44  
Net Salvage Percent: -5  
Remaining Life (Years): 30.73

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1953	\$363,770.27	\$356,610.61	\$381,958.78	\$0.00	2.92	\$0.00
1966	\$66,322.74	\$59,177.22	\$69,638.88	\$0.00	6.61	\$0.00
1967	\$26,383.34	\$23,307.88	\$27,702.51	\$0.00	6.98	\$0.00
1968	\$20,763.76	\$18,155.08	\$21,801.95	\$0.00	7.36	\$0.00
1969	\$27,504.38	\$23,779.72	\$28,879.60	\$0.00	7.77	\$0.00
1970	\$19,260.52	\$16,454.61	\$20,223.55	\$0.00	8.20	\$0.00
1971	\$29,292.68	\$24,710.71	\$30,757.31	\$0.00	8.65	\$0.00
1972	\$31,781.42	\$26,453.70	\$33,370.49	\$0.00	9.12	\$0.00
1973	\$40,159.14	\$32,957.42	\$42,167.10	\$0.00	9.61	\$0.00
1974	\$46,738.08	\$37,787.74	\$49,074.98	\$0.00	10.12	\$0.00
1975	\$25,690.19	\$20,445.60	\$26,974.70	\$0.00	10.65	\$0.00
1976	\$18,614.59	\$14,565.71	\$19,545.32	\$0.00	11.21	\$0.00
1977	\$28,297.52	\$21,750.82	\$29,712.40	\$0.00	11.79	\$0.00
1978	\$85,682.20	\$64,653.06	\$89,966.31	\$0.00	12.38	\$0.00
1979	\$124,043.07	\$91,763.68	\$129,710.84	\$534.38	13.00	\$41.11
1980	\$202,380.60	\$146,673.04	\$207,326.94	\$5,172.69	13.63	\$379.51
1981	\$145,222.96	\$102,996.08	\$145,588.20	\$6,895.91	14.28	\$482.91
1982	\$206,807.81	\$143,367.16	\$202,653.98	\$14,494.22	14.95	\$969.51
1983	\$158,162.61	\$107,040.14	\$151,304.60	\$14,766.14	15.64	\$944.13
1984	\$181,487.44	\$119,794.08	\$169,332.70	\$21,229.12	16.34	\$1,299.21
1985	\$195,047.70	\$125,440.05	\$177,313.45	\$27,486.64	17.05	\$1,612.12
1986	\$281,646.86	\$176,227.72	\$249,103.41	\$46,625.79	17.78	\$2,622.37
1987	\$345,641.98	\$210,083.55	\$296,959.69	\$65,964.39	18.53	\$3,559.87
1988	\$335,254.21	\$197,769.51	\$279,553.40	\$72,463.52	19.28	\$3,758.48
1989	\$348,902.69	\$199,409.78	\$281,871.98	\$84,475.84	20.05	\$4,213.26
1990	\$413,778.43	\$228,687.82	\$323,257.40	\$111,209.95	20.84	\$5,336.37
1991	\$536,352.93	\$286,321.04	\$404,723.77	\$158,446.80	21.63	\$7,325.33
1992	\$496,609.71	\$255,505.70	\$361,165.32	\$160,274.88	22.44	\$7,142.37
1993	\$367,545.42	\$181,909.92	\$257,135.38	\$128,787.31	23.26	\$5,536.86
1994	\$478,086.42	\$227,150.81	\$321,084.80	\$180,905.94	24.09	\$7,509.59
1995	\$269,444.35	\$122,618.61	\$173,325.26	\$109,591.31	24.93	\$4,395.96
1996	\$288,278.44	\$125,342.16	\$177,175.07	\$125,517.29	25.78	\$4,868.79
1997	\$497,686.06	\$206,177.76	\$291,438.73	\$231,131.63	26.64	\$8,676.11
1998	\$736,949.27	\$289,997.91	\$409,921.15	\$363,875.59	27.51	\$13,227.03
1999	\$865,655.87	\$322,466.65	\$455,816.72	\$453,121.94	28.39	\$15,960.62
2000	\$878,966.10	\$308,547.07	\$436,140.96	\$486,773.45	29.29	\$16,619.10
2001	\$1,485,668.47	\$489,612.17	\$692,082.17	\$867,869.72	30.19	\$28,746.93
2002	\$1,226,911.21	\$377,693.46	\$533,881.56	\$754,375.21	31.10	\$24,256.44
2003	\$1,214,051.28	\$347,370.42	\$491,018.99	\$783,734.85	32.01	\$24,484.06
2004	\$1,859,623.73	\$490,813.87	\$693,780.81	\$1,258,824.11	32.94	\$38,215.67
2005	\$1,466,379.12	\$354,480.49	\$501,069.29	\$1,038,628.78	33.87	\$30,665.15
2006	\$514,743.15	\$112,886.68	\$159,568.87	\$380,911.44	34.81	\$10,942.59
2007	\$159,211.82	\$31,306.83	\$44,253.19	\$122,919.22	35.76	\$3,437.34
2008	\$167,923.72	\$29,213.00	\$41,293.50	\$135,026.41	36.71	\$3,678.19
2009	\$245,164.41	\$37,033.76	\$52,348.38	\$205,074.25	37.67	\$5,443.97
2010	\$220,388.69	\$28,242.31	\$39,921.39	\$191,486.73	38.63	\$4,956.94
2011	\$193,636.03	\$20,331.78	\$28,739.61	\$174,578.22	39.60	\$4,408.54
2012	\$272,642.07	\$22,316.37	\$31,544.89	\$254,729.28	40.57	\$6,278.76
2013	\$266,866.10	\$15,602.57	\$22,054.72	\$258,154.68	41.55	\$6,213.11
2014	\$331,358.66	\$11,623.91	\$16,430.76	\$331,495.83	42.53	\$7,794.40
2015	\$291,952.01	\$6,897.37	\$9,749.64	\$296,799.97	43.01	\$6,900.72
	\$19,100,732.23	\$7,291,525.13	\$10,131,415.39	\$9,924,353.44		\$322,903.40

