



**Minnesota Energy Resources**

**An Integrys Energy Group Company**

1995 Rahnclyff Court, Suite 200

Eagan, MN 55122

[www.minnesotaenergyresources.com](http://www.minnesotaenergyresources.com)

June 1, 2015

**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 2015  
Docket No. G-011/D-15-\_\_\_\_

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 2015. This Petition is submitted in compliance with the Commission's October 13, 2014 Order requiring that MERC file its 2015 Annual Review of Depreciation Rates on or before June 1, 2015. MERC is requesting that the Commission approve the Company's proposed depreciation lives and rates effective January 1, 2015 including the Transportation Equipment, Account 392.10 proposed change to an eight year average service life, twenty-five percent net salvage and resulting depreciation rate of 9.35 percent.

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

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Petition of Minnesota  
Energy Resources Corporation For its Annual  
Review of Depreciation Rates for 2015

Docket No. G-011/D-15-\_\_\_\_

**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. G011/D-14-455, which required an annual review of depreciation rates be filed on or before June 1, 2015.

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

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In the Matter of the Petition of Minnesota  
Energy Resources Corporation For its Annual  
Review of Depreciation Rates for 2015

Docket No. G-011/D-15-\_\_\_\_

**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. G011/D-14-455, which required an annual review of depreciation rates be filed on or before June 1, 2015.

**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

– 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. 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  
1995 Rahncliff Court, Suite 200  
Eagan, MN 55122  
(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 June 1, 2015 pursuant to the Commission's annual remaining life update Order in Docket No. G011/D-14-455, which required an annual remaining life update to be filed by June 1, 2015. MERC requests that the depreciation lives and rates proposed be effective January 1, 2015.

#### **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**



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Tina E Wuyts  
Senior Accountant  
Integrus 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. MERC requests that the depreciation lives and rates be effective January 1, 2015. The current lives and depreciation rates were approved in Docket No. G-011/D-14-455.

Vintage amortization accounting was proposed and approved in Docket No. G-007,011/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.

<b>Account Number</b>	<b>Description</b>
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

As was approved in last year's submission, MERC utilized a revised report from the Company's capital asset management system to simulate the methodology used by MERC's depreciation consultant, Gannett Fleming. As with the prior year, 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. A copy of this report is included with the filing.

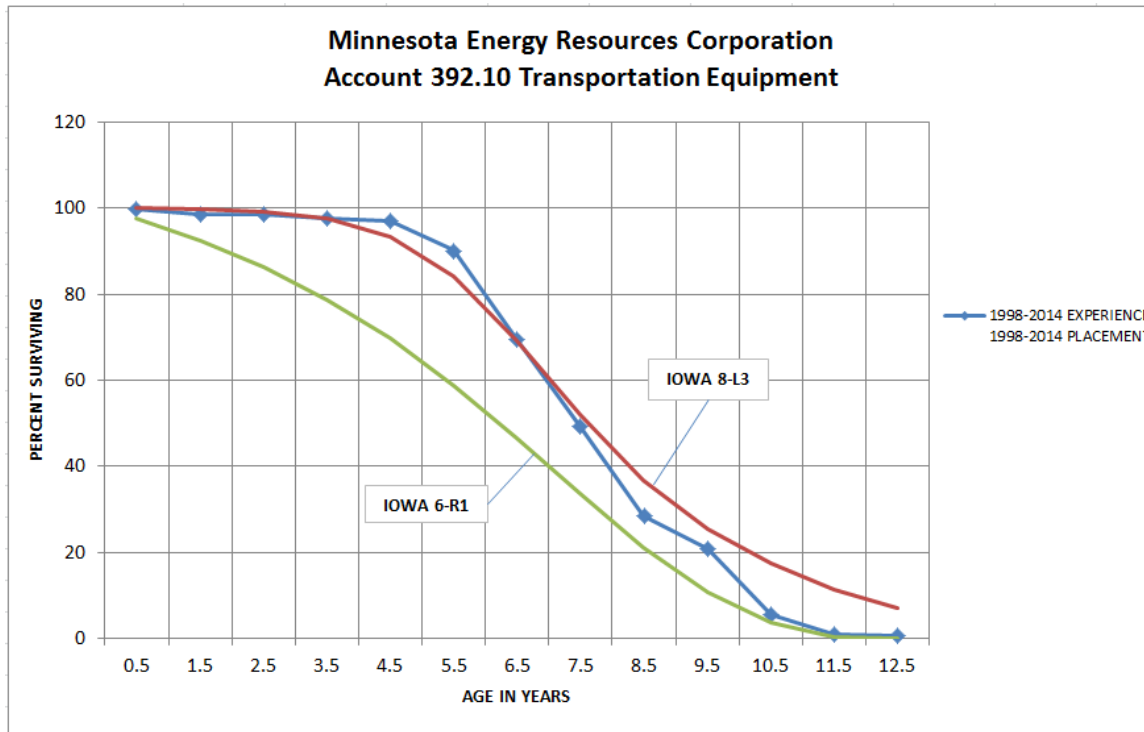
As noted in last year's submission, numerous vehicles in Account 392.1, Transportation Equipment, were leased by MERC's prior owner, Aquila, and were subsequently purchased by MERC. For these vehicles, the vintage in the Company's capital asset management system reflects the year they were purchased and not the actual vintage of the vehicles.

For this year's filing, MERC performed an analysis to identify the actual vintages for the vehicles in Account 392.1 Transportation Equipment. Plant transactions from 2006-2014 by vintage were then placed in experience bands to determine the exposures at the beginning of each age interval and retirements during each age interval. The exposures at the beginning of each age interval and retirements during each interval are shown in the original life table below. The retirement ratio was calculated by taking the retirements during each age interval over the exposures at the beginning of each age interval. The survivor ratio is the result of taking one minus the retirement ratio. The percent surviving is calculated by starting with 100% at the age

interval of zero and each subsequent age interval multiplies the prior age interval's survivor ratio by the percent surviving.

MINNESOTA ENERGY RESOURCES CORPORATION					
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT					
ORIGINAL LIFE TABLE					
Age at Beginning of Interval	Exposures at Beginning of Age Interval	Retirements During Age Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Age Interval
0.0	7,793,536	24,402	0.0031	0.9969	100.00
0.5	6,852,175	70,330	0.0103	0.9897	99.69
1.5	5,872,444	0	0.0000	1.0000	98.66
2.5	5,116,688	46,639	0.0091	0.9909	98.66
3.5	4,325,589	30,071	0.0070	0.9930	97.76
4.5	3,694,766	264,082	0.0715	0.9285	97.08
5.5	2,961,986	674,964	0.2279	0.7721	90.15
6.5	2,192,150	635,812	0.2900	0.7100	69.60
7.5	830,128	350,493	0.4222	0.5778	49.42
8.5	479,635	129,848	0.2707	0.7293	28.55
9.5	349,787	255,895	0.7316	0.2684	20.82
10.5	93,893	78,552	0.8366	0.1634	5.59
11.5	15,341	5,682	0.3704	0.6296	0.91
12.5					0.57

The percent surviving were then plotted on a graph to determine the Iowa curve and average service life that most appropriately fits. MERC reviewed multiple Iowa curves and average service lives including the currently approved Iowa 6-R1 curve. Using judgment, the Iowa 8-L3 curve was selected as the most appropriate. Both the Iowa 8-L3 curve and the currently approved Iowa 6-R1 curve are shown below.



MERC also reviewed the currently approved 30% Net Salvage on Account 392.10 Transportation Equipment and notes that the actual net salvage has been trending lower. MERC proposes to use 25% Net Salvage and will continue to monitor salvage and may propose further updates in the future. With a proposed average service life of 8 years, an Iowa L3 curve, and 25% Net Salvage, the resulting proposed depreciation rate is 9.35%.

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. G-001,011/PA-14-107, MERC received Commission approval to purchase Interstate Power and Light Company (“IPL”) natural gas distribution property, which will utilize MERC’s existing depreciation rates and lives. The property was purchased subsequent to December 31, 2014 and therefore, was not incorporated in MERC’s



2015 remaining life update. MERC will incorporate the IPL property into its 2016 depreciation filing.

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 2015 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, 2015, including the Transportation Equipment, Account 392.10 proposed change to an eight year average service life, twenty-five percent net salvage and resulting depreciation rate of 9.35 percent.

DATED: June 1, 2015

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**

## **2015 Annual Remaining Life Update**

MINNESOTA ENERGY RESOURCES CORPORATION  
 REMAINING LIFE UPDATE  
 2015

This report presents the 2015 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, 2014.

A summary of depreciation study results are as follows:

Function	Accrual Rate			2015 Annualized Accrual		
	Proposed	Present	Difference	Proposed	Present	Difference
Transmission	2.89%	2.89%	0.00%	\$ 338,358	\$ 338,047	\$ 311
Distribution	2.41%	2.39%	0.02%	\$ 8,628,521	\$ 8,564,467	\$ 64,054
General	4.47%	4.26%	0.21%	\$ 790,531	\$ 752,491	\$ 38,040
Total Utility	2.52%	2.49%	0.03%	\$ 9,757,410	\$ 9,655,005	\$ 102,405

The following statements are included in the report:

- Statement 1A-2014 provides a rollforward of plant activity for 2014
- Statement 1A-2013 provides a rollforward of plant activity for 2013
- Statement 1B-2014 provides a rollforward of depreciation reserve activity for 2014
- Statement 1B-2013 provides a rollforward of depreciation reserve activity for 2013
- Statement 1C-2014 provides a summary of the annual depreciation accruals for 2014
- Statement 1C-2013 provides a summary of the annual depreciation accruals for 2013
- Statement 2A provides the computation of proposed depreciation accrual rates

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>								
387100	Mains		\$ 10,405,814.23	\$ 465,906.36	\$ (1,764.92)	\$ -	\$ -	\$ 10,872,955.67
389300	Measuring & Regulating Equipment		\$ 873,211.91	\$ 75,581.62	\$ (128,748.08)	\$ -	\$ 9,249.30	\$ 829,274.75
	<b>Total Transmission Plant</b>		\$ 11,279,026.14	\$ 541,487.98	\$ (130,513.00)	\$ -	\$ 9,249.30	\$ 11,702,530.42
<b>Distribution Plant</b>								
374100	Land & Land Rights Depr - Distribution		\$ 596,817.87	\$ -	\$ -	\$ -	\$ -	\$ 596,817.87
376000	Structures & Improvements		\$ 186,630.57	\$ -	\$ (12,773.85)	\$ -	\$ -	\$ 173,856.72
378000	Mains		\$ 151,155,441.98	\$ 9,877,523.55	\$ (642,432.13)	\$ -	\$ -	\$ 160,390,533.40
379000	Measuring & Regulating Equipment - General		\$ 9,034,561.70	\$ 1,009,646.66	\$ (249,640.79)	\$ -	\$ -	\$ 9,794,567.57
380000	Measuring & Regulating Equipment - City Gate		\$ 3,818,820.50	\$ 1,870,712.21	\$ (41,060.50)	\$ -	\$ (9,249.30)	\$ 5,639,222.91
381000	Services		\$ 117,184,900.89	\$ 7,435,665.43	\$ (659,505.18)	\$ -	\$ -	\$ 123,961,051.14
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	\$ 333,598.37	\$ (46,939.08)	\$ -	\$ -	\$ 18,406,993.70
385000	Measuring & Regulating Equipment - Industrial		\$ 1,336,048.82	\$ 390,532.58	\$ -	\$ -	\$ -	\$ 1,726,581.40
	<b>Total Distribution Plant</b>		\$ 336,227,431.63	\$ 23,829,706.33	\$ (1,981,000.42)	\$ -	\$ (9,249.30)	\$ 358,066,888.24
<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		\$ 4,630,396.01	\$ 928,978.71	\$ (319,716.38)	\$ -	\$ -	\$ 5,239,648.34
392200	Trailers		\$ 74,255.84	\$ 9,802.26	\$ (5,404.17)	\$ -	\$ -	\$ 78,653.93
395000	Power-Operated Equipment		\$ 278,813.48	\$ 25,802.83	\$ -	\$ -	\$ -	\$ 304,616.31
	<b>Total General Plant</b>		\$ 16,959,221.69	\$ 1,248,826.77	\$ (481,679.96)	\$ -	\$ (42,549.77)	\$ 17,673,818.73
<b>Total Depreciable Gas Plant</b>								
			\$ 364,465,679.46	\$ 25,623,001.08	\$ (2,603,193.38)	\$ -	\$ (42,549.77)	\$ 387,442,937.39
<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		\$ 8,600.00	\$ 167,782.91	\$ -	\$ -	\$ -	\$ 176,382.91
365300	Land - Transmission		\$ 85,101.11	\$ -	\$ -	\$ -	\$ -	\$ 85,101.11
374000	Land - Distribution		\$ 89,598.82	\$ -	\$ -	\$ -	\$ -	\$ 89,598.82
374200	Land & Land Rights NonDepr - Distribution		\$ 1,022,212.60	\$ 96,487.66	\$ -	\$ -	\$ -	\$ 1,118,700.26
389000	Land - General		\$ 5,152,262.72	\$ 264,270.57	\$ -	\$ -	\$ -	\$ 5,416,533.29
	<b>Total Non-Depreciable &amp; Other Plant</b>		\$ 9,303,527.44	\$ 468,461.14	\$ -	\$ -	\$ -	\$ 9,771,988.58
<b>Total Gas Plant</b>								
			\$ 369,617,942.18	\$ 25,897,271.65	\$ (2,603,193.38)	\$ -	\$ (42,549.77)	\$ 392,859,470.69

