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May 30, 2014

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
Metro Square – Suite 350
212 7th Place East
St. Paul, MN 55101-2147

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation For its
Annual Review of Depreciation Rates for 2014
Docket No. G-011/D-14-____

Dear Dr. Haar:

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 2014. This Petition is submitted in compliance with the Commission’s October 15, 2013 Order requiring that MERC file its 2014 Annual Review of Depreciation Rates on or before June 1, 2014 using December 31, 2013 balances.

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

Please contact me at (612) 340-2881 if there are any questions regarding this filing.

Sincerely yours,

/s/ Michael J. Ahern

Michael J. Ahern

Enclosures

cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Petition of Minnesota
Energy Resources Corporation For its Annual
Review of Depreciation Rates for 2014

Docket No. G-011/D-14-____

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. This petition is being filed pursuant to the Commission’s annual remaining life update Order in Docket No. G007, G011/D-13-442, which required an annual review of depreciation rates be filed on or before June 1, 2014.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
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In the Matter of the Petition of Minnesota
Energy Resources Corporation For its Annual
Review of Depreciation Rates for 2014

Docket No. G-011/D-14-____

PETITION

Pursuant to Minn. Stat. § 216B.11 and Minn. R. 7825.0500 through 7825.0900, Minnesota Energy Resources Company (“MERC”) petitions the Minnesota Public Utilities Commission (“Commission”) to review the Company’s plant in service, depreciation reserve, and depreciation accruals. This petition is being filed pursuant to the Commission’s annual remaining life update Order in Docket No. G007, G011/D-13-442, which required an annual review of depreciation rates be filed on or before June 1, 2014 using December 31, 2013 balances.

I. Summary of Filing

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary of the filing accompanies this petition.

II. Service on Other Parties

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 – Antitrust & Utilities 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. 7825.3200, 7825.3500 and 7829.1300, subp. 3, MERC provides the following required information:

A. Name, Address, and Telephone Number of Utility

Minnesota Energy Resources Corporation
2665 145th Street West
Rosemount, MN 55068
(651) 322-8901

B. Name, Address, and Telephone Number of Utility Attorney

Michael J. Ahern
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402-1498
(612) 340-2881

C. Date of Filing and Date Proposed Rates Will Take Effect

This petition is being filed May 30, 2014 pursuant to the Commission's annual remaining life update Order in Docket No. G007, G011/D-13-442, which required an annual remaining life update to be filed by June 1, 2014. MERC requests that the depreciation lives and rates proposed be effective January 1, 2014.

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 the MERC general revenue

requirements is necessary. Comments on a miscellaneous filing are due within 30 days of filing, with replies due 10 days thereafter. Minn. Stat. § 216B.11 and Minn. R. 7825.0500 through 7825.0900 govern the substantive criteria for the filing. These provisions do not establish an explicit time deadline for Commission action.

E. Signature and Title of Utility Employee Responsible for the Filing



Tina E Wuyts
Senior Accountant
Integrays Business Support, LLC
PO Box 19001
Green Bay, WI 54307-9001

IV. Description and Purpose of Filing

MERC seeks the Commission's approval of the Company's annual review of its plant in service, depreciation reserve, and depreciation accruals. In Docket No. G007, G011/D-12-533, the Commission approved consolidating depreciation rates for MERC-PNG and MERC-NMU. The current lives and depreciation rates were approved in Docket No. G007, G011/D-12-533. MERC requests that the proposed lives and rates be effective on January 1, 2014.

Vintage amortization accounting was proposed and approved in Docket No. G007, G011/D-08-614. MERC will continue to apply the lives and depreciation rates to the general plant accounts listed below that were approved for vintage amortization accounting. Therefore, these general plant accounts will be excluded from the annual remaining life update schedules.

Account Number	Description
391.1	Office Furniture & Equipment
391.2	Computer Equipment
391.3	Data Handling Equipment
393.0	Stores Equipment
394.0	Tools, Shop & Garage Equipment
395.0	Laboratory Equipment
397.1	Communication Equipment
397.2	Mobile Radio Equipment
398.0	Miscellaneous Equipment

In previous remaining life updates, MERC utilized a reserve adequacy report from the Company's capital asset management system, PowerPlan for its remaining life calculation. The methodology used by the PowerPlan report is more closely aligned to the remaining life technique used in MERC's 2008 depreciation study undertaken by the late Don Roff. MERC subsequently engaged the services of Gannett Fleming for the completion of the 2012 depreciation study. In preparing the 2014 remaining life update, MERC recognized that Gannett Fleming's methodology to calculate remaining life differed from the methodology used by its previous consultant as well as in PowerPlan. As a result, MERC modified the PowerPlan report to simulate the methodology used by Gannett Fleming. The revised report's remaining life calculation uses total future book accruals over the total annual accrual for vintage years not fully accrued. Similar to prior years, 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. G007, G011/D-12-533.

Recent investments were made in Account 381.2 AMR Devices to purchase telemetry meters for interruptible customers. Approved in MERC's 2012 depreciation study, the functional composite rate was used for this new account. Subsequently, MERC contacted the

vendor for these units to determine an appropriate average service life. With the vendor's experience and knowledge, a fifteen year life was recommended for these units. MERC agrees that an average service life of fifteen years is reasonable and will continue to monitor this account as additional historical data becomes available. The Company also recognizes that there will be removal costs associated with these units, but feels that it will be minimal. MERC proposes to use an average service life of fifteen years with a SQ curve and a Negative 1% Net Salvage percent. The resulting proposed depreciation rate is 7.78%.

The Computation of Proposed Depreciation Rates schedule indicated a significant depreciation rate increase was warranted for Account 392.1 Transportation Equipment. Numerous vehicles in this account were leased by MERC's prior owner, Aquila, and were subsequently purchased by MERC. For these vehicles, the vintage in the Company's capital asset management system reflects the year they were purchased and not the actual vintage of the vehicles. MERC is expecting that more recent purchases will reflect longer lives and recommends no change to the current life and depreciation rate for this account. MERC continues to monitor additions and retirements in this account and may need to propose other adjustments to this account in future remaining life update filings. Statement 2A reflects no change to the depreciation rate.

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. In Docket No. G001, G011/PA-14-107, MERC is seeking Commission approval to purchase Interstate Power and Light's natural gas distribution property. The acquisition is being handled through a separate filing to the Commission and therefore the

property was not incorporated in MERC's 2014 remaining life update. MERC is continuously making infrastructure improvements, however, MERC does not believe there will be any additions or retirements that will have a material effect on the depreciation rates.

The filing includes the following attachments:

Attachment 1: MERC 2014 Annual Remaining Life Update

Attachment 2: MERC Calculated Remaining Life

CONCLUSION

MERC respectfully requests that the Commission approve the Company's proposed depreciation lives and rates effective January 1, 2014.

DATED: May 30, 2014

Respectfully Submitted,

DORSEY & WHITNEY LLP

By: /s/ Michael J. Ahern
Michael J. Ahern
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402-1498
Telephone: (612) 340-2600

Attorney for Minnesota Energy
Resources Corporation

Attachment 1

**Minnesota Energy
Resources Corporation**

**2014 Annual Remaining Life
Update**

**MINNESOTA ENERGY RESOURCES CORPORATION
REMAINING LIFE UPDATE
2014**

This report presents the 2014 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. Plant and depreciation reserve data utilized in the study was as of December 31, 2013.

A summary of depreciation study results are as follows:

Function	Accrual Rate			2014 Annualized Accrual		
	Proposed	Present	Difference	Proposed	Present	Difference
Transmission	2.88%	2.86%	0.02%	\$ 325,128	\$ 322,893	\$ 2,235
Distribution	2.39%	2.33%	0.06%	\$ 8,034,847	\$ 7,846,073	\$ 188,774
General	4.11%	4.09%	0.02%	\$ 696,752	\$ 693,131	\$ 3,621
Total Utility	2.48%	2.43%	0.05%	\$ 9,056,727	\$ 8,862,097	\$ 194,630

The following statements are included in the report:

- Statement 1A-2013 provides a rollforward of plant activity for 2013
- Statement 1A-2012 provides a rollforward of plant activity for 2012
- Statement 1B-2013 provides a rollforward of depreciation reserve activity for 2013
- Statement 1B-2012 provides a rollforward of depreciation reserve activity for 2012
- Statement 1C-2013 provides a summary of the annual depreciation accruals for 2013
- Statement 1C-2012 provides a summary of the annual depreciation accruals for 2012
- Statement 2A provides the computation of proposed depreciation accrual rates

MINNESOTA ENERGY RESOURCES CORPORATION
Plant Activity for 2013
STATEMENT 1A

Functional Class	Utility Account	Account Description	2013					Ending Balance (December 31, 2013)
			Beginning Balance (January 1, 2013)	Additions	Retirements	Adjustments	Transfers	
A	B	C	D	E	F	G	H	I
Transmission Plant								
	367100	Mains	\$ 10,362,087.00	\$ 43,727.23	\$ -	\$ -	\$ -	\$ 10,405,814.23
	369300	Measuring & Regulating Equipment	\$ 785,636.59	\$ 107,575.32	\$ -	\$ -	\$ -	\$ 893,211.91
		Total Transmission Plant	\$ 11,147,723.59	\$ 151,302.55	\$ -	\$ -	\$ -	\$ 11,299,026.14
Distribution Plant								
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	\$ -	\$ -	\$ -	\$ -	\$ 596,817.87
	375000	Structures & Improvements	\$ 186,630.57	\$ -	\$ -	\$ -	\$ -	\$ 186,630.57
	376000	Mains	\$ 143,940,555.59	\$ 7,798,107.22	\$ (583,220.83)	\$ -	\$ -	\$ 151,155,441.98
	378000	Measuring & Regulating Equipment - General	\$ 9,025,464.36	\$ 355,378.00	\$ (348,280.66)	\$ -	\$ -	\$ 9,032,561.70
	379000	Measuring & Regulating Equipment - City Gate	\$ 3,825,943.89	\$ 77,932.53	\$ (85,060.92)	\$ -	\$ -	\$ 3,818,820.50
	380000	Services	\$ 110,966,182.71	\$ 6,823,230.91	\$ (604,512.73)	\$ -	\$ -	\$ 117,184,900.89
	381000	Meters	\$ 33,040,891.67	\$ 1,784,489.81	\$ (534,400.55)	\$ -	\$ -	\$ 34,290,980.93
	381200	AMR Devices	\$ 488,619.71	\$ 4,603.25	\$ -	\$ -	\$ -	\$ 493,222.96
	383000	House Regulators	\$ 17,800,315.47	\$ 243,085.36	\$ (23,065.42)	\$ -	\$ -	\$ 18,120,335.41
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,250,738.33	\$ 85,310.49	\$ -	\$ -	\$ -	\$ 1,336,048.82
		Total Distribution Plant	\$ 321,231,865.17	\$ 17,172,107.57	\$ (2,176,541.11)	\$ -	\$ -	\$ 336,227,431.63
General Plant								
	390000	Structures & Improvements	\$ 11,223,062.17	\$ 806,387.36	\$ (53,683.17)	\$ -	\$ -	\$ 11,975,766.36
	392100	Transportation Equipment	\$ 4,234,280.89	\$ 910,262.48	\$ (514,157.36)	\$ -	\$ -	\$ 4,630,386.01
	392200	Trailers	\$ 75,715.58	\$ -	\$ (1,459.74)	\$ -	\$ -	\$ 74,255.84
	395000	Power Operated Equipment	\$ 227,579.74	\$ 51,233.74	\$ -	\$ -	\$ -	\$ 278,813.48
		Total General Plant	\$ 15,760,638.38	\$ 1,767,883.58	\$ (589,300.27)	\$ -	\$ -	\$ 16,939,221.69
Total Depreciable Gas Plant								
			\$ 348,120,227.14	\$ 19,091,293.70	\$ (2,745,841.38)	\$ -	\$ -	\$ 364,465,679.46
Non-Depreciable & Other Plant								
	302000	Franchises & Consents	\$ 134,912.71	\$ -	\$ -	\$ -	\$ -	\$ 134,912.71
	302100	Farm Taps	\$ 3,811,837.48	\$ -	\$ -	\$ -	\$ -	\$ 3,811,837.48
	303000	Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	365000	Land - Transmission	\$ 8,600.00	\$ -	\$ -	\$ -	\$ -	\$ 8,600.00
	374000	Land - Distribution	\$ 85,308.53	\$ -	\$ -	\$ -	\$ -	\$ 85,308.53
	374200	Land & Land Rights NonDepr - Distribution	\$ 89,633.82	\$ -	\$ -	\$ -	\$ -	\$ 89,633.82
	389000	Land - General	\$ 957,135.30	\$ 64,834.88	\$ -	\$ -	\$ -	\$ 1,021,970.18
		Total Non-Depreciable & Other Plant	\$ 5,087,427.84	\$ 64,834.88	\$ -	\$ -	\$ -	\$ 5,152,262.72
Total Gas Plant								
			\$ 353,207,654.98	\$ 19,156,128.58	\$ (2,745,841.38)	\$ -	\$ -	\$ 369,617,942.18