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3850 RCG01 Industri Meas&Reg Eq**

Survivor Curve: S1.5  
Average Service Life: 36  
Net Salvage Percent: -5  
Remaining Life (Years): 22.65

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1960	\$26,744.18	\$24,774.03	\$23,521.40	\$4,559.99	4.24	\$1,075.47
1968	\$11,773.26	\$10,153.95	\$9,640.54	\$2,721.38	6.43	\$423.23
1970	\$5,348.84	\$4,519.55	\$4,291.03	\$1,325.25	7.03	\$188.51
1971	\$21,366.28	\$17,860.43	\$16,957.37	\$5,477.23	7.34	\$746.22
1974	\$3,081.40	\$2,487.72	\$2,361.93	\$873.54	8.32	\$104.99
1975	\$7,267.44	\$5,793.06	\$5,500.15	\$2,130.66	8.67	\$245.75
1979	\$39,767.41	\$29,994.57	\$28,477.98	\$13,277.80	10.14	\$1,309.45
1980	\$105,174.41	\$78,100.76	\$74,151.82	\$36,281.31	10.54	\$3,442.25
1982	\$12,616.28	\$9,063.22	\$8,604.96	\$4,642.13	11.37	\$408.28
1983	\$25,697.68	\$18,130.78	\$17,214.05	\$9,768.51	11.81	\$827.14
1985	\$199,796.54	\$135,661.85	\$128,802.49	\$80,983.88	12.72	\$6,366.66
1986	\$257,267.46	\$171,082.86	\$162,432.54	\$107,698.30	13.20	\$8,158.96
1989	\$51,482.56	\$31,923.48	\$30,309.36	\$23,747.33	14.74	\$1,611.08
1990	\$58,648.26	\$35,425.99	\$33,634.78	\$27,945.90	15.29	\$1,827.72
1991	\$32,906.98	\$19,330.11	\$18,352.74	\$16,199.59	15.86	\$1,021.41
1995	\$17,558.14	\$9,049.03	\$8,591.49	\$9,844.56	18.33	\$537.07
1996	\$22,020.35	\$10,918.42	\$10,366.36	\$12,755.00	19.00	\$671.32
1998	\$61,846.22	\$28,140.03	\$26,717.21	\$38,221.32	20.40	\$1,873.59
1999	\$17,674.42	\$7,665.54	\$7,277.96	\$11,280.18	21.13	\$533.85
2000	\$17,848.84	\$7,345.54	\$6,974.13	\$11,767.15	21.89	\$537.56
2004	\$111,686.02	\$35,409.12	\$33,618.76	\$83,651.56	25.13	\$3,328.75
2006	\$21,860.95	\$5,815.01	\$5,520.99	\$17,433.00	26.88	\$648.55
2007	\$11,906.80	\$2,854.66	\$2,710.32	\$9,791.82	27.78	\$352.48
2009	\$5,671.00	\$1,051.97	\$998.78	\$4,955.77	29.64	\$167.20
2010	\$42,483.35	\$6,703.52	\$6,364.57	\$38,242.94	30.59	\$1,250.18
2011	\$10,533.61	\$1,367.17	\$1,298.05	\$9,762.24	31.55	\$309.42
2012	\$21,349.19	\$2,160.72	\$2,051.47	\$20,365.18	32.53	\$626.04
2013	\$82,932.01	\$6,022.94	\$5,718.40	\$81,360.21	33.51	\$2,427.94
2014	\$422,892.77	\$18,501.56	\$17,566.08	\$426,471.33	34.50	\$12,361.49
2015	\$254,718.89	\$3,714.65	\$3,526.83	\$263,928.00	35.50	\$7,434.59
	\$1,981,921.54	\$741,022.23	\$703,554.52	\$1,377,463.10		\$60,817.15