MINNESOTA ENERGY RESOURCES CORPORATION  
Plant Activity for 2013  
STATEMENT 1A

Functional Class	Utility Account	Account Description	Beginning Balance (January 1, 2013)	Additions	Retirements	Adjustments	Transfers	Ending Balance (December 31, 2013)
A	B	C	D	E	F	G	H	I
<b>Transmission Plant</b>								
367100	Mains	Mains	\$ 10,362,087.00	\$ 43,727.23	\$ -	\$ -	\$ -	\$ 10,405,814.23
369300	Measuring & Regulating Equipment	Measuring & Regulating Equipment	\$ 765,636.59	\$ 107,575.32	\$ -	\$ -	\$ -	\$ 873,211.91
	<b>Total Transmission Plant</b>		\$ 11,127,723.59	\$ 151,302.55	\$ -	\$ -	\$ -	\$ 11,279,026.14
<b>Distribution Plant</b>								
374100	Land & Land Rights	Land & Land Rights Depr - Distribution	\$ 596,817.87	\$ -	\$ -	\$ -	\$ -	\$ 596,817.87
375000	Structures & Improvements	Structures & Improvements	\$ 186,630.57	\$ -	\$ -	\$ -	\$ -	\$ 186,630.57
376000	Mains	Mains	\$ 143,940,555.59	\$ 7,798,107.22	\$ (583,220.83)	\$ -	\$ -	\$ 151,155,441.98
378000	Measuring & Regulating Equipment - General	Measuring & Regulating Equipment - General	\$ 9,025,464.36	\$ 355,378.00	\$ (346,280.66)	\$ -	\$ -	\$ 9,034,561.70
379000	Measuring & Regulating Equipment - City Gate	Measuring & Regulating Equipment - City Gate	\$ 3,825,948.89	\$ 77,932.53	\$ (85,060.92)	\$ -	\$ -	\$ 3,818,820.50
380000	Services	Services	\$ 110,966,182.71	\$ 6,823,230.91	\$ (604,512.73)	\$ -	\$ -	\$ 117,184,900.89
381000	Meters	Meters	\$ 33,040,591.67	\$ 1,784,459.81	\$ (534,400.55)	\$ -	\$ -	\$ 34,290,650.93
381200	AMR Devices	AMR Devices	\$ 498,619.71	\$ -	\$ -	\$ -	\$ -	\$ 498,619.71
383000	House Regulators	House Regulators	\$ 17,900,315.47	\$ 4,603.25	\$ (23,065.42)	\$ -	\$ -	\$ 18,120,335.41
385000	Measuring & Regulating Equipment - Industrial	Measuring & Regulating Equipment - Industrial	\$ 1,290,738.53	\$ 85,310.49	\$ -	\$ -	\$ -	\$ 1,336,048.82
	<b>Total Distribution Plant</b>		\$ 321,231,865.17	\$ 17,172,107.57	\$ (2,176,541.11)	\$ -	\$ -	\$ 336,227,431.63
<b>General Plant</b>								
380000	Structures & Improvements	Structures & Improvements	\$ 11,223,062.17	\$ 806,387.36	\$ (53,893.17)	\$ -	\$ -	\$ 11,975,766.36
392100	Transportation Equipment	Transportation Equipment	\$ 4,234,280.89	\$ 910,262.48	\$ (514,157.36)	\$ -	\$ -	\$ 4,630,385.01
392200	Trailers	Trailers	\$ 75,715.58	\$ -	\$ (1,468.74)	\$ -	\$ -	\$ 74,246.84
395000	Power Operated Equipment	Power Operated Equipment	\$ 227,579.74	\$ 51,233.74	\$ -	\$ -	\$ -	\$ 278,813.48
	<b>Total General Plant</b>		\$ 15,760,638.38	\$ 1,767,883.58	\$ (569,300.27)	\$ -	\$ -	\$ 16,959,221.69
<b>Total Depreciable Gas Plant</b>								
			\$ 348,120,227.14	\$ 19,091,283.70	\$ (2,745,841.38)	\$ -	\$ -	\$ 364,465,679.46
<b>Non-Depreciable &amp; Other Plant</b>								
302000	Franchises & Consents	Franchises & Consents	\$ 134,912.71	\$ -	\$ -	\$ -	\$ -	\$ 134,912.71
302100	Farm Taps	Farm Taps	\$ 3,811,837.48	\$ -	\$ -	\$ -	\$ -	\$ 3,811,837.48
303300	Software	Software	\$ 8,600.00	\$ -	\$ -	\$ -	\$ -	\$ 8,600.00
365300	Land - Transmission	Land - Transmission	\$ 85,308.53	\$ -	\$ -	\$ -	\$ (207.42)	\$ 85,101.11
374000	Land - Distribution	Land - Distribution	\$ 89,633.62	\$ -	\$ -	\$ -	\$ (95.00)	\$ 89,538.62
374200	Land & Land Rights NonDepr - Distribution	Land & Land Rights NonDepr - Distribution	\$ 957,135.30	\$ 64,834.88	\$ -	\$ -	\$ 242.42	\$ 1,022,212.60
389000	Land - General	Land - General	\$ 5,087,427.84	\$ 64,834.88	\$ -	\$ -	\$ -	\$ 5,152,262.72
	<b>Total Non-Depreciable &amp; Other Plant</b>		\$ 5,353,207,654.98	\$ 19,156,128.58	\$ (2,745,841.38)	\$ -	\$ -	\$ 369,617,942.18

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

Functional Class	Utility Account	Account Description	Beginning Balance (January 1, 2014)	Accruals	Salvage and Other Credits	Retirements	Cost Of Removal	Transfers and Adjustments	Ending Balance	Allocated RWMP	Total Reserve (December 31, 2014)
A	B	C	D	E	F	G	H	I	J	K	L=J+K
<b>Transmission Plant</b>											
	367100	Mains	\$ 4,314,956.93	\$ 304,502.76	\$ -	\$ (1,764.92)	\$ (1,576.38)	\$ -	\$ 4,615,525.39	\$ (15,040.02)	\$ 4,600,485.37
	369300	Measuring & Regulating Equipment	\$ 272,122.66	\$ 21,302.07	\$ -	\$ (128,748.08)	\$ (67,424.80)	\$ 4,034.28	\$ 117,586.13	\$ (9,291.17)	\$ 108,294.96
		Total Transmission Plant	\$ 4,587,079.59	\$ 325,804.83	\$ -	\$ (130,513.00)	\$ (53,004.18)	\$ 4,034.28	\$ 4,733,111.52	\$ (24,331.19)	\$ 4,708,780.33
<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	\$ 3,623.02	\$ -	\$ (12,773.85)	\$ -	\$ -	\$ 136,228.44	\$ (2,807.68)	\$ 133,420.76
	376000	Mains	\$ 64,112,995.20	\$ 3,071,962.83	\$ -	\$ (642,432.13)	\$ (95,942.93)	\$ -	\$ 66,446,593.97	\$ (34,582.40)	\$ 66,412,011.57
	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	\$ 623,856.90	\$ 130,719.40	\$ -	\$ (41,060.30)	\$ (22,427.18)	\$ (4,034.28)	\$ 687,056.34	\$ (19,487.44)	\$ 667,568.90
	380000	Services	\$ 60,268,117.44	\$ 3,390,803.42	\$ 718.75	\$ (659,505.18)	\$ (183,253.83)	\$ -	\$ 62,816,890.60	\$ (30,438.20)	\$ 62,786,442.40
	381000	Meters	\$ 10,951,096.43	\$ 892,922.23	\$ -	\$ (328,648.93)	\$ (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)	\$ (1,448.27)	\$ -	\$ 9,765,637.57	\$ (4,976.30)	\$ 9,760,661.27
	385000	Measuring & Regulating Equipment - Industrial	\$ 636,367.05	\$ 47,096.84	\$ -	\$ -	\$ -	\$ -	\$ 683,463.89	\$ -	\$ 683,463.89
		Total Distribution Plant	\$ 148,443,635.60	\$ 8,225,418.99	\$ 1,308.75	\$ (1,981,000.42)	\$ (342,430.41)	\$ (4,034.28)	\$ 157,342,588.23	\$ (140,000.73)	\$ 157,202,587.50
<b>General Plant</b>											
	390000	Structures & Improvements	\$ 3,369,571.56	\$ 285,860.83	\$ 9,177.82	\$ (166,559.41)	\$ (95,216.20)	\$ (1,333.82)	\$ 3,398,500.88	\$ (6,635.31)	\$ 3,391,865.57
	392100	Transportation Equipment	\$ 1,307,276.99	\$ 414,577.26	\$ 65,035.08	\$ (319,716.38)	\$ (287.09)	\$ -	\$ 1,466,987.86	\$ (2,740.09)	\$ 1,464,247.77
	392200	Trailers	\$ 93,206.37	\$ 46.46	\$ 1,161.69	\$ (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
		Total General Plant	\$ 4,846,706.22	\$ 710,963.26	\$ 75,374.68	\$ (491,679.96)	\$ (95,503.29)	\$ (1,333.82)	\$ 5,044,530.09	\$ (9,610.60)	\$ 5,034,919.49
<b>Total Depreciable Gas Plant</b>											
			\$ 157,877,434.41	\$ 9,261,887.08	\$ 76,683.43	\$ (2,603,193.38)	\$ (490,937.88)	\$ (1,333.82)	\$ 164,120,539.84	\$ (173,942.52)	\$ 163,946,597.32
<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Total Non-Depreciable & Other Plant	\$ 3,844,935.58	\$ 59,819.70	\$ -	\$ -	\$ -	\$ -	\$ 3,904,755.28	\$ -	\$ 3,904,755.28
<b>Total Gas Plant</b>											
			\$ 161,722,569.99	\$ 9,321,706.78	\$ 76,683.43	\$ (2,603,193.38)	\$ (490,937.88)	\$ (1,333.82)	\$ 168,025,295.12	\$ (173,942.52)	\$ 167,851,352.60