MINNESOTA ENERGY RESOURCES CORPORATION
Analysis of Depreciation Reserve for 2013
STATEMENT 1B

Functional Class	Utility Account	Account Description	Beginning Balance (January 1, 2013)	Accruals	Salvage and Other Credits	Retirements	Cost Of Removal	Transfers and Adjustments	Ending Balance	Allocated RWIP	Total Reserve (December 31, 2013)
A	B	C	D	E	F	G	H	I	J	K	L=J+K
Transmission Plant											
	367100	Mains	\$ 4,019,389.27	\$ 294,977.86	\$ -	\$ -	\$ -	\$ -	\$ 4,314,367.03	\$ (695.32)	\$ 4,313,671.61
	369300	Measuring & Regulating Equipment	\$ 257,194.80	\$ 15,537.86	\$ -	\$ -	\$ -	\$ -	\$ 272,732.66	\$ (51,424.80)	\$ 221,287.86
		Total Transmission Plant	\$ 4,276,574.07	\$ 310,515.52	\$ -	\$ -	\$ -	\$ -	\$ 4,587,089.59	\$ (52,120.12)	\$ 4,534,969.47
Distribution Plant											
	374100	Land & Land Rights Depr - Distribution	\$ 145,956.87	\$ 24,350.16	\$ -	\$ -	\$ -	\$ -	\$ 170,317.03	\$ -	\$ 170,317.03
	375000	Structures & Improvements	\$ 138,920.25	\$ 6,459.02	\$ -	\$ -	\$ -	\$ -	\$ 145,379.27	\$ (2,986.53)	\$ 142,412.74
	376000	Mains	\$ 62,555,144.23	\$ 2,227,953.28	\$ (602.37)	\$ (593,220.83)	\$ (188,278.11)	\$ -	\$ 64,112,068.20	\$ (71,088.90)	\$ 64,069,967.30
	378000	Measuring & Regulating Equipment - General	\$ 2,138,960.56	\$ 222,507.05	\$ -	\$ (346,280.66)	\$ (16,915.98)	\$ -	\$ 1,998,270.97	\$ (40,300.46)	\$ 1,957,970.49
	379000	Measuring & Regulating Equipment - City Gate	\$ 662,738.43	\$ 89,443.23	\$ -	\$ (85,060.92)	\$ (63,261.84)	\$ -	\$ 623,859.90	\$ (7,822.75)	\$ 606,036.15
	380000	Services	\$ 58,913,340.25	\$ 2,109,337.25	\$ 1.54	\$ (604,512.73)	\$ (150,048.87)	\$ -	\$ 60,288,117.44	\$ (14,945.97)	\$ 60,253,171.47
	381000	Meters	\$ 10,266,814.93	\$ 1,222,070.75	\$ -	\$ (634,400.55)	\$ (3,388.70)	\$ -	\$ 10,951,096.43	\$ (3,524.82)	\$ 10,947,573.61
	381200	AMR Devices	\$ 7,565.39	\$ 11,175.21	\$ -	\$ -	\$ -	\$ -	\$ 18,740.60	\$ (4.46)	\$ 18,736.14
	383000	House Regulators	\$ 9,837,228.93	\$ (344,783.50)	\$ -	\$ (23,065.42)	\$ (690.00)	\$ -	\$ 9,518,469.71	\$ (2,415.87)	\$ 9,516,073.84
	385000	Measuring & Regulating Equipment - Industrial	\$ 579,208.04	\$ 57,161.01	\$ -	\$ -	\$ -	\$ -	\$ 636,367.05	\$ -	\$ 636,367.05
		Total Distribution Plant	\$ 145,355,835.88	\$ 5,525,575.16	\$ (600.83)	\$ (2,176,541.11)	\$ (410,781.50)	\$ -	\$ 148,443,535.60	\$ (99,049.78)	\$ 148,344,585.82
General Plant											
	390000	Structures & Improvements	\$ 3,144,199.24	\$ 305,309.20	\$ 38.00	\$ (53,683.17)	\$ (26,291.71)	\$ -	\$ 3,369,571.56	\$ (49,509.59)	\$ 3,320,062.00
	392100	Transportation Equipment	\$ 1,545,648.35	\$ 184,817.62	\$ 90,970.38	\$ (514,157.36)	\$ -	\$ -	\$ 1,307,278.99	\$ (19,071.61)	\$ 1,288,207.38
	392200	Trailers	\$ 65,200.42	\$ (4,534.31)	\$ -	\$ (1,459.74)	\$ -	\$ -	\$ 59,206.37	\$ (982.14)	\$ 58,224.23
	396000	Power Operated Equipment	\$ 105,571.74	\$ 5,080.55	\$ -	\$ -	\$ -	\$ -	\$ 110,652.30	\$ (1,620.97)	\$ 109,031.33
		Total General Plant	\$ 4,860,619.75	\$ 490,673.07	\$ 91,008.38	\$ (569,300.27)	\$ (26,291.71)	\$ -	\$ 4,846,709.22	\$ (71,184.28)	\$ 4,775,524.94
Total Depreciable Gas Plant											
			\$ 154,533,079.70	\$ 6,436,861.75	\$ 90,407.55	\$ (2,745,841.38)	\$ (437,073.21)	\$ -	\$ 157,877,434.41	\$ (222,354.18)	\$ 157,655,080.23
Non-Depreciable & Other Plant											
	302000	Franchises & Consents	\$ 120,450.38	\$ 3,962.84	\$ -	\$ -	\$ -	\$ -	\$ 124,413.22	\$ -	\$ 124,413.22
	302100	Farm Taps	\$ 3,700,324.02	\$ 20,167.74	\$ -	\$ -	\$ -	\$ -	\$ 3,720,491.76	\$ -	\$ 3,720,491.76
	303000	Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	365300	Land - Transmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	365300	Land - Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	374200	Land & Land Rights NonDepr - Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	389000	Land - General	\$ 3,520,805.00	\$ 24,130.58	\$ -	\$ -	\$ -	\$ -	\$ 3,544,935.58	\$ -	\$ 3,544,935.58
		Total Non-Depreciable & Other Plant	\$ 154,671,619.70	\$ 6,484,092.96	\$ 90,407.55	\$ (2,745,841.38)	\$ (437,073.21)	\$ -	\$ 161,722,369.99	\$ (222,354.18)	\$ 161,500,015.81

Footnote:
The 2013 Accrual amount includes the 2012 depreciation expense adjustment for the approval of the 2012 Depreciation Study in 2013.

MINNESOTA ENERGY RESOURCES CORPORATION
 Analysis of Depreciation Reserve for 2012
 STATEMENT 1B

Functional Class	Account	Account Description	Beginning Balance (January 1, 2012)	Accruals	Salvage and Other Credits	Retirements	Cost Of Removal	Transfers and Adjustments	Ending Balance	Allocated RWIP	Total Reserve (December 31, 2012)
A	B	C	D	E	F	G	H	I	J	K	L=J+K
Transmission Plant											
367100	Mains		\$ 2,610,501.00	\$ 230,893.82	\$ -	\$ (165,013.81)	\$ (1,774.31)	\$ 1,344,792.57	\$ 4,019,389.27	\$ (6,570.44)	\$ 4,019,389.27
369000	Measuring & Regulating Equipment		\$ 243,890.73	\$ 16,254.07	\$ -	\$ (3,000.00)	\$ -	\$ -	\$ 257,184.80	\$ -	\$ 250,614.36
	Total Transmission Plant		\$ 2,854,431.73	\$ 247,137.89	\$ -	\$ (168,013.81)	\$ (1,774.31)	\$ 1,344,792.57	\$ 4,276,574.07	\$ (6,570.44)	\$ 4,270,003.63
Distribution Plant											
374100	Land & Land Rights Depr - Distribution		\$ 121,616.71	\$ 24,350.16	\$ -	\$ -	\$ -	\$ -	\$ 145,966.87	\$ -	\$ 145,966.87
375000	Structures & Improvements		\$ 137,019.05	\$ 2,692.05	\$ -	\$ (690.87)	\$ (99.98)	\$ -	\$ 138,920.25	\$ (2,877.60)	\$ 136,042.65
376000	Mains		\$ 61,179,220.76	\$ 3,504,762.99	\$ (4,979.73)	\$ (599,898.26)	\$ (79,168.96)	\$ (1,344,792.57)	\$ 62,655,144.23	\$ (14,026.77)	\$ 62,641,117.46
379000	Measuring & Regulating Equipment - General		\$ 2,164,227.54	\$ 198,899.94	\$ -	\$ (200,841.19)	\$ (23,315.73)	\$ -	\$ 2,138,980.56	\$ (49,161.95)	\$ 2,089,799.01
379000	Measuring & Regulating Equipment - City Gate		\$ 1,027,472.34	\$ 84,907.57	\$ -	\$ (239,612.96)	\$ (209,423.22)	\$ -	\$ 682,338.43	\$ (18,138.57)	\$ 664,199.76
380000	Services		\$ 55,869,961.58	\$ 3,961,668.56	\$ 4,484.49	\$ (703,451.86)	\$ (219,102.32)	\$ -	\$ 58,913,340.25	\$ (12,096.33)	\$ 58,901,243.92
381000	Meters		\$ 10,074,690.43	\$ 599,538.71	\$ -	\$ (403,467.94)	\$ (3,926.37)	\$ -	\$ 10,266,814.93	\$ (2,867.08)	\$ 10,263,947.85
381200	AMR Devices		\$ -	\$ 7,565.39	\$ -	\$ -	\$ -	\$ -	\$ 7,565.39	\$ (2.54)	\$ 7,562.85
383000	House Regulators		\$ 9,046,955.71	\$ 913,728.42	\$ -	\$ (70,360.00)	\$ (3,095.20)	\$ -	\$ 9,887,228.93	\$ (1,854.92)	\$ 9,885,374.01
385000	Measuring & Regulating Equipment - Industrial		\$ 549,697.42	\$ 29,036.62	\$ -	\$ -	\$ -	\$ -	\$ 578,734.04	\$ -	\$ 579,206.04
	Total Distribution Plant		\$ 140,170,791.54	\$ 9,826,912.41	\$ (515.24)	\$ (2,218,342.28)	\$ (538,137.98)	\$ (1,344,792.57)	\$ 145,395,885.88	\$ (101,027.46)	\$ 145,294,858.42
General Plant											
380000	Structures & Improvements		\$ 2,980,684.40	\$ 227,441.68	\$ -	\$ (41,667.84)	\$ (32,459.00)	\$ -	\$ 3,144,199.24	\$ (10,932.78)	\$ 3,133,266.46
382100	Transportation Equipment		\$ 1,348,417.25	\$ 575,592.14	\$ 116,059.07	\$ (484,410.11)	\$ -	\$ -	\$ 1,545,648.35	\$ 359.92	\$ 1,546,008.27
382200	Trailers		\$ 55,811.31	\$ 4,738.90	\$ 13,326.27	\$ (8,676.06)	\$ -	\$ -	\$ 65,200.42	\$ 162.52	\$ 65,362.94
390000	Power Operated Equipment		\$ 95,008.34	\$ 10,012.75	\$ 862.65	\$ -	\$ (330.00)	\$ -	\$ 105,571.74	\$ 187.53	\$ 105,759.27
	Total General Plant		\$ 4,490,119.30	\$ 817,775.47	\$ 130,267.89	\$ (544,754.01)	\$ (32,789.00)	\$ -	\$ 4,860,619.75	\$ (10,222.81)	\$ 4,850,396.94
Total Depreciable Gas Plant											
			\$ 147,515,812.57	\$ 10,391,825.77	\$ 125,752.75	\$ (2,931,110.10)	\$ (572,701.29)	\$ -	\$ 154,533,079.70	\$ (117,820.71)	\$ 154,415,259.99
Non-Depreciable & Other Plant											
302000	Franchises & Consents		\$ 116,494.56	\$ 3,966.42	\$ -	\$ -	\$ -	\$ -	\$ 120,460.98	\$ -	\$ 120,460.98
302100	Farm Taps		\$ 3,680,116.27	\$ 20,207.75	\$ -	\$ -	\$ -	\$ -	\$ 3,700,324.02	\$ -	\$ 3,700,324.02
303000	Software		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365300	Land - Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374000	Land - Distribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
374200	Land & Land Rights NonDepr - Distribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
389000	Land - General		\$ 3,795,610.83	\$ 24,184.17	\$ -	\$ -	\$ -	\$ -	\$ 3,820,805.00	\$ -	\$ 3,820,805.00
	Total Non-Depreciable & Other Plant		\$ 151,511,923.40	\$ 10,416,019.94	\$ 125,752.75	\$ (2,931,110.10)	\$ (572,701.29)	\$ -	\$ 158,353,864.70	\$ (117,820.71)	\$ 158,236,063.99
Total Gas Plant											
			\$ 147,515,812.57	\$ 10,391,825.77	\$ 125,752.75	\$ (2,931,110.10)	\$ (572,701.29)	\$ -	\$ 154,533,079.70	\$ (117,820.71)	\$ 154,415,259.99

