

November 5, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E015/D-18-544

Dear Mr. Wolf:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department), in the following matter:

Minnesota Power's 2018 Remaining Life Depreciation Petition.

The petition was filed on August 21, 2018 by:

Debbra A. Davey
Supervisor, Accounting
Minnesota Power
30 West Superior Street
Duluth, MN 55802

The Department recommends **approval, with modifications**, and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Craig Addonizio
Financial Analyst

CA/jl
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E015/D-18-544

I. SUMMARY OF THE UTILITY'S PROPOSAL

On August 21, 2018, Minnesota Power (MP or the Company) submitted its 2018 Remaining Life Depreciation Petition (Petition) to the Minnesota Public Utilities Commission (Commission). The Company reviewed its current remaining lives for its production facilities and one general plant account for which it uses a remaining-life depreciation method, and has proposed one-year passage-of-time adjustments for all of its facilities except for Boswell Energy Center's (Boswell) Unit 3 (BEC3), Unit 4 (BEC4), and Common facilities (BEC Common). For those facilities, which have the same remaining life, the Company proposed a decrease of 16 years, consistent with the Commission's Order in MP's most recent rate case.¹ The Company has also proposed to recalculate the salvage rates for certain generation facilities to reflect changes in gross plant balances.

For the Company's generation facilities, the proposed changes would result in an increase in depreciation expense of \$22.2 million, relative to the expense that would be produced by the depreciation parameters in effect during 2017. However, as discussed in greater detail below, the proposed changes result in an increase in expense of only \$0.2 million relative to the depreciation parameters that were approved in the Company's most recent rate case.

II. DEPARTMENT ANALYSIS

The Department examined MP's Petition for compliance with filing requirements and previous Commission Orders, and for the reasonableness of the proposed depreciation parameters.

A. DEPRECIATION RULES AND FILING REQUIREMENTS

Minnesota Statutes Section 216B.11 and Minnesota Rules, parts 7825.0500-7825.0900 require public utilities to seek Commission certification of their depreciation rates and methods.

¹ Docket No. E015/GR-16-664.

Utilities must use a straight-line depreciation method unless they can justify a different method. Additionally, utilities must review their depreciation rates annually to determine if they are generally appropriate and must file depreciation studies at least once every five years. Once certified by order, depreciation rates remain in effect until the next certification. As required, MP employs a straight-line depreciation method, and files annual depreciation studies for its generation assets. However, as a result of calculation errors, the actual depreciation accruals recorded in 2017 for BEC3 and BEC Common were not consistent with the Commission's approved depreciation parameters. The Department discusses these errors and a recommended correction in greater detail below.

B. PRIOR COMMISSION ORDERS

1. Comparison of Depreciation Remaining Lives and Resource Planning Remaining Lives

The Commission's March 21, 2018 Order in Docket No. E015/D-17-118 (2017 Depreciation Docket) required the Company to include "a comparison of the remaining lives used in its depreciation filing to the operating lives used in the Company's most recent integrated resource plan and explain any differences." MP did so on pages 6-12 of its Petition. As shown on pages 6-7 of its Petition, aside from some minor differences for Boswell Units 1, 2, and 3, the remaining lives assumed in MP's Petition align with the operational lives assumed in MP's most recent IRP. The Department concludes that MP has reasonably complied with this reporting requirement.

The Department recommends that the Commission require MP to continue to provide in future remaining life depreciation studies a comparison of the remaining lives used in its depreciation filing and the operational lives used in the utility's then-current resource plan, and an explanation of any differences.

2. Reporting Related to the Sale of MP's Aircraft

The Commission's Order in the 2017 Depreciation Docket also required the Company to report to the Commission information regarding the sale or disposal of its aircraft, and particularly its proposed treatment of any gain or loss. On page 13 of its Petition, MP explained that it retired and donated its corporate jet. Because the jet was fully depreciated, and donated rather than sold, there was no gain or loss associated with its retirement. The Department concludes that MP has reasonably complied with this reporting requirement.

C. REASONABLENESS OF PROPOSED DEPRECIATION PARAMETERS

1. Remaining Lives

As noted above, MP proposed one-year passage-of-time adjustments to the remaining lives of all of its facilities, except for BEC3, BEC4, and BEC Common. The Department concludes that all of MP's proposed remaining lives are reasonable. The Department provides additional discussion of BEC3, BEC4, BEC Common, and general plant account 390 Structures and Improvements below.

a. BEC3, BEC4, and BEC Common

In Minnesota Power's most recent rate case, Docket No. E015/GR-16-664 (the 2016 Rate Case), the Commission initially approved final rates reflecting a retirement year of 2050 for BEC3, BEC4, and BEC Common, effective January 1, 2017.² The 2050 retirement year represented significant life extensions for those units. While the units are not expected to operate until 2050, the Commission determined that it was reasonable and appropriate to separate the accounting remaining lives of those units from their expected operational remaining lives as a way to mitigate the Company's proposed rate increase. The Commission's March 21, 2018 Order in MP's 2017 Depreciation Docket incorporated its decision in the 2016 Rate Case, and also set the remaining life for those units based on a retirement year of 2050.

The Commission subsequently granted reconsideration in the 2016 Rate Case and ordered that final rates be adjusted to reflect tax savings resulting from the 2017 federal Tax Cuts and Jobs Act beginning January 1, 2018.³ Because the estimated tax savings were approximately equal to the impact of the life extensions for BEC3, BEC4, and BEC Common, the Commission also determined that the life extension was no longer needed as a rate mitigation measure, and set the retirement year of those facilities to 2035, also effective January 1, 2018.

The Company's proposal in its Petition to reduce the remaining life of these facilities from 33 years to 18 years aligns with the Commission's final decision in the 2016 Rate Case, and the Department concludes that it is reasonable.

b. General Plant Account 390 Structures and Improvements

Minnesota Energy Resources Corporation (MERC) recently built a new general office building, and moved out of and retired its old general office building.⁴ The old office building, however,

² See the Commission's March 12, 2018 Order in the 2016 Rate Case, pages 11-15 and Order Points 3-6.

³ See the Commission's May 29, 2018 Order in the 2016 Rate Case.

⁴ See the September 21, 2018 Report of the Administrative Law Judge in Docket No. G011/GR-17-563 at 39-43.

was not fully depreciated at the time of its retirement, in part due to the fact that MERC treated it as part of a group of structures that it depreciated together using group accounting. In its current rate case, Docket No. G011/GR-17-563, MERC effectively proposed to continue to recover the undepreciated portion of the old general office building in rates via depreciation expense for the group, despite the fact that it was no longer used and useful. The Department recommended that the Commission deny recovery of the undepreciated portion of the old office building. The matter is currently awaiting a final decision from the Commission.

As discussed in the Department's testimony in MERC's rate case, group accounting is typically used for property accounts that include large numbers of relatively low-cost items, such as utility poles, meters, or distribution lines, that are too numerous to track individually. Group accounting therefore may not be appropriate for large property items like an office building that can be tracked separately.

In its response to Department Information Request No. 6, MP provided a list of all the structures booked to account 390 Structures and Improvements, as well as their gross plant balances.⁵ For MP, account 390 includes 60 structures with a total gross plant value of \$73.6 million. However, the gross plant value of four largest structures is \$45.3 million, or 62 percent of the total, while the gross plant value of the smallest 45 structures accounts for only \$6.7 million, or 9.1 percent of the total. Because the largest structures represent such a disproportionate share of the property booked to the account, it may be appropriate to depreciate them separately from the rest of the group. Doing so may help to avoid an issue like the one in MERC's rate case.

In its response to Department Information Request No. 12, the Company stated that it would be willing to depreciate its larger structures separately.⁶ The Company also estimated that if the life of its General Office Building, Herbert Service Center, and Rowe Energy Control Center (three of its four largest structures by gross plant) were extended from 19 years (reflecting the current expected retirement year of 2036), to 33 years (reflecting an expected retirement year of 2050), depreciation expense would decrease by \$0.5 million per year.

The Department appreciates MP's willingness to change its depreciation practice in response to this issue, but notes that more information is needed to make the change. For example, it is not clear to the Department how MP developed its estimate of a 2050 expected retirement year for the three structures it identified, and it is not clear how MP allocated the existing depreciation reserve between those structures and the other 57 structures booked to account 390. Therefore, it is not clear how MP derived its estimate of a \$0.5 million reduction to depreciation expense. Further, it is not clear why MP did not propose to also separate its

⁵ See Department Attachment No. 1.

⁶ See Department Attachment No. 2.

Eveleth Service Center, which is larger than the Rowe Energy Control Center by gross plant value, from the rest of the group. Lastly, it appears that MP assumed that the remaining life for the structures that would continue to be depreciated as a group would remain unchanged (i.e. continue to have an expected retirement year of 2036). It is not clear to the Department why the removal of three structures representing more than half of the gross plant balance of the account with longer-than-average remaining lives from the group would not result in a *decrease* in the remaining life in of the rest of the group.

Because this issue is not urgent, rather than implementing a change in this Docket, the Department recommends that the Commission require MP to present a more detailed proposal in its next remaining life depreciation petition that explains how MP will:

- determine which structures should be removed from the group to be depreciated separately, and which should remain in the group;
- allocate the existing depreciation reserve among structures that should be removed from the larger group and those that remain in the group;
- determine the remaining lives for structures that should be removed from the group and the remaining life for the group.

2. *Salvage Rates*

In its Petition, the Company proposed to recalculate the salvage rates for its steam generation facilities using beginning 2017 gross plant balances and the decommissioning estimates from its most recent decommissioning study, which was first submitted to the Commission in Docket No. E015/D-16-797. The impact of updating these salvage rates with more current gross plant balances is an increase in depreciation expense of \$0.2 million.⁷

Salvage rates are typically updated only when a utility conducts a new decommissioning study. When that happens, salvage rates are calculated using the new decommissioning estimates and then-current gross plant balances, and the resulting salvage rates remain fixed until a new decommissioning study is conducted. The Department notes that in the 2017 Depreciation Docket, the Company was permitted to update its salvage rates using previously-established decommissioning estimates and updated gross plant balances. However, in that Docket, MP was required to update its salvage rates to eliminate decommissioning probabilities.⁸

⁷ See Petition, Appendix A-1.

⁸ See Docket No. E,G999/CI-13-626, *In the Matter of a Commission Inquiry into Decommissioning Policies Related to Depreciation*. In relevant summary, the Commission required MP to stop using decommissioning probabilities the next time the Company filed a rate case. In its 2017 rate case, MP complied with the Commission's Order, and in the Company's 2017 Depreciation Docket, MP included salvage rates calculated with decommissioning probabilities of 100 percent.

In this Docket, the Company did not conduct a new decommissioning study, and did not provide any explanation for its request to update its salvage rates. While the Department recognizes that the difference between updating the salvage rates versus not updating them in this Docket is very small, absent a compelling reason to update the salvage rates, the Department prefers to adhere to the normal practice of leaving salvage rates fixed until a new study is completed. Therefore, the Department recommends that the Commission deny MP's request and require the Company to continue to use the salvage rates established in the 2017 Depreciation Docket.

D. ERRONEOUS 2017 DEPRECIATION ACCRUALS FOR BEC3 AND BEC COMMON

In Docket No. E015/D-16-797 (MP's 2016 Depreciation Docket), the Commission approved a remaining life for BEC Common based on an expected retirement year of 2029 for calendar year 2016.⁹ When 2017 started, MP continued accruing depreciation using the same expected retirement year. In the Company's 2016 Rate Case, MP proposed to extend the BEC Common remaining life to reflect an expected retirement year of 2050. During the course of that proceeding, the Department supported the Company's proposal, while other parties recommended a shorter remaining life. On November 7, 2017, the Administrative Law Judge in the 2016 Rate Case issued his report recommending a remaining life for BEC Common based on an expected retirement year of 2035. As explained in MP's response to Department Information Request No. 1, in November, 2017, MP assessed that it was probable that the remaining life of BEC Common would be extended from 2029 to at least 2035, if not 2050, and made an adjustment to the depreciation expense it had already recorded in 2017 to reflect an extension from 2029 to 2035.

The Commission heard MP's 2016 Rate Case at two meetings in January 2018, and orally approved a life extension to 2050 for BEC Common. At the time, MP had not yet fully closed its accounting books for 2017, and made a second adjustment to BEC Common's 2017 depreciation expense to reflect the Commission's decision. Because MP had already made an adjustment to depreciation expense to reflect a life extension from 2029 to 2035, this second adjustment should have reflected a life extension from 2035 to 2050. However, MP calculated the adjustment to reflect a life extension from 2029 to 2050. Thus, the second adjustment, which was a reduction to depreciation expense, was larger than it should have been, and resulted in BEC Common's 2017 depreciation expense being \$2.0 million less than it should have been.

As explained in MP's response to Department Information Request No. 7b, a similar error resulted in 2017 depreciation expense for BEC3 being understated by \$0.8 million.¹⁰ In November, MP recorded an adjustment to the depreciation expense that had been accrued up

⁹ See Department Attachment 3.

¹⁰ See Department Attachment 4.

to that point for BEC3 to reflect a life extension from 2034 to 2035. In January, MP recorded a second adjustment intended to reflect the life extension to 2050. However, the second adjustment was calculated to reflect a life extension from 2034 to 2050, rather than from 2035 to 2050. As a result, the reduction to expense was larger than it should have been, and 2017 depreciation expense was \$0.8 million less than it should have been.

In response to Department Information Request No. 7c, MP explained that no similar or related errors had any impacts on the final rates determined in the 2016 Rate Case.

As a result of these errors, annual depreciation expense will be slightly higher each year over the remaining lives of BEC3 and BEC Common than it would have been had 2017 depreciation expense been calculated correctly. Any rates that reflect BEC3's and BEC Common's depreciation expense from now until they are retired will also be slightly higher than they otherwise would have been. In order to avoid this, the Department recommends that the Commission require MP to record in 2018 \$2.0 million of supplemental depreciation expense for BEC Common and \$0.8 million for BEC3.

III. CONCLUSION AND RECOMMENDATIONS

The Department recommends that the Commission:

1. approve Minnesota Power's proposed remaining lives;
2. deny Minnesota Power's request to update its salvage rates and approve the salvage rates approved Docket No. E015/D-17-118, as shown in Appendix A-1 to the Company's Petition;
3. require Minnesota Power to record, during 2018, supplemental depreciation expense of \$2.0 million for the Boswell Common Facilities, and \$0.8 million for Boswell Unit 3.
4. require MP to include in future depreciation filings a comparison of the remaining lives used in its depreciation filing to the operating lives used in the Company's most recent integrated resource plan and explain any differences;
5. require MP to make its next depreciation filing on or before September 2, 2019 to establish depreciation parameters and rates to be effective January 1, 2019.

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket No. E015/D-18-544
Department Attachment 1
Page 1 of 7

Docket Number: E015/D-18-544 ☐ Nonpublic ☒ Public
Requested From: Debbra A. Davey, Minnesota Power Date of Request: 9/24/2018
Type of Inquiry: Financial Response Due: 10/4/2018

Requested by: Craig Addonizio
Email Address(es): craig.addonizio@state.mn.us
Phone Number(s): 651-539-1818

Request Number: 6
Topic: Property Booked to Account 390
Reference(s): Petition, page 12

Request:

- a. Please provide a list identifying all structures booked to Account 390, as well as each structure's gross plant value and age.
- b. Please explain generally how MP assesses the remaining life of the entire account (e.g. is it a weighted average of the individual structures' remaining lives?).

RESPONSE:

- a. See DOC IR 06.Attach 1 for a list of facilities in Account 390 by installation date.
- b. We proposed a remaining life with the passage of one year's time for Account 390, which is 19 years (end of life 12/2036), because it is close to the weighted average of Account 390 of about 18.4 years. You can see this calculation at the bottom of DOC IR 06.Attach 1.