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
<b>Transmission Plant</b>											
	367100	Mains	\$ 4,019,389.27	\$ 294,977.66	\$ -	\$ -	\$ -	\$ -	\$ 4,314,366.93	\$ (695.32)	\$ 4,313,671.61
	369300	Measuring & Regulating Equipment	\$ 257,184.80	\$ 15,557.95	\$ -	\$ -	\$ -	\$ -	\$ 272,742.75	\$ (51,424.80)	\$ 221,297.95
		<b>Total Transmission Plant</b>	\$ 4,276,574.07	\$ 310,535.62	\$ -	\$ -	\$ -	\$ -	\$ 4,587,089.59	\$ (52,120.12)	\$ 4,534,969.47
<b>Distribution Plant</b>											
	374100	Land & Land Rights Depr - Distribution	\$ 145,966.87	\$ 24,350.16	\$ -	\$ -	\$ -	\$ -	\$ 170,317.03	\$ -	\$ 170,317.03
	375000	Structures & Improvements	\$ 138,920.25	\$ 6,459.02	\$ -	\$ -	\$ -	\$ -	\$ 145,379.27	\$ (2,666.53)	\$ 142,712.74
	376000	Mains	\$ 62,656,144.23	\$ 2,227,953.28	\$ (602.37)	\$ (583,220.83)	\$ (186,278.11)	\$ -	\$ 64,112,996.20	\$ (17,008.90)	\$ 64,095,987.30
	378000	Measuring & Regulating Equipment - General	\$ 2,138,960.56	\$ 222,507.05	\$ -	\$ (346,280.66)	\$ (16,915.98)	\$ -	\$ 1,998,270.97	\$ (40,860.48)	\$ 1,957,410.49
	379000	Measuring & Regulating Equipment - City Gate	\$ 662,738.43	\$ 99,443.23	\$ -	\$ (85,060.92)	\$ (59,281.84)	\$ -	\$ 623,859.90	\$ (17,822.75)	\$ 606,036.15
	380000	Services	\$ 58,913,340.25	\$ 2,109,337.25	\$ 1.54	\$ (604,512.73)	\$ (150,048.87)	\$ -	\$ 60,268,117.44	\$ (14,845.97)	\$ 60,253,271.47
	381000	Meters	\$ 10,266,814.93	\$ 1,222,070.75	\$ -	\$ (534,400.55)	\$ (3,386.70)	\$ -	\$ 10,951,098.43	\$ (3,524.82)	\$ 10,947,573.61
	381200	AMR Devices	\$ 7,565.39	\$ 11,175.21	\$ -	\$ -	\$ -	\$ -	\$ 18,740.60	\$ -	\$ 18,738.14
	383000	House Regulators	\$ 9,887,228.93	\$ (344,783.80)	\$ -	\$ (23,065.42)	\$ (890.00)	\$ -	\$ 9,518,498.71	\$ (2,415.67)	\$ 9,516,073.04
	385000	Measuring & Regulating Equipment - Industrial	\$ 579,206.04	\$ 57,181.01	\$ -	\$ -	\$ (890.00)	\$ -	\$ 636,387.05	\$ -	\$ 636,387.05
		<b>Total Distribution Plant</b>	\$ 145,395,885.88	\$ 5,635,673.16	\$ (600.83)	\$ (2,176,841.11)	\$ (410,781.50)	\$ -	\$ 148,443,656.60	\$ (99,043.78)	\$ 148,344,612.82
<b>General Plant</b>											
	390000	Structures & Improvements	\$ 3,144,199.24	\$ 305,309.20	\$ 38.00	\$ (53,883.17)	\$ (26,291.71)	\$ -	\$ 3,369,571.56	\$ (49,509.56)	\$ 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
	382200	Trailers	\$ 65,200.42	\$ (4,594.31)	\$ -	\$ (1,458.74)	\$ -	\$ -	\$ 59,206.37	\$ (982.14)	\$ 58,224.23
	396000	Power Operated Equipment	\$ 105,571.74	\$ 5,080.56	\$ -	\$ -	\$ -	\$ -	\$ 110,652.30	\$ (1,620.97)	\$ 109,031.33
		<b>Total General Plant</b>	\$ 4,860,619.75	\$ 490,673.07	\$ 91,008.38	\$ (569,300.27)	\$ (26,291.71)	\$ -	\$ 4,846,706.22	\$ (71,184.28)	\$ 4,775,521.94
<b>Total Depreciable Gas Plant</b>											
			\$ 154,633,079.70	\$ 6,436,851.75	\$ 90,407.55	\$ (2,745,841.38)	\$ (437,073.21)	\$ -	\$ 157,877,434.41	\$ (222,354.18)	\$ 157,655,080.23
<b>Non-Depreciable &amp; Other Plant</b>											
	302000	Franchises & Consents	\$ 120,480.98	\$ 3,962.84	\$ -	\$ -	\$ -	\$ -	\$ 124,443.82	\$ -	\$ 124,443.82
	302100	Farm Taps	\$ 3,700,324.02	\$ 20,167.74	\$ -	\$ -	\$ -	\$ -	\$ 3,720,491.76	\$ -	\$ 3,720,491.76
	303300	Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	365300	Land - Transmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	374000	Land - Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	374200	Land & Land Rights NonDepr - Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	389000	Land - General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>Total Non-Depreciable &amp; Other Plant</b>	\$ 3,820,805.00	\$ 24,130.58	\$ -	\$ -	\$ -	\$ -	\$ 3,844,935.58	\$ -	\$ 3,844,935.58
<b>Total Gas Plant</b>											
			\$ 158,453,884.70	\$ 6,460,982.33	\$ 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 2014  
STATEMENT 1C

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2014)	Estimated Future Net Salvage Percent	Ending Depreciation Reserve (December 31, 2014)	Average Life (Years)	Remaining Life (From 2014 Remaining Life Update)	Annual Accrual	Accrual Rate
<b>Transmission Plant</b>									
	367100	Mains	\$ 10,872,955.67	-45.00%	\$ 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)	45.00	30.50	\$ 21,002.07	2.61%
		<b>Total Transmission Plant</b>	\$ 11,702,230.42	-42.17%	\$ 4,559,021.63			\$ 325,504.83	2.78%
<b>Distribution Plant</b>									
	374100	Land & Land Rights Depr - Distribution	\$ 596,817.87	0.00%	\$ -	25.00	17.50	\$ 24,350.16	4.08%
	375000	Structures & Improvements	\$ 173,855.72	-5.00%	\$ (8,692.84)	38.00	14.05	\$ 3,628.02	2.04%
	376000	Mains	\$ 160,390,633.40	-45.00%	\$ (72,175,785.03)	65.00	51.52	\$ 3,071,962.83	1.99%
	379000	Measuring & Regulating Equipment - General	\$ 9,794,567.57	-10.00%	\$ (979,455.76)	44.00	33.66	\$ 240,706.36	2.62%
	380000	Measuring & Regulating Equipment - City Gate	\$ 5,639,223.91	-15.00%	\$ (845,883.44)	40.00	31.49	\$ 130,719.40	3.15%
	381000	Services	\$ 123,961,051.14	-60.00%	\$ (74,376,636.68)	50.00	38.36	\$ 3,390,803.42	2.83%
	381000	Meters	\$ 37,037,673.22	-1.00%	\$ (370,376.73)	38.00	25.04	\$ 982,922.23	2.83%
	381200	AMR Devices	\$ 339,538.31	-1.00%	\$ (3,395.38)	15.00	12.50	\$ 37,719.01	7.76%
	383000	House Regulators	\$ 18,406,935.70	-5.00%	\$ (920,346.79)	44.00	32.34	\$ 295,510.72	1.62%
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,726,581.40	-5.00%	\$ (86,329.07)	36.00	17.80	\$ 47,096.84	3.22%
		<b>Total Distribution Plant</b>	\$ 358,066,883.24	-41.83%	\$ 149,766,902.71			\$ 8,225,418.99	2.30%
<b>General Plant</b>									
	390000	Structures & Improvements	\$ 12,050,900.15	-5.00%	\$ (602,545.01)	55.00	42.57	\$ 282,860.83	2.37%
	392100	Transportation Equipment	\$ 5,239,646.34	30.00%	\$ 1,571,894.50	6.00	3.99	\$ 414,677.26	8.63%
	392200	Trailers	\$ 76,653.93	30.00%	\$ 23,596.18	15.00	0.00	\$ 46.46	0.18%
	396000	Power Operated Equipment	\$ 304,616.31	10.00%	\$ 30,461.63	14.00	10.65	\$ 13,378.71	4.78%
		<b>Total General Plant</b>	\$ 17,673,816.73	5.79%	\$ 1,023,407.30			\$ 710,963.26	4.02%
		<b>Total Depreciable Gas Plant</b>	\$ 387,442,937.39	-39.66%	\$ 153,677,789.20			\$ 9,251,687.08	2.39%

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

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2013)		Estimated Future Net Salvage Percent	Ending Depreciation Reserve (December 31, 2013)		Average Life (Years)	Remaining Life (From 2012 Depreciation Study)	Annual Accrual		Accrual Rate
			D	F=D+E		G	H			I	J	
<b>Transmission Plant</b>												
	367100	Mains	\$ 10,405,814.23	\$ (4,682,616.40)	-45.00%	\$ 4,313,671.61	50.00	36.20	\$ 294,977.66	2.91%		
	369300	Measuring & Regulating Equipment	\$ 873,211.91	\$ (43,660.60)	-5.00%	\$ 221,297.86	45.00	25.60	\$ 15,537.86	2.30%		
		<b>Total Transmission Plant</b>	\$ 11,279,026.14	\$ (4,726,277.00)	-41.90%	\$ 4,534,969.47			\$ 310,515.52	2.75%		
<b>Distribution Plant</b>												
	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	\$ (9,331.53)	-5.00%	\$ 142,412.74	38.00	13.00	\$ 6,459.02	2.45%		
	378000	Mains	\$ 151,155,441.98	\$ (68,019,948.89)	-45.00%	\$ 64,095,987.30	65.00	51.70	\$ 2,227,953.28	1.97%		
	379000	Measuring & Regulating Equipment - General	\$ 9,034,561.70	\$ (903,456.17)	-10.00%	\$ 1,957,910.49	44.00	33.00	\$ 222,507.05	2.45%		
	379000	Measuring & Regulating Equipment - City Gate	\$ 3,818,820.50	\$ (572,823.08)	-15.00%	\$ 606,036.15	40.00	34.80	\$ 89,443.23	2.45%		
	380000	Services	\$ 117,184,900.89	\$ (70,310,940.53)	-60.00%	\$ 60,253,171.47	50.00	38.50	\$ 2,109,337.25	2.75%		
	381000	Meters	\$ 34,230,650.93	\$ (342,906.51)	-1.00%	\$ 10,947,573.61	36.00	25.40	\$ 1,222,070.75	2.75%		
	381200	AMR Devices	\$ 503,222.86	\$ (5,032.23)	-1.00%	\$ 18,736.14	N/A	N/A	\$ 11,175.21	2.32%		
	383000	House Regulators	\$ 18,120,335.41	\$ (906,016.77)	-5.00%	\$ 9,516,073.84	44.00	33.80	\$ (344,783.80)	1.59%		
	385000	Measuring & Regulating Equipment - Industrial	\$ 1,336,048.82	\$ (66,802.44)	-5.00%	\$ 636,367.05	36.00	17.30	\$ 57,161.01	3.48%		
		<b>Total Distribution Plant</b>	\$ 336,227,431.63	\$ (141,137,288.15)	-41.98%	\$ 148,344,565.82			\$ 5,635,673.16	1.68%		
<b>General Plant</b>												
	390000	Structures & Improvements	\$ 11,975,766.36	\$ (598,788.32)	-5.00%	\$ 3,320,062.00	55.00	32.60	\$ 305,309.20	2.37%		
	392100	Transportation Equipment	\$ 4,630,386.01	\$ 1,389,115.80	30.00%	\$ 1,288,207.38	6.00	4.20	\$ 184,817.62	8.63%		
	392200	Trailers	\$ 74,255.84	\$ 22,276.75	30.00%	\$ 58,224.23	15.00	14.80	\$ (4,534.31)	0.18%		
	396000	Power Operated Equipment	\$ 278,813.48	\$ 27,881.35	10.00%	\$ 109,031.33	14.00	9.90	\$ 5,090.56	3.48%		
		<b>Total General Plant</b>	\$ 16,959,221.69	\$ 840,485.59	4.96%	\$ 4,775,524.94			\$ 490,673.07	2.89%		
		<b>Total Depreciable Gas Plant</b>	\$ 364,465,679.46	\$ (145,023,049.56)	-39.79%	\$ 157,655,080.23			\$ 6,436,861.75	1.77%		