MINNESOTA ENERGY RESOURCES CORPORATION
 Analysis of Depreciation Reserve for 2013
 STATEMENT 1C

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2013) From Statement 1A	Estimated Future Net Salvage Percent	Amount	Ending Depreciation Reserve (December 31, 2013) From Statement 1B	Average Life (Years)	Remaining Life (From 2012 Depreciation Study)	Annual Accrual	
									F=D+E	J
Transmission Plant										
	367100	Mains	\$ 10,405,814.23	-45.00%	\$ (4,682,616.40)	\$ 4,313,671.61	50.00	36.20	\$ 294,977.66	\$ 2,91%
	369300	Measuring & Regulating Equipment	\$ 873,211.91	-5.00%	\$ (43,660.60)	\$ 221,297.86	45.00	25.60	\$ 15,537.86	\$ 2,30%
		Total Transmission Plant	\$ 11,279,026.14	-41.90%	\$ (4,726,277.00)	\$ 4,534,969.47			\$ 310,515.52	\$ 2,75%
Distribution Plant										
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	0.00%	\$ -	\$ 170,317.03	25.00	19.50	\$ 24,350.16	\$ 4.08%
	375000	Structures & Improvements	\$ 186,630.57	-5.00%	\$ (9,331.53)	\$ 142,412.74	36.00	13.00	\$ 6,459.02	\$ 2.45%
	376000	Mains	\$ 151,155,441.98	-45.00%	\$ (68,019,948.89)	\$ 64,095,987.30	65.00	51.70	\$ 2,227,953.28	\$ 1.97%
	378000	Measuring & Regulating Equipment - General	\$ 9,034,561.70	-10.00%	\$ (903,456.17)	\$ 1,957,910.49	44.00	33.00	\$ 223,507.05	\$ 2.46%
	379000	Measuring & Regulating Equipment - City Gate	\$ 3,818,820.50	-15.00%	\$ (572,823.08)	\$ 608,036.15	40.00	34.80	\$ 99,443.23	\$ 2.45%
	380000	Services	\$ 117,184,900.89	-60.00%	\$ (70,310,840.53)	\$ 60,259,171.47	50.00	38.50	\$ 2,109,337.25	\$ 2.76%
	381000	Meters	\$ 34,230,650.93	-1.00%	\$ (342,906.51)	\$ 10,947,573.61	38.00	25.40	\$ 1,222,070.75	\$ 2.75%
	381200	AMR Devices	\$ 503,222.96	-1.00%	\$ (5,032.23)	\$ 18,736.14	N/A	N/A	\$ 11,175.21	\$ 2.32%
	383000	House Regulators	\$ 18,120,335.41	-5.00%	\$ (906,016.77)	\$ 9,516,073.84	44.00	33.90	\$ (344,783.80)	\$ 1.59%
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,336,048.82	-5.00%	\$ (66,802.44)	\$ 636,367.05	36.00	17.30	\$ 57,161.01	\$ 3.48%
		Total Distribution Plant	\$ 336,227,431.63	-41.95%	\$ (141,137,258.15)	\$ 148,344,585.82			\$ 5,635,673.16	\$ 1.68%
General Plant										
	390000	Structures & Improvements	\$ 11,975,766.36	-5.00%	\$ (598,788.32)	\$ 3,320,062.00	55.00	32.60	\$ 305,309.20	\$ 2.37%
	392100	Transportation Equipment	\$ 4,630,386.01	30.00%	\$ 1,389,115.80	\$ 1,286,207.38	6.00	4.20	\$ 184,817.62	\$ 8.63%
	392200	Trailers	\$ 74,255.84	30.00%	\$ 22,276.75	\$ 56,224.23	15.00	14.80	\$ (4,534.31)	\$ 0.18%
	396000	Power Operated Equipment	\$ 278,813.48	10.00%	\$ 27,881.35	\$ 109,031.33	14.00	9.90	\$ 5,080.56	\$ 3.48%
		Total General Plant	\$ 16,959,221.69	4.96%	\$ 840,485.59	\$ 4,773,524.94			\$ 490,673.07	\$ 2.89%
		Total Depreciable Gas Plant	\$ 364,465,679.46	-39.79%	\$ (145,023,049.56)	\$ 157,655,080.23			\$ 6,436,861.75	\$ 1.77%

Footnote:
 MERC received approval to consolidate depreciation rates for the MERC-PNG and MERC-NMU jurisdictions in Docket No. G-007, G011/D-12-533.

MINNESOTA ENERGY RESOURCES CORPORATION
 Analysis of Depreciation Reserve for 2012
 STATEMENT 1C

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2012)	Estimated Future Net Salvage Percent	Ending Depreciation Reserve (December 31, 2012)	Average Life (Years)	Remaining Life (From 2011 Annual Remaining Life Update)	Annual Accrual	Accrual Rate
Transmission Plant									
367100	Mains		\$ 6,062,469.90	-60.00%	\$ 2,084,979.76	50.00	40.07	\$ 112,967.02	3.11%
369300	Measuring & Regulating Equipment		\$ 118,067.88	-10.00%	\$ 23,523.87	35.00	21.32	\$ 1,462.52	2.25%
	Total Transmission Plant		\$ 6,200,537.78	-59.05%	\$ 2,108,503.63			\$ 113,849.54	1.84%
Distribution Plant									
374100	Land & Land Rights Depr. - Distribution Structures & Improvements		\$ 598,817.87	0.00%	\$ 145,966.87	25.00	20.50	\$ 24,350.16	4.08%
375000	Mains		\$ 93,337.49	0.00%	\$ 60,239.49	45.00	21.99	\$ 1,591.17	1.70%
376000	Measuring & Regulating Equipment - General		\$ 110,228,727.01	-60.00%	\$ 48,842,246.69	60.00	47.97	\$ 2,700,503.39	2.45%
378000	Measuring & Regulating Equipment - City Gate		\$ 5,721,987.19	-5.00%	\$ 286,099.96	40.00	29.63	\$ 131,499.67	2.46%
379000	Services		\$ 2,399,084.66	-5.00%	\$ 296,650.97	40.00	33.37	\$ 49,666.85	2.26%
380000	Meters		\$ 85,707,392.27	-65.00%	\$ 44,818,969.55	45.00	34.82	\$ 3,120,805.86	3.78%
381000	AMR Devices		\$ 27,795,958.61	0.00%	\$ 8,220,568.05	48.00	37.06	\$ 506,272.80	1.85%
381200	House Regulators		\$ 498,619.71	0.00%	\$ 7,562.85	48.00	37.06	\$ 7,562.39	1.85%
383000	Power Operated Equipment		\$ 14,194,365.97	-100.00%	\$ 7,225,229.29	45.00	31.93	\$ 693,870.50	4.92%
385000	Measuring & Regulating Equipment - Industrial		\$ 795,638.70	0.00%	\$ 351,164.23	40.00	27.34	\$ 16,501.74	2.13%
	Total Distribution Plant		\$ 248,031,879.48	-61.92%	\$ 113,568,936.70			\$ 7,252,653.53	2.92%
General Plant									
380000	Structures & Improvements		\$ 6,799,714.45	0.00%	\$ 1,479,781.14	45.00	36.60	\$ 145,754.09	2.15%
382100	Transportation Equipment		\$ 3,331,044.10	20.00%	\$ 1,210,846.16	6.00	3.64	\$ 454,606.37	13.64%
392200	Trailers		\$ 73,075.58	0.00%	\$ 63,400.72	10.00	4.00	\$ 5,178.70	6.92%
396000	Power Operated Equipment		\$ 165,904.24	15.00%	\$ 96,324.04	10.00	5.82	\$ 9,513.69	5.84%
	Total General Plant		\$ 10,369,738.37	6.66%	\$ 2,850,352.06			\$ 615,052.85	5.93%
	Total Depreciable Gas Plant		\$ 264,602,155.63	-59.17%	\$ 156,559,130.97			\$ 7,981,555.92	3.02%

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2012)	Estimated Future Net Salvage Percent	Ending Depreciation Reserve (December 31, 2012)	Average Life (Years)	Remaining Life (From 2011 Annual Remaining Life Update)	Annual Accrual	Accrual Rate
Transmission Plant									
367100	Mains		\$ 4,279,617.10	-50.00%	\$ 1,934,409.51	50.00	37.47	\$ 118,516.80	2.93%
369300	Measuring & Regulating Equipment		\$ 647,568.71	-10.00%	\$ 227,090.49	30.00	19.12	\$ 14,771.55	3.00%
	Total Transmission Plant		\$ 4,927,185.81	-44.74%	\$ 2,161,500.00			\$ 133,288.35	2.71%
Distribution Plant									
375000	Structures & Improvements		\$ 93,293.08	-10.00%	\$ 75,803.16	45.00	26.21	\$ 1,100.88	1.18%
376000	Mains		\$ 33,711,828.58	-60.00%	\$ 13,790,968.77	60.00	46.57	\$ 804,253.60	2.40%
378000	Measuring & Regulating Equipment - General		\$ 3,503,477.17	-5.00%	\$ 791,146.60	33.00	22.23	\$ 67,990.27	2.50%
379000	Measuring & Regulating Equipment - City Gate		\$ 1,426,914.23	-80.00%	\$ 14,082,874.37	48.00	11.79	\$ 34,620.72	2.30%
380000	Services		\$ 25,258,790.44	-80.00%	\$ 14,082,874.37	25.00	36.35	\$ 840,662.70	3.46%
381000	Meters		\$ 5,244,633.06	0.00%	\$ 2,043,379.80	48.00	35.65	\$ 93,965.91	1.76%
383000	House Regulators		\$ 3,705,949.50	-100.00%	\$ 2,660,144.72	35.00	23.38	\$ 219,857.92	5.95%
385000	Measuring & Regulating Equipment - Industrial		\$ 455,039.63	-5.00%	\$ 228,041.81	30.00	17.51	\$ 13,105.88	2.88%
	Total Distribution Plant		\$ 73,193,985.69	-56.06%	\$ 34,023,308.02			\$ 2,074,258.88	2.93%
General Plant									
390000	Structures & Improvements		\$ 4,423,347.72	0.00%	\$ 1,653,485.32	45.00	30.73	\$ 81,687.59	2.00%
392100	Transportation Equipment		\$ 903,236.79	30.00%	\$ 335,162.11	6.00	2.90	\$ 120,975.77	13.52%
392200	Trailers		\$ 2,640.00	0.00%	\$ 1,962.22	20.00	0.60	\$ (498.80)	-16.66%
396000	Power Operated Equipment		\$ 81,675.50	0.00%	\$ 9,436.23	35.00	9.13	\$ 499.06	1.18%
	Total General Plant		\$ 5,390,900.01	5.93%	\$ 2,000,044.88			\$ 202,722.62	3.76%
	Total Depreciable Gas Plant		\$ 89,518,071.51	-51.45%	\$ 42,971,094.39			\$ 2,410,269.85	2.89%

MINNESOTA ENERGY RESOURCES CORPORATION
 Comparison of Depreciation Rates
 STATEMENT 2A