Response Date: October 3, 2018
Response by: Debbra Davey
Email Address: ddavey@allete.com
Phone Number: 218-355-3714

Facility	1921	1954	1962	1964	1973	1974	1976	1978	1979
GENERAL OFFICE BUILDING : 0511	-	-	629,654.64	-	-	62,269.70	1,643.91	813,698.23	3,051,605.55
HERBERT SERVICE CENTER : 0514	-	-	-	-	-	-	-	1,292,132.83	7,136.26
EVELETH SERVICE CENTER : 0501	-	-	-	-	-	-	-	-	-
ROWE ENERGY CONTROL CENTER : 0515	-	-	-	-	-	-	-	980,632.41	41,986.33
LITTLE FALLS SERVICE CENTER : 0505	-	-	-	-	-	-	-	985,175.38	-
CLOQUET SERVICE CENTER : 0518	-	-	-	-	-	-	-	-	-
PARK RAPIDS SERVICE CENTER : 0510	-	-	-	-	-	-	-	-	-
COLERAINE SERVICE CENTER : 0519	-	-	-	-	-	-	-	-	-
SANDSTONE SERVICE CENTER : 0517	-	-	-	-	-	-	-	-	-
PINE RIVER SERVICE CENTER : 0509	-	-	-	-	-	-	-	-	-
SQUARE BUTTE DC 250KV SUBSTATION : 3018	-	-	-	-	-	-	-	-	-
HANGAR - DULUTH INTERNATIONAL AIRPORT : 0524	-	-	-	-	-	-	-	-	-
CROSBY SERVICE CENTER : 0508	-	-	-	-	-	-	-	-	-
L FALLS DC LINE MATERIAL STORAGE FACILITY: 0539	-	-	-	-	-	-	-	-	-
INTERNATIONAL FALLS SERVICE CENTER : 0502	-	-	-	-	-	-	-	-	-
230KV BOSWELL-CALUMET LINE #102:3502	-	-	-	-	-	-	-	-	-
HAZARDOUS WASTE FACILITY - 1424 W SUPERIOR ST : 0512	60,587.61	-	-	-	-	-	-	-	-
ENVIRONMENTAL LAB - 1510 W SUPERIOR ST : 0513	-	-	174,649.48	-	-	-	-	-	-
ARROWHEAD DC 250KV SUBSTATION:3007	-	-	-	-	-	-	-	-	-
Generation Operations Building : 0147	-	-	-	-	-	-	-	-	-
FORBES 500/230KV SUBSTATION : 3016	-	-	-	-	-	-	-	-	-
SANDSTONE MICROWAVE SITE : 5162	-	-	-	-	-	-	-	24,238.07	-
MIDWAY TOWER (EVELETH-VIRGINIA) : 5247	-	-	-	-	-	-	-	10,245.65	-
MARKHAM-WHITEFACE MICROWAVE SITE : 5254	-	-	-	-	-	-	-	27,640.73	-
BARNUM MICROWAVE SITE : 5155	-	-	-	-	2,404.54	-	-	-	-
RIVERTON 230/115KV SUBSTATION : 3022	-	-	-	-	-	-	-	12,857.41	-
PLATTE RIVER 115/34kv SUBSTATION: 4495	-	-	-	-	-	-	-	-	-
PEPIN LAKE 115/34KV SUBSTATION : 4455	-	-	-	-	-	-	-	-	-
BABBITT SPUR (MINE SITE) : 5250	-	-	-	-	-	-	-	-	-
LAKE SUPERIOR PLACE : 0520	-	-	-	-	-	-	-	-	-
THOMSON HE STATION - PROJECT 2360 : 0205	-	-	-	-	-	-	-	11,591.89	-
ARROWHEAD 230/115KV SUBSTATION : 3001	-	-	-	-	-	-	-	27,278.78	-
AKELEY 115/34 KV SUBSTATION : 4494	-	-	-	-	-	-	-	-	-
SYLVAN HE STATION - PROJECT NO 2454 : 0240	-	-	-	-	-	-	-	-	-
LITTLEFORK 230/115KV SUBSTATION : 3039	-	-	-	-	-	-	-	-	-
TAFT 115/34KV SUB:4252	-	-	-	-	-	-	-	-	-
VERNDALE 115/34KV SUBSTATION : 4464	-	-	-	-	-	-	-	18,662.73	-
LAWLER REPEATER : 5163	-	-	-	-	-	-	-	5,517.10	-
LITTLE FALLS 115/34KV SUBSTATION : 4437	-	-	-	-	-	-	-	6,330.47	-
BLACKBERRY 230/115KV SUBSTATION : 3006	-	-	-	-	-	-	-	10,940.23	-
EAGLE VALLEY 115/34 KV SUBSTATION : 4493	-	-	-	-	-	-	-	-	-
FIBER OPTICS - ARROWHEAD-FORBES : 5603	-	-	-	-	-	-	-	-	-
LAKESIDE RECORDS CENTER : 0523	-	-	-	-	-	-	-	-	-
LOST LAKE MICROWAVE SITE : 5172	-	-	-	-	-	-	-	23,462.04	-
WINTON HE STATION - PROJECT 469 : 0215	-	-	-	-	-	-	-	-	-
Taconite Harbor Energy Center : 0185	-	-	-	-	-	-	-	-	-
TACONITE RIDGE ENERGY CENTER : 0190	-	-	-	-	-	-	-	9,308.42	-
MARCELL MICROWAVE SITE : 5261	-	-	-	-	-	-	-	-	-
FAIRLAND MICROWAVE SITE : 5263	-	-	-	-	-	-	-	-	-
KOOCHICING COUNTY MICROWAVE REPEATER : 5268	-	-	-	-	-	-	-	-	-
MAPLE HILL COMMUNICATIONS : 5245	-	-	-	-	-	-	-	324.31	-
MARGIE MICROWAVE SITE : 5262	-	-	-	-	-	-	-	-	-
SALOL MICROWAVE SITE : 5256	-	-	-	-	-	-	-	-	-
SHANNON 230/115KV SUBSTATION : 3038	-	-	-	-	-	-	-	20,085.23	-
BAUDETTE MICROWAVE SITE : 5264	-	-	-	-	-	-	-	-	-
WILLIAMS MICROWAVE SITE : 5265	-	-	-	-	-	-	-	-	-
15TH AVE W PARKING LOT : 0527	-	-	-	2,998.34	-	-	-	-	-
LAKE SUPERIOR PAPER 115/14KV SUBSTATION : 4183	-	-	-	-	-	-	-	-	-
New Salem Office Complex (Bison) - ND:5505	-	-	-	-	-	-	-	-	-
Miscellaneous	-	2,623.09	-	-	5,010.06	-	-	135,503.34	-
Total	60,587.61	2,623.09	804,304.12	2,998.34	7,414.60	62,269.70	1,643.91	4,415,625.25	3,100,728.14
Percent of Total	0.0823%	0.0036%	1.0924%	0.0041%	0.0101%	0.0846%	0.0022%	5.9973%	4.2114%
Age	97.0	64.0	56.0	54.0	45.0	44.0	42.0	40.0	39.0
Weighted Average	0.080	0.002	0.612	0.002	0.005	0.037	0.001	2.399	1.642

Facility	1980	1981	1982	1983	1984	1985	1986	1987	1988
GENERAL OFFICE BUILDING : 0511	-	427,422.01	94,574.94	4,508.03	40,598.68	26,213.47	-	87,246.01	13,038.48
HERBERT SERVICE CENTER : 0514	6,517.75	2,163,584.25	58,772.97	3,884.53	64,565.59	8,871.20	51,196.53	7,083.59	583,283.08
EVELETH SERVICE CENTER : 0501	-	-	-	-	2,891,870.07	101,471.43	-	-	-
ROWE ENERGY CONTROL CENTER : 0515	25,365.30	515,552.72	-	1,238.72	16,363.78	34,342.10	-	7,776.28	-
LITTLE FALLS SERVICE CENTER : 0505	14,445.00	26,756.64	-	65,295.35	-	1,899.29	109,109.69	-	-
CLOQUET SERVICE CENTER : 0518	-	-	1,759,299.70	1,581.71	-	-	-	-	-
PARK RAPIDS SERVICE CENTER : 0510	-	-	-	-	-	-	1,702.43	-	1,483,228.76
COLERAINE SERVICE CENTER : 0519	-	-	1,311,953.43	2,020.06	-	-	-	-	-
SANDSTONE SERVICE CENTER : 0517	-	-	-	-	-	-	-	-	1,331,797.87
PINE RIVER SERVICE CENTER : 0509	-	-	-	-	-	-	1,715.12	1,230,282.96	-
SQUARE BUTTE DC 250KV SUBSTATION : 3018	-	-	-	-	-	-	-	-	-
HANGAR - DULUTH INTERNATIONAL AIRPORT : 0524	-	-	-	-	-	-	-	-	-
CROSBY SERVICE CENTER : 0508	-	-	-	-	-	1,252,352.70	10,717.22	-	-
L FALLS DC LINE MATERIAL STORAGE FACILITY: 0539	-	-	-	-	-	-	-	-	-
INTERNATIONAL FALLS SERVICE CENTER : 0502	498,509.04	-	-	-	14,002.03	-	2,715.15	89,461.60	-
230KV BOSWELL-CALUMET LINE #102:3502	-	-	-	-	-	-	-	-	-
HAZARDOUS WASTE FACILITY - 1424 W SUPERIOR ST : 0512	-	353.24	-	-	5,850.21	-	-	-	39,160.10
ENVIRONMENTAL LAB - 1510 W SUPERIOR ST : 0513	-	-	-	-	6,888.33	-	-	1,773.80	-
ARROWHEAD DC 250KV SUBSTATION:3007	-	-	-	-	-	-	-	-	-
Generation Operations Building : 0147	-	-	-	-	-	-	-	-	-
FORBES 500/230KV SUBSTATION : 3016	-	-	-	-	-	-	-	-	-
SANDSTONE MICROWAVE SITE : 5162	-	-	-	-	-	-	-	-	-
MIDWAY TOWER (EVELETH-VIRGINIA) : 5247	-	-	-	-	-	-	-	-	-
MARKHAM-WHITEFACE MICROWAVE SITE : 5254	-	-	-	-	-	-	-	-	-
BARNUM MICROWAVE SITE : 5155	-	-	-	-	-	-	-	-	-
RIVERTON 230/115KV SUBSTATION : 3022	-	-	-	-	-	-	-	-	-
PLATTE RIVER 115/34kv SUBSTATION: 4495	-	-	-	-	-	-	-	-	-
PEPIN LAKE 115/34KV SUBSTATION : 4455	-	-	-	-	-	-	-	-	-
BABBITT SPUR (MINE SITE) : 5250	-	-	-	-	-	-	-	-	-
LAKE SUPERIOR PLACE : 0520	-	-	-	-	-	-	-	-	-
THOMSON HE STATION - PROJECT 2360 : 0205	-	-	-	-	-	-	-	-	-
ARROWHEAD 230/115KV SUBSTATION : 3001	-	-	-	-	-	-	-	-	-
AKELEY 115/34 KV SUBSTATION : 4494	-	-	-	-	-	-	-	-	-
SYLVAN HE STATION - PROJECT NO 2454 : 0240	-	-	-	-	-	-	-	-	-
LITTLEFORK 230/115KV SUBSTATION : 3039	-	-	-	-	-	-	-	-	-
TAFT 115/34KV SUB:4252	-	-	-	-	-	-	-	-	-
VERNDALE 115/34KV SUBSTATION : 4464	-	-	-	-	-	-	-	-	-
LAWLER REPEATER : 5163	-	-	-	-	-	-	-	-	-
LITTLE FALLS 115/34KV SUBSTATION : 4437	-	-	-	-	-	-	-	-	-
BLACKBERRY 230/115KV SUBSTATION : 3006	-	-	-	-	-	-	-	-	-
EAGLE VALLEY 115/34 kv SUBSTATION : 4493	-	-	-	-	-	-	-	-	-
FIBER OPTICS - ARROWHEAD-FORBES : 5603	-	-	-	-	-	-	-	-	-
LAKESIDE RECORDS CENTER : 0523	-	-	-	-	-	-	-	-	-
LOST LAKE MICROWAVE SITE : 5172	-	-	-	-	-	-	-	-	-
WINTON HE STATION - PROJECT 469 : 0215	-	-	-	-	-	-	-	-	-
Taconite Harbor Energy Center : 0185	-	-	-	-	-	-	-	-	-
TACONITE RIDGE ENERGY CENTER : 0190	-	-	-	-	-	-	-	-	-
MARCELL MICROWAVE SITE : 5261	48,218.94	-	-	-	-	-	-	-	-
FAIRLAND MICROWAVE SITE : 5263	44,738.27	-	-	-	-	684.04	-	-	-
KOOCHICHING COUNTY MICROWAVE REPEATER : 5268	-	29,434.20	-	-	-	699.77	-	-	-
MAPLE HILL COMMUNICATIONS : 5245	34,468.40	-	-	-	-	-	-	-	-
MARGIE MICROWAVE SITE : 5262	-	36,876.13	-	-	-	422.85	-	-	-
SALOL MICROWAVE SITE : 5256	-	28,982.13	-	-	-	-	-	-	-
SHANNON 230/115KV SUBSTATION : 3038	3,454.72	-	-	-	-	-	-	-	-
BAUDETTE MICROWAVE SITE : 5264	24,878.10	-	-	-	-	-	-	-	-
WILLIAMS MICROWAVE SITE : 5265	22,836.27	-	-	-	-	-	-	-	-
15TH AVE W PARKING LOT : 0527	-	-	-	-	-	-	-	-	-
LAKE SUPERIOR PAPER 115/14KV SUBSTATION : 4183	-	-	-	-	-	-	-	-	-
New Salem Office Complex (Bison) - ND:5505	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	2,049.20	21,274.62	-	-	-	10,895.93	-
Total	723,431.79	3,228,961.32	3,226,650.24	99,803.02	3,040,138.69	1,426,956.85	177,156.14	1,434,520.17	3,450,508.29
Percent of Total	0.9826%	4.3856%	4.3824%	0.1356%	4.1291%	1.9381%	0.2406%	1.9484%	4.6865%
Age	38.0	37.0	36.0	35.0	34.0	33.0	32.0	31.0	30.0
Weighted Average	0.373	1.623	1.578	0.047	1.404	0.640	0.077	0.604	1.406

Facility	1989	1990	1991	1992	1993	1994	1995	1996	1997
GENERAL OFFICE BUILDING : 0511	-	90,813.57	28,883.30	49,196.06	-	21,261.09	73,044.75	-	26,467.46
HERBERT SERVICE CENTER : 0514	30,402.54	1,305,879.72	37,741.89	279,345.02	-	199,420.79	125,770.25	-	-
EVELETH SERVICE CENTER : 0501	-	92,923.14	123,556.30	742,035.17	-	-	-	-	7,095.57
ROWE ENERGY CONTROL CENTER : 0515	-	146,360.65	-	143,095.98	185,894.11	60,857.63	115,581.98	50,710.21	-
LITTLE FALLS SERVICE CENTER : 0505	48,778.72	538,495.64	1,130,692.46	9,456.21	9,831.26	-	-	3,991.26	-
CLOQUET SERVICE CENTER : 0518	15,393.06	-	-	-	-	16,403.28	-	-	-
PARK RAPIDS SERVICE CENTER : 0510	-	-	17,573.79	-	-	-	-	-	-
COLERAINE SERVICE CENTER : 0519	-	-	18,423.44	-	-	-	-	-	-
SANDSTONE SERVICE CENTER : 0517	-	-	19,981.22	-	-	-	-	-	-
PINE RIVER SERVICE CENTER : 0509	-	-	-	15,170.09	-	-	-	-	-
SQUARE BUTTE DC 250KV SUBSTATION : 3018	-	-	-	-	-	-	-	-	-
HANGAR - DULUTH INTERNATIONAL AIRPORT : 0524	-	-	-	-	-	-	-	-	-
CROSBY SERVICE CENTER : 0508	-	17,193.90	-	-	-	-	6,524.70	-	-
L FALLS DC LINE MATERIAL STORAGE FACILITY: 0539	-	-	-	-	-	-	-	-	-
INTERNATIONAL FALLS SERVICE CENTER : 0502	-	-	-	104,472.68	-	-	-	-	-
230KV BOSWELL-CALUMET LINE #102:3502	-	-	-	-	-	-	-	-	-
HAZARDOUS WASTE FACILITY - 1424 W SUPERIOR ST : 0512	78,669.99	-	-	2,132.21	152,525.22	18,647.39	-	16,854.48	66,215.57
ENVIRONMENTAL LAB - 1510 W SUPERIOR ST : 0513	-	-	-	-	-	-	-	-	-
ARROWHEAD DC 250KV SUBSTATION:3007	24,164.98	-	-	-	-	-	-	-	-
Generation Operations Building : 0147	-	-	-	-	-	-	-	-	-
FORBES 500/230KV SUBSTATION : 3016	-	-	-	-	-	-	-	-	-
SANDSTONE MICROWAVE SITE : 5162	-	-	-	-	-	-	-	-	-
MIDWAY TOWER (EVELETH-VIRGINIA) : 5247	-	-	-	-	-	-	-	-	-
MARKHAM-WHITEFACE MICROWAVE SITE : 5254	-	-	-	-	-	-	-	-	-
BARNUM MICROWAVE SITE : 5155	-	-	-	-	-	-	-	-	-
RIVERTON 230/115KV SUBSTATION : 3022	-	-	-	-	-	-	-	-	-
PLATTE RIVER 115/34kv SUBSTATION: 4495	-	-	-	-	-	-	-	-	-
PEPIN LAKE 115/34KV SUBSTATION : 4455	-	-	-	-	-	-	-	-	-
BABBITT SPUR (MINE SITE) : 5250	-	-	-	-	-	-	-	-	-
LAKE SUPERIOR PLACE : 0520	-	-	-	-	-	-	-	-	-
THOMSON HE STATION - PROJECT 2360 : 0205	-	-	-	-	-	-	-	-	-
ARROWHEAD 230/115KV SUBSTATION : 3001	-	-	-	-	-	-	-	-	-
AKELEY 115/34 KV SUBSTATION : 4494	-	-	-	-	-	-	-	-	-
SYLVAN HE STATION - PROJECT NO 2454 : 0240	-	-	-	-	-	-	-	-	-
LITTLEFORK 230/115KV SUBSTATION : 3039	-	-	-	-	-	-	-	-	-
TAFT 115/34KV SUB:4252	-	-	-	-	-	-	-	-	-
VERNDALE 115/34KV SUBSTATION : 4464	-	-	-	-	-	-	-	-	-
LAWLER REPEATER : 5163	-	-	-	-	-	-	-	-	-
LITTLE FALLS 115/34KV SUBSTATION : 4437	-	-	-	-	-	-	-	-	-
BLACKBERRY 230/115KV SUBSTATION : 3006	-	-	-	-	-	-	-	-	-
EAGLE VALLEY 115/34 kv SUBSTATION : 4493	-	-	-	-	-	-	-	-	-
FIBER OPTICS - ARROWHEAD-FORBES : 5603	-	-	-	-	65,681.43	-	-	-	-
LAKESIDE RECORDS CENTER : 0523	-	25,968.95	-	-	-	-	-	-	-
LOST LAKE MICROWAVE SITE : 5172	-	-	-	-	-	-	-	-	-
WINTON HE STATION - PROJECT 469 : 0215	-	3,769.47	-	-	-	-	-	-	-
Taconite Harbor Energy Center : 0185	-	-	-	-	-	-	-	-	-
TACONITE RIDGE ENERGY CENTER : 0190	-	-	-	-	-	-	-	-	-
MARCELL MICROWAVE SITE : 5261	-	-	-	-	-	-	-	-	-
FAIRLAND MICROWAVE SITE : 5263	-	-	-	-	-	-	-	-	-
KOOCHICHING COUNTY MICROWAVE REPEATER : 5268	-	-	-	-	-	-	-	-	-
MAPLE HILL COMMUNICATIONS : 5245	-	-	-	-	-	-	-	-	-
MARGIE MICROWAVE SITE : 5262	-	-	-	-	-	-	-	-	-
SALOL MICROWAVE SITE : 5256	-	-	-	-	-	-	-	-	-
SHANNON 230/115KV SUBSTATION : 3038	-	-	-	-	-	-	-	-	-
BAUDETTE MICROWAVE SITE : 5264	-	-	-	-	-	-	-	-	-
WILLIAMS MICROWAVE SITE : 5265	-	-	-	-	-	-	-	-	-
15TH AVE W PARKING LOT : 0527	-	-	-	-	-	-	-	-	-
LAKE SUPERIOR PAPER 115/14KV SUBSTATION : 4183	-	-	-	-	-	-	-	-	-
New Salem Office Complex (Bison) - ND:5505	-	-	-	-	-	-	-	-	-
Miscellaneous	7,404.52	-	-	-	-	-	1,251.40	19,380.25	-
Total	204,813.81	2,221,405.04	1,376,852.40	1,344,903.42	413,932.02	316,590.18	322,173.08	90,936.20	99,778.60
Percent of Total	0.2782%	3.0171%	1.8700%	1.8266%	0.5622%	0.4300%	0.4376%	0.1235%	0.1355%
Age	29.0	28.0	27.0	26.0	25.0	24.0	23.0	22.0	21.0
Weighted Average	0.081	0.845	0.505	0.475	0.141	0.103	0.101	0.027	0.028