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

Functional Class	Utility Account	Account Description	Ending Plant Balance (December 31, 2014)	Ending Reserve Balance (December 31, 2014)	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
<b>Transmission Plant</b>													
	387100	Main	\$ 10,872,955.67	\$ 4,600,465.37	42.31%	50.00	35.51	-46.00%	2.89%	2.51%	\$ 314,427	\$ 316,403	\$ (1,976)
	389300	Measuring & Regulating Equipment	\$ 11,702,230.42	\$ 4,705,250.39	40.24%	45.00	31.86	-42.17%	2.89%	2.61%	\$ 29,991	\$ 21,644	\$ 2,287
		<b>Total Transmission Plant</b>									\$ 338,358	\$ 339,047	\$ 311
<b>Distribution Plant</b>													
	374100	Land & Land Rights Depr - Distribution	\$ 566,817.67	\$ 194,667.19	34.35%	25.00	16.50	0.00%	4.98%	4.98%	\$ -	\$ -	\$ -
	375000	Structures & Improvements	\$ 173,856.72	\$ 133,425.76	76.74%	38.00	13.61	-5.00%	2.04%	2.04%	\$ 24,370	\$ 24,350	\$ 20
	376000	Mains	\$ 160,380,633.40	\$ 66,412,001.57	41.41%	65.00	51.48	-10.00%	2.01%	1.99%	\$ 3,227,553	\$ 3,193,774	\$ 33,779
	378000	Measuring & Regulating Equipment - General	\$ 9,794,557.57	\$ 1,811,200.34	18.51%	44.00	34.12	-15.00%	2.65%	2.62%	\$ 256,755	\$ 177,636	\$ 79,119
	380000	Measuring & Regulating Equipment - City Gate	\$ 5,639,222.91	\$ 697,598.80	12.37%	40.00	33.30	-60.00%	2.89%	2.83%	\$ 174,701	\$ 177,636	\$ (2,935)
	381000	Signs	\$ 11,564,422.40	\$ 62,785,442.40	54.38%	50.00	38.27	-1.00%	2.74%	2.74%	\$ 3,541,372	\$ 3,508,088	\$ 33,284
	381200	AMR Devices	\$ 37,037,874.22	\$ 11,564,422.40	31.23%	38.00	25.40	-1.00%	7.34%	7.78%	\$ 1,016,181	\$ 26,416	\$ (1,002)
	381300	House Regulators	\$ 339,538.32	\$ 56,426.18	16.65%	42.00	3.56	-5.00%	3.09%	3.09%	\$ 302,283	\$ 298,192	\$ 4,071
	383000	House Regulators	\$ 18,406,935.70	\$ 9,750,859.27	52.98%	42.00	3.56	-5.00%	3.09%	3.09%	\$ 302,283	\$ 298,192	\$ 4,071
	383000	Measuring & Regulating Equipment - Industrial	\$ 1,726,951.40	\$ 653,453.89	38.08%	38.00	21.23	-41.83%	2.41%	2.36%	\$ 8,628,551	\$ 8,594,497	\$ 34,054
		<b>Total Distribution Plant</b>									\$ 8,628,551	\$ 8,594,497	\$ 34,054
<b>General Plant</b>													
	802000	Structures & Improvements (1)	\$ 12,050,900.15	\$ 3,397,965.57	28.15%	55.00	41.81	-5.00%	2.37%	2.37%	\$ 285,606	\$ 285,606	\$ -
	802100	Transmission Equipment	\$ 5,238,646.34	\$ 1,464,287.77	27.95%	6.00	5.03	30.00%	9.85%	8.63%	\$ 490,157	\$ 452,182	\$ 37,975
	802200	Trains (2)	\$ 304,616.33	\$ 123,709.53	40.61%	15.00	14.25	10.00%	0.19%	0.19%	\$ 142	\$ 142	\$ -
	806000	Power Operated Equipment	\$ 17,673,818.73	\$ 5,034,818.49	28.48%	14.00	10.28	51.87%	4.87%	4.26%	\$ 790,531	\$ 752,481	\$ 38,040
		<b>Total General Plant</b>									\$ 9,570,446	\$ 9,555,005	\$ 15,441
		<b>Total Depreciable Gas Plant</b>									\$ 9,570,446	\$ 9,555,005	\$ 15,441

Footnotes:  
(1) In Docket Number G007, G011D-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.  
(2) MERC is requesting to continue using the current depreciation rate of .18%.

## **Attachment 2**

Minnesota Energy Resources Corporation  
 Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3671 RCG33 Mains

Survivor Curve: S1  
 Average Service Life: 50  
 Net Salvage Percent: -45  
 Remaining Life (Years): 35.51

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1966	\$8,413.56	\$8,129.85	\$8,180.21	\$4,019.45	16.68	\$240.97
1991	\$1,335,251.57	\$774,833.13	\$779,632.75	\$1,156,482.03	29.99	\$38,562.26
1992	\$2,173,443.33	\$1,218,367.13	\$1,225,914.16	\$1,925,578.67	30.67	\$62,783.78
1994	\$1,135.00	\$590.17	\$593.82	\$1,051.93	32.07	\$32.80
1998	\$1,036,305.77	\$449,290.37	\$452,073.44	\$1,050,569.92	35.05	\$29,973.46
1999	\$3,469,094.89	\$1,425,555.16	\$1,434,385.59	\$3,595,802.00	35.83	\$100,357.30
2000	\$844,537.67	\$327,207.67	\$329,234.52	\$895,345.10	36.64	\$24,436.27
2003	\$568,881.81	\$179,163.64	\$180,273.45	\$644,605.18	39.14	\$16,469.22
2005	\$495,464.19	\$130,753.00	\$131,562.93	\$586,860.14	40.90	\$14,348.66
2010	\$308,032.34	\$39,662.24	\$39,907.93	\$406,738.97	45.56	\$8,927.55
2012	\$163,603.25	\$11,813.79	\$11,886.97	\$225,337.74	47.51	\$4,742.95
2014	\$468,792.29	\$6,797.49	\$6,839.59	\$672,909.23	49.50	\$13,594.13
	\$10,872,955.67	\$4,572,163.65	\$4,600,485.37	\$11,165,300.35		\$314,469.35

Minnesota Energy Resources Corporation  
 Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3693 RCG33 Meas & Reg Equip

Survivor Curve: S2  
 Average Service Life: 45  
 Net Salvage Percent: -5  
 Remaining Life (Years): 31.86

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1951	\$453.29	\$417.36	\$221.07	\$254.89	5.54	\$46.01
1952	\$1,673.37	\$1,530.58	\$810.72	\$946.32	5.80	\$163.16
1979	\$78,273.98	\$53,440.26	\$28,306.34	\$53,881.34	15.74	\$3,423.21
1982	\$15,000.00	\$9,667.00	\$5,120.44	\$10,629.56	17.38	\$611.60
1983	\$15,000.00	\$9,464.00	\$5,012.91	\$10,737.09	17.96	\$597.83
1986	\$1,970.95	\$1,158.00	\$613.37	\$1,456.13	19.82	\$73.47
1989	\$15,000.00	\$8,102.50	\$4,291.75	\$11,458.25	21.85	\$524.41
1990	\$22,346.06	\$11,695.18	\$6,194.73	\$17,268.64	22.57	\$765.11
1991	\$84,080.25	\$42,572.63	\$22,549.95	\$65,734.31	23.30	\$2,821.21
1992	\$33,549.59	\$16,392.33	\$8,682.72	\$26,544.35	24.06	\$1,103.26
1993	\$28,280.78	\$13,303.28	\$7,046.51	\$22,648.31	24.84	\$911.77
1997	\$11,384.90	\$4,476.16	\$2,370.94	\$9,583.20	28.15	\$340.43
2006	\$15,740.26	\$3,107.13	\$1,645.79	\$14,881.48	36.54	\$407.27
2007	\$5,086.30	\$887.73	\$470.21	\$4,870.40	37.52	\$129.81
2010	\$6,242.83	\$655.50	\$347.20	\$6,207.77	40.50	\$153.28
2011	\$95,279.11	\$7,781.13	\$4,121.52	\$95,921.54	41.50	\$2,311.36
2012	\$324,351.46	\$18,920.50	\$10,021.85	\$330,547.19	42.50	\$7,777.58
2014	\$75,561.62	\$881.55	\$466.94	\$78,872.76	44.50	\$1,772.42
	\$829,274.75	\$204,452.81	\$108,294.96	\$762,443.53		\$23,933.19

Minnesota Energy Resources Corporation  
 Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3741 RCG01 Land Rt/ROW Depr

Survivor Curve: SQ  
 Average Service Life: 25  
 Net Salvage Percent: 0  
 Remaining Life (Years): 16.50

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2006	\$596,817.87	\$202,918.08	\$194,667.19	\$402,150.68	16.50	\$24,372.77
	\$596,817.87	\$202,918.08	\$194,667.19	\$402,150.68		\$24,372.77

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group: 3750 RCG01 Struct & Improvement

Survivor Curve: 52.5  
Average Service Life: 38  
Net Salvage Percent: -5  
Remaining Life (Years): 13.61

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	\$692.62	\$711.72	\$0.00	1.02	\$0.00
1949	\$2,147.43	\$2,139.69	\$2,251.19	\$3.61	1.94	\$1.86
1950	\$1,858.29	\$1,842.35	\$1,938.36	\$12.85	2.12	\$6.06
1952	\$551.26	\$540.74	\$568.92	\$9.90	2.50	\$3.96
1953	\$183.59	\$179.12	\$188.46	\$4.31	2.69	\$1.60
1954	\$1,878.52	\$1,823.47	\$1,918.50	\$53.95	2.87	\$18.80
1955	\$532.99	\$514.57	\$541.39	\$18.25	3.06	\$5.96
1956	\$47.40	\$45.51	\$47.89	\$1.88	3.25	\$0.58
1957	\$1,246.87	\$1,190.35	\$1,252.38	\$56.83	3.45	\$16.47
1958	\$1,095.68	\$1,040.26	\$1,094.47	\$55.99	3.64	\$15.38
1960	\$4,988.03	\$4,680.61	\$4,924.53	\$312.91	4.04	\$77.45
1961	\$2,887.76	\$2,693.03	\$2,833.37	\$198.78	4.25	\$46.77
1964	\$214.36	\$196.05	\$206.27	\$18.81	4.90	\$3.84
1966	\$316.02	\$284.84	\$299.69	\$32.14	5.38	\$5.97
1967	\$60.72	\$54.31	\$57.14	\$6.62	5.63	\$1.18
1969	\$696.97	\$613.38	\$645.34	\$86.47	6.15	\$14.06
1970	\$2,888.38	\$2,519.62	\$2,650.92	\$381.88	6.43	\$59.39
1972	\$116.74	\$99.90	\$105.11	\$17.47	7.03	\$2.49
1973	\$53.61	\$45.42	\$47.78	\$8.51	7.34	\$1.16
1975	\$1,901.35	\$1,575.07	\$1,657.15	\$339.27	8.02	\$42.30
1976	\$413.45	\$338.39	\$356.02	\$78.10	8.38	\$9.32
1979	\$49,995.94	\$39,261.29	\$41,307.27	\$11,188.47	9.58	\$1,167.90
1980	\$2,280.45	\$1,763.72	\$1,855.63	\$538.84	10.01	\$53.83
1982	\$835.66	\$624.60	\$657.15	\$220.29	10.95	\$20.12
1985	\$376.17	\$264.84	\$278.65	\$116.33	12.52	\$9.29
1986	\$7,075.05	\$4,867.82	\$5,121.49	\$2,307.31	13.10	\$176.13
1988	\$22,226.37	\$14,543.06	\$15,300.93	\$8,036.76	14.32	\$561.23
1992	\$9,091.44	\$5,252.82	\$5,526.55	\$4,019.46	17.09	\$235.19
1993	\$5,667.75	\$3,155.67	\$3,320.12	\$2,631.02	17.85	\$147.40
1994	\$17,793.00	\$9,523.24	\$10,019.51	\$8,663.14	18.63	\$465.01
1995	\$7,450.00	\$3,822.73	\$4,021.94	\$3,800.56	19.43	\$195.60
1997	\$1,035.22	\$482.85	\$508.01	\$578.97	21.12	\$27.41
2001	\$8,019.09	\$2,942.58	\$3,095.93	\$5,324.12	24.72	\$215.38
	\$173,856.72	\$127,730.52	\$133,425.76	\$49,123.79		\$3,609.10



Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3760 RCG01 Gas Mains

Survivor Curve: R2.5  
Average Service Life: 65  
Net Salvage Percent: -45  
Remaining Life (Years): 51.48