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2013)		Percent of Recorded Reserve	Remaining Life (Calculated)	Proposed Depreciation Rate		Present Depreciation Rate	Proposed Annual Depreciation Expense		Present Annual Depreciation Expense	Change in Annual Depreciation Expense
			From Statement 1A	From Statement 1B			J=(I+J)/H	K		L=D*J	M=D*K		
A	B	C	D	E	F=ED	H	I	J=(I+J)/H	K	L=D*J	M=D*K	N=L-M	
Transmission Plant													
	36700	Mains	\$ 10,405,814.23	\$ 4,313,671.61	41.45%	35.64	-45.00%	2.91%	2.51%	\$ 302,922	\$ 302,659	\$ (263)	
	36900	Measuring & Regulating Equipment	\$ 872,211.81	\$ 221,297.86	25.34%	30.50	-5.00%	2.61%	2.30%	\$ 22,662	\$ 20,084	\$ (2,578)	
			\$ 11,278,026.14	\$ 4,534,969.47	40.21%		-41.90%	2.83%	2.85%	\$ 325,584	\$ 322,743	\$ (2,841)	
Distribution Plant													
	37400	Land & Land Rights Depr - Distribution	\$ 558,617.87	\$ 170,317.03	28.54%	17.50	0.00%	4.08%	4.08%	\$ 24,371	\$ 24,350	\$ (21)	
	37500	Structures & Improvements	\$ 151,155,441.88	\$ 64,035,987.30	42.40%	14.05	-5.00%	2.06%	2.45%	\$ 3,811	\$ 4,572	\$ (761)	
	37600	Mains	\$ 9,034,561.70	\$ 1,957,910.49	21.67%	44.00	-10.00%	1.97%	1.97%	\$ 3,010,082	\$ 2,577,762	\$ (432,320)	
	37800	Measuring & Regulating Equipment - General	\$ 3,818,820.50	\$ 606,036.15	15.87%	33.66	-15.00%	2.65%	2.65%	\$ 222,250	\$ 222,250	\$ -	
	38000	Measuring & Regulating Equipment - City Gate	\$ 117,184,500.89	\$ 60,253,171.47	51.42%	31.49	-60.00%	2.85%	2.76%	\$ 3,317,068	\$ 3,234,303	\$ (82,765)	
	38100	Meters	\$ 34,290,650.63	\$ 10,947,573.61	31.63%	38.38	-60.00%	2.75%	2.75%	\$ 945,928	\$ 942,693	\$ (3,235)	
	38120	AMR Devices	\$ 503,222.96	\$ 18,736.14	3.72%	25.04	-1.00%	7.78%	2.32%	\$ 39,162	\$ 11,675	\$ (27,487)	
	38130	AMR Infrastructure	\$ 14,126,233.41	\$ 9,516,073.84	67.37%	12.50	-5.00%	1.62%	1.58%	\$ 294,072	\$ 288,113	\$ (5,959)	
	38500	Measuring & Regulating Equipment - Industrial	\$ 335,237,431.63	\$ 145,344,635.82	43.32%	17.80	-41.95%	2.33%	2.33%	\$ 8,034,647	\$ 7,846,073	\$ (188,574)	
			\$ 335,237,431.63	\$ 145,344,635.82	43.32%		-41.95%	2.33%	2.33%	\$ 8,034,647	\$ 7,846,073	\$ (188,574)	
General Plant													
	38000	Structures & Improvements (1)	\$ 11,875,765.35	\$ 3,320,062.00	27.72%	42.57	-5.00%	2.37%	2.37%	\$ 263,626	\$ 263,626	\$ -	
	38200	Transportation Equipment (2)	\$ 4,630,365.01	\$ 1,288,207.38	27.82%	3.89	30.00%	8.63%	8.63%	\$ 368,602	\$ 368,602	\$ -	
	38200	Trailers (3)	\$ 74,265.84	\$ 59,224.23	79.41%	0.65	30.00%	0.18%	0.18%	\$ -	\$ -	\$ -	
	38000	Power Operated Equipment	\$ 278,913.48	\$ 159,031.33	56.91%	10.65	10.00%	4.78%	3.46%	\$ 13,324	\$ 9,703	\$ (3,621)	
			\$ 16,592,224.68	\$ 4,775,524.94	28.78%		4.98%	4.11%	4.09%	\$ 696,724	\$ 693,131	\$ (3,593)	
			\$ 364,465,679.46	\$ 157,655,089.23	43.26%		-35.79%	2.45%	2.43%	\$ 9,056,727	\$ 8,862,097	\$ (194,630)	

Footnotes:
 (1) In Docket Number 6007, G0110D-12-533, MERC responded in DOC Information Request No. 20 that MERC would not request any changes to Account 390000 Structures & Improvements in the annual remaining life updates.
 (2) MERC is requesting to continue using the current depreciation rates of 6.63%.
 (3) Account 392200 is fully depreciated. MERC is requesting to use the current depreciation rate of .16% for any future investments in this account.

Attachment 2

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3671 RCG33 Mains

Survivor Curve: S1
Average Service Life: 50
Net Salvage Percent: -45
Remaining Life (Years): 35.64

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1966	\$8,413.56	\$8,023.84	\$7,991.38	\$4,208.28	17.11	\$245.89
1991	\$1,337,016.49	\$749,532.55	\$746,500.94	\$1,192,172.97	30.67	\$38,872.33
1992	\$2,173,443.33	\$1,174,824.53	\$1,170,072.76	\$1,981,420.07	31.36	\$63,181.38
1994	\$1,135.00	\$566.49	\$564.19	\$1,081.56	32.79	\$32.98
1998	\$1,036,305.77	\$425,726.88	\$424,004.95	\$1,078,638.41	35.83	\$30,100.92
1999	\$3,469,094.89	\$1,344,469.55	\$1,339,031.62	\$3,691,155.97	36.64	\$100,752.18
2000	\$844,537.67	\$307,264.17	\$306,021.39	\$918,558.23	37.45	\$24,524.77
2003	\$568,881.81	\$164,805.88	\$164,139.30	\$660,739.33	40.01	\$16,514.23
2005	\$495,464.19	\$117,862.94	\$117,386.22	\$601,036.85	41.80	\$14,379.87
2010	\$308,032.34	\$31,015.12	\$30,889.68	\$415,757.21	46.53	\$8,935.63
2012	\$163,489.18	\$7,097.86	\$7,069.16	\$229,990.16	48.50	\$4,741.78
	\$10,405,814.23	\$4,331,189.80	\$4,313,671.60	\$10,774,759.03		\$302,281.97

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3693 RCG33 Meas & Reg Equip

Survivor Curve: S2
Average Service Life: 45
Net Salvage Percent: -5
Remaining Life (Years): 30.50

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1951	\$453.29	\$414.61	\$341.90	\$134.05	5.80	\$23.11
1952	\$1,673.37	\$1,520.29	\$1,253.68	\$503.36	6.06	\$83.01
1979	\$197,772.76	\$132,593.10	\$109,340.50	\$98,320.90	16.27	\$6,044.11
1982	\$15,000.00	\$9,463.38	\$7,803.80	\$7,946.20	17.96	\$442.39
1983	\$15,000.00	\$9,253.17	\$7,630.46	\$8,119.54	18.56	\$437.42
1986	\$1,970.95	\$1,127.85	\$930.06	\$1,139.44	20.48	\$55.65
1989	\$15,000.00	\$7,851.88	\$6,474.91	\$9,275.09	22.57	\$411.02
1990	\$22,346.06	\$11,312.95	\$9,329.02	\$14,134.34	23.30	\$606.54
1991	\$84,080.25	\$41,080.97	\$33,876.68	\$54,407.58	24.06	\$2,261.30
1992	\$33,549.59	\$15,783.01	\$13,015.17	\$22,211.90	24.84	\$894.26
1993	\$28,280.78	\$12,777.67	\$10,536.87	\$19,157.95	25.64	\$747.29
1997	\$11,384.90	\$4,244.74	\$3,500.35	\$8,453.80	29.02	\$291.30
2006	\$15,740.26	\$2,746.50	\$2,264.85	\$14,262.42	37.52	\$380.11
2007	\$5,086.30	\$770.01	\$634.97	\$4,705.64	38.51	\$122.19
2010	\$6,242.83	\$509.72	\$420.33	\$6,134.64	41.50	\$147.82
2011	\$95,279.11	\$5,557.42	\$4,582.83	\$95,460.24	42.50	\$2,246.11
2012	\$324,351.46	\$11,352.30	\$9,361.47	\$331,207.56	43.50	\$7,613.97
	\$873,211.91	\$268,359.57	\$221,297.86	\$695,574.65		\$22,807.61

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3741 RCG01 Land Rt/ROW Depr

Survivor Curve: SQ
 Average Service Life: 25
 Net Salvage Percent: 0
 Remaining Life (Years): 17.50

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2006	\$596,817.87	\$179,045.36	\$170,317.03	\$426,500.84	17.50	\$24,371.48
	\$596,817.87	\$179,045.36	\$170,317.03	\$426,500.84		\$24,371.48

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group: 3750 RCG01 Struct & Improvement

Survivor Curve: 52.5
Average Service Life: 38
Net Salvage Percent: -5
Remaining Life (Years): 14.05

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
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	\$689.31	\$711.72	\$0.00	1.20	\$0.00
1949	\$2,147.43	\$2,128.81	\$2,254.80	\$0.00	2.12	\$0.00
1950	\$1,858.29	\$1,832.57	\$1,945.70	\$5.51	2.31	\$2.38
1952	\$551.26	\$537.92	\$571.13	\$7.69	2.69	\$2.86
1953	\$183.59	\$178.19	\$189.19	\$3.57	2.87	\$1.24
1954	\$1,878.52	\$1,813.49	\$1,925.44	\$47.00	3.06	\$15.35
1955	\$532.99	\$511.73	\$543.32	\$16.32	3.25	\$5.02
1956	\$47.40	\$45.26	\$48.05	\$1.72	3.45	\$0.50
1957	\$1,246.87	\$1,183.76	\$1,256.83	\$52.38	3.64	\$14.38
1958	\$1,095.68	\$1,034.21	\$1,098.05	\$52.41	3.84	\$13.65
1960	\$6,538.23	\$6,097.39	\$6,473.80	\$391.35	4.25	\$92.09
1961	\$4,030.30	\$3,734.92	\$3,965.48	\$266.33	4.46	\$59.69
1964	\$214.36	\$194.65	\$206.67	\$18.41	5.14	\$3.58
1966	\$316.02	\$282.70	\$300.15	\$31.67	5.63	\$5.63
1967	\$60.72	\$53.88	\$57.21	\$6.55	5.88	\$1.11
1969	\$696.97	\$607.97	\$645.50	\$86.32	6.43	\$13.42
1970	\$2,888.38	\$2,496.31	\$2,650.41	\$382.39	6.72	\$56.89
1972	\$383.20	\$324.62	\$344.66	\$57.70	7.34	\$7.86
1973	\$53.61	\$44.92	\$47.70	\$8.59	7.67	\$1.12
1975	\$1,901.35	\$1,556.03	\$1,652.09	\$344.33	8.38	\$41.08
1976	\$413.45	\$334.03	\$354.65	\$79.48	8.76	\$9.07
1979	\$5,703.87	\$4,626.39	\$4,738.12	\$13,207.80	10.01	\$1,319.28
1980	\$2,280.45	\$1,734.85	\$1,841.94	\$552.53	10.47	\$52.78
1982	\$835.66	\$613.10	\$650.95	\$226.49	11.45	\$19.78
1985	\$376.17	\$258.86	\$274.84	\$120.14	13.10	\$9.17
1986	\$7,075.05	\$4,751.40	\$5,044.72	\$2,384.09	13.70	\$174.08
1988	\$22,226.37	\$14,142.18	\$15,015.21	\$8,322.48	14.97	\$555.84
1991	\$2,106.72	\$1,217.34	\$1,292.49	\$919.57	17.09	\$53.81
1992	\$9,091.44	\$5,063.10	\$5,375.65	\$4,170.36	17.85	\$233.70
1993	\$5,667.75	\$3,033.91	\$3,221.19	\$2,729.94	18.63	\$146.55
1994	\$17,793.00	\$9,127.56	\$9,691.03	\$8,991.62	19.43	\$462.66
1995	\$7,450.00	\$3,650.78	\$3,876.15	\$3,946.35	20.27	\$194.73
1997	\$1,035.22	\$457.92	\$486.18	\$600.80	21.99	\$27.32
2001	\$8,019.09	\$2,733.80	\$2,902.56	\$5,517.48	25.66	\$215.00
	\$186,630.57	\$135,209.87	\$142,412.74	\$53,549.36		\$3,811.65