Facility	1998	1999	2000	2001	2002	2003	2004	2005	2006
GENERAL OFFICE BUILDING : 0511	185,460.32	145,661.97	351,806.03	304,390.65	99,135.34	327,445.89	82,587.49	737,115.70	408,387.75
HERBERT SERVICE CENTER : 0514	-	45,147.15	57,315.79	105,108.97	20,307.37	36,163.49	-	494,931.98	2,329,423.89
EVELETH SERVICE CENTER : 0501	-	19,354.61	39,829.53	-	-	-	-	52,440.76	-
ROWE ENERGY CONTROL CENTER : 0515	75,755.12	21,095.58	-	136,462.46	83,697.66	13,291.36	-	229,975.56	513,542.27
LITTLE FALLS SERVICE CENTER : 0505	-	30,658.73	-	72,601.87	-	-	8,399.43	24,913.60	256,297.26
CLOQUET SERVICE CENTER : 0518	-	-	-	-	22,441.97	-	2,909.32	-	-
PARK RAPIDS SERVICE CENTER : 0510	-	-	-	16,547.60	-	-	-	-	-
COLERAINE SERVICE CENTER : 0519	-	59,423.92	-	-	-	-	19,229.60	-	-
SANDSTONE SERVICE CENTER : 0517	-	-	-	-	-	22,455.79	-	-	56,122.39
PINE RIVER SERVICE CENTER : 0509	-	-	3,843.83	-	-	-	21,440.98	-	-
SQUARE BUTTE DC 250KV SUBSTATION : 3018	-	-	-	-	-	-	-	-	-
HANGAR - DULUTH INTERNATIONAL AIRPORT : 0524	-	-	-	-	-	-	-	-	202,783.30
CROSBY SERVICE CENTER : 0508	-	-	-	-	-	20,736.17	-	-	-
L FALLS DC LINE MATERIAL STORAGE FACILITY: 0539	-	-	-	-	-	-	-	-	-
INTERNATIONAL FALLS SERVICE CENTER : 0502	-	-	-	541.62	-	-	17,287.34	50,784.38	7,874.34
230KV BOSWELL-CALUMET LINE #102:3502	-	-	-	-	-	-	-	-	-
HAZARDOUS WASTE FACILITY - 1424 W SUPERIOR ST : 0512	-	-	-	-	-	-	-	-	-
ENVIRONMENTAL LAB - 1510 W SUPERIOR ST : 0513	-	-	-	-	-	15,850.90	-	-	-
ARROWHEAD DC 250KV SUBSTATION:3007	-	-	-	-	-	-	-	-	-
Generation Operations Building : 0147	-	-	-	368,034.43	-	-	-	-	-
FORBES 500/230KV SUBSTATION : 3016	-	-	-	-	-	-	-	-	-
SANDSTONE MICROWAVE SITE : 5162	-	-	-	-	-	-	-	-	-
MIDWAY TOWER (EVELETH-VIRGINIA) : 5247	-	-	-	-	-	-	-	-	-
MARKHAM-WHITEFACE MICROWAVE SITE : 5254	-	-	-	-	-	-	-	-	-
BARNUM MICROWAVE SITE : 5155	-	-	-	-	-	-	-	-	-
RIVERTON 230/115KV SUBSTATION : 3022	77,659.83	-	-	120,441.56	-	-	2,852.49	-	-
PLATTE RIVER 115/34kv SUBSTATION: 4495	-	-	-	-	-	-	-	-	-
PEPIN LAKE 115/34KV SUBSTATION : 4455	-	-	-	-	-	-	-	-	-
BABBITT SPUR (MINE SITE) : 5250	-	-	-	-	-	-	-	-	-
LAKE SUPERIOR PLACE : 0520	-	-	-	-	-	-	-	-	-
THOMSON HE STATION - PROJECT 2360 : 0205	-	-	-	-	-	-	-	-	-
ARROWHEAD 230/115KV SUBSTATION : 3001	53,980.59	-	-	-	-	-	-	-	-
AKELEY 115/34 KV SUBSTATION : 4494	-	-	-	-	-	-	-	-	-
SYLVAN HE STATION - PROJECT NO 2454 : 0240	-	-	-	-	-	-	-	-	-
LITTLEFORK 230/115KV SUBSTATION : 3039	-	-	-	-	-	-	-	95,793.76	-
TAFT 115/34KV SUB:4252	-	-	-	-	-	-	-	-	-
VERNDALE 115/34KV SUBSTATION : 4464	-	70,213.60	-	-	-	-	-	-	-
LAWLER REPEATER : 5163	-	83,351.05	-	-	-	-	-	-	-
LITTLE FALLS 115/34KV SUBSTATION : 4437	-	-	-	-	-	-	-	-	-
BLACKBERRY 230/115KV SUBSTATION : 3006	51,350.63	-	-	-	-	-	-	-	-
EAGLE VALLEY 115/34 kv SUBSTATION : 4493	-	-	-	-	-	-	85,197.36	-	-
FIBER OPTICS - ARROWHEAD-FORBES : 5603	15,463.05	-	-	-	-	-	-	-	-
LAKESIDE RECORDS CENTER : 0523	-	-	-	-	-	-	-	-	-
LOST LAKE MICROWAVE SITE : 5172	-	-	-	-	-	-	-	-	-
WINTON HE STATION - PROJECT 469 : 0215	-	-	-	-	-	-	-	-	-
Taconite Harbor Energy Center : 0185	-	-	-	-	-	-	-	-	-
TACONITE RIDGE ENERGY CENTER : 0190	-	-	-	-	-	-	-	-	-
MARCELL MICROWAVE SITE : 5261	-	-	-	-	-	-	-	-	-
FAIRLAND MICROWAVE SITE : 5263	-	-	-	-	-	-	-	-	-
KOOCHICING COUNTY MICROWAVE REPEATER : 5268	-	-	-	-	-	-	-	-	-
MAPLE HILL COMMUNICATIONS : 5245	-	-	-	-	-	-	-	-	-
MARGIE MICROWAVE SITE : 5262	-	-	-	-	-	-	-	-	-
SALOL MICROWAVE SITE : 5256	-	-	-	-	-	-	-	-	-
SHANNON 230/115KV SUBSTATION : 3038	-	-	-	-	-	-	-	-	-
BAUDETTE MICROWAVE SITE : 5264	-	-	-	-	-	-	-	-	-
WILLIAMS MICROWAVE SITE : 5265	-	-	-	-	-	-	-	-	-
15TH AVE W PARKING LOT : 0527	-	-	-	-	-	-	-	-	-
LAKE SUPERIOR PAPER 115/14KV SUBSTATION : 4183	-	-	-	-	-	-	-	-	-
New Salem Office Complex (Bison) - ND:5505	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	18,341.96	-	-	-	5,205.81	-
Total	459,669.54	474,906.61	452,795.18	1,142,471.12	225,582.34	435,943.60	239,904.01	1,691,161.55	3,774,431.20
Percent of Total	0.6243%	0.6450%	0.6150%	1.5517%	0.3064%	0.5921%	0.3258%	2.2969%	5.1264%
Age	20.0	19.0	18.0	17.0	16.0	15.0	14.0	13.0	12.0
Weighted Average	0.125	0.123	0.111	0.264	0.049	0.089	0.046	0.299	0.615

Facility	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL OFFICE BUILDING : 0511	322,446.87	586,728.93	22,397.84	67,619.14	862,310.63	540,752.19	626,758.55	85,327.62	112,197.61
HERBERT SERVICE CENTER : 0514	265,029.60	1,139,027.21	-	-	593,045.89	6,762.34	-	13,192.41	5,623.03
EVELETH SERVICE CENTER : 0501	240,613.29	37,029.42	-	-	415,695.42	1,208,077.73	82,565.71	96,260.08	16,645.20
ROWE ENERGY CONTROL CENTER : 0515	535,132.36	482,558.73	66,996.97	29,328.89	108,183.09	-	-	74,694.80	85,542.39
LITTLE FALLS SERVICE CENTER : 0505	17,237.35	-	31,553.03	31,758.61	106,016.07	16,840.26	-	69,289.66	-
CLOQUET SERVICE CENTER : 0518	-	-	-	47,405.59	3,009.90	-	-	-	9,508.65
PARK RAPIDS SERVICE CENTER : 0510	-	22,700.15	-	-	-	3,161.84	-	-	-
COLERAINE SERVICE CENTER : 0519	12,472.15	16,718.62	-	23,936.49	-	18,410.92	-	-	9,208.29
SANDSTONE SERVICE CENTER : 0517	-	13,709.14	-	5,683.15	-	-	34,337.40	-	-
PINE RIVER SERVICE CENTER : 0509	-	42,120.48	-	-	10,157.50	-	-	-	6,746.45
SQUARE BUTTE DC 250KV SUBSTATION : 3018	-	-	-	-	-	-	1,449,212.58	-	68,338.38
HANGAR - DULUTH INTERNATIONAL AIRPORT : 0524	-	1,487,575.55	(39,016.26)	-	-	-	-	-	-
CROSBY SERVICE CENTER : 0508	-	21,623.07	-	-	-	-	-	57,155.23	-
L FALLS DC LINE MATERIAL STORAGE FACILITY: 0539	-	-	-	-	3,274.75	466,904.66	436,327.01	-	544,587.11
INTERNATIONAL FALLS SERVICE CENTER : 0502	-	19,375.10	-	-	44,276.51	-	-	-	-
230KV BOSWELL-CALUMET LINE #102:3502	-	-	-	-	-	-	-	-	-
HAZARDOUS WASTE FACILITY - 1424 W SUPERIOR ST : 0512	-	-	-	-	-	-	-	-	-
ENVIRONMENTAL LAB - 1510 W SUPERIOR ST : 0513	3,564.38	-	-	-	-	-	107,091.39	-	108,379.93
ARROWHEAD DC 250KV SUBSTATION:3007	26,835.11	-	-	-	-	-	373,335.86	-	-
Generation Operations Building : 0147	-	-	-	-	-	-	-	-	-
FORBES 500/230KV SUBSTATION : 3016	-	-	-	-	192,649.24	118,482.70	-	-	30,992.97
SANDSTONE MICROWAVE SITE : 5162	-	-	-	-	-	8,268.04	-	-	257,796.64
MIDWAY TOWER (EVELETH-VIRGINIA) : 5247	-	-	-	-	-	27,195.64	-	-	229,038.55
MARKHAM-WHITEFACE MICROWAVE SITE : 5254	-	-	-	-	-	-	-	-	-
BARNUM MICROWAVE SITE : 5155	-	-	-	-	-	-	-	224,685.04	-
RIVERTON 230/115KV SUBSTATION : 3022	-	-	-	-	-	-	-	2,389.03	-
PLATTE RIVER 115/34kv SUBSTATION: 4495	-	-	-	146,464.04	-	-	-	-	-
PEPIN LAKE 115/34KV SUBSTATION : 4455	-	-	137,985.26	-	-	-	-	-	-
BABBITT SPUR (MINE SITE) : 5250	-	-	-	-	125,940.48	-	-	-	-
LAKE SUPERIOR PLACE : 0520	-	-	-	-	-	-	119,489.76	-	-
THOMSON HE STATION - PROJECT 2360 : 0205	-	-	-	-	85,171.51	-	-	15,893.46	-
ARROWHEAD 230/115KV SUBSTATION : 3001	-	-	-	-	-	-	-	-	23,169.13
AKELEY 115/34 KV SUBSTATION : 4494	-	-	-	100,311.16	-	-	-	-	-
SYLVAN HE STATION - PROJECT NO 2454 : 0240	-	-	-	99,682.14	-	-	-	-	-
LITTLEFORK 230/115KV SUBSTATION : 3039	-	-	-	-	-	-	-	-	-
TAFT 115/34KV SUB:4252	-	-	-	92,955.76	-	-	-	-	-
VERNDALE 115/34KV SUBSTATION : 4464	-	-	-	-	-	-	-	-	-
LAWLER REPEATER : 5163	-	-	-	-	-	-	-	-	-
LITTLE FALLS 115/34KV SUBSTATION : 4437	-	-	-	82,139.51	-	-	-	-	-
BLACKBERRY 230/115KV SUBSTATION : 3006	-	-	-	-	-	-	-	-	25,398.50
EAGLE VALLEY 115/34 KV SUBSTATION : 4493	-	-	-	-	-	-	-	-	-
FIBER OPTICS - ARROWHEAD-FORBES : 5603	-	-	-	-	-	-	-	-	-
LAKESIDE RECORDS CENTER : 0523	-	-	-	-	-	21,486.82	-	-	-
LOST LAKE MICROWAVE SITE : 5172	-	-	-	-	-	-	-	-	-
WINTON HE STATION - PROJECT 469 : 0215	-	-	-	-	43,113.98	8,964.47	-	-	-
Taconite Harbor Energy Center : 0185	-	-	-	-	31,130.21	-	-	-	-
TACONITE RIDGE ENERGY CENTER : 0190	-	-	-	21,983.47	-	-	-	20,094.26	-
MARCELL MICROWAVE SITE : 5261	-	-	-	-	-	-	-	-	-
FAIRLAND MICROWAVE SITE : 5263	-	-	-	-	-	-	-	-	-
KOOCHICING COUNTY MICROWAVE REPEATER : 5268	-	-	-	10,577.85	-	-	-	-	-
MAPLE HILL COMMUNICATIONS : 5245	-	-	-	-	5,435.55	-	-	-	-
MARGIE MICROWAVE SITE : 5262	-	-	-	-	-	-	-	-	-
SALOL MICROWAVE SITE : 5256	-	-	-	5,286.14	-	-	-	-	-
SHANNON 230/115KV SUBSTATION : 3038	-	-	-	-	-	8,384.25	-	-	-
BAUDETTE MICROWAVE SITE : 5264	-	-	-	6,379.33	-	-	-	-	-
WILLIAMS MICROWAVE SITE : 5265	-	-	-	5,450.40	-	-	-	-	-
15TH AVE W PARKING LOT : 0527	-	-	-	-	-	-	-	19,315.83	-
LAKE SUPERIOR PAPER 115/14KV SUBSTATION : 4183	22,134.37	-	-	-	-	-	-	-	-
New Salem Office Complex (Bison) - ND:5505	-	-	-	-	-	-	21,372.64	-	-
Miscellaneous	-	-	-	8,130.92	8,279.09	-	5,036.07	15,718.57	18,924.49
Total	1,445,465.48	3,869,166.40	219,916.84	785,092.59	2,637,689.82	2,453,691.86	3,255,526.97	694,015.99	1,552,097.32
Percent of Total	1.9632%	5.2551%	0.2987%	1.0663%	3.5825%	3.3326%	4.4217%	0.9426%	2.1081%
Age	11.0	10.0	9.0	8.0	7.0	6.0	5.0	4.0	3.0
Weighted Average	0.216	0.526	0.027	0.085	0.251	0.200	0.221	0.038	0.063