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1953	\$381,431.89	\$406,553.58	\$507,518.99	\$45,557.25	17.22	\$2,645.60
1954	\$325,191.78	\$342,909.73	\$428,069.53	\$43,458.55	17.73	\$2,451.13
1955	\$146,226.83	\$152,465.09	\$190,328.98	\$21,699.92	18.26	\$1,188.39
1956	\$105,356.95	\$108,582.49	\$135,548.38	\$17,219.20	18.80	\$915.91
1957	\$136,235.71	\$138,735.11	\$173,189.24	\$24,352.54	19.35	\$1,258.53
1958	\$163,562.45	\$164,519.92	\$205,377.56	\$31,787.99	19.91	\$1,596.58
1959	\$691,149.10	\$686,252.57	\$856,679.74	\$145,486.46	20.49	\$7,100.36
1960	\$686,700.38	\$672,950.53	\$840,074.20	\$155,641.35	21.07	\$7,386.87
1961	\$1,495,792.91	\$1,445,821.92	\$1,804,884.08	\$364,015.64	21.67	\$16,798.14
1962	\$269,626.51	\$256,949.92	\$320,762.06	\$70,196.38	22.28	\$3,150.65
1963	\$231,416.49	\$217,335.69	\$271,309.84	\$64,244.07	22.90	\$2,805.42
1964	\$280,659.32	\$259,637.94	\$324,117.63	\$82,838.38	23.53	\$3,520.54
1965	\$364,108.75	\$331,638.65	\$413,999.34	\$113,958.35	24.17	\$4,714.87
1966	\$842,113.28	\$754,805.57	\$942,257.50	\$278,806.76	24.82	\$11,233.15
1967	\$763,904.72	\$673,458.40	\$840,708.20	\$266,953.64	25.48	\$10,476.99
1968	\$481,074.46	\$416,817.71	\$520,332.17	\$177,225.80	26.16	\$6,774.69
1969	\$605,215.65	\$515,196.81	\$643,143.18	\$234,419.51	26.84	\$8,733.96
1970	\$889,298.97	\$743,337.65	\$927,941.58	\$361,541.92	27.53	\$13,132.65
1971	\$582,863.91	\$478,226.39	\$596,991.36	\$248,161.31	28.22	\$8,793.81
1972	\$447,319.57	\$359,930.53	\$449,317.36	\$199,296.02	28.93	\$6,888.90
1973	\$538,982.85	\$425,029.44	\$530,583.23	\$250,941.90	29.65	\$8,463.47
1974	\$361,363.02	\$279,158.49	\$348,486.01	\$175,490.36	30.37	\$5,778.41
1975	\$327,757.86	\$247,860.58	\$309,415.43	\$165,833.47	31.10	\$5,332.27
1976	\$230,965.69	\$170,850.65	\$213,280.50	\$121,619.75	31.84	\$3,819.72
1977	\$171,519.82	\$124,007.51	\$154,804.11	\$93,899.63	32.59	\$2,881.24
1978	\$574,355.54	\$405,645.23	\$506,385.05	\$326,430.48	33.34	\$9,790.96
1979	\$7,695,484.28	\$5,304,556.51	\$6,621,914.81	\$4,536,537.39	34.10	\$133,036.29
1980	\$1,896,176.99	\$1,274,478.90	\$1,590,988.93	\$1,158,467.70	34.87	\$33,222.47
1981	\$1,730,829.66	\$1,133,227.43	\$1,414,658.42	\$1,095,044.59	35.65	\$30,716.54
1982	\$1,622,302.08	\$1,033,581.13	\$1,290,265.49	\$1,062,072.52	36.44	\$29,145.79
1983	\$1,242,808.96	\$769,901.03	\$961,101.84	\$840,971.15	37.23	\$22,588.53
1984	\$1,670,444.54	\$1,005,376.32	\$1,255,056.17	\$1,167,088.42	38.02	\$30,696.70
1985	\$1,593,272.18	\$930,140.04	\$1,161,135.36	\$1,149,109.30	38.83	\$29,593.34
1986	\$1,639,397.28	\$927,444.87	\$1,157,770.86	\$1,219,355.20	39.64	\$30,760.73
1987	\$1,710,514.77	\$936,388.42	\$1,168,935.48	\$1,311,310.93	40.46	\$32,410.06
1988	\$2,242,571.12	\$1,186,630.63	\$1,481,324.02	\$1,770,404.11	41.28	\$42,887.70
1989	\$2,602,220.61	\$1,328,753.89	\$1,658,742.83	\$2,114,477.05	42.11	\$50,213.18
1990	\$3,293,570.97	\$1,620,056.89	\$2,022,389.37	\$2,753,288.53	42.95	\$64,104.51
1991	\$6,587,460.57	\$3,116,831.63	\$3,890,880.14	\$5,660,937.69	43.79	\$129,274.67
1992	\$5,608,116.23	\$2,547,120.11	\$3,179,683.80	\$4,952,084.73	44.64	\$110,933.80
1993	\$2,416,910.89	\$1,051,356.24	\$1,312,454.95	\$2,192,065.84	45.50	\$48,177.27
1994	\$2,625,097.65	\$1,091,555.99	\$1,362,638.09	\$2,443,753.50	46.36	\$52,712.54
1995	\$2,053,347.93	\$814,420.97	\$1,016,678.07	\$1,960,676.43	47.22	\$41,522.16
1996	\$2,683,053.25	\$1,011,511.08	\$1,262,714.45	\$2,627,712.76	48.10	\$54,630.20
1997	\$3,245,116.78	\$1,160,428.80	\$1,448,615.10	\$3,256,804.23	48.97	\$66,506.11
1998	\$1,950,524.06	\$659,202.11	\$822,911.44	\$2,005,348.45	49.85	\$40,227.65
1999	\$512,374.64	\$162,990.31	\$203,468.09	\$539,475.14	50.74	\$10,632.15
2000	\$4,506,886.65	\$1,344,196.28	\$1,678,020.25	\$4,856,965.39	51.63	\$94,072.54
2001	\$3,904,462.83	\$1,086,131.46	\$1,355,866.41	\$4,305,604.70	52.53	\$81,964.68
2002	\$6,039,683.41	\$1,558,842.29	\$1,945,972.45	\$6,811,568.49	53.43	\$127,485.84
2003	\$6,965,346.43	\$1,657,913.19	\$2,069,647.08	\$8,030,105.24	54.33	\$147,802.42
2004	\$4,505,905.72	\$981,039.66	\$1,224,675.62	\$5,308,887.67	55.24	\$96,105.86
2005	\$6,304,351.27	\$1,244,624.43	\$1,553,720.26	\$7,587,589.08	56.15	\$135,130.70
2006	\$7,200,302.65	\$1,273,733.54	\$1,590,058.47	\$8,850,380.38	57.07	\$155,079.38

Minnesota Energy Resources Corporation  
 Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3760 RCG01 Gas Mains

Survivor Curve: R2.5  
 Average Service Life: 65  
 Net Salvage Percent: -45  
 Remaining Life (Years): 51.48

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2007	\$6,119,553.67	\$956,956.97	\$1,194,612.13	\$7,678,740.69	57.99	\$132,414.91
2008	\$8,231,268.16	\$1,118,249.44	\$1,395,960.72	\$10,539,378.11	58.91	\$178,906.44
2009	\$5,695,534.61	\$655,599.85	\$818,414.57	\$7,440,110.62	59.84	\$124,333.40
2010	\$5,477,307.06	\$516,847.12	\$645,203.35	\$7,296,891.89	60.77	\$120,073.92
2011	\$4,391,620.58	\$322,311.17	\$402,355.43	\$5,965,494.41	61.71	\$96,669.82
2012	\$6,290,540.55	\$331,172.77	\$413,417.75	\$8,707,866.04	62.64	\$139,014.46
2013	\$6,587,665.97	\$208,676.99	\$260,500.80	\$9,291,614.85	63.58	\$146,140.53
2014	\$9,454,413.99	\$99,125.89	\$123,743.28	\$13,585,157.00	64.53	\$210,524.67
	\$160,390,633.40	\$53,200,052.43	\$66,412,001.57	\$166,154,416.86		\$3,227,345.15

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3780 RCG01 Meas & Reg Equip

Survivor Curve: R1.5  
Average Service Life: 44  
Net Salvage Percent: -10  
Remaining Life (Years): 34.12

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1967	\$18,134.60	\$14,249.26	\$11,869.58	\$8,078.48	12.57	\$642.68
1973	\$29,709.49	\$21,271.99	\$17,719.49	\$14,960.95	15.36	\$974.02
1974	\$26,495.21	\$18,639.38	\$15,526.53	\$13,618.20	15.86	\$858.65
1975	\$30,482.24	\$21,047.99	\$17,532.89	\$15,997.58	16.38	\$976.65
1976	\$36,006.00	\$24,385.06	\$20,312.66	\$19,293.94	16.91	\$1,140.98
1977	\$18,067.79	\$11,992.50	\$9,989.70	\$9,884.87	17.45	\$566.47
1978	\$117,587.45	\$76,431.84	\$63,667.42	\$65,678.78	18.00	\$3,648.82
1979	\$50,952.72	\$32,405.93	\$26,994.01	\$29,053.98	18.56	\$1,565.41
1980	\$116,240.23	\$72,243.30	\$60,178.38	\$67,685.87	19.14	\$3,536.36
1981	\$102,476.22	\$62,203.07	\$51,814.91	\$60,908.94	19.72	\$3,088.69
1982	\$160,041.19	\$94,744.38	\$78,921.69	\$97,123.62	20.32	\$4,779.71
1983	\$55,015.44	\$31,730.16	\$26,431.09	\$34,085.89	20.93	\$1,628.57
1984	\$29,327.76	\$16,467.54	\$13,717.39	\$18,543.14	21.54	\$860.87
1985	\$77,923.71	\$42,526.86	\$35,424.71	\$50,291.37	22.17	\$2,268.44
1986	\$33,505.16	\$17,757.73	\$14,792.12	\$22,063.55	22.80	\$967.70
1987	\$72,344.26	\$37,166.86	\$30,959.85	\$48,618.84	23.45	\$2,073.30
1988	\$174,206.22	\$86,624.04	\$72,157.48	\$119,469.36	24.11	\$4,955.18
1989	\$270,715.78	\$130,146.61	\$108,411.60	\$189,375.75	24.77	\$7,645.37
1990	\$293,485.30	\$136,177.18	\$113,435.04	\$209,398.79	25.44	\$8,231.08
1991	\$306,897.63	\$137,183.24	\$114,273.09	\$223,314.30	26.12	\$8,549.55
1992	\$683,517.21	\$293,741.52	\$244,685.51	\$507,183.42	26.81	\$18,917.70
1993	\$364,395.71	\$150,222.13	\$125,134.43	\$275,700.85	27.51	\$10,021.84
1994	\$141,681.66	\$55,893.41	\$46,558.99	\$109,290.84	28.22	\$3,872.81
1995	\$42,113.86	\$15,866.40	\$13,216.64	\$33,108.60	28.93	\$1,144.44
1996	\$153,033.71	\$54,900.84	\$45,732.18	\$122,604.90	29.65	\$4,135.07
1997	\$134,090.41	\$45,691.31	\$38,060.68	\$109,438.78	30.37	\$3,603.52
1998	\$233,663.45	\$75,298.05	\$62,722.97	\$194,306.82	31.11	\$6,245.80
1999	\$83,337.04	\$25,313.63	\$21,086.15	\$70,584.60	31.85	\$2,216.16
2000	\$69,525.33	\$19,832.10	\$16,520.06	\$59,957.80	32.59	\$1,839.76
2001	\$111,945.47	\$29,833.47	\$24,851.16	\$98,288.86	33.34	\$2,948.08
2002	\$183,419.77	\$45,396.39	\$37,815.01	\$163,946.73	34.10	\$4,807.82
2003	\$13,003.94	\$2,971.40	\$2,475.16	\$11,829.17	34.86	\$339.33
2004	\$3,308.54	\$693.14	\$577.38	\$3,062.01	35.62	\$85.96
2005	\$198,930.40	\$37,796.78	\$31,484.56	\$187,338.88	36.40	\$5,146.67
2006	\$497,683.81	\$84,979.51	\$70,787.59	\$476,664.60	37.17	\$12,823.91
2007	\$96,732.76	\$14,606.65	\$12,167.28	\$94,238.76	37.96	\$2,482.58
2008	\$123,637.49	\$16,227.42	\$13,517.38	\$122,483.86	38.75	\$3,160.87
2009	\$109,080.49	\$12,162.47	\$10,131.29	\$109,857.25	39.54	\$2,778.38
2010	\$315,164.69	\$28,837.57	\$24,021.58	\$322,659.58	40.34	\$7,998.50
2011	\$1,324,146.60	\$94,676.48	\$78,865.13	\$1,377,696.13	41.14	\$33,488.00
2012	\$1,538,278.06	\$78,836.75	\$65,670.70	\$1,626,435.17	41.95	\$38,770.80
2013	\$551,983.65	\$16,973.50	\$14,138.85	\$593,043.16	42.77	\$13,865.87
2014	\$802,279.11	\$8,223.36	\$6,850.03	\$875,656.99	43.59	\$20,088.48
	\$9,794,567.57	\$2,294,369.22	\$1,911,200.34	\$8,862,823.99		\$259,740.85

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3790 RCG01 Meas & Reg Eq-City G

Survivor Curve: R3  
Average Service Life: 40  
Net Salvage Percent: -15  
Remaining Life (Years): 33.30