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3900 RCG35 Structure Improvement**

Survivor Curve: R3  
Average Service Life: 55  
Net Salvage Percent: -5  
Remaining Life (Years): 41.43

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1965	\$28,788.23	\$22,868.58	\$24,699.08	\$5,528.56	13.39	\$412.89
1968	\$37,039.48	\$28,213.98	\$30,472.35	\$8,419.11	15.10	\$557.56
1974	\$20,757.30	\$14,289.70	\$15,433.51	\$6,361.66	18.94	\$335.88
1977	\$1,325.06	\$859.07	\$927.84	\$463.48	21.04	\$22.03
1979	\$18,100.79	\$11,230.72	\$12,129.67	\$6,876.16	22.50	\$305.61
1980	\$354,371.22	\$214,797.28	\$231,990.55	\$140,099.23	23.25	\$6,025.77
1981	\$101,924.93	\$60,301.57	\$65,128.36	\$41,892.82	24.01	\$1,744.81
1982	\$592,631.10	\$341,905.04	\$369,272.54	\$252,990.11	24.78	\$10,209.45
1983	\$26,610.71	\$14,961.27	\$16,158.83	\$11,782.42	25.55	\$461.15
1985	\$300,430.67	\$159,790.88	\$172,581.21	\$142,871.00	27.14	\$5,264.22
1986	\$1,050.71	\$542.80	\$586.24	\$517.00	27.94	\$18.50
1987	\$421,634.79	\$211,216.03	\$228,122.64	\$214,593.89	28.76	\$7,461.54
1988	\$357,982.02	\$173,657.08	\$187,557.31	\$188,323.81	29.59	\$6,364.44
1989	\$202,928.63	\$95,225.18	\$102,847.40	\$110,227.66	30.42	\$3,623.53
1990	\$404,249.76	\$183,213.34	\$197,878.50	\$226,583.75	31.26	\$7,248.36
1991	\$166,838.72	\$72,907.00	\$78,742.78	\$96,437.87	32.11	\$3,003.36
1992	\$1,671,165.00	\$702,846.42	\$759,105.17	\$995,618.08	32.97	\$30,197.70
1993	\$111,673.50	\$45,112.03	\$48,722.99	\$68,534.19	33.84	\$2,025.24
1994	\$76,667.92	\$29,683.03	\$32,058.98	\$48,442.33	34.72	\$1,395.23
1995	\$1,350.36	\$500.12	\$540.16	\$877.72	35.60	\$24.66
1996	\$139,736.38	\$49,379.03	\$53,331.53	\$93,391.67	36.49	\$2,559.38
1997	\$59,734.00	\$20,082.03	\$21,689.48	\$41,031.22	37.39	\$1,097.38
1998	\$85,325.68	\$27,203.38	\$29,380.85	\$60,211.11	38.30	\$1,572.09
1999	\$38,063.84	\$11,474.17	\$12,392.61	\$27,574.42	39.21	\$703.25
2000	\$4,458.64	\$1,265.73	\$1,367.04	\$3,314.53	40.13	\$82.59
2001	\$30,283.53	\$8,059.27	\$8,704.37	\$23,093.34	41.06	\$562.43
2002	\$8,294.34	\$2,060.09	\$2,224.99	\$6,484.07	41.99	\$154.42
2003	\$11,076.54	\$2,552.34	\$2,756.64	\$8,873.73	42.93	\$206.70
2004	\$2,917.60	\$619.94	\$669.56	\$2,393.92	43.87	\$54.57
2005	\$290,103.63	\$56,380.32	\$60,893.24	\$243,715.57	44.82	\$5,437.65
2006	\$199,414.83	\$35,138.71	\$37,951.35	\$171,434.22	45.77	\$3,745.56
2007	\$299,382.04	\$47,324.14	\$51,112.16	\$263,238.99	46.72	\$5,634.40
2008	\$3,244,822.39	\$452,829.71	\$489,076.09	\$2,917,987.42	47.69	\$61,186.57
2009	\$358,437.05	\$43,452.35	\$46,930.45	\$329,428.45	48.65	\$6,771.40
2010	\$347,358.52	\$35,676.88	\$38,532.60	\$326,193.84	49.62	\$6,573.84
2011	\$389,320.76	\$32,777.27	\$35,400.90	\$373,385.90	50.59	\$7,380.63
2012	\$658,114.90	\$43,094.56	\$46,544.03	\$644,476.62	51.57	\$12,497.12
2013	\$664,159.49	\$31,191.34	\$33,688.03	\$663,679.43	52.54	\$12,631.89
2014	\$364,162.83	\$10,289.26	\$11,112.85	\$371,258.12	53.52	\$6,936.81
2015	\$318,450.48	\$2,978.96	\$3,217.41	\$331,155.60	54.51	\$6,075.13
	\$12,411,138.37	\$3,297,950.60	\$3,561,932.27	\$9,469,763.02		\$228,565.73