Facility	2016	2017	Total
GENERAL OFFICE BUILDING : 0511	54,415.20	7,218,697.78	18,683,783.38
HERBERT SERVICE CENTER : 0514	276,450.28	1,907,817.65	13,520,935.84
EVELETH SERVICE CENTER : 0501	-	724,300.50	6,891,763.93
ROWE ENERGY CONTROL CENTER : 0515	17,911.11	1,415,983.85	6,215,910.40
LITTLE FALLS SERVICE CENTER : 0505	12,000.36	20,081.63	3,641,574.76
CLOQUET SERVICE CENTER : 0518	8,757.01	866,978.19	2,753,688.38
PARK RAPIDS SERVICE CENTER : 0510	-	638,368.12	2,183,282.69
COLERAINE SERVICE CENTER : 0519	4,928.79	437,087.54	1,933,813.25
SANDSTONE SERVICE CENTER : 0517	10,080.24	382,293.74	1,876,460.94
PINE RIVER SERVICE CENTER : 0509	-	450,989.58	1,782,466.99
SQUARE BUTTE DC 250KV SUBSTATION : 3018	141,111.49	3,487.26	1,662,149.71
HANGAR - DULUTH INTERNATIONAL AIRPORT : 0524	-	-	1,651,342.59
CROSBY SERVICE CENTER : 0508	-	132,581.63	1,518,884.62
L FALLS DC LINE MATERIAL STORAGE FACILITY: 0539	-	-	1,451,093.53
INTERNATIONAL FALLS SERVICE CENTER : 0502	12,475.59	330,783.33	1,192,558.71
230KV BOSWELL-CALUMET LINE #102:3502	-	657,750.31	657,750.31
HAZARDOUS WASTE FACILITY - 1424 W SUPERIOR ST : 0512	23,486.91	-	464,482.93
ENVIRONMENTAL LAB - 1510 W SUPERIOR ST : 0513	-	25,443.64	443,641.85
ARROWHEAD DC 250KV SUBSTATION:3007	-	-	424,335.95
Generation Operations Building : 0147	7,333.51	-	375,367.94
FORBES 500/230KV SUBSTATION : 3016	-	-	342,124.91
SANDSTONE MICROWAVE SITE : 5162	-	-	290,302.75
MIDWAY TOWER (EVELETH-VIRGINIA) : 5247	2,907.32	(2,907.32)	266,479.84
MARKHAM-WHITEFACE MICROWAVE SITE : 5254	203,173.17	-	230,813.90
BARNUM MICROWAVE SITE : 5155	-	-	227,089.58
RIVERTON 230/115KV SUBSTATION : 3022	-	-	216,200.32
PLATTE RIVER 115/34kv SUBSTATION: 4495	-	-	146,464.04
PEPIN LAKE 115/34KV SUBSTATION : 4455	-	-	137,985.26
BABBITT SPUR (MINE SITE) : 5250	-	-	125,940.48
LAKE SUPERIOR PLACE : 0520	-	-	119,489.76
THOMSON HE STATION - PROJECT 2360 : 0205	-	-	112,656.86
ARROWHEAD 230/115KV SUBSTATION : 3001	-	-	104,428.50
AKELEY 115/34 KV SUBSTATION : 4494	-	-	100,311.16
SYLVAN HE STATION - PROJECT NO 2454 : 0240	-	-	99,682.14
LITTLEFORK 230/115KV SUBSTATION : 3039	-	-	95,793.76
TAFT 115/34KV SUB:4252	-	-	92,955.76
VERNDALE 115/34KV SUBSTATION : 4464	-	-	88,876.33
LAWLER REPEATER : 5163	-	-	88,868.15
LITTLE FALLS 115/34KV SUBSTATION : 4437	-	-	88,469.98
BLACKBERRY 230/115KV SUBSTATION : 3006	-	-	87,689.36
EAGLE VALLEY 115/34 kv SUBSTATION : 4493	-	-	85,197.36
FIBER OPTICS - ARROWHEAD-FORBES : 5603	-	-	81,144.48
LAKESIDE RECORDS CENTER : 0523	-	28,024.60	75,480.37
LOST LAKE MICROWAVE SITE : 5172	45,195.27	-	68,657.31
WINTON HE STATION - PROJECT 469 : 0215	-	-	55,847.92
Taconite Harbor Energy Center : 0185	21,848.46	-	52,978.67
TACONITE RIDGE ENERGY CENTER : 0190	-	-	51,386.15
MARCELL MICROWAVE SITE : 5261	-	-	48,218.94
FAIRLAND MICROWAVE SITE : 5263	-	-	45,422.31
KOOCHICING COUNTY MICROWAVE REPEATER : 5268	-	-	40,711.82
MAPLE HILL COMMUNICATIONS : 5245	-	-	40,228.26
MARGIE MICROWAVE SITE : 5262	-	-	37,298.98
SALOL MICROWAVE SITE : 5256	-	-	34,268.27
SHANNON 230/115KV SUBSTATION : 3038	-	-	31,924.20
BAUDETTE MICROWAVE SITE : 5264	-	-	31,257.43
WILLIAMS MICROWAVE SITE : 5265	-	-	28,286.67
15TH AVE W PARKING LOT : 0527	-	-	22,314.17
LAKE SUPERIOR PAPER 115/14KV SUBSTATION : 4183	-	-	22,134.37
New Salem Office Complex (Bison) - ND:5505	-	-	21,372.64
Miscellaneous	33,910.24	45,853.50	364,793.06
Total	875,984.95	15,283,615.53	73,626,834.92

Percent of Total	1.1898%	20.7582%	100.0000%
Age	2.0	1.0	
Weighted Average	0.024	0.208	18.41800

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket No. E015/D-18-544
Department Attachment 2
Page 1 of 2

Docket Number:	E015/D-18-544	<input type="checkbox"/> Nonpublic <input checked="" type="checkbox"/> Public
Requested From:	Debbra A. Davey, Minnesota Power	Date of Request: 10/15/2018
Type of Inquiry:	Financial	Response Due: 10/25/2018
Requested by:	Craig Addonizio	
Email Address(es):	craig.addonizio@state.mn.us	
Phone Number(s):	651-539-1818	

Request Number: 12
Topic: Account 390 Depreciation Expense
Reference(s): MP Response to DOC IR 6

Request:

Attachment 1 to MP's response to DOC IR 6 shows that the largest 4-6 structures included in Account 390 represent a disproportionate share of the account's gross plant balance. If one of these large structure is retired and taken out of service, it may present problem for ratemaking purposes (see, for example, the testimony of DOC Witness Nancy Campbell and MERC Witness Mary Wolter in MERC's pending rate case, Docket No. G011/GR-17-563, regarding MERC's old Rosemount office building). Would MP be willing to consider, in a future docket, changing its depreciating method of Account 390 and depreciating its General Office Building and perhaps one or more of its other large structures individually, rather than as part of a group, in order to avoid potential problems like those discussed in MERC's pending rate case?

RESPONSE:

Minnesota Power is willing to change its depreciation method for Account 3900 and depreciate structures like the General Office Building, Herbert Service Center, and Rowe Energy Control Center either individually or as a separate group.

In 2002 Minnesota Power's Facility Management Department did an extensive review of Minnesota Power's structures and improvements account 3900 and determined that the remaining lives of these facilities should be extended to 35 years, end of life 12/2036. Each year since then the life of account 3900 has been reduced for one year's passage of time.

Response Date: October 25, 2018
Response by: Debbra Davey
Email Address: ddavey@allete.com
Phone Number: 218-355-3714

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket No. E015/D-18-544
Department Attachment 2
Page 2 of 2

Docket Number: E015/D-18-544 ☐ Nonpublic ☒ Public
Requested From: Debbra A. Davey, Minnesota Power Date of Request: 10/15/2018
Type of Inquiry: Financial Response Due: 10/25/2018

Requested by: Craig Addonizio
Email Address(es): craig.addonizio@state.mn.us
Phone Number(s): 651-539-1818

The General Office Building, Herbert Service Center, and Rowe Energy Control Center if depreciated separately or as a separate group will have a longer life than the current end of life of 12/2036. Minnesota Power expects to continue to operate these facilities and has and expects to continue to maintain and improve these facilities on a regular and ongoing basis. We have wind and hydro facilities with lives well beyond 12/2036, some out to 12/2063, and the expectation is that these three facilities are also expected to be in service well beyond 12/2036 with normal maintenance.

If an end of life of 12/2050 is adopted in this filing for the General Office Building, Herbert Service Center, and Rowe Energy Center it would decrease depreciation expense by about \$500,000 in 2018.

Response Date: October 25, 2018
Response by: Debbra Davey
Email Address: ddavey@allete.com
Phone Number: 218-355-3714

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket No. E015/D-18-544
Department Attachment 3
Page 1 of 10

Docket Number: E015/D-18-544 ☐ Nonpublic ☒ Public
Requested From: Debbra A. Davey, Minnesota Power Date of Request: 9/24/2018
Type of Inquiry: Financial Response Due: 10/4/2018

Requested by: Craig Addonizio
Email Address(es): craig.addonizio@state.mn.us
Phone Number(s): 651-539-1818

Request Number: 1
Topic: Boswell Common Plant 2017 Accrual
Reference(s): Petition, Appendices A-3 and A-4

Request:

- a. Please provide the monthly calculations of actual depreciation expense for Boswell Common facilities replicating the 2017 accrual of \$0.9 million reported in Appendices A-3 and A-4 of MP's Petition.
- b. The Department is unable to approximate the 2017 depreciation accruals for Boswell Common facilities reported in Appendices A-3 and A-4 of MP's Petition. For example, a depreciation accrual calculated using average 2017 plant balances, beginning 2017 reserve balances, a 34-year remaining life, and salvage rate of negative 3.95 percent yields an estimated 2017 accrual of \$2.9 million. The reported accrual is only \$0.9 million, or roughly 70% less than estimated. Please explain the discrepancy.

RESPONSE:

- 1 a. Please see the attached file "DOC IR 01.Attach 1" for the monthly calculations of actual depreciation expense for Boswell Common facilities replicating the 2017 accrual of \$0.9 million reported in Appendices A-3 and A-4 of MP's Petition.
- 1.b. The manual adjustments made in November and December 2017 to estimate 2017 BEC Common depreciation expense and depreciation reserve decreases due to the life extension to 2050 were overstated by about \$2 million.

In November 2017 a manual adjustment was made to BEC Common's estimated depreciation expense and reserve to reflect a life change from 12/2029 to 12/2035 since it would be a six

Response Date: October 3, 2018
Response by: Debbra Davey
Email Address: ddavey@allete.com
Phone Number: 218-355-3714

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket No. E015/D-18-544
Department Attachment 3
Page 2 of 10

Docket Number: E015/D-18-544 ☐ Nonpublic ☒ Public
Requested From: Debbra A. Davey, Minnesota Power Date of Request: 9/24/2018
Type of Inquiry: Financial Response Due: 10/4/2018

Requested by: Craig Addonizio
Email Address(es): craig.addonizio@state.mn.us
Phone Number(s): 651-539-1818

year life extension, and it seemed the life of Boswell Common was going to be either 2035 or 2050.

In December 2017 another manual adjustment to BEC Common's estimated depreciation expense and reserve was made due to the Commission hearing on Docket No. E015/GR-16-664 In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota which occurred on January 18, 2018 and changed the life from 12/2035 to 12/2050. When this late, manual estimated depreciation expense and reserve adjustment was made, the original life of BEC Common 12/2029 was used to calculate the adjustment instead of the life of 12/2035 which was already adjusted in November. This resulted in the impact of the life change from 12/2029 (its current life) to 12/2035 being recorded twice in 2017 and as a result BEC Common depreciation expense and depreciation reserve were \$2 million lower than they should have been.

In the order for Docket No. E015/GR-16-664 the decision was made to change the life of BEC Common to 2035 instead of 2050. Therefore, the undepreciated balance as of January 1, 2018 is being depreciated over the new estimated end of life of 12/2035 (or 18 remaining years) effective January 1, 2018.

Response Date: October 3, 2018
Response by: Debbra Davey
Email Address: ddavey@allete.com
Phone Number: 218-355-3714

What was recorded in 2017 1/1/2017																				
January 2017 Rates			November 2017 Rates			December 2017 Rates			January 2017											
Utility Accounts	Salvage Rate	End of Life	Remaining Months	Salvage Rate	End of Life	Remaining Months	Salvage Rate	End of Life	Remaining Months	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
BEC Common 3110-3160	-3.9500%	12/31/2029	156	-3.9500%	12/31/2035	228	-3.9500%	12/31/2050	408	196,358,227.72	31,816.97	(38,070.00)	(13,536.04)	-	-	-	104,945,717.17	156	99,191,213.55	635,841.11

Estimate of 2017 depreciation expense for BEC Common if life extension to 2050 was effective Jan 2017
1/1/2017

January 2017 Rates										January 2017										
Utility Accounts	Salvage Rate	End of Life	Remaining Months							Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
BEC Common 3110-3160	-3.9500%	12/31/2050	408							196,358,227.72	31,816.97	(38,070.00)	(13,536.04)	-	-	-	104,945,717.17	408	99,191,213.55	243,115.72

February 2017											March 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
196,351,974.69	266,860.93	-	-	-	-	-	105,529,952.24	155	98,716,626.42	636,881.46	196,618,835.62	753,388.52	(156,914.77)	(83,572.56)	-	-	-	106,166,833.70	154	98,648,706.82	640,576.02

February 2017											March 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
196,351,974.69	266,860.93	-	-	-	-	-	105,137,226.85	407	99,109,351.81	243,511.92	196,618,835.62	753,388.52	(156,914.77)	(83,572.56)	-	-	-	105,380,738.77	406	99,434,801.75	244,913.30

April 2017											May 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,215,309.37	4,319.66	-	-	-	-	-	106,566,922.39	153	98,440,636.84	643,402.86	197,219,629.03	-	-	-	-	-	-	107,210,325.25	152	97,799,479.13	643,417.63

April 2017											May 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,215,309.37	4,319.66	-	-	-	-	-	105,385,164.75	405	99,622,394.49	245,981.22	197,219,629.03	-	-	-	-	-	-	105,631,145.97	404	99,378,658.41	245,986.78

June 2017											July 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,219,629.03	59,368.45	-	-	-	-	-	107,853,742.87	151	97,186,918.26	643,621.98	197,278,997.48	(841.92)	-	-	-	-	-	108,497,364.85	150	96,573,715.44	643,824.77

June 2017											July 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,219,629.03	59,368.45	-	-	-	-	-	105,877,132.74	403	99,163,528.38	246,063.35	197,278,997.48	(841.92)	-	-	-	-	-	106,123,196.09	402	98,947,884.20	246,139.02

August 2017											September 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,278,155.56	(24,838.23)	(64,223.20)	(1,415.15)	-	-	-	109,141,189.62	149	95,915,982.58	643,731.43	197,189,094.13	115,522.13	-	-	-	-	-	109,719,282.69	148	95,318,823.28	644,046.10

August 2017											September 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,278,155.56	(24,838.23)	(64,223.20)	(1,415.15)	-	-	-	106,369,335.11	401	98,687,837.10	246,104.33	197,189,094.13	115,522.13	-	-	-	-	-	106,549,801.09	400	98,488,304.89	246,220.76

October 2017											November 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj's.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj's.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,304,616.26	527,681.61	(195,074.28)	(73,151.67)	-	-	-	110,363,328.80	147	95,041,805.44	646,542.89	197,637,223.59	(489,384.62)	-	-	-	(2,021,080.84)	-	110,741,645.74	218	95,458,430.94	437,882.71

October 2017											November 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj's.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj's.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision
197,304,616.26	527,681.61	(195,074.28)	(73,151.67)	-	-	-	106,796,021.85	399	98,609,112.39	247,140.63	197,637,223.59	(489,384.62)	-	-	-	-	-	106,774,936.53	398	98,414,599.73	247,272.86

December 2017												
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
197,147,838.97	(134,163.48)	-	-	-	(4,147,770.43)	(146,830.70)	109,158,447.61	397	97,854,300.09	242,477.05	105,106,323.54	197,013,675.49

December 2017												
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj.	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
197,147,838.97	(134,163.48)	-	-	-	-	(146,830.70)	107,022,209.40	397	97,916,653.09	246,641.44	107,122,020.14	197,013,675.49

Full Year 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj's.	Reserve Transfers	Beg Reserve	Depr Provision	End Reserve	End Asset Dollars
196,358,227.72	1,109,730.02	(454,282.25)	(171,675.42)	-	(6,168,851.27)	(146,830.70)	104,945,717.17	7,102,246.01	105,106,323.54	197,013,675.49
										933,394.74 BEC Common depreciation expense per Filing - Includes manual depreciation expense and reserve adjustments in Nov. and Dec. 2017
Full Year 2017										
Beg Asset Dollars	Adds & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj's.	Reserve Transfers	Beg Reserve	Depr Provision	End Reserve	End Asset Dollars
196,358,227.72	1,109,730.02	(454,282.25)	(171,675.42)	-	-	(146,830.70)	104,945,717.17	2,949,091.34	107,122,020.14	197,013,675.49
										2,949,091.34 Estimate of 2017 depreciation expense for BEC Common if life extension to 2050 was effective Jan 2017
										2,015,696.60 Difference between above

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket No. E015/D-18-544
Department Attachment 4
Page 1 of 28

Docket Number: E015/D-18-544 ☐ Nonpublic ☒ Public
Requested From: Debbra A. Davey, Minnesota Power Date of Request: 10/15/2018
Type of Inquiry: Financial Response Due: 10/25/2018

Requested by: Craig Addonizio
Email Address(es): craig.addonizio@state.mn.us
Phone Number(s): 651-539-1818

Request Number: 7
Topic: Boswell Common Plant
Reference(s): MP Response to DOC IR 1

Request:

In its Response to DOC IR 1, MP noted that two adjustments made to Boswell Common plant's 2017 depreciation expense were calculated incorrectly.

- a. Please explain whether any other accounting entries related to Boswell Common plant (e.g. the amortization of contra AFUDC) were similarly incorrect.
- b. Please confirm that there were no errors in the calculation of 2017 expenses for Boswell Units 3 and 4 (including but not limited to depreciation expense).
- c. Please explain whether any similar or related errors had any impacts on the final rates determined in MP's most recent rate case, Docket No. E015/GR-16-664.

RESPONSE:

- 7. a.** In November 2017 manual depreciation expense and depreciation reserve adjustments were made for BEC Common and Unit 3 changing the end of life to 2035, from 2029 and 2034, respectively. No manual adjustment was made in November 2017 for BEC Unit 4 since the end of life for BEC Unit 4 was already 2035. These manual adjustments made in November 2017 for BEC Common and Unit 3 caused the manual depreciation expense and depreciation reserve adjustments made in December 2017 to be overstated.

Response Date: October 25, 2018
Response by: Debbra Davey
Email Address: ddavey@allete.com
Phone Number: 218-355-3714

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket No. E015/D-18-544
Department Attachment 4
Page 2 of 28

Docket Number:	E015/D-18-544	<input type="checkbox"/> Nonpublic <input checked="" type="checkbox"/> Public
Requested From:	Debbra A. Davey, Minnesota Power	Date of Request: 10/15/2018
Type of Inquiry:	Financial	Response Due: 10/25/2018
Requested by:	Craig Addonizio	
Email Address(es):	craig.addonizio@state.mn.us	
Phone Number(s):	651-539-1818	

The amortization of contra AFUDC entry was not impacted because no manual adjusting entry was made in November 2017 to change the end of life to December 2035 for the amortization of contra AFUDC. There was just one adjusting entry made in December 2017 to change the end of life to December 2050.

- 7. b.** Please see the attached file "DOC IR 7.Attachment 1" for the recalculation of BEC Unit 3 and BEC Common depreciation expense.

The manual depreciation expense and depreciation reserve adjustment made in November and December 2017 to estimate 2017 BEC Unit 3 depreciation expense and depreciation reserve decreases due to the life extension to 2050 were overstated by about \$0.8 million.

No manual depreciation expense and depreciation reserve adjustment was made in November 2017 for BEC Unit 4, so BEC Unit 4 did not have this issue with the December 2017 manual depreciation expense and depreciation reserve adjustment that BEC Common and BEC Unit 3 did.

