

**Minnesota Power  
Computation of Depreciation Accrual Rate**

Account	Description	Surviving Balance 12/31/2020	Accumulated Depreciation 12/31/2020	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Annual Accrual	Accrual Rate
<b>Intangible</b>									
3020 (30)	Hydro License 30 year	1,731,705.29	1,247,400.18	0.00%	0.00	484,305.11	8.03	60,312.46	3.48%
3020 (40)	Hydro License 40 year	2,945,354.26	1,991,736.84	0.00%	0.00	953,617.42	12.50	76,289.39	2.59%
3030	Miscellaneous Intangible Plant	17,806,631.91	12,451,764.88	0.00%	0.00	5,354,867.03	1.50	3,569,911.35	20.05% *
3031	Intangible Software 10 Yr	25,558,138.88	15,872,969.20	0.00%	0.00	9,685,169.68	3.69	2,627,583.04	10.28%
	Total Intangible	48,041,830.34	31,563,871.10		0.00	16,477,959.24		6,334,096.25	
<b>Transmission</b>									
3520	Structures and Improvements	34,811,923.44	5,702,858.08	-10.00%	(3,481,192.34)	32,590,257.71	55.46	587,679.75	1.69%
3530	Station Equipment	381,378,223.71	122,350,754.62	-20.00%	(76,275,644.74)	335,303,113.83	38.29	8,756,242.88	2.30%
3531	Reserve Station Transformers	2,178,236.77	1,484,455.46	0.00%	0.00	693,781.31	17.06	40,666.43	1.87%
3540	Towers & Fixtures	162,901,146.04	15,037,491.17	-30.00%	(48,870,343.81)	196,733,998.68	69.75	2,820,590.23	1.73%
3550	Poles & Fixtures	293,908,352.98	80,095,114.31	-70.00%	(205,735,847.09)	419,549,085.75	53.04	7,909,640.86	2.69%
3560	Overhead Conductors & Devices	204,790,855.87	51,861,708.93	-45.00%	(92,155,885.14)	245,085,032.08	57.95	4,229,604.93	2.07%
3561	Clearing Land & Rights of Way	68,160,426.36	6,016,433.65	0.00%	0.00	62,143,992.71	68.47	907,570.95	1.33%
3580	Underground Conductors & Devices	2,988,454.59	690,646.01	0.00%	0.00	2,297,808.58	38.61	59,517.71	1.99%
3590	Roads and Trails	58,613.63	31,337.80	0.00%	0.00	27,275.83	28.37	961.37	1.64%
	Total Transmission	1,151,176,233.39	283,270,800.03		(426,518,913.13)	1,294,424,346.49		25,312,475.09	
<b>Distribution</b>									
3610	Structures and Improvements	10,470,160.05	3,732,998.00	-30.00%	(3,141,048.02)	9,878,210.06	42.72	231,227.24	2.21%
3620	Station Equipment	92,429,048.60	22,432,905.37	-25.00%	(23,107,262.15)	93,103,405.38	42.19	2,206,541.92	2.39%
3621	Reserve Station Transformers	1,364,886.02	558,234.92	0.00%	0.00	806,651.10	30.24	26,676.63	1.95%
3640	Poles, Towers and Fixtures	124,436,836.84	94,937,601.01	-85.00%	(105,771,311.31)	135,270,547.15	24.95	5,422,493.13	4.36%
3650	Overhead Conductors & Devices	95,710,873.47	69,627,205.79	-55.00%	(52,640,980.41)	78,724,648.08	22.82	3,449,412.05	3.60%
3651	Clearing Land & Rights of Way	5,332,726.76	2,989,481.74	0.00%	0.00	2,343,245.02	26.33	89,007.72	1.67%
3660	Underground Conduit	14,483,654.90	3,668,377.14	-10.00%	(1,448,365.49)	12,263,643.25	53.08	231,059.82	1.60%
3670	Underground Conductors & Devices	109,013,710.24	43,091,914.32	-30.00%	(32,704,113.07)	98,625,908.99	33.35	2,956,866.19	2.71%
3680	Line Transformers	97,144,741.80	32,235,826.88	-5.00%	(4,857,237.09)	69,766,152.01	30.73	2,269,932.55	2.34%
3691	Services- Overhead	6,223,281.40	2,931,099.14	-45.00%	(2,800,476.63)	6,092,658.89	27.02	225,522.30	3.62%
3692	Services- Underground	12,346,603.06	5,127,453.84	-15.00%	(1,851,990.46)	9,071,139.68	30.42	298,204.28	2.42%
3700	Meters	67,032,898.53	26,187,910.12	0.00%	0.00	40,844,988.41	10.62	3,847,525.54	5.74%
3722	Leased Property on Cust. Prem- Light	3,222,812.92	1,544,792.07	-40.00%	(1,289,125.17)	2,967,146.02	12.81	231,633.19	7.19%
3730	Street Lighting and Signal Systems	6,428,951.22	2,052,020.71	-50.00%	(3,214,475.61)	7,591,406.12	20.97	362,062.66	5.63%
	Total Distribution	645,641,185.81	311,117,821.06		(232,826,385.41)	567,349,750.16		21,848,165.19	

\* Remaining Life less than 1.5 year assumed remaining life.