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3921 RCG35 Trans Equip**

Survivor Curve: L3  
Average Service Life: 8  
Net Salvage Percent: 25  
Remaining Life (Years): 4.82

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2002	\$9,659.23	\$6,157.76	\$5,654.01	\$1,590.41	1.20	\$1,325.34
2007	\$250,289.63	\$133,279.23	\$122,376.12	\$65,341.10	2.32	\$28,164.27
2008	\$25,034.62	\$12,931.95	\$11,874.03	\$6,901.94	2.49	\$2,771.86
2009	\$428,281.28	\$211,196.21	\$193,918.98	\$127,291.98	2.74	\$46,456.93
2010	\$600,752.29	\$272,028.15	\$249,774.47	\$200,789.75	3.17	\$63,340.61
2011	\$696,618.94	\$272,987.55	\$250,655.39	\$271,808.82	3.82	\$71,154.14
2012	\$755,756.03	\$238,771.67	\$219,238.59	\$347,578.43	4.63	\$75,070.94
2013	\$922,282.28	\$212,701.35	\$195,300.99	\$496,410.72	5.54	\$89,604.82
2014	\$927,837.43	\$130,477.14	\$119,803.26	\$576,074.81	6.50	\$88,626.89
2015	\$615,135.58	\$28,834.48	\$26,475.63	\$434,876.05	7.50	\$57,983.47
	5,231,647.31	\$1,519,365.47	\$1,395,071.47	\$2,528,664.01		\$524,499.28



**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3922 RCG35 Trailer Plain Common**

Survivor Curve: SC  
Average Service Life: 15  
Net Salvage Percent: 30  
Remaining Life (Years): 14.25

