

**Minnesota Power**  
**Comparison of Depreciation Expense- Present Rates vs. Proposed**

<b>Account</b>	<b>Description</b>	<b>Plant at 12/31/2020</b>	<b>Present Accrual Rate</b>	<b>Depr Expense At Current Rates</b>	<b>Proposed Accrual Rate</b>	<b>Depr Expense At Proposed Rates</b>	<b>Difference</b>
<b><u>Intangible</u></b>							
3020 (30)	Hydro License 30 year	1,731,705	3.33%	57,666	3.48%	60,312	2,647
3020 (40)	Hydro License 40 year	2,945,354	2.50%	73,634	2.59%	76,289	2,656
3030	Miscellaneous Intangible Plant	17,806,632	20.00%	3,561,326	20.05%	3,569,911	8,585
3031	Intangible Software 10 Yr	25,558,139	10.00%	2,555,814	10.28%	2,627,583	71,769
	Total Intangible	48,041,830		6,248,440		6,334,096	85,656
<b><u>Transmission</u></b>							
3520	Structures and Improvements	34,811,923	2.01%	699,720	1.69%	587,680	(112,040)
3530	Station Equipment	381,378,224	2.29%	8,733,561	2.30%	8,756,243	22,682
3531	Reserve Station Transformers	2,178,237	0.72%	15,683	1.87%	40,666	24,983
3540	Towers & Fixtures	162,901,146	2.15%	3,502,375	1.73%	2,820,590	(681,784)
3550	Poles & Fixtures	293,908,353	2.50%	7,347,709	2.69%	7,909,641	561,932
3560	Overhead Conductors & Devices	204,790,856	2.34%	4,792,106	2.07%	4,229,605	(562,501)
3561	Clearing Land & Rights of Way	68,160,426	1.37%	933,798	1.33%	907,571	(26,227)
3580	Underground Conductors & Devices	2,988,455	2.03%	60,666	1.99%	59,518	(1,148)
3590	Roads and Trails	58,614	1.62%	950	1.64%	961	12
	Total Transmission	1,151,176,233		26,086,567		25,312,475	(774,092)
<b><u>Distribution</u></b>							
3610	Structures and Improvements	10,470,160	2.05%	214,638	2.21%	231,227	16,589
3620	Station Equipment	92,429,049	2.33%	2,153,597	2.39%	2,206,542	52,945
3621	Reserve Station Transformers	1,364,886	1.70%	23,203	1.95%	26,677	3,474
3640	Poles, Towers and Fixtures	124,436,837	4.73%	5,885,862	4.36%	5,422,493	(463,369)
3650	Overhead Conductors & Devices	95,710,873	4.15%	3,972,001	3.60%	3,449,412	(522,589)
3651	Clearing Land & Rights of Way	5,332,727	1.41%	75,191	1.67%	89,008	13,816
3660	Underground Conduit	14,483,655	1.49%	215,806	1.60%	231,060	15,253
3670	Underground Conductors & Devices	109,013,710	2.58%	2,812,554	2.71%	2,956,866	144,312
3680	Line Transformers	97,144,742	2.17%	2,108,041	2.34%	2,269,933	161,892
3691	Services- Overhead	6,223,281	3.04%	189,188	3.62%	225,522	36,335
3692	Services- Underground	12,346,603	2.45%	302,492	2.42%	298,204	(4,287)
3700	Meters	67,032,899	6.06%	4,062,194	5.74%	3,847,526	(214,668)
3722	Leased Property on Cust. Prem- Light	3,222,813	5.59%	180,155	7.19%	231,633	51,478
3730	Street Lighting and Signal Systems	6,428,951	4.76%	306,018	5.63%	362,063	56,045
	Total Distribution	645,641,186		22,500,941		21,848,165	(652,776)
<b><u>General</u></b>							
3910	Office Furniture & Equipment	8,490,402	4.50%	382,068	4.53%	384,306	2,238
3911	Office Furniture & Equipment, Comp.	5,908,185	13.57%	763,947 (1)	14.29%	763,947 (2)	0
3914	Office Furniture & Equip, PCs	25,454	19.00%	3,544 (1)	20.00%	3,544 (2)	0
3920	Transportation Equip, General	3,169,082	4.00%	126,763	4.81%	152,453	25,690
3921	Transportation Equip, Veh Class 1	0	14.29%	0 (1)	10.86%	0	0
3922	Transportation Equip, Veh Class 2	0	14.29%	0 (1)	10.86%	0	0

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3923	Transportation Equip, Veh Class 3	4,676,855	12.50%	584,607	10.89%	509,325	(75,282)
3925	Transportation Equip, Veh Class 5	0	10.00%	0 (1)	7.80%	0	0
3926	Transportation Equip, Veh Class 6	9,478,194	7.69%	728,873	7.21%	682,990	(45,883)
3930	Stores Equipment	1,306,644	5.00%	65,332	3.74%	48,923	(16,410)
3940	Tools, Shop & Garage Equipment	7,011,650	4.75%	333,053	4.40%	308,413	(24,641)
3950	Laboratory Equipment	3,560,847	5.00%	178,042	4.00%	142,515	(35,528)
3960	Power Operated Equipment	7,350,379	6.67%	490,270	4.84%	355,743	(134,528)
3970	Communication Equip, General	18,540,574	6.67%	1,236,656	5.98%	1,108,392	(128,264)
3971	Communication Equip, Microwave	10,559,589	5.00%	527,979	6.00%	633,364	105,384
3972	Communication Equip, Telephone	1,959,692	10.00%	195,969	7.29%	142,938	(53,032)
3973	Communication Equip, Mobile Radio	11,115,299	8.33%	925,904	5.25%	584,107	(341,798)
3974	Communication Equip, Data Comm System	1,847,896	10.00%	184,790	9.22%	170,347	(14,443)
3975	Communication Equip, Fiber Optic	4,692,678	10.00%	469,268	6.38%	299,315	(169,952)
3976	Fiber Optic Cable	31,668,737	4.00%	1,266,749	2.29%	726,178	(540,571)
3977	Communication Equip, Towers	734,683	5.00%	36,734	0.95%	6,980	(29,754)
3980	Miscellaneous Equipment	205,358	6.33%	12,999	5.95%	12,219	(780)
3981	Misc Equipment (10 Year)	55,802	10.00%	5,580	9.44%	5,269	(311)
	<b>Total General</b>	<b>132,357,999</b>		<b>8,519,130</b>		<b>7,041,266</b>	<b>(1,477,864)</b>
	<b>Total Depreciable</b>	<b>1,977,217,248</b>		<b>63,355,077</b>		<b>60,536,002</b>	<b>(2,819,075)</b>

Note: Account will fully accrue by the time an order is issued in this case. Rate proposed for new additions only

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

(2) Proposed accrual amount is for unaccrued balance only.