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	\$627.01	\$475.85	\$159.58	0.53	\$301.10
1950	\$702.48	\$792.70	\$601.60	\$206.25	0.75	\$275.00
1951	\$1,255.03	\$1,407.92	\$1,068.50	\$374.78	0.98	\$382.43
1953	\$2,510.06	\$2,781.21	\$2,110.71	\$775.86	1.46	\$531.41
1954	\$2,529.67	\$2,784.76	\$2,113.40	\$795.72	1.71	\$465.33
1955	\$2,529.67	\$2,765.85	\$2,099.05	\$810.07	1.97	\$411.20
1958	\$4,216.11	\$4,517.61	\$3,428.50	\$1,420.02	2.73	\$520.15
1959	\$3,372.89	\$3,588.88	\$2,723.67	\$1,155.15	2.99	\$386.34
1961	\$3,216.01	\$3,373.88	\$2,560.50	\$1,137.91	3.51	\$324.19
1962	\$3,765.08	\$3,921.75	\$2,976.29	\$1,353.55	3.77	\$359.03
1965	\$5,595.33	\$5,697.86	\$4,324.22	\$2,110.41	4.58	\$460.79
1966	\$15,945.73	\$16,104.99	\$12,222.38	\$6,115.21	4.87	\$1,255.69
1967	\$15,809.10	\$15,826.09	\$12,010.72	\$6,169.74	5.18	\$1,191.07
1979	\$29,656.41	\$25,220.55	\$19,140.36	\$14,964.51	10.42	\$1,436.13
1987	\$21,255.70	\$14,868.10	\$11,283.68	\$13,160.37	15.67	\$839.85
1989	\$5,490.75	\$3,607.08	\$2,737.48	\$3,576.88	17.15	\$208.56
1990	\$41,080.00	\$26,089.39	\$19,799.74	\$27,442.26	17.91	\$1,532.23
1991	\$22,021.83	\$13,491.95	\$10,239.30	\$15,085.81	18.69	\$807.16
1992	\$51,818.50	\$30,570.32	\$23,200.40	\$36,390.87	19.48	\$1,868.11
1993	\$92,431.44	\$52,377.43	\$39,750.23	\$66,545.93	20.29	\$3,279.74
1994	\$23,368.37	\$12,697.79	\$9,636.59	\$17,237.03	21.10	\$816.92
1995	\$41,323.00	\$21,467.82	\$16,292.33	\$31,229.12	21.93	\$1,424.04
1996	\$22,852.70	\$11,313.80	\$8,586.26	\$17,694.35	22.78	\$776.75
1997	\$214,685.23	\$101,038.92	\$76,680.36	\$170,207.65	23.63	\$7,203.03
1998	\$46,938.18	\$20,930.32	\$15,884.42	\$38,094.49	24.49	\$1,555.51
2000	\$27,610.63	\$10,906.89	\$8,277.45	\$23,474.78	26.26	\$893.94
2001	\$246,076.71	\$90,909.96	\$68,993.30	\$213,994.91	27.15	\$7,881.95
2002	\$71,249.00	\$24,458.00	\$18,561.64	\$63,374.71	28.06	\$2,258.54
2005	\$34,055.71	\$8,978.36	\$6,813.85	\$32,350.22	30.83	\$1,049.31
2006	\$167,070.40	\$39,530.95	\$30,000.79	\$162,130.17	31.77	\$5,103.25
2007	\$77,963.67	\$16,317.80	\$12,383.89	\$77,274.33	32.72	\$2,361.69
2008	\$25,675.46	\$4,665.23	\$3,540.53	\$25,986.25	33.68	\$771.56
2009	\$180,894.17	\$27,875.79	\$21,155.47	\$186,872.83	34.64	\$5,394.71
2010	\$389,271.94	\$49,242.90	\$37,371.38	\$410,291.36	35.60	\$11,525.04
2011	\$1,477,894.06	\$145,738.83	\$110,603.97	\$1,588,974.20	36.57	\$43,450.21
2012	\$313,685.35	\$22,095.21	\$16,768.48	\$343,969.68	37.55	\$9,160.31
2013	\$279,362.94	\$11,806.58	\$8,960.24	\$312,307.15	38.53	\$8,105.56
2014	\$1,669,725.96	\$23,522.26	\$17,851.49	\$1,902,333.36	39.51	\$48,148.15
	\$5,639,222.91	\$878,242.61	\$667,558.90	\$5,817,547.45		\$174,715.99

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3800 RCG01 Gas Services

Survivor Curve: R2.5  
Average Service Life: 50  
Net Salvage Percent: -60  
Remaining Life (Years): 38.27

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1953	\$122,481.85	\$165,595.46	\$195,970.96	\$0.00	7.75	\$0.00
1954	\$96,484.09	\$129,551.12	\$154,374.54	\$0.00	8.04	\$0.00
1955	\$19,026.73	\$25,364.91	\$30,442.77	\$0.00	8.34	\$0.00
1956	\$26,753.55	\$35,391.74	\$42,805.68	\$0.00	8.66	\$0.00
1957	\$72,375.69	\$94,980.07	\$115,521.87	\$279.24	8.99	\$31.06
1958	\$110,593.99	\$143,931.44	\$175,060.20	\$1,890.18	9.33	\$202.59
1959	\$231,579.73	\$298,719.33	\$363,324.81	\$7,202.75	9.69	\$743.32
1960	\$162,489.64	\$207,674.76	\$252,589.59	\$7,393.83	10.06	\$734.97
1961	\$334,595.63	\$423,464.23	\$515,048.91	\$20,304.10	10.45	\$1,942.98
1962	\$173,400.58	\$217,180.76	\$264,151.50	\$13,289.42	10.86	\$1,223.70
1963	\$157,843.00	\$195,573.79	\$237,871.49	\$14,677.31	11.28	\$1,301.18
1964	\$178,209.62	\$218,299.66	\$265,512.39	\$19,623.00	11.72	\$1,674.32
1965	\$217,155.36	\$262,810.10	\$319,649.33	\$27,799.25	12.18	\$2,282.37
1966	\$85,185.87	\$101,786.89	\$123,800.84	\$12,496.55	12.66	\$987.09
1967	\$169,874.85	\$200,316.42	\$243,639.84	\$28,159.92	13.15	\$2,141.44
1968	\$180,363.42	\$209,741.01	\$255,102.73	\$33,478.74	13.66	\$2,450.86
1969	\$261,423.66	\$299,570.60	\$364,360.20	\$53,917.66	14.19	\$3,799.69
1970	\$216,229.41	\$244,045.16	\$296,826.00	\$49,141.05	14.73	\$3,336.12
1971	\$326,511.43	\$362,662.78	\$441,097.63	\$81,320.66	15.29	\$5,318.55
1972	\$260,419.70	\$284,419.98	\$345,932.88	\$70,738.64	15.87	\$4,457.38
1973	\$170,581.90	\$183,082.14	\$222,678.21	\$50,252.83	16.46	\$3,053.03
1974	\$151,422.12	\$159,562.57	\$194,071.95	\$48,203.44	17.07	\$2,823.87
1975	\$194,019.74	\$200,600.89	\$243,985.82	\$66,445.76	17.69	\$3,756.12
1976	\$158,644.93	\$160,827.88	\$195,610.92	\$58,220.97	18.32	\$3,178.00
1977	\$236,635.27	\$234,969.36	\$285,787.33	\$92,829.10	18.97	\$4,893.47
1978	\$565,021.17	\$549,110.17	\$667,868.92	\$236,164.96	19.63	\$12,030.82
1979	\$2,190,873.54	\$2,082,206.21	\$2,532,535.13	\$972,862.53	20.30	\$47,924.26
1980	\$1,516,501.00	\$1,407,798.21	\$1,712,269.61	\$714,131.99	20.99	\$34,022.49
1981	\$1,232,010.69	\$1,116,497.37	\$1,357,967.71	\$613,249.39	21.68	\$28,286.41
1982	\$1,447,696.89	\$1,279,069.16	\$1,555,699.70	\$760,615.33	22.39	\$33,971.21
1983	\$1,321,915.63	\$1,137,481.96	\$1,383,490.75	\$731,574.26	23.11	\$31,656.18
1984	\$1,431,743.78	\$1,198,541.35	\$1,457,755.75	\$833,034.30	23.84	\$34,942.71
1985	\$1,678,758.59	\$1,365,569.39	\$1,660,907.76	\$1,025,105.99	24.58	\$41,704.88
1986	\$1,722,066.85	\$1,359,468.45	\$1,653,487.34	\$1,101,819.62	25.33	\$43,498.60
1987	\$2,143,334.25	\$1,639,907.90	\$1,994,578.80	\$1,434,756.00	26.09	\$54,992.56
1988	\$2,204,936.10	\$1,632,711.08	\$1,985,825.49	\$1,542,072.27	26.86	\$57,411.48
1989	\$2,232,250.67	\$1,597,934.32	\$1,943,527.39	\$1,628,073.68	27.63	\$58,924.13
1990	\$2,990,856.25	\$2,065,365.69	\$2,512,052.43	\$2,273,317.57	28.42	\$79,990.06
1991	\$3,897,600.09	\$2,591,748.16	\$3,152,278.20	\$3,083,881.94	29.22	\$105,540.11
1992	\$3,795,013.67	\$2,426,379.94	\$2,951,145.00	\$3,120,876.88	30.02	\$103,959.92
1993	\$2,583,663.87	\$1,584,095.99	\$1,926,696.18	\$2,207,166.01	30.84	\$71,568.29
1994	\$2,926,640.22	\$1,717,586.61	\$2,089,057.47	\$2,593,566.88	31.66	\$81,919.36
1995	\$2,584,101.92	\$1,447,923.99	\$1,761,073.59	\$2,373,489.48	32.49	\$73,052.92
1996	\$2,936,610.28	\$1,566,505.39	\$1,905,301.17	\$2,793,275.28	33.33	\$83,806.64
1997	\$3,565,051.76	\$1,804,771.80	\$2,195,098.63	\$3,508,984.19	34.18	\$102,661.91
1998	\$365,532.81	\$175,104.84	\$212,975.62	\$371,876.88	35.03	\$10,615.95
1999	\$2,606,759.18	\$1,177,003.90	\$1,431,560.30	\$2,739,254.39	35.89	\$76,323.61
2000	\$2,790,484.84	\$1,182,272.62	\$1,437,968.50	\$3,026,807.25	36.76	\$82,339.70
2001	\$4,261,363.54	\$1,685,454.51	\$2,049,976.00	\$4,768,205.67	37.64	\$126,679.22
2002	\$3,695,964.23	\$1,357,749.42	\$1,651,396.53	\$4,262,146.24	38.52	\$110,647.62
2003	\$3,673,933.76	\$1,245,022.67	\$1,514,289.81	\$4,364,004.20	39.41	\$110,733.42
2004	\$3,885,969.08	\$1,206,204.80	\$1,467,076.61	\$4,750,473.91	40.30	\$117,877.76
2005	\$3,053,519.91	\$859,871.21	\$1,045,839.76	\$3,839,792.10	41.20	\$93,198.84
2006	\$4,808,750.93	\$1,214,113.43	\$1,476,695.68	\$6,217,305.80	42.11	\$147,644.40

## Minnesota Energy Resources Corporation

## Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

## Depreciation Group 3800 RCG01 Gas Services

Survivor Curve: R2.5  
 Average Service Life: 50  
 Net Salvage Percent: -60  
 Remaining Life (Years): 38.27

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2007	\$5,508,202.42	\$1,230,312.09	\$1,496,397.71	\$7,316,726.17	43.02	\$170,077.32
2008	\$4,750,965.62	\$922,827.56	\$1,122,411.99	\$6,479,133.00	43.93	\$147,487.66
2009	\$3,543,324.12	\$582,805.95	\$708,852.24	\$4,960,466.35	44.86	\$110,576.60
2010	\$4,094,571.06	\$552,930.88	\$672,515.94	\$5,878,797.76	45.78	\$128,414.11
2011	\$5,995,361.31	\$631,191.64	\$767,702.54	\$8,824,875.55	46.71	\$188,929.04
2012	\$7,410,389.10	\$557,261.26	\$677,782.88	\$11,178,839.68	47.65	\$234,603.14
2013	\$6,799,593.54	\$306,797.66	\$373,150.29	\$10,506,199.37	48.59	\$216,221.43
2014	\$7,435,426.71	\$111,828.82	\$136,014.58	\$11,760,668.15	49.53	\$237,445.35
	\$123,961,061.14	\$51,629,549.46	\$62,786,442.40	\$135,551,255.42		\$3,542,012.23

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3810 RCG01 Meter & Installation

Survivor Curve: S2  
Average Service Life: 38  
Net Salvage Percent: -1  
Remaining Life (Years): 25.40