In November 2017 a manual depreciation expense and depreciation reserve adjustment was made to BEC Unit 3's estimated depreciation expense and reserve to reflect a life change from 12/2034 to 12/2035 since it seemed the life of BEC Common, Unit 3, and Unit 4 were going to be either 2035 or 2050. No adjustment was needed for Unit 4 since its life was currently 12/2035.

In January 2018 manual adjustments were made to BEC Common, Unit 3, and Unit 4's 2017 estimated depreciation expense and reserve due to the Commission hearing on Docket No. E015/GR-16-664 In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota which occurred on January 18, 2018 and changed the lives for all three from 12/2035 to 12/2050. When the late manual estimated depreciation expense and reserve adjustment was made the original life for BEC Unit 3 of 12/2034 was used to calculate the adjustment instead of the life of 12/2035 which was already adjusted to in November. This resulted in the impact of the life change from 12/2034 to 12/2035 being

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Docket No. E015/D-18-544
Department Attachment 4
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Docket Number:	E015/D-18-544	<input type="checkbox"/> Nonpublic <input checked="" type="checkbox"/> Public
Requested From:	Debbra A. Davey, Minnesota Power	Date of Request: 10/15/2018
Type of Inquiry:	Financial	Response Due: 10/25/2018
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Email Address(es):	craig.addonizio@state.mn.us	
Phone Number(s):	651-539-1818	

recorded twice in 2017 and as a result BEC Unit 3 estimated depreciation expense and depreciation reserve was approximately \$0.8 million lower than it should have been.

The Order for Docket No. E015/GR-16-664 changed the life of BEC Units 3, 4, and Common to 2035 instead of 2050 effective January 1, 2018. Therefore, the undepreciated balances as of January 1, 2018 are being depreciated over the new estimated end of lives of 12/2035 (or 18 remaining years) effective January 1, 2018.

The amortization of contra AFUDC entry was not impacted because no manual adjusting entry was made in November 2017 to change the end of life to December 2035 for the amortization of contra AFUDC. There was just one adjusting entry made in December 2017 to change the end of life to December 2050.

- 7. c.** There were no similar or related errors that had any impacts on the final rates determined in MP's most recent rate case, Docket No. E015/GR-16-664. The rate case calculations were prepared independently.

Response Date: October 25, 2018
Response by: Debbra Davey
Email Address: ddavey@allete.com
Phone Number: 218-355-3714

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		ARO Depreciation		ARO Accretion			
		Wholesale 0.17983 Decomm Exp Income Impact	Wholesale 0.17983 Income Impact	Wholesale 0.17983 Income Impact		Contra AFUDC Amort	Total Depr & Amort Impact
Non-ARO Depreciation		Total	Total	Total	Total		
Current Production	12,848,360.64	550,467.70	98,990.61	325,985.07	58,621.90	(178,853.00)	12,827,120.14
Expected Production	11,082,260.79	525,597.63	94,518.22	325,985.07	58,621.90	319,800.00	11,834,083.91
Decrease in Depr Exp-Dec.	(1,766,099.85)	(24,870.07)	(4,472.38)	-	-	498,653.00	(993,036.23)
Dec. Reserve Adj for Jan.-Nov.	(22,012,778.07)	(964,143.51)	(173,381.93)	(626,356.44)	(112,637.68)	-	(22,298,797.68)
Total Impact	(23,778,877.92)	(989,013.58)	(177,854.31)	(626,356.44)	(112,637.68)	498,653.00	(23,291,833.91)
		Retail .82017 goes to Reg. Asset		Retail .82017 goes to Reg. Asset			

BEC4 Rider Revenue Increase 1,514,263.00

TCR Rider Revenue Increase 577,303.00

ARO Liability

Current Production 107,920,237.40
Expected Production 93,120,559.66
Decrease in Liability (14,799,677.74)

Total Per Terry's Prelim Income Sch. (23,291,836.00)

Difference 2.09

Wholesale Decomm and Wholesale ARO Depr and Accr not material - so ignored for Josh's request below Total
(11,608.99)

	Contra		Total	
	Non-ARO Depr	AFUDC Amort		
Difference BEC 3, 4, and Common Original Lives versus all to 2035	(3.4)	-	(3.4)	From estimate we used to make depr adjusts
Difference BEC 3, 4, and Common all to 2035 versus all to 2050	(23.8)	0.5	(23.3)	Agrees to above
Difference BEC 3, 4, and Common Original Lives (not to 2035) versus all to 2050	(27.2)	0.5	(26.7)	
Difference BEC 1 & 2 Original Lives versus all to 2022	1.8	-	1.8	From estimate we used to make depr adjusts
Total Differences all BEC Original Lives versus BEC 1&2 2022 & BEC 3,4, & C 2050	(25.4)	0.5	(24.9)	

*Contra AFUDC Amort amount not material for this scenario

What was recorded in 2017 1/1/2017										January 2017						
January 2017 Rates				November 2017 Rates			December 2017 Rates									
Utility Accounts	Salvage Rate	End of Life	Depr Rate/Rmn Months	Salvage Rate	End of Life	Depr Rate/Rmn Months	Salvage Rate	End of Life	Depr Rate/Rmn Months	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers
BEC 3 3110-3160	-7.9200%	12/31/2034	216	-7.9200%	12/31/2035	228	-7.9200%	12/31/2050	408	450,258,763.45	927,223.59	(398,135.19)	(47,913.97)	-	-	-
BEC Common 3110-3160	-3.9500%	12/31/2029	156	-3.9500%	12/31/2035	228	-3.9500%	12/31/2050	408	196,358,227.72	31,816.97	(38,070.00)	(13,536.04)	-	-	-
										646,616,991.17	959,040.56	(436,205.19)	(61,450.01)	-	-	-

Estimate of 2017 depreciation expense if life extension to 2050 was effective Jan 2017

1/1/2017 January 2017 Rates			
Utility Accounts	Salvage Rate	End of Life	Depr Rate/Rmn Months
BEC 3 3110-3160	-7.9200%	12/31/2050	408
BEC Common 3110-3160	-3.9500%	12/31/2050	408

January 2017						
Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers
450,258,763.45	927,223.59	(398,135.19)	(47,913.97)	-	-	-
196,358,227.72	31,816.97	(38,070.00)	(13,536.04)	-	-	-
646,616,991.17	959,040.56	(436,205.19)	(61,450.01)	-	-	-

				February 2017												
Beg Reserve	Rmn Life	Depr Base	Depr Provision	Additions &											Additions &	
				Beg Asset Dollars	Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Asset Transfers
160,642,947.37	216	325,784,830.83	1,508,263.11	450,787,851.85	235,150.94	(213,096.68)	(68,758.65)		-	-	161,705,161.32	215	324,937,916.54	1,511,339.15	450,809,906.11	1,452.02
104,945,717.17	156	99,191,213.55	635,841.11	196,351,974.69	266,860.93				-	-	105,529,952.24	155	98,716,626.42	636,881.46	196,618,835.62	753,388.52
265,588,664.54		424,976,044.38	2,144,104.22	647,139,826.54	502,011.87	(213,096.68)	(68,758.65)	-	-	-	267,235,113.56		423,654,542.96	2,148,220.61	647,428,741.73	754,840.54

				February 2017												
Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers
160,642,947.37	408	325,784,830.83	798,492.23	450,787,851.85	235,150.94	(213,096.68)	(68,758.65)	-	-	-	160,995,390.44	407	325,647,687.42	800,117.17	450,809,906.11	1,452.02
104,945,717.17	408	99,191,213.55	243,115.72	196,351,974.69	266,860.93	-	-	-	-	-	105,137,226.85	407	99,109,351.81	243,511.92	196,618,835.62	753,388.52
265,588,664.54		424,976,044.38	1,041,607.95	647,139,826.54	502,011.87	(213,096.68)	(68,758.65)	-	-	-	266,132,617.29		424,757,039.23	1,043,629.09	647,428,741.73	754,840.54

March 2017									April 2017							
Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve
-	-	-	-	-	162,934,645.13	214	323,580,189.05	1,512,056.96	450,811,358.13	500,913.15	-	-	-	-	-	164,446,702.09
(156,914.77)	(83,572.56)	-	-	-	106,166,833.70	154	98,648,706.82	640,576.02	197,215,309.37	4,319.66	-	-	-	-	-	106,566,922.39
(156,914.77)	(83,572.56)	-	-	-	269,101,478.84		422,228,895.87	2,152,632.98	648,026,667.50	505,232.81	-	-	-	-	-	271,013,624.48

March 2017									April 2017							
Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve
-	-	-	-	-	161,513,652.28	406	325,001,181.90	800,495.52	450,811,358.13	500,913.15	-	-	-	-	-	162,314,147.80
(156,914.77)	(83,572.56)	-	-	-	105,380,738.77	406	99,434,801.75	244,913.30	197,215,309.37	4,319.66	-	-	-	-	-	105,385,164.75
(156,914.77)	(83,572.56)	-	-	-	266,894,391.05		424,435,983.66	1,045,408.83	648,026,667.50	505,232.81	-	-	-	-	-	267,699,312.55

			May 2017													
Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements
213	322,339,208.34	1,513,329.62	451,312,271.28	494,333.70	-	-	-	-	-	165,960,031.71	212	321,362,913.92	1,515,862.80	451,806,604.98	(17,311.81)	-
153	98,440,636.84	643,402.86	197,219,629.03	-	-	-	-	-	-	107,210,325.25	152	97,799,479.13	643,417.63	197,219,629.03	59,368.45	-
	420,779,845.18	2,156,732.47	648,531,900.31	494,333.70	-	-	-	-	-	273,170,356.95		419,162,393.05	2,159,280.43	649,026,234.01	42,056.64	-

			May 2017													
Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements
405	324,471,762.63	801,164.85	451,312,271.28	494,333.70	-	-	-	-	-	163,115,312.65	404	324,207,632.98	802,494.14	451,806,604.98	(17,311.81)	-
405	99,622,394.49	245,981.22	197,219,629.03	-	-	-	-	-	-	105,631,145.97	404	99,378,658.41	245,986.78	197,219,629.03	59,368.45	-
	424,094,157.12	1,047,146.07	648,531,900.31	494,333.70	-	-	-	-	-	268,746,458.61		423,586,291.39	1,048,480.92	649,026,234.01	42,056.64	-

June 2017								July 2017								
Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life
-	-	-	-	167,475,894.51	211	320,104,452.13	1,517,082.71	451,789,293.17	(2,248.39)	-	-	-	-	-	168,992,977.22	210
-	-	-	-	107,853,742.87	151	97,186,918.26	643,621.98	197,278,997.48	(841.92)	-	-	-	-	-	108,497,364.85	150
-	-	-	-	275,329,637.38		417,291,370.39	2,160,704.69	649,068,290.65	(3,090.31)	-	-	-	-	-	277,490,342.07	

June 2017								July 2017								
Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life
-	-	-	-	163,917,806.79	403	323,662,539.85	803,132.85	451,789,293.17	(2,248.39)	-	-	-	-	-	164,720,939.64	402
-	-	-	-	105,877,132.74	403	99,163,528.38	246,063.35	197,278,997.48	(841.92)	-	-	-	-	-	106,123,196.09	402
-	-	-	-	269,794,939.53		422,826,068.24	1,049,196.20	649,068,290.65	(3,090.31)	-	-	-	-	-	270,844,135.73	

August 2017																	
Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	
318,576,814.74	1,517,032.45	451,787,044.78	427,519.13	(423,448.83)	(15,477.31)	-	-	-	170,510,009.67	209	317,280,228.46	1,518,087.22	451,791,115.08	165,471.80	(11,119.60)	(20,013.02)	
96,573,715.44	643,824.77	197,278,155.56	(24,838.23)	(64,223.20)	(1,415.15)	-	-	-	109,141,189.62	149	95,915,982.58	643,731.43	197,189,094.13	115,522.13	-	-	
415,150,530.18	2,160,857.22	649,065,200.34	402,680.90	(487,672.03)	(16,892.46)	-	-	-	279,651,199.29		413,196,211.04	2,161,818.64	648,980,209.21	280,993.93	(11,119.60)	(20,013.02)	

August 2017																	
Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	
322,848,852.32	803,106.60	451,787,044.78	427,519.13	(423,448.83)	(15,477.31)	-	-	-	165,524,046.24	401	322,266,191.89	803,656.34	451,791,115.08	165,471.80	(11,119.60)	(20,013.02)	
98,947,884.20	246,139.02	197,278,155.56	(24,838.23)	(64,223.20)	(1,415.15)	-	-	-	106,369,335.11	401	98,687,837.10	246,104.33	197,189,094.13	115,522.13	-	-	
421,796,736.52	1,049,245.61	649,065,200.34	402,680.90	(487,672.03)	(16,892.46)	-	-	-	271,893,381.35		420,954,028.99	1,049,760.67	648,980,209.21	280,993.93	(11,119.60)	(20,013.02)	

September 2017							October 2017										
Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Additions &					Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base
							Beg Asset Dollars	Asset Transfers	Retirements	Cost of Removal							
-	-	-	171,589,170.75	208	316,082,655.40	1,519,628.15	451,945,467.28	118,047.49	(2,393,845.51)	(669,136.68)	-	-	-	173,077,666.28	207	314,965,352.49	
-	-	-	109,719,282.69	148	95,318,823.28	644,046.10	197,304,616.26	527,681.61	(195,074.28)	(73,151.67)	-	-	-	110,363,328.80	147	95,041,805.44	
-	-	-	281,308,453.44		411,401,478.68	2,163,674.25	649,250,083.54	645,729.10	(2,588,919.79)	(742,288.35)	-	-	-	283,440,995.08		410,007,157.93	

September 2017							October 2017									
Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Additions &				Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base
Beg Asset Dollars	Asset Transfers	Retirements	Cost of Removal													
451,945,467.28	118,047.49	(2,393,845.51)	(669,136.68)	-	166,662,101.44	399	321,380,917.33									
197,304,616.26	527,681.61	(195,074.28)	(73,151.67)	-	106,796,021.85	399	98,609,112.39									
649,250,083.54	645,729.10	(2,588,919.79)	(742,288.35)	-	273,458,123.29		419,990,029.72									

Depr Provision	November 2017															
	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage
1,521,571.75	449,669,669.26	148,804.04	(299,952.88)	(40,891.54)	-	(793,338.34)	-	171,536,255.84	218	314,232,782.69	1,441,434.78	449,518,520.42	43,521.89	-	-	-
646,542.89	197,637,223.59	(489,384.62)	-	-	-	(2,021,080.84)	-	110,741,645.74	218	95,458,430.94	437,882.71	197,147,838.97	(134,163.48)	-	-	-
2,168,114.65	647,306,892.85	(340,580.58)	(299,952.88)	(40,891.54)	-	(2,814,419.18)	-	282,277,901.58		409,691,213.63	1,879,317.49	646,666,359.39	(90,641.59)	-	-	-

Depr Provision	November 2017															
	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage
805,465.96	449,669,669.26	148,804.04	(299,952.88)	(40,891.54)	-	-	-	164,404,585.21	398	320,967,784.15	806,451.72	449,518,520.42	43,521.89	-	-	-
247,140.63	197,637,223.59	(489,384.62)	-	-	-	-	-	106,774,936.53	398	98,414,599.73	247,272.86	197,147,838.97	(134,163.48)	-	-	-
1,052,606.59	647,306,892.85	(340,580.58)	(299,952.88)	(40,891.54)	-	-	-	271,179,521.74		419,382,383.88	1,053,724.58	646,666,359.39	(90,641.59)	-	-	-

December 2017							
Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
(7,765,657.04)	-	171,843,507.86	397	317,183,192.31	798,950.05	164,876,800.87	449,562,042.31
(4,147,770.43)	(146,830.70)	109,158,447.61	397	97,854,300.09	242,477.05	105,106,323.54	197,013,675.49
(11,913,427.47)	(146,830.70)	281,001,955.48		415,037,492.40	1,041,427.10	269,983,124.41	646,575,717.80

December 2017							
Reserve Adj	Reserve Transfers	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
-	-	164,870,192.51	397	320,273,679.14	806,734.71	165,676,927.22	449,562,042.31
-	(146,830.70)	107,022,209.40	397	97,916,653.09	246,641.44	107,122,020.14	197,013,675.49
-	(146,830.70)	271,892,401.91		418,190,332.23	1,053,376.15	272,798,947.36	646,575,717.80

Full Year 2017						
Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers
450,258,763.45	3,042,877.55	(3,739,598.69)	(862,191.17)	-	(8,558,995.38)	-
196,358,227.72	1,109,730.02	(454,282.25)	(171,675.42)	-	(6,168,851.27)	(146,830.70)
646,616,991.17	4,152,607.57	(4,193,880.94)	(1,033,866.59)	-	(14,727,846.65)	(146,830.70)

Full Year 2017						
Beg Asset Dollars	Additions & Asset Transfers	Retirements	Cost of Removal	Salvage	Reserve Adj	Reserve Transfers
450,258,763.45	3,042,877.55	(3,739,598.69)	(862,191.17)	-	-	-
196,358,227.72	1,109,730.02	(454,282.25)	(171,675.42)	-	-	(146,830.70)
646,616,991.17	4,152,607.57	(4,193,880.94)	(1,033,866.59)	-	-	(146,830.70)

Beg Reserve	Depr Provision	End Reserve	End Asset Dollars		
160,642,947.37	17,394,638.74	164,876,800.87	449,562,042.31	8,835,643.36	BEC 3 depreciation expense per Filing - includes manual depreciation expense and reserve adjustments in Nov. and Dec. 2017
104,945,717.17	7,102,246.01	105,106,323.54	197,013,675.49	933,394.74	BEC Common depreciation expense per Filing - includes manual depreciation expense and reserve adjustments in Nov. and Dec. 2017
265,588,664.54	24,496,884.75	269,983,124.41	646,575,717.80	9,769,038.10	Total depreciation expense per Filing - includes manual depreciation expense and reserve adjustments in Nov. and Dec. 2017