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1984	\$468.00	\$327.60	\$327.60	\$0.00	0.00	\$0.00
1989	\$999.00	\$617.72	\$699.30	\$0.00	1.75	\$0.00
1991	\$2,640.00	\$1,509.20	\$1,848.00	\$0.00	2.75	\$0.00
1992	\$2,721.15	\$1,492.10	\$1,904.81	\$0.00	3.25	\$0.00
2000	\$1,425.44	\$515.53	\$997.81	\$0.00	7.25	\$0.00
2004	\$4,772.72	\$1,280.68	\$3,340.90	\$0.00	9.25	\$0.00
2006	\$24,805.71	\$5,498.60	\$17,364.00	\$0.00	10.25	\$0.00
2010	\$9,953.44	\$1,277.36	\$6,967.41	\$0.00	12.25	\$0.00
2011	\$15,448.26	\$1,622.07	\$10,813.78	\$0.00	12.75	\$0.00
2014	\$9,802.26	\$343.08	\$2,931.48	\$3,930.10	14.25	\$275.80
2015	\$17,563.98	\$614.74	\$5,252.71	\$7,042.07	14.25	\$494.18
	\$90,599.96	\$15,098.67	\$52,447.72	\$10,972.17		\$769.98

**Minnesota Energy Resources Corporation**  
**Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2015**

**Depreciation Group 3960 RCG35 Pwr Oper Equip**

Survivor Curve: L2  
Average Service Life: 14  
Net Salvage Percent: 10  
Remaining Life (Years): 9.62

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1963	\$5,537.90	\$4,984.11	\$4,984.11	\$0.00	0.00	\$0.00
1991	\$24,057.61	\$17,166.82	\$21,651.85	\$0.00	2.90	\$0.00
1996	\$4,444.30	\$2,831.34	\$3,621.33	\$378.54	4.09	\$92.55
2002	\$8,588.04	\$4,654.10	\$5,939.06	\$1,790.18	5.57	\$321.40
2004	\$64,882.53	\$33,034.48	\$42,155.00	\$16,239.28	6.08	\$2,670.93
2005	\$6,101.58	\$2,988.90	\$3,814.11	\$1,677.31	6.38	\$262.90
2009	\$51,099.89	\$18,757.31	\$23,936.03	\$22,053.87	8.29	\$2,660.30
2010	\$5,639.00	\$1,808.91	\$2,308.33	\$2,766.77	9.01	\$307.08
2012	\$57,228.89	\$12,251.07	\$15,633.48	\$35,872.52	10.67	\$3,362.00
2013	\$51,233.74	\$8,003.44	\$10,213.12	\$35,897.25	11.57	\$3,102.61
2014	\$25,802.83	\$2,454.95	\$3,132.75	\$20,089.80	12.52	\$1,604.62
2015	\$6,338.81	\$203.75	\$260.00	\$5,444.93	13.50	\$403.33
	\$310,955.12	\$109,139.19	\$137,895.46	\$142,210.44		\$14,787.72

In the Matter of the Petition of Minnesota  
Energy Resources Corporation for Annual  
Review of Depreciation Rates for 2016

Docket No. G-011/D-16-\_\_\_\_\_

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 1st day of June, 2016, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed true and correct copies of the enclosed Annual Depreciation Update on [www.edockets.state.mn.us](http://www.edockets.state.mn.us). Said documents were also served via U.S. mail and electronic service as designated on the attached service list.

Dated this 1st day of June, 2016.

/s/ Kristin M. Stastny  
Kristin M. Stastny

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Ahern	ahern.michael@dorsey.com	Dorsey & Whitney, LLP	50 S 6th St Ste 1500  Minneapolis, MN 554021498	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Seth	DeMerritt	ssdemerritt@integrysgroup.com	MERC (Holding)	700 North Adams P.O. Box 19001 Green Bay, WI 543079001	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Daryll	Fuentes	dfuentes@usg.com	USG Corporation	550 W Adams St  Chicago, IL 60661	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Amber	Lee	ASLee@minnesotaenergyresources.com	Minnesota Energy Resources Corporation	2665 145th St W  Rosemount, MN 55068	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Brian	Meloy	brian.meloy@stinson.com	Stinson, Leonard, Street LLP	150 S 5th St Ste 2300  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
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Kristin	Stastny	kstastny@briggs.com	Briggs and Morgan, P.A.	2200 IDS Center 80 South 8th Street Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List

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