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3760 RCG01 Gas Mains

Survivor Curve: R2.5
Average Service Life: 65
Net Salvage Percent: -45
Remaining Life (Years): 51.52

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1953	\$383,026.09	\$403,869.76	\$514,263.86	\$41,123.97	17.73	\$2,319.07
1954	\$325,574.18	\$339,473.68	\$432,265.71	\$39,816.85	18.26	\$2,180.71
1955	\$150,105.77	\$154,714.79	\$197,004.66	\$20,648.70	18.80	\$1,098.57
1956	\$105,356.95	\$107,296.30	\$136,624.77	\$16,142.81	19.35	\$834.37
1957	\$136,235.71	\$137,033.89	\$174,490.85	\$23,050.93	19.91	\$1,157.77
1958	\$163,770.00	\$162,627.48	\$207,080.22	\$30,386.28	20.49	\$1,483.33
1959	\$693,092.88	\$679,189.87	\$864,840.21	\$140,144.46	21.07	\$6,650.86
1960	\$686,710.20	\$663,765.89	\$845,200.22	\$150,529.57	21.67	\$6,946.39
1961	\$1,503,928.65	\$1,433,241.87	\$1,825,005.42	\$355,691.12	22.28	\$15,965.04
1962	\$272,854.82	\$256,253.52	\$326,298.08	\$69,341.41	22.90	\$3,028.03
1963	\$231,799.49	\$214,432.72	\$273,045.95	\$63,063.31	23.53	\$2,680.01
1964	\$280,659.32	\$255,617.17	\$325,487.78	\$81,468.23	24.17	\$3,370.33
1965	\$364,108.75	\$326,327.26	\$415,525.83	\$112,431.86	24.82	\$4,529.17
1966	\$842,268.72	\$742,452.34	\$945,394.89	\$275,894.75	25.48	\$10,825.82
1967	\$766,037.98	\$663,786.48	\$845,226.44	\$265,528.63	26.16	\$10,151.71
1968	\$483,429.24	\$411,570.66	\$524,069.73	\$176,902.66	26.84	\$6,592.05
1969	\$605,238.03	\$505,962.94	\$644,263.28	\$233,331.86	27.53	\$8,476.99
1970	\$890,290.97	\$730,401.97	\$930,050.66	\$360,871.24	28.22	\$12,786.39
1971	\$582,864.33	\$468,992.82	\$597,187.72	\$247,965.56	28.93	\$8,571.17
1972	\$447,709.70	\$353,102.66	\$449,620.04	\$199,559.03	29.65	\$6,731.61
1973	\$541,886.86	\$418,630.45	\$533,059.26	\$252,676.69	30.37	\$8,320.27
1974	\$363,698.27	\$275,038.91	\$350,218.28	\$177,144.22	31.10	\$5,695.93
1975	\$327,757.86	\$242,452.78	\$308,725.03	\$166,523.87	31.84	\$5,230.08
1976	\$230,965.69	\$167,001.09	\$212,649.31	\$122,250.94	32.59	\$3,751.51
1977	\$171,519.82	\$121,130.10	\$154,239.90	\$94,463.84	33.34	\$2,833.18
1978	\$574,355.54	\$395,850.98	\$504,053.23	\$328,762.30	34.10	\$9,639.87
1979	\$7,711,176.72	\$5,182,179.12	\$6,598,680.38	\$4,582,525.86	34.87	\$131,401.22
1980	\$1,896,176.99	\$1,241,418.54	\$1,580,748.95	\$1,168,707.69	35.65	\$32,781.37
1981	\$1,742,186.08	\$1,110,140.40	\$1,413,587.13	\$1,112,582.68	36.44	\$30,535.79
1982	\$1,625,147.71	\$1,006,860.23	\$1,282,076.26	\$1,074,387.92	37.23	\$28,860.39
1983	\$1,242,808.96	\$747,862.73	\$952,284.17	\$849,788.82	38.02	\$22,348.21
1984	\$1,676,341.59	\$978,634.24	\$1,246,134.96	\$1,184,560.35	38.83	\$30,506.30
1985	\$1,594,796.34	\$902,160.83	\$1,148,758.24	\$1,163,696.45	39.64	\$29,355.53
1986	\$1,639,761.59	\$897,663.26	\$1,143,031.31	\$1,234,623.00	40.46	\$30,514.81
1987	\$1,710,514.77	\$904,951.71	\$1,152,311.99	\$1,327,934.43	41.28	\$32,165.94
1988	\$2,260,694.88	\$1,154,129.38	\$1,469,600.09	\$1,808,407.49	42.11	\$42,940.12
1989	\$2,602,613.82	\$1,280,081.48	\$1,629,980.05	\$2,143,809.99	42.95	\$49,912.00
1990	\$3,293,696.32	\$1,558,067.64	\$1,983,951.18	\$2,791,908.48	43.79	\$63,750.18
1991	\$6,589,406.12	\$2,992,263.30	\$3,810,171.10	\$5,744,467.77	44.64	\$128,673.65
1992	\$5,630,147.29	\$2,449,369.16	\$3,118,881.81	\$5,044,831.76	45.50	\$110,880.37
1993	\$2,418,534.28	\$1,005,743.34	\$1,280,654.08	\$2,226,220.62	46.36	\$48,021.82
1994	\$2,625,097.65	\$1,040,967.46	\$1,325,506.40	\$2,480,885.19	47.22	\$52,534.55
1995	\$2,053,347.93	\$774,324.71	\$985,979.28	\$1,991,375.21	48.10	\$41,404.73
1996	\$2,683,053.25	\$959,351.76	\$1,221,581.79	\$2,668,845.42	48.97	\$54,497.97
1997	\$3,247,160.11	\$1,097,205.52	\$1,397,116.62	\$3,311,265.54	49.85	\$66,420.73
1998	\$1,950,524.06	\$620,519.61	\$790,123.97	\$2,038,126.92	50.74	\$40,168.83
1999	\$512,374.64	\$152,814.37	\$194,584.78	\$548,358.45	51.63	\$10,620.87
2000	\$4,549,072.74	\$1,265,837.65	\$1,611,842.80	\$4,984,312.68	52.53	\$94,892.02
2001	\$3,923,719.06	\$1,013,036.62	\$1,289,940.92	\$4,399,451.72	53.43	\$82,346.20
2002	\$6,039,928.05	\$1,437,546.60	\$1,830,486.81	\$6,927,408.86	54.33	\$127,504.48
2003	\$6,973,594.31	\$1,518,386.15	\$1,933,423.11	\$8,178,288.63	55.24	\$148,051.39
2004	\$4,510,813.18	\$890,289.77	\$1,133,642.34	\$5,407,036.78	56.15	\$96,292.05
2005	\$6,326,140.52	\$1,119,268.26	\$1,425,210.00	\$7,747,693.75	57.07	\$135,760.66
2006	\$7,607,108.29	\$1,189,646.61	\$1,514,825.63	\$9,515,481.39	57.99	\$164,089.49

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3760 RCG01 Gas Mains

Survivor Curve: R2.5
Average Service Life: 65
Net Salvage Percent: -45
Remaining Life (Years): 51.52

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2007	\$6,123,560.63	\$831,472.82	\$1,058,748.31	\$7,820,414.60	58.91	\$132,744.70
2008	\$8,238,754.13	\$948,126.74	\$1,207,288.51	\$10,738,904.98	59.84	\$179,456.77
2009	\$5,695,793.99	\$537,185.88	\$684,020.72	\$7,574,880.56	60.77	\$124,643.87
2010	\$5,477,519.30	\$402,409.18	\$512,404.05	\$7,429,998.94	61.71	\$120,408.27
2011	\$4,439,044.35	\$233,305.98	\$297,078.03	\$6,139,536.27	62.64	\$98,006.83
2012	\$6,298,929.05	\$198,895.28	\$253,261.49	\$8,880,185.63	63.58	\$139,659.55
2013	\$6,120,657.46	\$64,530.74	\$82,169.63	\$8,792,783.69	64.53	\$136,264.39
	\$151,155,441.98	\$50,336,865.46	\$64,095,987.26	\$155,079,403.61		\$3,010,266.31

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3780 RCG01 Meas & Reg Equip

Survivor Curve: R1.5
Average Service Life: 44
Net Salvage Percent: -10
Remaining Life (Years): 33.66

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1967	\$63,477.42	\$49,181.15	\$42,920.16	\$26,905.01	13.01	\$2,068.23
1973	\$29,709.49	\$20,899.58	\$18,238.96	\$14,441.48	15.86	\$910.48
1974	\$34,728.81	\$23,981.44	\$20,928.49	\$17,273.20	16.38	\$1,054.62
1975	\$38,715.84	\$26,222.59	\$22,884.33	\$19,703.09	16.91	\$1,165.34
1976	\$36,006.00	\$23,900.92	\$20,858.22	\$18,748.38	17.45	\$1,074.54
1977	\$18,067.79	\$11,744.16	\$10,249.08	\$9,625.49	18.00	\$534.76
1978	\$117,587.45	\$74,776.28	\$65,256.91	\$64,089.28	18.56	\$3,452.50
1979	\$50,952.72	\$31,670.43	\$27,638.63	\$28,409.36	19.14	\$1,484.49
1980	\$124,473.83	\$75,547.78	\$65,930.19	\$70,991.02	19.72	\$3,599.49
1981	\$102,476.23	\$60,670.26	\$52,946.65	\$59,777.21	20.32	\$2,942.04
1982	\$160,041.19	\$92,323.66	\$80,570.42	\$95,474.89	20.93	\$4,562.71
1983	\$55,015.44	\$30,888.89	\$26,956.59	\$33,560.39	21.54	\$1,557.93
1984	\$29,327.76	\$16,006.96	\$13,969.20	\$18,291.34	22.17	\$825.12
1985	\$77,923.71	\$41,290.40	\$36,033.93	\$49,682.15	22.80	\$2,178.59
1986	\$33,505.16	\$17,212.61	\$15,021.37	\$21,834.31	23.45	\$931.07
1987	\$72,344.26	\$35,980.22	\$31,399.77	\$48,178.92	24.11	\$1,998.62
1988	\$206,670.13	\$99,355.65	\$86,707.21	\$140,629.93	24.77	\$5,677.38
1989	\$274,215.78	\$127,214.11	\$111,019.15	\$190,618.20	25.44	\$7,491.91
1990	\$376,326.88	\$168,175.61	\$146,766.06	\$267,193.51	26.12	\$10,227.69
1991	\$316,352.22	\$135,920.53	\$118,617.20	\$229,370.24	26.81	\$8,554.11
1992	\$693,037.80	\$285,679.35	\$249,311.02	\$513,030.56	27.51	\$18,647.88
1993	\$375,071.29	\$147,998.35	\$129,157.46	\$283,420.96	28.22	\$10,044.51
1994	\$141,681.66	\$53,382.73	\$46,586.85	\$109,262.97	28.93	\$3,776.96
1995	\$42,113.86	\$15,110.45	\$13,186.81	\$33,138.43	29.65	\$1,117.73
1996	\$153,033.71	\$52,130.78	\$45,494.28	\$122,842.80	30.37	\$4,044.34
1997	\$137,590.41	\$44,350.15	\$38,704.17	\$112,645.28	31.11	\$3,621.26
1998	\$261,304.37	\$79,402.59	\$69,294.26	\$218,140.54	31.85	\$6,850.03
1999	\$83,337.04	\$23,772.46	\$20,746.11	\$70,924.63	32.59	\$2,176.29
2000	\$69,525.33	\$18,528.10	\$16,169.38	\$60,308.48	33.34	\$1,808.88
2001	\$111,945.47	\$27,716.76	\$24,188.29	\$98,951.73	34.10	\$2,902.12
2002	\$183,419.77	\$41,921.20	\$36,584.44	\$165,177.31	34.86	\$4,738.60
2003	\$13,003.94	\$2,722.81	\$2,376.18	\$11,928.15	35.62	\$334.83
2004	\$3,308.54	\$628.86	\$548.80	\$3,090.59	36.40	\$84.91
2005	\$198,930.40	\$33,943.94	\$29,622.71	\$189,200.73	37.17	\$5,089.50
2006	\$497,683.81	\$75,177.01	\$65,606.62	\$481,845.57	37.96	\$12,694.23
2007	\$96,732.76	\$12,705.47	\$11,088.00	\$95,318.03	38.75	\$2,460.06
2008	\$123,637.49	\$13,785.10	\$12,030.20	\$123,971.04	39.54	\$3,135.32
2009	\$109,080.49	\$9,983.38	\$8,712.45	\$111,276.09	40.34	\$2,758.52
2010	\$315,164.69	\$22,506.62	\$19,641.42	\$327,039.74	41.14	\$7,948.76
2011	\$1,334,588.44	\$68,296.70	\$59,602.20	\$1,408,445.08	41.95	\$33,571.95
2012	\$1,538,278.06	\$47,372.35	\$41,341.63	\$1,650,764.24	42.77	\$38,597.96
2013	\$334,174.26	\$3,442.96	\$3,004.66	\$364,587.03	43.59	\$8,364.41
	\$9,034,561.70	\$2,243,521.32	\$1,957,910.49	\$7,980,107.38		\$237,060.66