Year	Original Cost	Calculated Accrued	Allocated Book		Future Book Accruals	Remaining Life	Annual Accrual
			Reserve				
1966	\$155,998.48	\$132,349.11	\$126,860.28		\$30,698.18	6.08	\$5,049.04
1967	\$210,110.38	\$176,638.14	\$169,312.54		\$42,898.94	6.37	\$6,734.53
1968	\$262,509.55	\$218,596.54	\$209,530.83		\$55,603.82	6.67	\$8,336.40
1969	\$78,538.68	\$64,753.49	\$62,068.01		\$17,256.06	6.98	\$2,472.21
1970	\$112,403.19	\$91,718.05	\$87,914.28		\$25,612.94	7.30	\$3,508.62
1971	\$132,079.35	\$106,614.80	\$102,193.23		\$31,206.91	7.63	\$4,090.03
1972	\$127,407.08	\$101,691.97	\$97,474.57		\$31,206.58	7.97	\$3,915.51
1973	\$198,398.72	\$156,509.44	\$150,018.63		\$50,364.08	8.32	\$6,053.38
1974	\$285,076.66	\$222,158.74	\$212,945.30		\$74,982.13	8.68	\$8,638.49
1975	\$139,445.63	\$107,297.91	\$102,848.01		\$37,992.07	9.05	\$4,198.02
1976	\$104,428.96	\$79,299.23	\$76,010.50		\$29,462.74	9.43	\$3,124.36
1977	\$132,470.21	\$99,184.28	\$95,070.88		\$38,724.04	9.83	\$3,939.37
1978	\$230,285.68	\$169,912.05	\$162,865.40		\$69,723.14	10.24	\$6,808.90
1979	\$371,410.92	\$269,892.59	\$258,699.51		\$116,425.52	10.66	\$10,921.72
1980	\$558,532.70	\$399,336.18	\$382,774.77		\$181,343.25	11.10	\$16,337.23
1981	\$437,163.68	\$307,215.63	\$294,474.67		\$147,060.64	11.56	\$12,721.51
1982	\$225,223.82	\$155,461.93	\$149,014.56		\$78,461.50	12.03	\$6,522.15
1983	\$179,036.86	\$121,297.00	\$116,266.53		\$64,560.70	12.51	\$5,160.73
1984	\$319,305.97	\$212,000.68	\$203,208.51		\$119,290.52	13.02	\$9,162.10
1985	\$260,523.75	\$169,371.97	\$162,347.72		\$100,781.27	13.54	\$7,443.22
1986	\$273,878.92	\$174,123.57	\$166,902.26		\$109,715.45	14.08	\$7,792.29
1987	\$308,437.85	\$191,504.19	\$183,562.06		\$127,960.17	14.64	\$8,740.45
1988	\$491,572.88	\$297,501.20	\$285,163.13		\$211,325.48	15.23	\$13,875.61
1989	\$597,739.81	\$352,221.33	\$337,613.88		\$266,103.32	15.83	\$16,810.06
1990	\$746,482.65	\$427,369.17	\$409,645.17		\$344,302.30	16.46	\$20,917.52
1991	\$1,420,663.96	\$788,801.23	\$756,087.79		\$678,782.81	17.11	\$39,671.70
1992	\$845,672.73	\$454,486.78	\$435,638.15		\$418,491.31	17.78	\$23,537.19
1993	\$431,401.52	\$223,934.85	\$214,647.75		\$221,067.79	18.47	\$11,969.02
1994	\$731,522.47	\$365,724.66	\$350,557.20		\$388,280.50	19.19	\$20,233.48
1995	\$601,207.92	\$288,589.29	\$276,620.82		\$330,599.18	19.94	\$16,579.70
1996	\$637,757.85	\$293,251.13	\$281,089.32		\$363,046.11	20.70	\$17,538.46
1997	\$848,569.67	\$372,142.46	\$356,708.84		\$500,346.53	21.50	\$23,271.93
1998	\$700,764.58	\$292,235.43	\$280,115.74		\$427,656.49	22.31	\$19,168.83
1999	\$847,259.24	\$334,410.99	\$320,542.18		\$535,189.65	23.15	\$23,118.34
2000	\$984,530.76	\$366,087.40	\$350,904.90		\$643,471.17	24.01	\$26,800.13
2001	\$1,158,334.27	\$403,621.58	\$386,882.44		\$783,035.17	24.89	\$31,459.83
2002	\$1,185,973.16	\$384,882.62	\$368,920.64		\$828,912.26	25.79	\$32,140.84
2003	\$1,216,074.48	\$364,915.15	\$349,781.26		\$878,453.96	26.71	\$32,888.58
2004	\$1,046,805.93	\$287,968.05	\$276,025.34		\$781,248.65	27.65	\$28,254.92
2005	\$1,034,369.38	\$258,429.02	\$247,711.37		\$797,001.71	28.60	\$27,867.19
2006	\$1,799,515.88	\$403,678.77	\$386,937.26		\$1,430,573.78	29.56	\$48,395.59
2007	\$1,640,950.83	\$325,366.00	\$311,872.31		\$1,345,488.03	30.54	\$44,056.58
2008	\$1,214,071.91	\$209,101.52	\$200,429.59		\$1,025,783.04	31.52	\$32,543.88
2009	\$1,814,855.51	\$264,820.85	\$253,838.11		\$1,579,165.96	32.51	\$48,574.78
2010	\$2,025,659.85	\$242,279.58	\$232,231.68		\$1,813,684.77	33.50	\$54,139.84
2011	\$2,070,411.33	\$192,602.74	\$184,615.05		\$1,906,500.39	34.50	\$55,260.88
2012	\$988,462.48	\$65,680.73	\$62,956.80		\$935,390.31	35.50	\$26,349.02
2013	\$1,778,703.95	\$70,914.12	\$67,973.14		\$1,728,517.85	36.50	\$47,356.65
2014	\$3,075,671.18	\$40,874.05	\$39,178.91		\$3,067,248.98	37.50	\$81,793.31
	\$37,037,673.22	\$12,098,818.18	\$11,597,051.79		\$25,810,998.16		\$1,016,244.15

Minnesota Energy Resources Corporation

Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3812 RCG01 AMR Devices

Survivor Curve: SQ  
 Average Service Life: 15  
 Net Salvage Percent: -1  
 Remaining Life (Years): 11.50

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2011	\$339,538.31	\$80,017.86	\$56,426.39	\$286,507.30	11.50	\$24,913.68
	\$339,538.31	\$80,017.86	\$56,426.39	\$286,507.30		\$24,913.68



Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3830 RCG01 House Regulators

Survivor Curve: R3  
Average Service Life: 44  
Net Salvage Percent: -5  
Remaining Life (Years): 31.65

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1966	\$71,194.04	\$62,895.08	\$74,753.74	\$0.00	6.98	\$0.00
1967	\$27,040.49	\$23,643.22	\$28,392.51	\$0.00	7.36	\$0.00
1968	\$20,867.47	\$18,041.59	\$21,910.84	\$0.00	7.77	\$0.00
1969	\$27,964.05	\$23,890.20	\$29,362.25	\$0.00	8.20	\$0.00
1970	\$19,537.45	\$16,481.39	\$20,514.32	\$0.00	8.65	\$0.00
1971	\$29,326.84	\$24,410.60	\$30,793.18	\$0.00	9.12	\$0.00
1972	\$31,781.42	\$26,082.07	\$33,370.49	\$0.00	9.61	\$0.00
1973	\$40,431.30	\$32,688.71	\$42,452.87	\$0.00	10.12	\$0.00
1974	\$46,738.08	\$37,196.61	\$49,074.98	\$0.00	10.65	\$0.00
1975	\$25,690.19	\$20,102.28	\$26,974.70	\$0.00	11.21	\$0.00
1976	\$18,614.59	\$14,308.06	\$19,545.32	\$0.00	11.79	\$0.00
1977	\$28,297.52	\$21,352.41	\$29,712.40	\$0.00	12.38	\$0.00
1978	\$85,758.31	\$63,441.66	\$90,046.23	\$0.00	13.00	\$0.00
1979	\$124,459.67	\$90,200.73	\$130,682.65	\$0.00	13.63	\$0.00
1980	\$202,400.55	\$143,547.99	\$212,520.58	\$0.00	14.28	\$0.00
1981	\$145,287.80	\$100,719.12	\$151,511.24	\$1,040.95	14.95	\$69.63
1982	\$206,807.81	\$139,961.89	\$210,543.93	\$6,604.27	15.64	\$422.27
1983	\$158,339.29	\$104,514.73	\$157,220.96	\$9,035.30	16.34	\$552.96
1984	\$181,487.44	\$116,719.11	\$175,579.94	\$14,981.87	17.05	\$878.70
1985	\$195,189.08	\$122,130.69	\$183,720.56	\$21,227.97	17.78	\$1,193.92
1986	\$281,646.86	\$171,186.88	\$257,515.53	\$38,213.67	18.53	\$2,062.26
1987	\$345,768.78	\$203,972.15	\$306,834.23	\$56,222.99	19.28	\$2,916.13
1988	\$335,362.41	\$191,671.05	\$288,329.76	\$63,800.77	20.05	\$3,182.08
1989	\$348,902.69	\$192,832.17	\$290,076.43	\$76,271.40	20.84	\$3,659.86
1990	\$413,778.43	\$220,887.15	\$332,279.38	\$102,187.97	21.63	\$4,724.36
1991	\$536,397.57	\$275,976.55	\$415,150.08	\$148,067.37	22.44	\$6,598.37
1992	\$496,609.71	\$245,787.95	\$369,737.52	\$151,702.68	23.26	\$6,522.04
1993	\$367,545.42	\$174,630.02	\$262,695.02	\$123,227.67	24.09	\$5,115.30
1994	\$478,086.42	\$217,567.35	\$327,285.42	\$174,705.32	24.93	\$7,007.83
1995	\$269,444.35	\$117,153.18	\$176,232.91	\$106,683.66	25.78	\$4,138.23
1996	\$288,278.44	\$119,425.90	\$179,651.75	\$123,040.61	26.64	\$4,618.64
1997	\$479,473.48	\$188,678.26	\$283,827.72	\$219,619.43	27.51	\$7,983.26
1998	\$733,867.62	\$273,374.03	\$411,235.12	\$359,325.88	28.39	\$12,656.78
1999	\$865,655.87	\$303,874.72	\$457,117.15	\$451,821.51	29.29	\$15,425.79
2000	\$878,966.10	\$289,669.27	\$435,747.97	\$487,166.44	30.19	\$16,136.68
2001	\$1,485,668.47	\$457,349.53	\$687,988.50	\$871,963.39	31.10	\$28,037.41
2002	\$1,226,911.21	\$351,049.97	\$528,082.63	\$760,174.14	32.01	\$23,748.02
2003	\$1,214,051.28	\$320,426.76	\$482,016.30	\$792,737.55	32.94	\$24,066.11
2004	\$1,870,326.90	\$452,130.27	\$680,137.20	\$1,283,706.04	33.87	\$37,900.98
2005	\$1,466,702.90	\$321,657.95	\$483,868.36	\$1,056,169.68	34.81	\$30,340.98
2006	\$516,464.23	\$101,555.65	\$152,769.63	\$389,517.81	35.76	\$10,892.56
2007	\$159,314.29	\$27,715.26	\$41,691.91	\$125,588.09	36.71	\$3,421.09
2008	\$167,461.87	\$25,296.26	\$38,053.03	\$137,781.94	37.67	\$3,657.60
2009	\$245,164.41	\$31,417.26	\$47,260.82	\$210,161.81	38.63	\$5,440.38
2010	\$220,313.43	\$23,132.91	\$34,798.72	\$196,530.39	39.60	\$4,962.89
2011	\$193,443.54	\$15,833.79	\$23,818.69	\$179,297.02	40.57	\$4,419.45
2012	\$267,492.41	\$15,639.19	\$23,525.95	\$257,341.08	41.55	\$6,193.53
2013	\$238,561.47	\$8,368.63	\$12,588.88	\$237,900.66	42.53	\$5,593.71
2014	\$328,061.75	\$7,750.46	\$11,658.97	\$332,805.86	43.01	\$7,737.87
	\$18,406,935.70	\$6,548,338.64	\$9,760,659.27	\$9,566,623.20		\$302,277.68

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3850 RCG01. Industrl Meas&Reg Eq

Survivor Curve: \$1.5  
Average Service Life: 36  
Net Salvage Percent: -5  
Remaining Life (Years): 21.23