Beg Reserve	Depr Provision	End Reserve	End Asset Dollars		
160,642,947.37	9,635,769.71	165,676,927.22	449,562,042.31	9,635,769.71	Estimate of 2017 depreciation expense for BEC 3 if life extension to 2050 was effective Jan 2017
104,945,717.17	2,949,091.34	107,122,020.14	197,013,675.49	2,949,091.34	Estimate of 2017 depreciation expense for BEC Common if life extension to 2050 was effective Jan 2017
265,588,664.54	12,584,861.05	272,798,947.36	646,575,717.80	12,584,861.05	Total Estimate of 2017 depreciation expense if life extension to 2050 was effective Jan 2017

800,126.35	Difference between above
2,015,696.60	Difference between above
2,815,822.95	Difference between above

MP Mid-Period Method: End of Life

1/1/2017		January 2017 Rates			November 2017 Rates			January 2017											
Utility Accounts	Salvage Rate	End of Life	Depr Rate/Rmn Months	Salvage Rate	End of Life	Depr Rate/Rmn Months		Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds
BEC 3 3110-3160	-7.9200%	12/31/2034	216	-7.9200%	12/31/2035	228	228	450,258,763.45	927,223.59	(398,135.19)	(47,913.97)		-	160,642,947.37	216	325,784,830.83	1,508,263.11	450,787,851.85	235,150.94
BEC 4 3110-3160	-7.4200%	12/31/2035	228	-7.4200%	12/31/2035	228	228	599,540,548.78	718,736.12	(508,653.07)	(333,042.62)		-	170,825,336.75	228	473,734,804.20	2,077,784.23	599,750,631.83	262,627.02
BEC Common 3110-3160	-3.9500%	12/31/2029	156	-3.9500%	12/31/2035	228	228	196,105,939.39	31,816.97	(38,070.00)	(13,536.04)		-	104,852,634.40	156	99,022,042.60	634,756.68	196,099,686.36	266,860.93
Current Production Jan - December 2017								-	-	-	-	-	-	-	-	-	-	-	-
								-	-	-	-	-	-	-	-	-	-	-	-
								-	-	-	-	-	-	-	-	-	-	-	-
								1,245,905,251.62	1,677,776.68	(944,858.26)	(394,492.63)	-	-	436,320,918.52		898,541,677.63	4,220,804.02	1,246,638,170.04	764,638.89
																		4,220,803.96	
																		0.06	

1/1/2017		January 2017 Rates			January 2017											
Utility Accounts	Salvage Rate	End of Life	Depr Rate/Rmn Months		Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds
BEC 3 3110-3160	-7.9200%	12/31/2050	408		450,258,763.45	927,223.59	(398,135.19)	(47,913.97)		-	160,642,947.37	408	325,784,830.83	798,492.23	450,787,851.85	235,150.94
BEC 4 3110-3160	-7.4200%	12/31/2050	408		599,540,548.78	718,736.12	(508,653.07)	(333,042.62)		-	170,825,336.75	408	473,734,804.20	1,161,114.72	599,750,631.83	262,627.02
BEC Common 3110-3160	-3.9500%	12/31/2050	408		196,105,939.39	31,816.97	(38,070.00)	(13,536.04)		-	104,852,634.40	408	99,022,042.60	242,701.08	196,099,686.36	266,860.93
BEC Life Extension to 2050 as of Jan 2018					-	-	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-	-	-	-
					1,245,905,251.62	1,677,776.68	(944,858.26)	(394,492.63)	-	-	436,320,918.52		898,541,677.63	2,202,308.03	1,246,638,170.04	764,638.89

1/1/2017		January 2017 Rates				November 2017 Rates				December 2017 Rates				January 2017						
Utility Accounts	Salvage Rate	End of Life	Depr Rate/Rmn Months	Salvage Rate	End of Life	Depr Rate/Rmn Months	Salvage Rate	End of Life	Depr Rate/Rmn	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base		
BEC 3 3110-3160	-7.9200%	12/31/2034	216	-7.9200%	12/31/2035	228	-7.9200%	12/31/2050	408	450,258,763.45	927,223.59	(398,135.19)	(47,913.97)		-	160,642,947.37	216	#####		
BEC 4 3110-3160	-7.4200%	12/31/2035	228	-7.4200%	12/31/2035	228	-7.4200%	12/31/2050	408	599,540,548.78	718,736.12	(508,653.07)	(333,042.62)		-	170,825,336.75	228	#####		
BEC Common 3110-3160	-3.9500%	12/31/2029	156	-3.9500%	12/31/2035	228	-3.9500%	12/31/2050	408	196,105,939.39	31,816.97	(38,070.00)	(13,536.04)		-	104,852,634.40	156	99,022,042.60		
What I expect to happen in Production - adjustments made in December 2017										-	-	-	-	-	-	-	-	-		
										-	-	-	-	-	-	-	-	-		
										-	-	-	-	-	-	-	-	-		
										1,245,905,251.62	1,677,776.68	(944,858.26)	(394,492.63)	-	-	436,320,918.52	#####			

MP Mid-Period Method: End of Life

1/1/2017		January 2017 Rates			November 2017 Rates			January 2017											
Utility Accounts	Salvage Rate	End of Life	Depr Rate/Rmn Months	Salvage Rate	End of Life	Depr Rate/Rmn Months		Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds
BEC 3 3110-3160	-7.9200%	12/31/2034	216	-7.9200%	12/31/2035	228	216	450,258,763.45	927,223.59	(398,135.19)	(47,913.97)		-	160,642,947.37	216	325,784,830.83	1,508,263.11	450,787,851.85	235,150.94
BEC 4 3110-3160	-7.4200%	12/31/2035	228	-7.4200%	12/31/2035	228	228	599,540,548.78	718,736.12	(508,653.07)	(333,042.62)		-	170,825,336.75	228	473,734,804.20	2,077,784.23	599,750,631.83	262,627.02
BEC Common 3110-3160	-3.9500%	12/31/2029	156	-3.9500%	12/31/2029	156	156	196,105,939.39	31,816.97	(38,070.00)	(13,536.04)		-	104,852,634.40	156	99,022,042.60	634,756.68	196,099,686.36	266,860.93
Leave all lives as they were in the beginning of the year								-	-	-	-	-	-	-	-	-	-	-	-
								-	-	-	-	-	-	-	-	-	-	-	-
								-	-	-	-	-	-	-	-	-	-	-	-
								1,245,905,251.62	1,677,776.68	(944,858.26)	(394,492.63)	-	-	436,320,918.52		898,541,677.63	4,220,804.02	1,246,638,170.04	764,638.89
																		4,220,803.96	
																		0.06	

1/1/2017				January 2017 Rates				January 2017											
Utility Accounts	Salvage Rate	End of Life	Depr Rate/Rmn Months	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds				
BEC 3 3110-3160	-7.9200%	12/31/2035	228	450,258,763.45	927,223.59	(398,135.19)	(47,913.97)		-	160,642,947.37	228	325,784,830.83	1,428,880.84	450,787,851.85	235,150.94				
BEC 4 3110-3160	-7.4200%	12/31/2035	228	599,540,548.78	718,736.12	(508,653.07)	(333,042.62)		-	170,825,336.75	228	473,734,804.20	2,077,784.23	599,750,631.83	262,627.02				
BEC Common 3110-3160	-3.9500%	12/31/2035	228	196,105,939.39	31,816.97	(38,070.00)	(13,536.04)		-	104,852,634.40	228	99,022,042.60	434,307.20	196,099,686.36	266,860.93				
Adjust for BEC Life Extension to 2035 effective Jan 2017								-	-	-	-	-	-	-	-				
								-	-	-	-	-	-	-	-				
								-	-	-	-	-	-	-	-				
				1,245,905,251.62	1,677,776.68	(944,858.26)	(394,492.63)	-	-	436,320,918.52		898,541,677.63	3,940,972.27	1,246,638,170.04	764,638.89				

February 2017								March 2017														
Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements		
(213,096.68)	(68,758.65)		-	161,705,161.32	215	324,937,916.54	1,511,339.15	450,809,906.11	1,452.02	-	-		-	162,934,645.13	214	323,580,189.05	1,512,056.96	450,811,358.13	500,913.15	-		
	-		-	172,061,425.29	227	472,331,760.40	2,080,756.65	600,013,258.85	1,654.83	(40,051.62)	(24,964.85)		-	174,142,181.94	226	470,403,946.03	2,081,433.39	599,974,862.06	1,655.80	-		
			-	105,435,785.04	155	98,548,539.90	635,797.03	196,366,547.29	753,388.52	(156,914.77)	(83,572.56)		-	106,071,582.07	154	98,481,704.73	639,491.59	196,963,021.04	4,319.66	-		
			-	-				-					-	-				-				
			-	-				-					-	-				-				
			-	-				-					-	-				-				
(213,096.68)	(68,758.65)	-	-	439,202,371.65		895,818,216.84	4,227,892.83	1,247,189,712.25	756,495.37	(196,966.39)	(108,537.41)	-	-	443,148,409.15		892,465,839.81	4,232,981.94	1,247,749,241.23	506,888.61	-		
																	4,227,892.81					
																	0.02					

February 2017								March 2017												
Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
(213,096.68)	(68,758.65)	-	-	160,995,390.44	407	325,647,687.42	800,117.17	450,809,906.11	1,452.02	-	-	-	-	161,513,652.28	406	325,001,181.90	800,495.52	450,811,358.13	500,913.15	-
	-	-	-	171,144,755.78	407	473,248,429.91	1,162,772.56	600,013,258.85	1,654.83	(40,051.62)	(24,964.85)	-	-	172,307,528.33	406	472,238,599.64	1,163,149.26	599,974,862.06	1,655.80	-
	-	-	-	105,043,729.44	407	98,940,595.49	243,097.29	196,366,547.29	753,388.52	(156,914.77)	(83,572.56)	-	-	105,286,826.73	406	99,266,460.07	244,498.67	196,963,021.04	4,319.66	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(213,096.68)	(68,758.65)	-	-	437,183,875.66		897,836,712.82	2,205,987.01	1,247,189,712.25	756,495.37	(196,966.39)	(108,537.41)	-	-	439,108,007.34		896,506,241.62	2,208,143.45	1,247,749,241.23	506,888.61	-

Depr Provision	February 2017										March 2017									
	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision
1,508,263.11	450,787,851.85	#####	(213,096.68)	(68,758.65)	-	-	161,705,161.32	215	#####	1,511,339.15	450,809,906.11	1,452.02	-	-	-	-	162,934,645.13	214	#####	1,512,056.96
2,077,784.23	599,750,631.83	#####	-	-	-	-	172,061,425.29	227	#####	2,080,756.65	600,013,258.85	1,654.83	(40,051.62)	(24,964.85)	-	-	174,142,181.94	226	#####	2,081,433.39
634,756.68	196,099,686.36	#####	-	-	-	-	105,435,785.04	155	#####	635,797.03	196,366,547.29	#####	(156,914.77)	(83,572.56)	-	-	106,071,582.07	154	#####	639,491.59
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,220,804.02	1,246,638,170.04	#####	(213,096.68)	(68,758.65)	-	-	439,202,371.65		#####	4,227,892.83	1,247,189,712.25	#####	(196,966.39)	(108,537.41)	-	-	443,148,409.15		#####	4,232,981.94

February 2017								March 2017												
Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
(213,096.68)	(68,758.65)	-	-	161,705,161.32	215	324,937,916.54	1,511,339.15	450,809,906.11	1,452.02	-	-	-	-	162,934,645.13	214	323,580,189.05	1,512,056.96	450,811,358.13	500,913.15	-
	-	-	-	172,061,425.29	227	472,331,760.40	2,080,756.65	600,013,258.85	1,654.83	(40,051.62)	(24,964.85)	-	-	174,142,181.94	226	470,403,946.03	2,081,433.39	599,974,862.06	1,655.80	-
	-	-	-	105,435,785.04	155	98,548,539.90	635,797.03	196,366,547.29	753,388.52	(156,914.77)	(83,572.56)	-	-	106,071,582.07	154	98,481,704.73	639,491.59	196,963,021.04	4,319.66	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(213,096.68)	(68,758.65)	-	-	439,202,371.65		895,818,216.84	4,227,892.83	1,247,189,712.25	756,495.37	(196,966.39)	(108,537.41)	-	-	443,148,409.15		892,465,839.81	4,232,981.94	1,247,749,241.23	506,888.61	-
																	4,227,892.81			
																	0.02			

February 2017								March 2017												
Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
(213,096.68)	(68,758.65)	-	-	161,625,779.05	227	325,017,298.81	1,431,794.27	450,809,906.11	1,452.02	-	-	-	-	162,775,717.98	226	323,739,116.20	1,432,473.97	450,811,358.13	500,913.15	-
	-	-	-	172,061,425.29	227	472,331,760.40	2,080,756.65	600,013,258.85	1,654.83	(40,051.62)	(24,964.85)	-	-	174,142,181.94	226	470,403,946.03	2,081,433.39	599,974,862.06	1,655.80	-
	-	-	-	105,235,335.56	227	98,748,989.38	435,017.57	196,366,547.29	753,388.52	(156,914.77)	(83,572.56)	-	-	105,670,353.14	226	98,882,933.67	437,535.10	196,963,021.04	4,319.66	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(213,096.68)	(68,758.65)	-	-	438,922,539.90		896,098,048.58	3,947,568.50	1,247,189,712.25	756,495.37	(196,966.39)	(108,537.41)	-	-	442,588,253.07		893,025,995.90	3,951,442.46	1,247,749,241.23	506,888.61	-

April 2017							May 2017												
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
-	-	-	164,446,702.09	213	322,339,208.34	1,513,329.62	451,312,271.28	494,333.70	-	-	-	-	165,960,031.71	212	321,362,913.92	1,515,862.80	451,806,604.98	(17,311.81)	-
-	-	-	176,158,598.86	225	468,335,287.29	2,081,490.17	599,976,517.86	3,655.18	-	-	-	-	178,240,089.03	224	466,256,649.65	2,081,502.90	599,980,173.04	962.92	-
-	-	-	106,470,586.33	153	98,274,719.18	642,318.43	196,967,340.70	-	-	-	-	-	107,112,904.76	152	97,634,645.90	642,333.20	196,967,340.70	59,368.45	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	447,075,887.29		888,949,214.81	4,237,138.21	1,248,256,129.84	497,988.88	-	-	-	-	451,313,025.50		885,254,209.47	4,239,698.90	1,248,754,118.72	43,019.56	-
																4,239,138.15			
																0.06			

April 2017							May 2017												
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
-	-	-	162,314,147.80	405	324,471,762.63	801,164.85	451,312,271.28	494,333.70	-	-	-	-	163,115,312.65	404	324,207,632.98	802,494.14	451,806,604.98	(17,311.81)	-
-	-	-	173,405,661.12	405	471,088,225.03	1,163,180.80	599,976,517.86	3,655.18	-	-	-	-	174,568,841.92	404	469,927,896.76	1,163,187.86	599,980,173.04	962.92	-
-	-	-	105,290,838.07	405	99,454,467.44	245,566.59	196,967,340.70	-	-	-	-	-	105,536,404.66	404	99,211,146.00	245,572.14	196,967,340.70	59,368.45	-
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-	-	-	441,010,647.00	-	895,014,455.10	2,209,912.23	1,248,256,129.84	497,988.88	-	-	-	-	443,220,559.23	-	893,346,675.74	2,211,254.15	1,248,754,118.72	43,019.56	-

April 2017										May 2017									
Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision
450,811,358.13	500,913.15	-	-	-	-	164,446,702.09	213	322,339,208.34	1,513,329.62	451,312,271.28	494,333.70	-	-	-	-	165,960,031.71	212	321,362,913.92	1,515,862.80
599,974,862.06	1,655.80	-	-	-	-	176,158,598.86	225	468,335,287.29	2,081,490.17	599,976,517.86	3,655.18	-	-	-	-	178,240,089.03	224	466,256,649.65	2,081,502.90
196,963,021.04	4,319.66	-	-	-	-	106,470,586.33	153	98,274,719.18	642,318.43	196,967,340.70	-	-	-	-	-	107,112,904.76	152	97,634,645.90	642,333.20
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1,247,749,241.23	506,888.61	-	-	-	-	447,075,887.29	-	888,949,214.81	4,237,138.21	1,248,256,129.84	497,988.88	-	-	-	-	451,313,025.50	-	885,254,209.47	4,239,698.90

April 2017							May 2017																
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements				
-	-	-	164,446,702.09	213	322,339,208.34	1,513,329.62	451,312,271.28	494,333.70	-	-	-	-	165,960,031.71	212	321,362,913.92	1,515,862.80	451,806,604.98	(17,311.81)	-				
-	-	-	176,158,598.86	225	468,335,287.29	2,081,490.17	599,976,517.86	3,655.18	-	-	-	-	178,240,089.03	224	466,256,649.65	2,081,502.90	599,980,173.04	962.92	-				
-	-	-	106,470,586.33	153	98,274,719.18	642,318.43	196,967,340.70	-	-	-	-	-	107,112,904.76	152	97,634,645.90	642,333.20	196,967,340.70	59,368.45	-				
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-	-	-	447,075,887.29		888,949,214.81	4,237,138.21	1,248,256,129.84	497,988.88	-	-	-	-	451,313,025.50		885,254,209.47	4,239,698.90	1,248,754,118.72	43,019.56	-				
						4,237,138.15													4,239,698.90				
						0.06													(0.00)				