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3790 RCG01 Meas & Reg Eq-City G

Survivor Curve: R3
Average Service Life: 40
Net Salvage Percent: -15
Remaining Life (Years): 31.49

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
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	\$623.46	\$484.77	\$150.67	0.75	\$199.85
1950	\$702.48	\$787.98	\$612.70	\$195.16	0.98	\$198.38
1951	\$1,255.03	\$1,399.22	\$1,087.96	\$355.32	1.22	\$290.97
1953	\$2,510.06	\$2,762.97	\$2,148.34	\$738.23	1.71	\$431.01
1954	\$2,529.67	\$2,766.20	\$2,150.86	\$758.26	1.97	\$385.86
1955	\$2,529.67	\$2,747.65	\$2,136.44	\$772.69	2.22	\$348.04
1958	\$4,216.11	\$4,485.97	\$3,488.06	\$1,360.47	2.99	\$454.84
1959	\$3,372.89	\$3,563.83	\$2,771.05	\$1,107.77	3.25	\$341.03
1961	\$3,216.01	\$3,350.12	\$2,604.88	\$1,093.53	3.77	\$290.30
1962	\$3,765.08	\$3,893.45	\$3,027.35	\$1,302.50	4.03	\$323.08
1965	\$5,595.33	\$5,650.72	\$4,393.71	\$2,040.92	4.87	\$418.81
1966	\$15,945.73	\$15,964.06	\$12,412.83	\$5,924.76	5.18	\$1,144.35
1967	\$15,809.10	\$15,681.72	\$12,193.30	\$5,987.16	5.50	\$1,089.04
1979	\$29,656.41	\$24,717.44	\$19,219.01	\$14,885.86	11.01	\$1,352.02
1986	\$41,060.50	\$28,726.01	\$22,335.87	\$24,883.70	15.67	\$1,588.39
1987	\$21,255.70	\$14,421.93	\$11,213.75	\$13,230.31	16.40	\$806.72
1989	\$5,490.75	\$3,486.61	\$2,711.01	\$3,603.35	17.91	\$201.16
1990	\$41,080.00	\$25,167.33	\$19,568.82	\$27,673.18	18.69	\$1,480.58
1991	\$31,271.13	\$18,446.65	\$14,343.17	\$21,618.63	19.48	\$1,109.68
1992	\$51,818.50	\$29,368.88	\$22,835.74	\$36,755.54	20.29	\$1,811.83
1993	\$92,431.44	\$50,214.65	\$39,044.33	\$67,251.82	21.10	\$3,186.71
1994	\$23,368.37	\$12,137.71	\$9,437.66	\$17,435.97	21.93	\$794.94
1995	\$41,323.00	\$20,463.25	\$15,911.17	\$31,610.28	22.78	\$1,387.90
1996	\$22,852.70	\$10,755.92	\$8,363.25	\$17,917.35	23.63	\$758.27
1997	\$214,685.23	\$95,703.96	\$74,414.49	\$172,473.53	24.49	\$7,041.36
1998	\$46,938.18	\$19,742.02	\$15,350.38	\$38,628.52	25.37	\$1,522.57
2000	\$27,610.63	\$10,196.95	\$7,928.62	\$23,823.60	27.15	\$877.34
2001	\$246,076.71	\$84,464.67	\$65,675.39	\$217,312.83	28.06	\$7,744.29
2002	\$71,249.00	\$22,579.54	\$17,556.69	\$64,379.66	28.98	\$2,221.75
2005	\$34,055.71	\$8,053.22	\$6,261.77	\$32,902.29	31.77	\$1,035.48
2006	\$167,070.40	\$34,956.02	\$27,180.01	\$164,950.95	32.72	\$5,040.91
2007	\$77,963.67	\$14,174.23	\$11,021.16	\$78,637.07	33.68	\$2,335.08
2008	\$25,675.46	\$3,959.26	\$3,078.52	\$26,448.26	34.64	\$763.60
2009	\$180,894.17	\$22,873.84	\$17,785.52	\$190,242.77	35.60	\$5,343.63
2010	\$389,271.94	\$38,361.14	\$29,827.65	\$417,835.08	36.57	\$11,424.90
2011	\$1,426,906.53	\$100,634.70	\$78,248.37	\$1,562,694.13	37.55	\$41,619.79
2012	\$364,652.88	\$15,457.32	\$12,018.82	\$407,331.99	38.53	\$10,573.02
2013	\$78,396.69	\$1,109.72	\$862.86	\$89,293.33	39.51	\$2,260.15
	\$3,818,820.50	\$778,180.16	\$606,036.14	\$3,785,607.44		\$120,197.63

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3800 RCG01 Gas Services

Survivor Curve: R2.5
Average Service Life: 50
Net Salvage Percent: -60
Remaining Life (Years): 38.36

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1953	\$123,025.43	\$165,175.34	\$196,840.69	\$0.00	8.04	\$0.00
1954	\$96,484.09	\$128,610.50	\$154,374.54	\$0.00	8.34	\$0.00
1955	\$19,262.11	\$25,482.34	\$30,819.38	\$0.00	8.66	\$0.00
1956	\$26,753.55	\$35,112.71	\$42,805.68	\$0.00	8.99	\$0.00
1957	\$72,375.69	\$94,197.30	\$115,801.10	\$0.00	9.33	\$0.00
1958	\$110,593.99	\$142,674.06	\$176,449.52	\$500.86	9.69	\$51.71
1959	\$233,999.91	\$299,081.17	\$369,883.15	\$4,516.71	10.06	\$449.04
1960	\$162,489.64	\$205,655.55	\$254,340.73	\$5,642.69	10.45	\$540.06
1961	\$352,113.28	\$441,070.07	\$545,485.32	\$17,895.93	10.86	\$1,648.62
1962	\$176,369.64	\$218,533.97	\$270,267.87	\$11,923.55	11.28	\$1,057.13
1963	\$158,348.86	\$193,968.89	\$239,887.47	\$13,470.71	11.72	\$1,149.34
1964	\$178,271.78	\$215,754.93	\$266,830.95	\$18,403.90	12.18	\$1,511.06
1965	\$218,497.35	\$261,106.55	\$322,918.73	\$26,677.03	12.66	\$2,107.87
1966	\$91,085.65	\$107,409.34	\$132,836.54	\$12,900.50	13.15	\$981.06
1967	\$177,999.82	\$206,989.26	\$255,990.17	\$28,809.54	13.66	\$2,108.96
1968	\$181,188.81	\$207,637.83	\$256,792.28	\$33,109.82	14.19	\$2,333.60
1969	\$268,624.43	\$303,156.74	\$374,923.54	\$54,875.55	14.73	\$3,724.74
1970	\$220,919.98	\$245,357.55	\$303,441.45	\$50,030.52	15.29	\$3,271.42
1971	\$327,231.79	\$357,395.74	\$442,002.63	\$81,568.23	15.87	\$5,139.97
1972	\$262,191.64	\$281,398.85	\$348,014.87	\$71,491.76	16.46	\$4,343.17
1973	\$175,353.24	\$184,798.21	\$228,545.80	\$52,019.38	17.07	\$3,047.99
1974	\$157,918.45	\$163,288.80	\$201,944.43	\$50,725.09	17.69	\$2,867.89
1975	\$197,603.61	\$200,313.00	\$247,733.43	\$68,432.35	18.32	\$3,735.08
1976	\$162,797.11	\$161,656.49	\$199,925.70	\$60,549.67	18.97	\$3,192.04
1977	\$236,635.27	\$229,977.10	\$284,419.95	\$94,196.48	19.63	\$4,798.77
1978	\$568,479.01	\$540,245.27	\$668,138.42	\$241,427.99	20.30	\$11,891.81
1979	\$2,268,459.55	\$2,106,105.65	\$2,604,687.52	\$1,024,847.76	20.99	\$48,833.51
1980	\$1,528,848.08	\$1,385,359.16	\$1,713,317.52	\$732,839.41	21.68	\$33,797.96
1981	\$1,232,889.07	\$1,089,260.85	\$1,347,123.37	\$625,499.14	22.39	\$27,935.87
1982	\$1,448,685.27	\$1,246,612.26	\$1,541,724.85	\$776,171.59	23.11	\$33,587.45
1983	\$1,329,191.80	\$1,112,772.49	\$1,376,200.97	\$750,505.91	23.84	\$31,483.42
1984	\$1,434,827.58	\$1,167,254.18	\$1,443,580.20	\$852,143.93	24.58	\$34,671.50
1985	\$1,680,962.36	\$1,327,158.51	\$1,641,338.94	\$1,048,200.83	25.33	\$41,386.03
1986	\$1,726,895.75	\$1,321,463.23	\$1,634,295.41	\$1,128,737.79	26.09	\$43,268.66
1987	\$2,143,334.25	\$1,587,365.14	\$1,963,144.72	\$1,466,190.08	26.86	\$54,594.35
1988	\$2,204,936.10	\$1,578,068.82	\$1,951,647.66	\$1,576,250.10	27.63	\$57,039.35
1989	\$2,282,801.40	\$1,576,247.56	\$1,949,395.25	\$1,703,086.99	28.42	\$59,920.92
1990	\$2,997,415.20	\$1,993,253.00	\$2,465,119.08	\$2,330,745.24	29.22	\$79,768.02
1991	\$3,961,678.35	\$2,532,347.90	\$3,131,834.81	\$3,206,850.55	30.02	\$106,807.22
1992	\$3,803,119.89	\$2,331,904.32	\$2,883,939.88	\$3,201,051.94	30.84	\$103,799.20
1993	\$2,584,479.96	\$1,516,682.67	\$1,875,729.47	\$2,259,438.47	31.66	\$71,363.07
1994	\$2,928,752.33	\$1,640,856.69	\$2,029,299.41	\$2,656,704.32	32.49	\$81,765.03
1995	\$2,584,331.95	\$1,378,508.96	\$1,704,845.67	\$2,430,085.45	33.33	\$72,907.82
1996	\$2,938,337.69	\$1,487,737.73	\$1,839,932.34	\$2,861,407.96	34.18	\$83,721.94
1997	\$3,565,870.83	\$1,708,039.58	\$2,112,386.61	\$3,593,006.72	35.03	\$102,565.44
1998	\$365,532.81	\$165,012.11	\$204,075.70	\$380,776.80	35.89	\$10,608.71
1999	\$2,637,423.61	\$1,117,319.66	\$1,381,824.59	\$2,838,053.19	36.76	\$77,202.34
2000	\$2,910,079.84	\$1,151,321.17	\$1,423,875.34	\$3,232,252.41	37.64	\$85,880.80
2001	\$4,299,467.00	\$1,579,699.71	\$1,953,664.63	\$4,925,482.57	38.52	\$127,874.16
2002	\$3,703,515.18	\$1,255,440.45	\$1,552,642.94	\$4,372,981.35	39.41	\$110,970.55
2003	\$3,691,106.96	\$1,145,595.34	\$1,416,794.02	\$4,488,977.11	40.30	\$111,386.10
2004	\$3,912,119.15	\$1,101,503.78	\$1,362,264.59	\$4,897,126.05	41.20	\$118,858.85
2005	\$3,062,772.65	\$773,586.49	\$956,718.90	\$3,943,717.34	42.11	\$93,659.51
2006	\$4,830,076.85	\$1,079,122.48	\$1,334,584.93	\$6,393,538.03	43.02	\$148,623.99

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3800 RCG01 Gas Services

Survivor Curve: R2.5
 Average Service Life: 50
 Net Salvage Percent: -60
 Remaining Life (Years): 38.36