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1960	\$26,744.18	\$24,571.22	\$23,334.00	\$4,747.38	4.50	\$1,054.97
1968	\$11,773.26	\$10,050.93	\$9,544.85	\$2,817.08	6.73	\$418.59
1970	\$5,348.84	\$4,471.18	\$4,246.05	\$1,370.23	7.34	\$186.68
1971	\$21,366.28	\$17,661.01	\$16,771.74	\$5,662.85	7.66	\$739.28
1974	\$3,081.40	\$2,456.26	\$2,332.58	\$902.89	8.67	\$104.14
1975	\$7,267.44	\$5,718.87	\$5,430.91	\$2,199.90	9.02	\$243.89
1979	\$39,767.41	\$29,530.62	\$28,043.69	\$13,712.09	10.54	\$1,300.96
1980	\$105,174.41	\$76,843.05	\$72,973.85	\$37,459.28	10.95	\$3,420.94
1982	\$12,616.28	\$8,901.31	\$8,453.11	\$4,793.98	11.81	\$405.93
1983	\$25,697.68	\$17,793.50	\$16,897.56	\$10,085.00	12.26	\$822.59
1985	\$199,796.54	\$132,864.70	\$126,174.69	\$83,611.68	13.20	\$6,334.22
1986	\$270,988.39	\$176,255.37	\$167,380.55	\$117,157.26	13.70	\$8,551.63
1989	\$51,482.56	\$31,097.61	\$29,531.78	\$24,524.91	15.29	\$1,603.98
1990	\$74,287.79	\$43,637.89	\$41,440.63	\$36,561.55	15.86	\$2,305.27
1991	\$32,906.98	\$18,763.83	\$17,819.04	\$16,733.29	16.45	\$1,017.22
1995	\$17,558.14	\$8,705.91	\$8,267.55	\$10,168.50	19.00	\$535.18
1996	\$22,020.35	\$10,475.26	\$9,947.81	\$13,173.55	19.69	\$669.05
1998	\$61,846.22	\$26,823.22	\$25,472.62	\$39,465.91	21.13	\$1,867.77
1999	\$17,674.42	\$7,273.76	\$6,907.51	\$11,650.63	21.89	\$532.24
2000	\$17,848.84	\$6,939.48	\$6,590.06	\$12,151.22	22.67	\$536.00
2004	\$111,686.02	\$32,575.09	\$30,934.87	\$86,335.45	26.00	\$3,320.59
2006	\$21,860.95	\$5,241.16	\$4,977.26	\$17,976.74	27.78	\$647.11
2007	\$11,906.80	\$2,535.16	\$2,407.51	\$10,094.63	28.70	\$351.73
2009	\$5,671.00	\$894.84	\$849.78	\$5,104.77	30.59	\$166.88
2010	\$42,483.35	\$5,513.98	\$5,236.34	\$39,371.17	31.55	\$1,247.90
2011	\$10,533.61	\$1,066.09	\$1,012.41	\$10,047.88	32.53	\$308.88
2012	\$21,349.19	\$1,550.48	\$1,472.41	\$20,944.23	33.51	\$625.01
2013	\$87,470.07	\$3,826.82	\$3,634.13	\$88,209.45	34.50	\$2,556.80
2014	\$388,373.00	\$5,663.77	\$5,378.59	\$402,413.06	35.50	\$11,335.58
	\$1,726,581.40	\$719,702.38	\$683,463.89	\$1,129,446.58		\$53,210.99

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3900 RCG35 Structure Improvement

Survivor Curve: R3  
Average Service Life: 55  
Net Salvage Percent: -5  
Remaining Life (Years): 41.91

Year	Original Cost	Calculated Accrued	Allocated Book	Future Book	Remaining Life	Annual Accrual
			Reserve	Accruals		
1965	\$28,788.23	\$22,566.31	\$24,679.78	\$5,547.86	13.94	\$397.98
1968	\$37,039.48	\$27,782.64	\$30,384.65	\$8,506.80	15.71	\$541.49
1974	\$20,757.30	\$14,016.27	\$15,328.98	\$6,466.18	19.63	\$329.40
1977	\$1,325.06	\$840.61	\$919.33	\$471.98	21.77	\$21.68
1979	\$18,100.79	\$10,971.55	\$11,999.10	\$7,006.73	23.25	\$301.36
1980	\$354,371.22	\$209,655.68	\$229,291.19	\$142,798.59	24.01	\$5,947.46
1981	\$101,924.93	\$58,803.27	\$64,310.55	\$42,710.62	24.78	\$1,723.59
1982	\$592,631.10	\$333,193.37	\$364,398.93	\$257,863.73	25.55	\$10,092.51
1983	\$26,610.71	\$14,559.93	\$15,923.55	\$12,017.69	26.34	\$456.25
1985	\$300,430.67	\$155,202.48	\$169,738.13	\$145,714.07	27.94	\$5,215.25
1986	\$1,050.71	\$526.35	\$575.64	\$527.60	28.76	\$18.34
1987	\$421,634.79	\$204,535.04	\$223,690.97	\$219,025.56	29.59	\$7,402.01
1988	\$359,380.19	\$168,640.79	\$184,435.01	\$192,914.19	30.42	\$6,341.69
1989	\$202,928.63	\$91,970.94	\$100,584.58	\$112,490.49	31.26	\$3,598.54
1990	\$404,249.76	\$176,653.47	\$193,198.13	\$231,264.12	32.11	\$7,202.25
1991	\$166,838.72	\$70,167.82	\$76,739.45	\$98,441.20	32.97	\$2,985.78
1992	\$1,686,434.01	\$681,258.02	\$745,061.92	\$1,025,693.79	33.84	\$30,310.10
1993	\$111,673.50	\$43,235.92	\$47,285.22	\$69,971.95	34.72	\$2,015.32
1994	\$76,667.92	\$28,395.01	\$31,054.37	\$49,446.94	35.60	\$1,388.96
1995	\$1,350.36	\$477.18	\$521.87	\$896.01	36.49	\$24.55
1996	\$139,736.38	\$46,978.10	\$51,377.88	\$95,345.32	37.39	\$2,550.02
1997	\$59,734.00	\$19,044.29	\$20,827.90	\$41,892.80	38.30	\$1,093.81
1998	\$85,325.68	\$25,721.04	\$28,129.97	\$61,462.00	39.21	\$1,567.51
1999	\$38,063.84	\$10,805.63	\$11,817.64	\$28,149.39	40.13	\$701.45
2000	\$4,458.64	\$1,186.57	\$1,297.69	\$3,383.88	41.06	\$82.41
2001	\$30,283.53	\$7,521.60	\$8,226.05	\$23,571.66	41.99	\$561.36
2002	\$8,294.34	\$1,911.24	\$2,090.24	\$6,618.82	42.93	\$154.18
2003	\$11,076.54	\$2,353.56	\$2,573.99	\$9,056.38	43.87	\$206.44
2004	\$2,917.60	\$567.02	\$620.13	\$2,443.35	44.82	\$54.51
2005	\$301,991.92	\$53,213.72	\$58,197.51	\$258,894.01	45.77	\$5,656.41
2006	\$230,535.32	\$36,441.35	\$39,854.30	\$202,207.79	46.72	\$4,328.08
2007	\$299,382.04	\$41,780.12	\$45,693.08	\$268,658.06	47.69	\$5,633.43
2008	\$3,275,851.59	\$397,122.55	\$434,315.47	\$3,005,328.70	48.65	\$61,774.49
2009	\$358,437.05	\$36,814.74	\$40,262.67	\$336,096.24	49.62	\$6,773.40
2010	\$347,358.52	\$29,244.43	\$31,983.35	\$332,743.10	50.59	\$6,577.25
2011	\$389,320.76	\$25,493.43	\$27,881.04	\$380,905.75	51.57	\$7,386.19
2012	\$658,114.90	\$30,907.47	\$33,802.14	\$657,218.51	52.54	\$12,508.92
2013	\$664,159.49	\$18,765.52	\$20,523.03	\$676,844.44	53.52	\$12,646.57
2014	\$231,669.93	\$2,167.17	\$2,370.14	\$240,883.29	54.51	\$4,419.07
	\$12,050,900.15	\$3,101,492.20	\$3,391,965.57	\$9,261,479.59		\$220,990.04

Minnesota Energy Resources Corporation  
 Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3921 RCG35 Trans Equip

Survivor Curve: L3  
 Average Service Life: 8  
 Net Salvage Percent: 25  
 Remaining Life (Years): 5.03

Year	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2002	\$9,659.23	\$5,976.65	\$5,988.93	\$1,255.49	1.40	\$896.78
2007	\$726,209.19	\$374,451.61	\$375,221.28	\$169,435.61	2.50	\$67,774.24
2008	\$94,872.47	\$46,250.33	\$46,345.39	\$24,808.96	2.80	\$8,860.34
2009	\$468,698.23	\$210,914.20	\$211,347.73	\$140,175.95	3.20	\$43,804.98
2010	\$600,752.29	\$236,546.21	\$237,032.42	\$213,531.79	3.80	\$56,192.58
2011	\$744,459.71	\$237,296.53	\$237,784.28	\$320,560.50	4.60	\$69,687.06
2012	\$755,756.03	\$177,130.32	\$177,494.40	\$389,322.62	5.50	\$70,785.93
2013	\$922,282.28	\$129,695.95	\$129,962.53	\$561,749.18	6.50	\$86,422.95
2014	\$916,958.91	\$42,982.45	\$43,070.80	\$644,648.39	7.50	\$85,953.12
	\$5,239,648.34	\$1,461,244.26	\$1,464,247.77	\$2,465,488.49		\$490,377.99

## Attachment 2

## Minnesota Energy Resources Corporation

## Minnesota Energy Resources Corporation

## Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

## 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	\$594.41	\$699.30	\$0.00	2.25	\$0.00
1991	\$2,640.00	\$1,447.60	\$1,848.00	\$0.00	3.25	\$0.00
1992	\$2,721.15	\$1,428.60	\$1,904.81	\$0.00	3.75	\$0.00
2000	\$7,043.39	\$2,383.01	\$4,930.37	\$0.00	7.75	\$0.00
2004	\$4,772.72	\$1,169.32	\$3,340.90	\$0.00	9.75	\$0.00
2006	\$24,805.71	\$4,919.80	\$17,364.00	\$0.00	10.75	\$0.00
2010	\$9,953.44	\$1,045.11	\$6,967.41	\$0.00	12.75	\$0.00
2011	\$15,448.26	\$1,261.61	\$10,813.78	\$0.00	13.25	\$0.00
2014	\$9,802.26	\$343.08	\$6,711.51	\$150.07	14.25	\$10.53
	\$78,653.93	\$14,920.14	\$54,907.62	\$150.07		\$10.53

Minnesota Energy Resources Corporation  
Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2014

Depreciation Group 3960 RCG35 Pwr Oper Equip

Survivor Curve: L2  
Average Service Life: 14  
Net Salvage Percent: 10  
Remaining Life (Years): 10.28

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	\$16,811.11	\$21,651.85	\$0.00	3.13	\$0.00
1996	\$4,444.30	\$2,759.91	\$3,601.49	\$398.38	4.34	\$91.79
2002	\$8,588.04	\$4,516.08	\$5,893.17	\$1,836.07	5.82	\$315.48
2004	\$64,882.53	\$31,783.17	\$41,474.78	\$16,919.50	6.38	\$2,651.96
2005	\$6,101.58	\$2,847.69	\$3,716.04	\$1,775.38	6.74	\$263.41
2009	\$51,099.89	\$16,392.11	\$21,390.55	\$24,599.35	9.01	\$2,730.23
2010	\$5,639.00	\$1,515.28	\$1,977.33	\$3,097.77	9.82	\$315.45
2012	\$57,228.89	\$8,939.97	\$11,666.03	\$39,839.97	11.57	\$3,443.39
2013	\$51,233.74	\$4,874.52	\$6,360.91	\$39,749.46	12.52	\$3,174.88
2014	\$25,802.83	\$829.38	\$1,082.28	\$22,140.27	13.50	\$1,640.02
	\$304,616.31	\$96,253.35	\$123,798.53	\$150,356.15		\$14,626.60

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA            )  
  ) ss  
COUNTY OF HENNEPIN        )

Kristin M. Stastny hereby certifies that on the 1st day of June, 2015, on behalf of Minnesota Energy Resources Corporation (MERC) she electronically filed a true and correct copy of the attached Petition 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.

/s/ Kristin M. Stastny  
Kristin M. Stastny

Subscribed and sworn to before me  
This 1st Day of June, 2015.

/s/ Alice Jaworski  
Notary Public, State of Minnesota

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__MERC 2015 Annual Depreciation
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__MERC 2015 Annual Depreciation
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	150 S. 5th Street, #1200  Minneapolis, MN 55402	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
Gregory J.	Cieslewicz	gjcieslewicz@integrysgrp.com	Minnesota Energy Resources Corporation	700 N. Adams Street P.O. Box 19001 Green Bay, WI 543079001	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
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__MERC 2015 Annual Depreciation
Daryll	Fuentes	dfuentes@usg.com	USG Corporation	550 W Adams St  Chicago, IL 60661	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
Amber	Lee	ASLee@minnesotaenergyresources.com	Minnesota Energy Resources Corporation	2665 145th St W  Rosemount, MN 55068	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
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__MERC 2015 Annual Depreciation
Brian	Meloy	brian.meloy@stinsonleonard.com	Stinson, Leonard, Street LLP	150 S 5th St Ste 2300  Minneapolis, MN 55402	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
Kristin	Stastny	stastny.kristin@dorsey.com	Dorsey & Whitney LLP	50 South 6th Street Suite 1500 Minneapolis, MN 55402	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation
Tina E	Wuyts	tewuyts@integrysgroup.com	Minnesota Energy Resources Corporation	PO Box 19001 700 N Adams St Green Bay, WI 54307-9001	Electronic Service	No	GEN_SL__MERC 2015 Annual Depreciation