April 2017							May 2017												
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
-	-	-	164,208,191.95	225	322,577,718.48	1,433,678.75	451,312,271.28	494,333.70	-	-	-	-	165,641,870.70	224	321,681,074.93	1,436,076.23	451,806,604.98	(17,311.81)	-
-	-	-	176,158,598.86	225	468,335,287.29	2,081,490.17	599,976,517.86	3,655.18	-	-	-	-	178,240,089.03	224	466,256,649.65	2,081,502.90	599,980,173.04	962.92	-
-	-	-	105,867,400.91	225	98,877,904.60	439,457.35	196,967,340.70	-	-	-	-	-	106,306,858.27	224	98,440,692.39	439,467.38	196,967,340.70	59,368.45	-
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June 2017							July 2017												
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
-	-	-	167,475,894.51	211	320,104,452.13	1,517,082.71	451,789,293.17	(2,248.39)	-	-	-	-	168,992,977.22	210	318,576,814.74	1,517,032.45	451,787,044.78	427,519.13	(423,448.83)
-	-	-	180,321,591.93	223	464,177,627.14	2,081,514.02	599,981,135.96	207,583.65	-	-	-	-	182,403,105.95	222	462,208,123.48	2,082,018.57	600,188,719.61	32,231.41	-
-	-	-	107,755,237.96	151	97,023,169.45	642,537.55	197,026,709.15	(841.92)	-	-	-	-	108,397,775.50	150	96,411,051.07	642,740.34	197,025,867.23	(24,838.23)	(64,223.20)
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-	-	-	455,552,724.39		881,305,248.72	4,241,134.28	1,248,797,138.28	204,493.34	-	-	-	-	459,793,858.67		877,195,989.28	4,241,791.37	1,249,001,631.62	434,912.31	(487,672.03)
						4,241,134.23											4,241,791.35		
						0.05											0.02		

June 2017							July 2017												
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
-	-	-	163,917,806.79	403	323,662,539.85	803,132.85	451,789,293.17	(2,248.39)	-	-	-	-	164,720,939.64	402	322,848,852.32	803,106.60	451,787,044.78	427,519.13	(423,448.83)
-	-	-	175,732,029.79	403	468,767,189.28	1,163,194.02	599,981,135.96	207,583.65	-	-	-	-	176,895,223.81	402	467,716,005.62	1,163,472.65	600,188,719.61	32,231.41	-
-	-	-	105,781,976.80	403	98,996,430.61	245,648.71	197,026,709.15	(841.92)	-	-	-	-	106,027,625.51	402	98,781,201.06	245,724.38	197,025,867.23	(24,838.23)	(64,223.20)
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June 2017										July 2017									
Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision
451,806,604.98	(17,311.81)	-	-	-	-	167,475,894.51	211	320,104,452.13	1,517,082.71	451,789,293.17	(2,248.39)	-	-	-	-	168,992,977.22	210	318,576,814.74	1,517,032.45
599,980,173.04	962.92	-	-	-	-	180,321,591.93	223	464,177,627.14	2,081,514.02	599,981,135.96	207,583.65	-	-	-	-	182,403,105.95	222	462,208,123.48	2,082,018.57
196,967,340.70	59,368.45	-	-	-	-	107,755,237.96	151	97,023,169.45	642,537.55	197,026,709.15	(841.92)	-	-	-	-	108,397,775.50	150	96,411,051.07	642,740.34
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1,248,754,118.72	43,019.56	-	-	-	-	455,552,724.39		881,305,248.72	4,241,134.28	1,248,797,138.28	204,493.34	-	-	-	-	459,793,858.67		877,195,989.28	4,241,791.37

June 2017							July 2017												
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
-	-	-	167,475,894.51	211	320,104,452.13	1,517,082.71	451,789,293.17	(2,248.39)	-	-	-	-	168,992,977.22	210	318,576,814.74	1,517,032.45	451,787,044.78	427,519.13	(423,448.83)
-	-	-	180,321,591.93	223	464,177,627.14	2,081,514.02	599,981,135.96	207,583.65	-	-	-	-	182,403,105.95	222	462,208,123.48	2,082,018.57	600,188,719.61	32,231.41	-
-	-	-	107,755,237.96	151	97,023,169.45	642,537.55	197,026,709.15	(841.92)	-	-	-	-	108,397,775.50	150	96,411,051.07	642,740.34	197,025,867.23	(24,838.23)	(64,223.20)
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-	-	-	455,552,724.39		881,305,248.72	4,241,134.28	1,248,797,138.28	204,493.34	-	-	-	-	459,793,858.67		877,195,989.28	4,241,791.37	1,249,001,631.62	434,912.31	(487,672.03)
						4,241,134.23											4,241,791.35		
						0.05											0.02		

June 2017							July 2017												
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements
-	-	-	167,077,946.93	223	320,502,399.72	1,437,230.49	451,789,293.17	(2,248.39)	-	-	-	-	168,515,177.42	222	319,054,614.54	1,437,182.95	451,787,044.78	427,519.13	(423,448.83)
-	-	-	180,321,591.93	223	464,177,627.14	2,081,514.02	599,981,135.96	207,583.65	-	-	-	-	182,403,105.95	222	462,208,123.48	2,082,018.57	600,188,719.61	32,231.41	-
-	-	-	106,746,325.64	223	98,032,081.77	439,605.75	197,026,709.15	(841.92)	-	-	-	-	107,185,931.39	222	97,622,895.18	439,742.77	197,025,867.23	(24,838.23)	(64,223.20)
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August 2017							September 2017													
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal
(15,477.31)	-	-	170,510,009.67	209	317,280,228.46	1,518,087.22	451,791,115.08	165,471.80	(11,119.60)	(20,013.02)	-	-	171,589,170.75	208	316,082,655.40	1,519,628.15	451,945,467.28	118,047.49	(2,393,845.51)	(669,136.68)
-	-	-	184,485,124.53	221	460,254,909.57	2,082,601.40	600,220,951.02	31,447.48	-	-	-	-	186,567,725.93	220	458,206,510.10	2,082,756.86	600,252,398.50	(1,242.67)	(481,416.63)	(66,535.82)
(1,415.15)	-	-	109,040,515.84	149	95,754,402.64	642,647.00	196,936,805.80	115,522.13	-	-	-	-	109,617,524.49	148	95,158,327.77	642,961.67	197,052,327.93	527,681.61	(195,074.28)	(73,151.67)
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(16,892.46)	-	-	464,035,650.04		873,289,540.67	4,243,335.62	1,248,948,871.90	312,441.41	(11,119.60)	(20,013.02)	-	-	467,774,421.17		869,447,493.27	4,245,346.69	1,249,250,193.71	644,486.43	(3,070,336.42)	(808,824.17)
						4,243,335.60											4,245,346.69			
						0.02											(0.00)			

August 2017							September 2017													
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal
(15,477.31)	-	-	165,524,046.24	401	322,266,191.89	803,656.34	451,791,115.08	165,471.80	(11,119.60)	(20,013.02)	-	-	165,888,776.44	400	321,783,049.71	804,457.62	451,945,467.28	118,047.49	(2,393,845.51)	(669,136.68)
-	-	-	178,058,696.46	401	466,681,337.64	1,163,793.86	600,220,951.02	31,447.48	-	-	-	-	179,222,490.32	400	465,551,745.71	1,163,879.36	600,252,398.50	(1,242.67)	(481,416.63)	(66,535.82)
(1,415.15)	-	-	106,273,349.89	401	98,521,568.59	245,689.70	196,936,805.80	115,522.13	-	-	-	-	106,453,401.24	400	98,322,451.02	245,806.13	197,052,327.93	527,681.61	(195,074.28)	(73,151.67)
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(16,892.46)	-	-	449,856,092.59		887,469,098.12	2,213,139.90	1,248,948,871.90	312,441.41	(11,119.60)	(20,013.02)	-	-	451,564,668.00		885,657,246.44	2,214,143.12	1,249,250,193.71	644,486.43	(3,070,336.42)	(808,824.17)

August 2017										September 2017											
Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Cost of Removal
451,787,044.78	#####	(423,448.83)	(15,477.31)	-	-	170,510,009.67	209	#####	1,518,087.22	451,791,115.08	#####	(11,119.60)	(20,013.02)	-	-	171,589,170.75	208	#####	1,519,628.15	451,945,467.28	
600,188,719.61	#####	-	-	-	-	184,485,124.53	221	#####	2,082,601.40	600,220,951.02	#####	-	-	-	-	186,567,725.93	220	#####	2,082,756.86	600,252,398.50	
197,025,867.23	#####	(64,223.20)	(1,415.15)	-	-	109,040,515.84	149	#####	642,647.00	196,936,805.80	#####	-	-	-	-	109,617,524.49	148	#####	642,961.67	197,052,327.93	
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1,249,001,631.62	#####	(487,672.03)	(16,892.46)	-	-	464,035,650.04		#####	4,243,335.62	1,248,948,871.90	#####	(11,119.60)	(20,013.02)	-	-	467,774,421.17		#####	4,245,346.69	1,249,250,193.71	

August 2017							September 2017													
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal
(15,477.31)	-	-	170,510,009.67	209	317,280,228.46	1,518,087.22	451,791,115.08	165,471.80	(11,119.60)	(20,013.02)	-	-	171,589,170.75	208	316,082,655.40	1,519,628.15	451,945,467.28	118,047.49	(2,393,845.51)	(669,136.68)
-	-	-	184,485,124.53	221	460,254,909.57	2,082,601.40	600,220,951.02	31,447.48	-	-	-	-	186,567,725.93	220	458,206,510.10	2,082,756.86	600,252,398.50	(1,242.67)	(481,416.63)	(66,535.82)
(1,415.15)	-	-	109,040,515.84	149	95,754,402.64	642,647.00	196,936,805.80	115,522.13	-	-	-	-	109,617,524.49	148	95,158,327.77	642,961.67	197,052,327.93	527,681.61	(195,074.28)	(73,151.67)
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(16,892.46)	-	-	464,035,650.04		873,289,540.67	4,243,335.62	1,248,948,871.90	312,441.41	(11,119.60)	(20,013.02)	-	-	467,774,421.17		869,447,493.27	4,245,346.69	1,249,250,193.71	644,486.43	(3,070,336.42)	(808,824.17)
						4,243,335.60											4,245,346.69			
						0.02											(0.00)			

August 2017							September 2017																
Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal			
(15,477.31)	-	-	169,952,360.37	221	317,837,877.76	1,438,180.44	451,791,115.08	165,471.80	(11,119.60)	(20,013.02)	-	-	170,951,614.67	220	316,720,211.48	1,439,637.32	451,945,467.28	118,047.49	(2,393,845.51)	(669,136.68)			
-	-	-	184,485,124.53	221	460,254,909.57	2,082,601.40	600,220,951.02	31,447.48	-	-	-	-	186,567,725.93	220	458,206,510.10	2,082,756.86	600,252,398.50	(1,242.67)	(481,416.63)	(66,535.82)			
(1,415.15)	-	-	107,625,674.16	221	97,169,244.32	439,679.84	196,936,805.80	115,522.13	-	-	-	-	107,999,715.65	220	96,776,136.60	439,891.53	197,052,327.93	527,681.61	(195,074.28)	(73,151.67)			
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(16,892.46)	-	-	462,063,159.06		875,262,031.65	3,960,461.68	1,248,948,871.90	312,441.41	(11,119.60)	(20,013.02)	-	-	465,519,056.25		871,702,858.19	3,962,285.72	1,249,250,193.71	644,486.43	(3,070,336.42)	(808,824.17)			

October 2017						November 2017														
Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds/Transfers	Retirements	Cost of Removal	Salvage
		173,077,666.28	207	314,965,352.49	1,521,571.75	449,669,669.26	148,804.04	(299,952.88)	(40,891.54)	-	(793,338.34)	171,536,255.84	218	314,232,782.69	1,441,434.78	449,518,520.42	43,521.89		-	
		188,650,482.79	219	456,155,383.59	2,082,901.29	599,769,739.20	(2,654,882.96)	(593,383.56)	(333,074.74)	19,273.58		190,185,431.64	218	452,796,170.63	2,077,046.65	596,521,472.68	347,266.38	(118,419.14)	(1,242.67)	
		110,260,486.16	147	94,882,394.35	645,458.46	197,384,935.26	(489,384.62)	-	-		(2,021,080.84)	110,637,718.68	218	95,300,104.29	437,156.44	196,895,550.64	(134,163.46)	-	-	
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		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
-	471,988,635.24			866,003,130.44	4,249,931.51	1,246,824,343.72	(2,995,463.54)	(893,336.44)	(373,966.28)	19,273.58	(2,814,419.18)	472,359,406.16		862,329,057.60	3,955,637.88	1,242,935,543.74	256,624.81	(118,419.14)	(1,242.67)	-
					4,249,931.48										3,955,637.88					
					0.03										(0.00)					

October 2017						November 2017														
Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds/Transfers	Retirements	Cost of Removal	Salvage
		166,662,101.44	399	321,380,917.33	805,465.96	449,669,669.26	148,804.04	(299,952.88)	(40,891.54)	-	(793,338.34)	164,404,585.21	398	321,364,453.32	807,448.38	449,518,520.42	43,521.89		-	
		180,386,369.68	399	464,419,496.70	1,163,958.64	599,769,739.20	(2,654,882.96)	(593,383.56)	(333,074.74)	19,273.58		181,002,375.87	398	461,979,226.39	1,160,751.83	596,521,472.68	347,266.38	(118,419.14)	(1,242.67)	
		106,699,207.37	399	98,443,673.15	246,726.00	197,384,935.26	(489,384.62)	-	-		(2,021,080.84)	106,677,707.42	398	99,260,115.55	249,397.28	196,895,550.64	(134,163.46)	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
-	453,747,678.49			884,244,087.18	2,216,150.59	1,246,824,343.72	(2,995,463.54)	(893,336.44)	(373,966.28)	19,273.58	(2,814,419.18)	452,084,668.50		882,603,795.26	2,217,597.48	1,242,935,543.74	256,624.81	(118,419.14)	(1,242.67)	-

Difference from Actual Productic
 BEC 3 3110-316C (7,765,657.04)
 BEC 4 3110-316C (10,099,350.60)
 BEC Common 31 (4,147,770.43)
(22,012,778.06)

October 2017						November 2017														
Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds/Trar
#####	(2,393,845.51)	(669,136.68)			173,077,666.28	207	#####	1,521,571.75	449,669,669.26	#####	(299,952.88)	(40,891.54)	-	(793,338.34)	171,536,255.84	218	#####	1,441,434.78	449,518,520.42	#####
#####	(481,416.63)	(66,535.82)			188,650,482.79	219	#####	2,082,901.29	599,769,739.20	#####	(593,383.56)	(333,074.74)	19,273.58		190,185,431.64	218	#####	2,077,046.65	596,521,472.68	#####
#####	(195,074.28)	(73,151.67)			110,260,486.16	147	94,882,394.35	645,458.46	197,384,935.26	#####	-	-		(2,021,080.84)	110,637,718.68	218	95,300,104.29	437,156.44	196,895,550.64	#####
					-		-	-	-			-			-		-	-	-	
					-		-	-	-			-			-		-	-	-	
					-		-	-	-			-			-		-	-	-	
#####	(3,070,336.42)	(808,824.17)	-	471,988,635.24	#####	4,249,931.51	1,246,824,343.72	#####	(893,336.44)	(373,966.28)	19,273.58	(2,814,419.18)	472,359,406.16	#####	3,955,637.88	1,242,935,543.74	#####			

October 2017						November 2017														
Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds/Transfers	Retirements	Cost of Removal	Salvage
		173,077,666.28	207	314,965,352.49	1,521,571.75	449,669,669.26	148,804.04	(299,952.88)	(40,891.54)	-		171,536,255.84	206	313,836,113.52	1,523,476.28	449,518,520.42	43,521.89		-	
		188,650,482.79	219	456,155,383.59	2,082,901.29	599,769,739.20	(2,654,882.96)	(593,383.56)	(333,074.74)	19,273.58		190,185,431.64	218	452,796,170.63	2,077,046.65	596,521,472.68	347,266.38	(118,419.14)	(1,242.67)	
		110,260,486.16	147	94,882,394.35	645,458.46	197,384,935.26	(489,384.62)	-	-			110,637,718.68	146	94,289,563.87	645,818.93	196,895,550.64	(134,163.46)	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
-	471,988,635.24			866,003,130.44	4,249,931.51	1,246,824,343.72	(2,995,463.54)	(893,336.44)	(373,966.28)	19,273.58	-	472,359,406.16		860,921,848.01	4,246,341.86	1,242,935,543.74	256,624.81	(118,419.14)	(1,242.67)	-
					4,249,931.48										3,955,637.88					
					0.03										290,703.98					

October 2017						November 2017														
Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	Beg Asset Dollars	Adds/Transfers	Retirements	Cost of Removal	Salvage
		172,360,119.37	219	315,682,899.40	1,441,474.43	449,669,669.26	148,804.04	(299,952.88)	(40,891.54)	-		170,738,611.61	218	314,633,757.75	1,443,274.12	449,518,520.42	43,521.89		-	
		188,650,482.79	219	456,155,383.59	2,082,901.29	599,769,739.20	(2,654,882.96)	(593,383.56)	(333,074.74)	19,273.58		190,185,431.64	218	452,796,170.63	2,077,046.65	596,521,472.68	347,266.38	(118,419.14)	(1,242.67)	
		108,439,607.18	219	96,703,273.34	441,567.46	197,384,935.26	(489,384.62)	-	-			108,612,948.69	218	96,314,333.86	441,808.87	196,895,550.64	(134,163.46)	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
		-		-	-	-	-	-	-			-		-	-	-	-	-	-	
-	469,450,209.35			868,541,556.33	3,965,943.18	1,246,824,343.72	(2,995,463.54)	(893,336.44)	(373,966.28)	19,273.58	-	469,536,991.94		863,744,262.23	3,962,129.64	1,242,935,543.74	256,624.81	(118,419.14)	(1,242.67)	-

December 2017						
Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
	171,843,507.86	217	313,300,363.79	1,443,780.48	173,287,288.34	449,562,042.31
	191,355,293.57	217	449,610,817.14	2,071,939.25	193,307,571.01	596,868,739.06
(146,830.70)	109,053,794.28	217	95,622,814.50	440,658.13	109,347,621.71	196,761,387.18
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(146,830.70)	472,252,595.72		858,533,995.43	3,956,377.86	475,942,481.06	1,243,192,168.55
				3,956,377.86		
				(0.00)		

December 2017						
Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
	164,077,850.83	397	321,066,020.82	808,730.53	164,886,581.36	449,562,042.31
	181,255,942.97	397	459,710,167.74	1,157,960.12	182,294,241.28	596,868,739.06
(146,830.70)	104,906,023.85	397	99,770,584.93	251,311.30	105,010,504.45	196,761,387.18
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(146,830.70)	450,239,817.65		880,546,773.49	2,218,001.95	452,191,327.09	1,243,192,168.55