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2007	\$5,517,859.78	\$1,071,025.94	\$1,324,571.68	\$7,504,003.96	43.93	\$170,800.50
2008	\$4,779,706.00	\$786,849.58	\$973,121.78	\$6,674,407.82	44.86	\$148,797.88
2009	\$3,549,886.27	\$479,191.37	\$592,631.13	\$5,087,186.90	45.78	\$111,118.52
2010	\$4,104,884.03	\$431,910.91	\$534,157.89	\$6,033,656.56	46.71	\$129,167.40
2011	\$5,999,722.25	\$451,837.64	\$558,801.91	\$9,040,753.69	47.65	\$189,746.16
2012	\$7,417,520.87	\$335,788.20	\$415,279.90	\$11,452,753.49	48.59	\$235,724.54
2013	\$6,800,796.10	\$102,854.59	\$127,203.52	\$10,754,070.24	49.53	\$217,133.85
	\$117,184,900.89	\$48,731,105.68	\$60,253,171.45	\$127,242,669.97		\$3,316,721.96

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3810 RCG01 Meter & Installation

Survivor Curve: S2
Average Service Life: 38
Net Salvage Percent: -1
Remaining Life (Years): 25.04

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1966	\$165,248.94	\$138,926.69	\$132,304.23	\$34,597.20	6.37	\$5,431.89
1967	\$213,156.16	\$177,488.50	\$169,027.85	\$46,259.87	6.67	\$6,933.58
1968	\$271,059.84	\$223,464.70	\$212,812.42	\$60,958.01	6.98	\$8,730.04
1969	\$81,575.46	\$66,558.50	\$63,385.75	\$19,005.47	7.30	\$2,602.68
1970	\$115,406.55	\$93,152.26	\$88,711.81	\$27,848.81	7.63	\$3,649.25
1971	\$135,614.12	\$108,242.58	\$103,082.80	\$33,887.46	7.97	\$4,251.88
1972	\$134,873.11	\$106,398.97	\$101,327.06	\$34,894.78	8.32	\$4,194.44
1973	\$211,539.44	\$164,854.87	\$156,996.45	\$56,658.38	8.68	\$6,527.91
1974	\$295,174.18	\$227,119.25	\$216,292.76	\$81,833.16	9.05	\$9,041.62
1975	\$145,953.82	\$110,814.20	\$105,531.83	\$41,881.53	9.43	\$4,439.20
1976	\$112,684.54	\$84,367.91	\$80,346.20	\$33,465.19	9.83	\$3,404.13
1977	\$137,847.74	\$101,707.62	\$96,859.34	\$42,366.87	10.24	\$4,137.30
1978	\$235,763.44	\$171,296.88	\$163,131.38	\$74,989.70	10.66	\$7,032.05
1979	\$383,837.74	\$274,411.12	\$261,330.29	\$126,345.82	11.10	\$11,380.22
1980	\$566,799.90	\$398,376.90	\$379,386.78	\$193,081.12	11.56	\$16,708.25
1981	\$450,443.94	\$310,969.30	\$296,145.79	\$158,802.59	12.03	\$13,204.95
1982	\$230,780.31	\$156,336.93	\$148,884.54	\$84,203.57	12.51	\$6,729.49
1983	\$182,981.83	\$121,502.29	\$115,710.43	\$69,101.22	13.02	\$5,308.40
1984	\$336,157.14	\$218,540.39	\$208,122.85	\$131,395.86	13.54	\$9,704.08
1985	\$264,472.12	\$168,127.99	\$160,113.55	\$107,003.30	14.08	\$7,598.51
1986	\$278,348.61	\$172,788.86	\$164,552.24	\$116,579.86	14.64	\$7,960.65
1987	\$311,859.08	\$188,760.71	\$179,762.72	\$135,214.95	15.23	\$8,879.80
1988	\$497,807.92	\$293,321.21	\$279,338.96	\$223,447.04	15.83	\$14,114.42
1989	\$607,458.75	\$347,815.02	\$331,235.12	\$282,298.22	16.46	\$17,153.04
1990	\$766,045.13	\$425,410.71	\$405,131.93	\$368,573.66	17.11	\$21,546.13
1991	\$1,434,189.15	\$770,830.19	\$734,085.70	\$714,445.35	17.78	\$40,186.04
1992	\$859,913.84	\$446,275.22	\$425,001.85	\$443,511.13	18.47	\$24,007.13
1993	\$433,527.95	\$216,705.56	\$206,375.49	\$231,487.74	19.19	\$12,060.93
1994	\$750,988.83	\$360,543.92	\$343,357.25	\$415,141.47	19.94	\$20,822.54
1995	\$604,934.54	\$278,082.16	\$264,826.34	\$346,157.55	20.70	\$16,718.75
1996	\$639,222.51	\$280,399.42	\$267,033.13	\$378,581.60	21.50	\$17,611.66
1997	\$858,254.16	\$357,878.57	\$340,818.96	\$526,017.74	22.31	\$23,576.10
1998	\$703,859.54	\$277,821.29	\$264,577.90	\$446,320.23	23.15	\$19,279.93
1999	\$849,069.95	\$315,726.34	\$300,676.07	\$556,884.58	24.01	\$23,194.23
2000	\$987,503.48	\$344,062.41	\$327,661.39	\$669,717.12	24.89	\$26,905.71
2001	\$1,166,058.25	\$378,350.48	\$360,314.99	\$817,403.84	25.79	\$31,691.86
2002	\$1,193,225.71	\$357,990.21	\$340,925.27	\$864,232.70	26.71	\$32,353.53
2003	\$1,227,696.25	\$337,781.82	\$321,680.19	\$918,293.02	27.65	\$33,213.25
2004	\$1,055,886.72	\$263,823.60	\$251,247.46	\$815,198.13	28.60	\$28,504.09
2005	\$1,043,103.25	\$233,908.95	\$222,758.81	\$830,775.47	29.56	\$28,101.75
2006	\$1,804,613.29	\$357,937.69	\$340,875.26	\$1,481,784.16	30.54	\$48,523.46
2007	\$1,643,652.59	\$283,065.25	\$269,571.89	\$1,390,517.23	31.52	\$44,114.64
2008	\$1,215,473.92	\$177,355.64	\$168,901.32	\$1,058,727.34	32.51	\$32,566.07
2009	\$1,817,081.22	\$217,127.51	\$206,777.32	\$1,628,474.72	33.50	\$48,605.03
2010	\$2,025,981.21	\$188,400.86	\$179,420.03	\$1,866,820.99	34.50	\$54,108.75
2011	\$2,071,376.91	\$137,617.78	\$131,057.72	\$1,961,032.96	35.50	\$55,239.81
2012	\$988,462.48	\$39,408.44	\$37,529.89	\$960,817.22	36.50	\$26,323.76
2013	\$1,783,685.37	\$23,704.24	\$22,574.29	\$1,778,947.93	37.50	\$47,438.61
	\$34,290,650.93	\$11,495,551.93	\$10,947,573.59	\$23,685,983.85		\$945,811.54

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3812 RCG01 AMR Devices

Survivor Curve: SQ
 Average Service Life: 15
 Net Salvage Percent: -1
 Remaining Life (Years): 12.50

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2011	\$503,222.96	\$84,709.20	\$18,736.14	\$489,519.05	12.50	\$39,161.52
	\$503,222.96	\$84,709.20	\$18,736.14	\$489,519.05		\$39,161.52

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3830 RCG01 House Regulators

Survivor Curve: R3
Average Service Life: 44
Net Salvage Percent: -5
Remaining Life (Years): 32.34

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1966	\$74,732.00	\$65,334.64	\$78,468.60	\$0.00	7.36	\$0.00
1967	\$27,619.35	\$23,878.52	\$29,000.32	\$0.00	7.77	\$0.00
1968	\$21,000.81	\$17,942.49	\$22,050.85	\$0.00	8.20	\$0.00
1969	\$28,341.65	\$23,911.41	\$29,758.73	\$0.00	8.65	\$0.00
1970	\$19,710.49	\$16,408.51	\$20,696.01	\$0.00	9.12	\$0.00
1971	\$29,343.92	\$24,083.76	\$30,811.12	\$0.00	9.61	\$0.00
1972	\$31,865.67	\$25,763.39	\$33,458.95	\$0.00	10.12	\$0.00
1973	\$41,356.91	\$32,909.92	\$43,424.76	\$0.00	10.65	\$0.00
1974	\$46,738.08	\$36,572.23	\$49,074.98	\$0.00	11.21	\$0.00
1975	\$25,690.19	\$19,749.23	\$26,974.70	\$0.00	11.79	\$0.00
1976	\$18,614.59	\$14,045.25	\$19,545.32	\$0.00	12.38	\$0.00
1977	\$28,297.52	\$20,936.10	\$29,712.40	\$0.00	13.00	\$0.00
1978	\$85,859.75	\$62,224.86	\$90,152.74	\$0.00	13.63	\$0.00
1979	\$124,989.19	\$88,639.67	\$131,238.65	\$0.00	14.28	\$0.00
1980	\$202,400.55	\$140,310.40	\$212,520.58	\$0.00	14.95	\$0.00
1981	\$145,287.80	\$98,343.41	\$152,552.19	\$0.00	15.64	\$0.00
1982	\$206,891.57	\$136,582.15	\$212,760.26	\$4,475.89	16.34	\$273.99
1983	\$158,339.29	\$101,826.23	\$158,619.37	\$7,636.88	17.05	\$447.87
1984	\$181,487.44	\$113,552.69	\$176,886.21	\$13,675.60	17.78	\$769.11
1985	\$195,189.08	\$118,659.90	\$184,841.95	\$20,106.58	18.53	\$1,085.37
1986	\$281,716.72	\$166,170.56	\$258,851.48	\$36,951.08	19.28	\$1,916.30
1987	\$345,832.17	\$197,634.65	\$307,864.52	\$55,259.25	20.05	\$2,755.74
1988	\$335,362.41	\$185,388.72	\$288,788.49	\$63,342.04	20.84	\$3,040.17
1989	\$348,902.69	\$186,254.29	\$290,136.82	\$76,211.00	21.63	\$3,523.39
1990	\$413,898.37	\$212,980.83	\$331,769.97	\$102,823.32	22.44	\$4,582.77
1991	\$536,419.89	\$265,550.22	\$413,659.72	\$149,581.17	23.26	\$6,432.11
1992	\$496,609.71	\$236,008.98	\$367,641.97	\$153,798.23	24.09	\$6,385.60
1993	\$367,545.42	\$167,296.35	\$260,605.17	\$125,317.52	24.93	\$5,027.56
1994	\$478,086.42	\$207,897.64	\$323,851.66	\$178,139.08	25.78	\$6,910.63
1995	\$269,444.35	\$111,627.13	\$173,886.68	\$109,029.88	26.64	\$4,092.80
1996	\$288,278.44	\$113,427.87	\$176,691.79	\$126,000.58	27.51	\$4,579.86
1997	\$479,473.48	\$178,563.62	\$278,156.71	\$225,290.44	28.39	\$7,934.44
1998	\$733,867.62	\$257,693.27	\$401,420.59	\$369,140.42	29.29	\$12,604.93
1999	\$865,655.87	\$285,369.60	\$444,533.27	\$464,405.40	30.19	\$15,384.90
2000	\$878,966.10	\$270,681.36	\$421,652.72	\$501,261.68	31.10	\$16,120.20
2001	\$1,493,262.18	\$427,156.16	\$665,400.67	\$902,524.61	32.01	\$28,192.53
2002	\$1,226,911.21	\$323,878.20	\$504,519.88	\$783,736.89	32.94	\$23,794.28
2003	\$1,225,919.57	\$296,326.79	\$461,601.79	\$825,613.76	33.87	\$24,375.34
2004	\$1,881,030.07	\$412,483.40	\$642,544.24	\$1,332,537.33	34.81	\$38,279.34
2005	\$1,466,702.90	\$288,506.88	\$449,420.35	\$1,090,617.69	35.76	\$30,500.69
2006	\$516,587.76	\$89,876.60	\$140,004.89	\$402,412.26	36.71	\$10,962.12
2007	\$159,333.66	\$24,078.93	\$37,508.85	\$129,791.49	37.67	\$3,445.74
2008	\$167,540.71	\$21,468.41	\$33,442.33	\$142,475.42	38.63	\$3,688.17
2009	\$245,164.41	\$25,752.52	\$40,115.89	\$217,306.75	39.60	\$5,487.79
2010	\$220,767.02	\$18,069.01	\$28,146.93	\$203,658.44	40.57	\$5,019.90
2011	\$194,488.68	\$11,389.67	\$17,742.21	\$186,470.90	41.55	\$4,488.30
2012	\$267,492.41	\$9,412.87	\$14,662.86	\$266,204.17	42.53	\$6,259.89
2013	\$241,319.32	\$5,715.15	\$8,902.74	\$244,482.54	43.01	\$5,684.64
	\$18,120,335.41	\$6,178,334.41	\$9,516,073.84	\$9,510,278.32		\$294,046.43