(1) Account will fully accrue in 2021. Rate to be applied to new additions.

**General**

3910	Office Furniture & Equipment	8,490,401.85	3,922,452.55	0.00%	0.00	4,567,949.30	11.89	384,305.64	4.53%
3911	Office Furniture & Equipment, Comp.	5,908,185.34	5,144,238.59	0.00%	0.00	763,946.75	1.00	763,946.75	14.29% (1)
3914	Office Furniture & Equipment, PCs	25,453.77	21,910.10	0.00%	0.00	3,543.67	1.00	3,543.67	20.00% (1)
3920	Transportation Equip, General	3,169,081.78	1,274,944.85	11.00%	348,599.00	1,545,537.93	10.14	152,453.26	4.81%
3921	Transportation Equip, Veh Class 1	0.00	0.00	24.00%	0.00	0.00	0.00	0.00	10.86%
3922	Transportation Equip, Veh Class 2	0.00	0.00	24.00%	0.00	0.00	0.00	0.00	10.86%
3923	Transportation Equip, Vehicle Class-3	4,676,855.28	1,127,884.18	19.00%	888,602.50	2,660,368.60	5.22	509,324.81	10.89%

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3925	Transportation Equip, Veh Class 5	0.00	0.00	22.00%	0.00	0.00	0.00	0.00	7.80%
3926	Transportation Equip, Vehicle Class 6	9,478,193.74	3,058,718.55	16.00%	1,516,511.00	4,902,964.19	7.18	682,990.31	7.21%
3930	Stores Equipment	1,306,643.74	434,296.11	0.00%	0.00	872,347.63	17.83	48,922.54	3.74%
3940	Tools, Shop & Garage Equipment	7,011,650.14	3,581,922.61	0.00%	0.00	3,429,727.53	11.12	308,412.73	4.40%
3950	Laboratory Equipment	3,560,846.78	2,488,547.57	0.00%	0.00	1,072,299.21	7.52	142,514.65	4.00%
3960	Power Operated Equipment	7,350,378.94	1,804,600.82	23.00%	1,690,587.16	3,855,190.96	10.84	355,742.76	4.84%
3970	Communication Equip, General	18,540,574.20	9,183,528.45	0.00%	0.00	9,357,045.75	8.44	1,108,392.42	5.98%
3971	Communication Equip, Microwave	10,559,588.62	7,852,001.49	-4.00%	(422,383.54)	3,129,970.67	4.94	633,363.83	6.00%
3972	Communication Equip, Telephone	1,959,691.57	1,568,511.11	-3.00%	(58,790.75)	449,971.21	3.15	142,937.57	7.29%
3973	Communication Equip, Mobile Radio	11,115,299.38	9,126,271.47	0.00%	0.00	1,989,027.91	3.41	584,106.53	5.25%
3974	Communication Equip, Data Comm.	1,847,895.95	857,204.89	0.00%	0.00	990,691.06	5.82	170,346.85	9.22%
3975	Communication Equip, Fiber Optic	4,692,678.40	1,143,561.34	0.00%	0.00	3,549,117.06	11.86	299,315.46	6.38%
3976	Communication Equip, Fiber Optic Cable	31,668,736.69	12,316,420.80	0.00%	0.00	19,352,315.89	26.65	726,177.98	2.29%
3977	Communication Equip, Towers	734,682.64	679,756.71	-4.00%	(29,387.31)	84,313.23	12.08	6,979.91	0.95%
3980	Miscellaneous Equipment	205,357.82	98,971.79	0.00%	0.00	106,386.03	8.71	12,218.90	5.95%
3981	Miscellaneous Equipment 10 Yr	55,802.25	15,950.19	0.00%	0.00	39,852.06	7.56	5,269.12	9.44%
	<b>Total General</b>	<b>132,357,998.88</b>	<b>65,701,694.17</b>		<b>3,933,738.06</b>	<b>62,722,566.65</b>		<b>7,041,265.69</b>	
	<b>Total</b>	<b>1,977,217,248.42</b>	<b>691,654,186.36</b>		<b>(655,411,560.48)</b>	<b>1,940,974,622.54</b>		<b>60,536,002.22</b>	

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