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3850 RCG01 Industrl Meas&Reg Eq

Survivor Curve: S1.5
Average Service Life: 36
Net Salvage Percent: -5
Remaining Life (Years): 17.80

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1960	\$26,744.18	\$24,367.65	\$22,481.16	\$5,600.23	4.76	\$1,176.28
1968	\$11,773.26	\$9,947.21	\$9,177.12	\$3,184.81	7.03	\$452.90
1970	\$5,348.84	\$4,421.02	\$4,078.75	\$1,537.53	7.66	\$200.68
1971	\$21,366.28	\$17,456.52	\$16,105.07	\$6,329.52	7.99	\$792.37
1974	\$3,081.40	\$2,424.73	\$2,237.01	\$998.46	9.02	\$110.68
1975	\$7,267.44	\$5,641.64	\$5,204.88	\$2,425.94	9.38	\$258.51
1979	\$39,767.41	\$29,054.59	\$26,805.24	\$14,950.55	10.95	\$1,365.30
1980	\$105,174.41	\$75,546.38	\$69,697.72	\$40,735.41	11.37	\$3,581.86
1982	\$12,616.28	\$8,736.27	\$8,059.93	\$5,187.17	12.26	\$423.15
1983	\$25,697.68	\$17,446.26	\$16,095.60	\$10,886.97	12.72	\$855.67
1985	\$199,796.54	\$129,952.44	\$119,891.77	\$89,894.60	13.70	\$6,561.77
1986	\$270,988.39	\$172,201.21	\$158,869.71	\$125,668.10	14.21	\$8,841.81
1989	\$51,482.56	\$30,243.22	\$27,901.84	\$26,154.84	15.86	\$1,649.21
1990	\$74,287.79	\$42,368.95	\$39,088.83	\$38,913.35	16.45	\$2,366.18
1991	\$32,906.98	\$18,185.92	\$16,778.00	\$17,774.33	17.05	\$1,042.35
1995	\$17,558.14	\$8,354.53	\$7,707.73	\$10,728.31	19.69	\$544.97
1996	\$22,020.35	\$10,020.06	\$9,244.32	\$13,877.05	20.40	\$680.29
1998	\$61,846.22	\$25,452.71	\$23,482.21	\$41,456.32	21.89	\$1,893.87
1999	\$17,674.42	\$6,872.32	\$6,340.28	\$12,217.86	22.67	\$538.97
2000	\$17,848.84	\$6,523.25	\$6,018.24	\$12,723.05	23.47	\$542.11
2004	\$111,686.02	\$29,704.98	\$27,405.28	\$89,865.05	26.88	\$3,343.06
2006	\$21,860.95	\$4,653.42	\$4,293.16	\$18,660.83	28.70	\$650.16
2007	\$11,906.80	\$2,209.78	\$2,038.70	\$10,463.44	29.64	\$353.05
2009	\$5,671.00	\$735.96	\$678.98	\$5,275.57	31.55	\$167.21
2010	\$42,483.35	\$4,305.28	\$3,971.98	\$40,635.54	32.53	\$1,249.35
2011	\$10,533.61	\$764.99	\$705.77	\$10,354.52	33.51	\$309.00
2012	\$21,349.19	\$932.51	\$860.31	\$21,556.34	34.50	\$624.78
2013	\$85,310.49	\$1,243.77	\$1,147.48	\$88,428.54	35.50	\$2,490.94
	\$1,336,048.82	\$689,767.56	\$636,367.05	\$766,484.21		\$43,066.47

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3900 RCG35 Structure Improvement

Survivor Curve: R3
Average Service Life: 55
Net Salvage Percent: -5
Remaining Life (Years): 42.57

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1965	\$28,788.23	\$22,251.14	\$24,994.43	\$5,233.21	14.51	\$360.58
1968	\$37,039.48	\$27,348.36	\$30,720.08	\$8,171.37	16.32	\$500.57
1974	\$20,757.30	\$13,738.31	\$15,432.07	\$6,363.09	20.33	\$312.97
1977	\$1,325.06	\$822.04	\$923.39	\$467.92	22.50	\$20.79
1979	\$18,100.79	\$10,709.74	\$12,030.13	\$6,975.70	24.01	\$290.56
1980	\$354,371.22	\$204,479.71	\$229,689.60	\$142,400.18	24.78	\$5,747.72
1981	\$101,924.93	\$57,299.84	\$64,364.23	\$42,656.95	25.55	\$1,669.38
1982	\$599,309.88	\$327,904.62	\$368,331.33	\$260,944.04	26.34	\$9,906.59
1983	\$40,362.89	\$21,469.62	\$24,116.57	\$18,264.46	27.14	\$673.03
1985	\$301,465.67	\$151,013.81	\$169,632.00	\$146,906.96	28.76	\$5,107.91
1986	\$1,050.71	\$509.79	\$572.64	\$530.61	29.59	\$17.93
1987	\$479,319.46	\$224,919.74	\$252,649.65	\$250,635.78	30.42	\$8,239.09
1988	\$363,737.27	\$164,828.08	\$185,149.41	\$196,774.72	31.26	\$6,294.07
1989	\$214,439.78	\$93,687.79	\$105,238.37	\$119,923.40	32.11	\$3,734.19
1990	\$406,258.01	\$170,823.56	\$191,884.05	\$234,686.86	32.97	\$7,117.15
1991	\$173,140.24	\$69,932.30	\$78,554.11	\$103,243.14	33.84	\$3,050.65
1992	\$1,686,434.01	\$652,950.65	\$733,451.64	\$1,037,304.07	34.72	\$29,876.93
1993	\$123,330.76	\$45,669.40	\$51,299.90	\$78,197.40	35.60	\$2,196.35
1994	\$76,667.92	\$27,085.31	\$30,424.61	\$50,076.71	36.49	\$1,372.16
1995	\$1,350.36	\$453.88	\$509.84	\$908.03	37.39	\$24.28
1996	\$139,736.38	\$44,552.56	\$50,045.36	\$96,677.84	38.30	\$2,524.28
1997	\$67,593.33	\$20,373.57	\$22,885.39	\$48,087.61	39.21	\$1,226.36
1998	\$85,325.68	\$24,220.34	\$27,206.42	\$62,385.55	40.13	\$1,554.54
1999	\$38,063.84	\$10,132.29	\$11,381.48	\$28,585.55	41.06	\$696.25
2000	\$4,458.64	\$1,107.58	\$1,244.13	\$3,437.44	41.99	\$81.87
2001	\$30,283.53	\$6,981.02	\$7,841.70	\$23,956.01	42.93	\$558.09
2002	\$8,294.34	\$1,762.80	\$1,980.13	\$6,728.93	43.87	\$153.39
2003	\$11,076.54	\$2,153.71	\$2,419.24	\$9,211.13	44.82	\$205.54
2004	\$2,917.60	\$514.25	\$577.65	\$2,485.83	45.77	\$54.31
2005	\$330,757.99	\$52,257.71	\$58,700.46	\$288,595.43	46.72	\$6,176.58
2006	\$238,289.28	\$33,276.00	\$37,378.53	\$212,825.21	47.69	\$4,463.13
2007	\$305,876.20	\$37,079.11	\$41,650.52	\$279,519.49	48.65	\$5,745.49
2008	\$3,275,851.59	\$336,516.21	\$378,004.63	\$3,061,639.54	49.62	\$61,702.85
2009	\$358,437.05	\$30,169.52	\$33,889.06	\$342,469.84	50.59	\$6,769.37
2010	\$347,358.52	\$22,772.46	\$25,580.04	\$339,146.41	51.57	\$6,576.94
2011	\$389,320.76	\$18,253.96	\$20,504.45	\$388,282.35	52.54	\$7,389.66
2012	\$708,859.67	\$19,963.01	\$22,424.21	\$721,878.44	53.52	\$13,486.79
2013	\$604,091.45	\$5,680.25	\$6,380.55	\$627,915.47	54.51	\$11,519.81
	\$11,975,766.36	\$2,955,664.04	\$3,320,062.01	\$9,254,492.67		\$217,398.12

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3921 RCG35 Trans Equip

Survivor Curve: R1
Average Service Life: 6
Net Salvage Percent: 30
Remaining Life (Years): 3.99

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
2006	\$73,100.46	\$38,077.73	\$42,498.17	\$8,672.15	1.54	\$5,648.96
2007	\$935,661.14	\$440,185.00	\$491,286.02	\$163,676.78	1.97	\$83,188.46
2008	\$118,474.84	\$49,017.24	\$54,707.65	\$28,224.74	2.45	\$11,502.95
2009	\$491,919.06	\$172,321.46	\$192,326.24	\$152,017.10	3.00	\$50,716.49
2010	\$600,752.29	\$168,391.33	\$187,939.86	\$232,586.75	3.60	\$64,653.73
2011	\$744,459.71	\$152,450.45	\$170,148.40	\$350,973.40	4.24	\$82,684.25
2012	\$755,756.03	\$94,796.92	\$105,801.89	\$423,227.34	4.92	\$85,936.96
2013	\$910,262.48	\$38,974.62	\$43,499.18	\$593,684.56	5.63	\$105,394.07
	\$4,630,386.01	\$1,154,214.74	\$1,288,207.39	\$1,953,062.82		\$489,725.86

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3922 RCG35 Trailer Plain Common

Survivor Curve: SC
Average Service Life: 15
Net Salvage Percent: 30
Remaining Life (Years): 0.00

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1984	\$468.00	\$322.14	\$1,200.39	\$0.00	0.25	\$0.00
1989	\$999.00	\$571.10	\$2,128.07	\$0.00	2.75	\$0.00
1991	\$2,640.00	\$1,386.00	\$5,164.64	\$0.00	3.75	\$0.00
1992	\$6,800.32	\$3,411.49	\$12,712.23	\$0.00	4.25	\$0.00
1994	\$1,325.00	\$602.88	\$2,246.49	\$0.00	5.25	\$0.00
2000	\$7,043.39	\$2,218.67	\$8,267.41	\$0.00	8.25	\$0.00
2004	\$4,772.72	\$1,057.95	\$3,942.24	\$0.00	10.25	\$0.00
2006	\$24,805.71	\$4,341.00	\$16,175.84	\$0.00	11.25	\$0.00
2010	\$9,953.44	\$812.86	\$3,028.97	\$0.00	13.25	\$0.00
2011	\$15,448.26	\$901.15	\$3,357.94	\$0.00	13.75	\$0.00
	\$74,255.84	\$15,625.24	\$58,224.23	\$0.00		\$0.00

Minnesota Energy Resources Corporation
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2013

Depreciation Group 3960 RCG35 Pwr Oper Equip

Survivor Curve: L2
Average Service Life: 14
Net Salvage Percent: 10
Remaining Life (Years): 10.65

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	\$16,455.67	\$21,651.85	\$0.00	3.36	\$0.00
1996	\$4,444.30	\$2,686.96	\$3,565.97	\$433.90	4.60	\$94.42
2002	\$8,588.04	\$4,370.72	\$5,800.55	\$1,928.68	6.08	\$317.05
2004	\$64,882.53	\$30,292.64	\$40,202.54	\$18,191.74	6.74	\$2,700.13
2005	\$6,101.58	\$2,682.26	\$3,559.74	\$1,931.68	7.16	\$269.72
2009	\$51,099.89	\$13,746.06	\$18,242.93	\$27,746.97	9.82	\$2,826.85
2010	\$5,639.00	\$1,207.45	\$1,602.45	\$3,472.65	10.67	\$325.48
2012	\$57,228.89	\$5,454.45	\$7,238.81	\$44,267.20	12.52	\$3,536.45
2013	\$51,233.74	\$1,644.43	\$2,182.38	\$43,927.98	13.50	\$3,253.75
	\$278,813.48	\$83,524.75	\$109,031.33	\$141,900.81		\$13,323.86

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