Production of 2035 VS 2050 w/ Jan Effective Date (23,751,153.97)

Jan-Nov 2017 At (22,012,778.06) Difference from actual production

December 2017									
Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
	-	-	(7,765,657.04)	171,843,507.86	397	317,183,192.31	798,950.11	164,876,800.93	449,562,042.31
(118,419.14)	(1,242.67)	-	(10,099,350.60)	191,355,293.57	397	454,660,492.44	1,145,240.54	182,281,521.69	596,868,739.06
-	-	-	(4,294,601.13)	109,053,794.28	397	97,696,699.72	246,087.40	105,005,280.56	196,761,387.18
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(118,419.14)	(1,242.67)	-	(22,159,608.77)	472,252,595.72		869,540,384.46	2,190,278.05	452,163,603.18	1,243,192,168.55
							(27,723.90)		

Month of Dec. 2017 Expected Decrease
Change (1,766,099.81)

Full Year 2017									
Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Depr Provision	End Reserve	End Asset Dollars
450,258,763.45	3,042,877.55	(3,739,598.69)	(862,191.17)	-	(793,338.34)	160,642,947.37	9,638,762.19	164,886,581.36	449,562,042.31
599,540,548.78	(1,048,304.84)	(1,741,924.02)	(758,860.70)	19,273.58	-	170,825,336.75	13,950,415.67	182,294,241.28	596,750,319.92
196,105,939.39	1,109,730.04	(454,282.25)	(171,675.42)	-	(2,167,911.54)	104,852,634.40	2,951,739.26	105,010,504.45	196,761,387.18
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,245,905,251.62	3,104,302.75	(5,935,804.96)	(1,792,727.29)	19,273.58	(2,961,249.88)	436,320,918.52	26,540,917.12	452,191,327.09	1,243,073,749.41

(1,766,099.81)

December 2017						
Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
	172,718,887.70	205	312,424,983.95	1,524,024.31	174,242,912.01	449,562,042.31
	191,355,293.57	217	449,610,817.14	2,071,939.25	193,307,571.01	596,868,739.06
(146,830.70)	111,283,537.61	145	93,393,071.17	644,090.15	111,780,797.06	196,761,387.18
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(146,830.70)	475,357,718.88		855,428,872.26	4,240,053.71	479,331,280.08	1,243,192,168.55
				3,956,377.86		
				283,675.85		

December 2017						
Reserve Adj	Beg Reserve	Rmn Life	Depr Base	Depr Provision	End Reserve	End Asset Dollars
	171,841,041.31	217	313,302,830.34	1,443,791.84	173,284,833.15	449,562,042.31
	191,355,293.57	217	449,610,817.14	2,071,939.25	193,307,571.01	596,868,739.06
(146,830.70)	109,054,757.56	217	95,621,851.22	440,653.69	109,348,580.55	196,761,387.18
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(146,830.70)	472,251,092.44		858,535,498.70	3,956,384.79	475,940,984.72	1,243,192,168.55

Production of 2035 VS 2050 w/ Jan Effective Date (3,390,295.36)

Full Year 2017									
Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Depr Provision	End Reserve	End Asset Dollars
450,258,763.45	3,042,877.55	(3,739,598.69)	(862,191.17)	-	(793,338.34)	160,642,947.37	18,039,469.17	173,287,288.34	449,562,042.31
599,540,548.78	(1,048,304.84)	(1,741,924.02)	(758,860.70)	19,273.58	-	170,825,336.75	24,963,745.40	193,307,571.01	596,750,319.92
196,105,939.39	1,109,730.04	(454,282.25)	(171,675.42)	-	(2,167,911.54)	104,852,634.40	7,288,856.52	109,347,621.71	196,761,387.18
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,245,905,251.62	3,104,302.75	(5,935,804.96)	(1,792,727.29)	19,273.58	(2,961,249.88)	436,320,918.52	50,292,071.09	475,942,481.06	1,243,073,749.41
	3,104,302.75	(5,935,804.96)	(1,792,727.29)	19,273.58	(2,961,249.88)	436,320,918.52	50,292,070.82	475,942,480.79	1,243,073,749.41
	-	-	-	-	-	-	(0.27)	(0.27)	-

Full Year 2017									
Beg Asset Dollars	Adds	Retirements	Cost of Removal	Salvage	Reserve Adj	Beg Reserve	Depr Provision	End Reserve	End Asset Dollars
450,258,763.45	3,042,877.55	(3,739,598.69)	(862,191.17)	-	(793,338.34)	160,642,947.37	9,638,762.19	164,886,581.36	449,562,042.31
599,540,548.78	(1,048,304.84)	(1,741,924.02)	(758,860.70)	19,273.58	-	170,825,336.75	13,950,415.67	182,294,241.28	596,750,319.92
196,105,939.39	1,109,730.04	(454,282.25)	(171,675.42)	-	(2,167,911.54)	104,852,634.40	2,951,739.26	105,010,504.45	196,761,387.18
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,245,905,251.62	3,104,302.75	(5,935,804.96)	(1,792,727.29)	19,273.58	(2,961,249.88)	436,320,918.52	26,540,917.12	452,191,327.09	1,243,073,749.41

Agrees to Depr 1033 Report
Agrees to Depr 1032 Report

End Reserve	End Asset Dollars
164,876,800.93	449,562,042.31
182,281,521.69	596,750,319.92
105,005,280.56	196,761,387.18
-	-
-	-
-	-
-	-
452,163,603.18	1,243,073,749.41

Agrees to Depr 1033 Report
Agrees to Depr 1032 Report

Agrees to Depr 1033 Report
Agrees to Depr 1032 Report

Current Production

	2017	January		February		March		April		N
Depr Summary	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	
BEC 3	1,508,263.11	161,705,161.32	1,511,339.15	162,934,645.13	1,512,056.96	164,446,702.09	1,513,329.62	165,960,031.71	1,515,862.80	
BEC 4	2,077,784.23	172,061,425.29	2,080,756.65	174,142,181.94	2,081,433.39	176,158,598.86	2,081,490.17	178,240,089.03	2,081,502.90	
BEC Common	634,756.68	105,435,785.04	635,797.03	106,071,582.07	639,491.59	106,470,586.33	642,318.43	107,112,904.76	642,333.20	
Total	4,220,804.02	439,202,371.65	4,227,892.83	443,148,409.15	4,232,981.94	447,075,887.29	4,237,138.21	451,313,025.50	4,239,698.90	

Life Extension to 2050

	2017	January		February		March		April		N
Depr Summary	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	
BEC 3	798,492.23	160,995,390.44	800,117.17	161,513,652.28	800,495.52	162,314,147.80	801,164.85	163,115,312.65	802,494.14	
BEC 4	1,161,114.72	171,144,755.78	1,162,772.56	172,307,528.33	1,163,149.26	173,405,661.12	1,163,180.80	174,568,841.92	1,163,187.86	
BEC Common	242,701.08	105,043,729.44	243,097.29	105,286,826.73	244,498.67	105,290,838.07	245,566.59	105,536,404.66	245,572.14	
Total	2,202,308.03	437,183,875.66	2,205,987.01	439,108,007.34	2,208,143.45	441,010,647.00	2,209,912.23	443,220,559.23	2,211,254.15	

Differences

	2017	January		February		March		April		N
Depr Summary	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	
BEC 3	(709,770.87)	(709,770.87)	(711,221.98)	(1,420,992.85)	(711,561.44)	(2,132,554.29)	(712,164.77)	(2,844,719.06)	(713,368.66)	
BEC 4	(916,669.51)	(916,669.51)	(917,984.10)	(1,834,653.61)	(918,284.13)	(2,752,937.74)	(918,309.36)	(3,671,247.10)	(918,315.04)	
BEC Common	(392,055.60)	(392,055.60)	(392,699.75)	(784,755.34)	(394,992.92)	(1,179,748.26)	(396,751.84)	(1,576,500.10)	(396,761.05)	
Total	(2,018,495.98)	(2,018,495.98)	(2,021,905.82)	(4,040,401.81)	(2,024,838.48)	(6,065,240.29)	(2,027,225.97)	(8,092,466.27)	(2,028,444.75)	

Jan-Nov Adjustment

BEC 3	(7,765,657.04)
BEC 4	(10,099,350.60)
BEC Common	(4,147,770.43)
Total	<u>(22,012,778.06)</u>

What is Expected to Happen in Production Making the Adjustments in December 2017

	2017	January		February		March		April		N
Depr Summary	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	
BEC 3 3110-3160	1,508,263.11	161,705,161.32	1,511,339.15	162,934,645.13	1,512,056.96	164,446,702.09	1,513,329.62	165,960,031.71	1,515,862.80	
BEC 4 3110-3160	2,077,784.23	172,061,425.29	2,080,756.65	174,142,181.94	2,081,433.39	176,158,598.86	2,081,490.17	178,240,089.03	2,081,502.90	
BEC Common 3110-3160	634,756.68	105,435,785.04	635,797.03	106,071,582.07	639,491.59	106,470,586.33	642,318.43	107,112,904.76	642,333.20	
Total	4,220,804.02	439,202,371.65	4,227,892.83	443,148,409.15	4,232,981.94	447,075,887.29	4,237,138.21	451,313,025.50	4,239,698.90	

May	June		July		August		September		October	
End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve
167,475,894.51	1,517,082.71	168,992,977.22	1,517,032.45	170,510,009.67	1,518,087.22	171,589,170.75	1,519,628.15	173,077,666.28	1,521,571.75	171,536,255.84
180,321,591.93	2,081,514.02	182,403,105.95	2,082,018.57	184,485,124.53	2,082,601.40	186,567,725.93	2,082,756.86	188,650,482.79	2,082,901.29	190,185,431.64
107,755,237.96	642,537.55	108,397,775.50	642,740.34	109,040,515.84	642,647.00	109,617,524.49	642,961.67	110,260,486.16	645,458.46	110,637,718.68
455,552,724.39	4,241,134.28	459,793,858.67	4,241,791.37	464,035,650.04	4,243,335.62	467,774,421.17	4,245,346.69	471,988,635.24	4,249,931.51	472,359,406.16

May	June		July		August		September		October	
End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve
163,917,806.79	803,132.85	164,720,939.64	803,106.60	165,524,046.24	803,656.34	165,888,776.44	804,457.62	166,662,101.44	805,465.96	164,404,585.21
175,732,029.79	1,163,194.02	176,895,223.81	1,163,472.65	178,058,696.46	1,163,793.86	179,222,490.32	1,163,879.36	180,386,369.68	1,163,958.64	181,002,375.87
105,781,976.80	245,648.71	106,027,625.51	245,724.38	106,273,349.89	245,689.70	106,453,401.24	245,806.13	106,699,207.37	246,726.00	106,677,707.42
445,431,813.38	2,211,975.58	447,643,788.96	2,212,303.63	449,856,092.59	2,213,139.90	451,564,668.00	2,214,143.12	453,747,678.49	2,216,150.59	452,084,668.50

May	June		July		August		September		October	
End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve
(3,558,087.72)	(713,949.86)	(4,272,037.58)	(713,925.85)	(4,985,963.43)	(714,430.88)	(5,700,394.31)	(715,170.53)	(6,415,564.84)	(716,105.79)	(7,131,670.63)
(4,589,562.14)	(918,320.00)	(5,507,882.15)	(918,545.92)	(6,426,428.07)	(918,807.54)	(7,345,235.61)	(918,877.50)	(8,264,113.11)	(918,942.66)	(9,183,055.77)
(1,973,261.16)	(396,888.83)	(2,370,149.99)	(397,015.96)	(2,767,165.95)	(396,957.30)	(3,164,123.25)	(397,155.55)	(3,561,278.80)	(398,732.47)	(3,960,011.26)
(10,120,911.02)	(2,029,158.70)	(12,150,069.71)	(2,029,487.74)	(14,179,557.45)	(2,030,195.72)	(16,209,753.17)	(2,031,203.57)	(18,240,956.74)	(2,033,780.92)	(20,274,737.66)

May	June		July		August		September		October	
End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp	End Reserve
167,475,894.51	1,517,082.71	168,992,977.22	1,517,032.45	170,510,009.67	1,518,087.22	171,589,170.75	1,519,628.15	173,077,666.28	1,521,571.75	171,536,255.84
180,321,591.93	2,081,514.02	182,403,105.95	2,082,018.57	184,485,124.53	2,082,601.40	186,567,725.93	2,082,756.86	188,650,482.79	2,082,901.29	190,185,431.64
107,755,237.96	642,537.55	108,397,775.50	642,740.34	109,040,515.84	642,647.00	109,617,524.49	642,961.67	110,260,486.16	645,458.46	110,637,718.68
455,552,724.39	4,241,134.28	459,793,858.67	4,241,791.37	464,035,650.04	4,243,335.62	467,774,421.17	4,245,346.69	471,988,635.24	4,249,931.51	472,359,406.16

November		December		Total
Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp
1,441,434.78	171,843,507.86	1,443,780.48	173,287,288.34	18,039,469.17
2,077,046.65	191,355,293.57	2,071,939.25	193,307,571.01	24,963,745.40
437,156.44	109,053,794.28	440,658.13	109,347,621.71	7,288,856.52
3,955,637.88	472,252,595.72	3,956,377.86	475,942,481.06	50,292,071.09

November		December		Total
Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp
807,448.38	164,077,850.83	808,730.53	164,886,581.36	9,638,762.19
1,160,751.83	181,255,942.97	1,157,960.12	182,294,241.28	13,950,415.67
249,397.28	104,906,023.85	251,311.30	105,010,504.45	2,951,739.26
2,217,597.48	450,239,817.65	2,218,001.95	452,191,327.09	26,540,917.12

November		December		Total
Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp
(633,986.41)	(7,765,657.04)	(635,049.95)	(8,400,706.98)	(8,400,706.98)
(916,294.83)	(10,099,350.60)	(913,979.13)	(11,013,329.73)	(11,013,329.73)
(187,759.17)	(4,147,770.43)	(189,346.83)	(4,337,117.27)	(4,337,117.27)
(1,738,040.40)	(22,012,778.06)	(1,738,375.91)	(23,751,153.97)	(23,751,153.97)

November		December		Total
Depr Exp	End Reserve	Depr Exp	End Reserve	Depr Exp
1,441,434.78	171,843,507.86	798,950.11	164,876,800.93	17,394,638.80
2,077,046.65	191,355,293.57	1,145,240.54	182,281,521.69	24,037,046.68
437,156.44	109,053,794.28	246,087.40	105,005,280.56	7,094,285.80
3,955,637.88	472,252,595.72	2,190,278.05	452,163,603.18	48,525,971.28

27		
28	Jan-Nov Adjustment	
29	BEC 3	(7,765,657.04)
30	BEC 4	(10,099,350.60)
31	BEC Common	(4,147,770.43)
32	Total	(22,012,778.06)
33		

Depr Base from Dec 2017 Depr 1032 Report

BEC Common			BEC Unit 4			BEC Unit 3		
3110	11,028,341.29		3110	20,166,762.29		3110	12,742,735.20	
3111	6,652,251.00		3111	23,316,694.64		3111	13,189,096.81	
3120	28,116,902.18		3120	67,973,668.65		3120	46,154,456.67	
3121	39,917,722.80		3121	234,282,342.45		3121	185,713,799.44	
3140	178,301.16		3140	41,625,739.25		3140	18,947,568.02	
3141	270,749.22		3141	8,940,795.37		3141	2,846,128.05	
3150	4,448,939.20		3150	35,140,090.75		3150	25,071,447.16	
3151	361,997.13		3151	8,467,984.97		3151	1,971,518.50	
3160	2,106,518.22		3160	603,792.44		3160	334,636.33	
3161	17.77		3161	108,360.60		3161	-	
Depreciable	93,081,739.97		Depreciable	440,626,231.41		Depreciable	306,971,386.18	

Accounts to Allocate Reserve Adjustment

BEC Common			BEC Unit 4			BEC Unit 3		
3110	11,028,341.29	11.85%	3110	20,166,762.29	4.58%	3110	12,742,735.20	4.15%
3111	6,652,251.00	7.15%	3111	23,316,694.64	5.29%	3111	13,189,096.81	4.30%
3120	28,116,902.18	30.21%	3120	67,973,668.65	15.43%	3120	46,154,456.67	15.04%
3121	39,917,722.80	42.88%	3121	234,282,342.45	53.17%	3121	185,713,799.44	60.50%
3140	178,301.16	0.19%	3140	41,625,739.25	9.45%	3140	18,947,568.02	6.17%
3141	270,749.22	0.29%	3141	8,940,795.37	2.03%	3141	2,846,128.05	0.93%
3150	4,448,939.20	4.78%	3150	35,140,090.75	7.98%	3150	25,071,447.16	8.17%
3151	361,997.13	0.39%	3151	8,467,984.97	1.92%	3151	1,971,518.50	0.64%
3160	2,106,518.22	2.26%	3160	603,792.44	0.14%	3160	334,636.33	0.11%
3161	-	0.00%	3161	108,360.60	0.02%	3161	-	0.00%
Depreciable	93,081,722.20	100.00%	Depreciable Subtotal	440,626,231.41	100.00%	Depreciable	306,971,386.18	100.00%

Reserve Adjustment Allocation

BEC Common			BEC Unit 4			BEC Unit 3		
Allocation /	(4,147,770.43)		Allocation Amount	(10,099,350.60)		Allocation /	(7,765,657.04)	
3110	(491,428.68)		3110	(462,231.23)		3110	(322,361.35)	
3111	(296,427.80)		3111	(534,429.09)		3111	(333,653.26)	
3120	(1,252,903.93)		3120	(1,557,986.93)		3120	(1,167,599.64)	
3121	(1,778,754.69)		3121	(5,369,856.23)		3121	(4,698,124.12)	
3140	(7,945.19)		3140	(954,080.59)		3140	(479,329.09)	
3141	(12,064.73)		3141	(204,927.03)		3141	(72,000.37)	
3150	(198,247.07)		3150	(805,426.62)		3150	(634,248.89)	
3151	(16,130.78)		3151	(194,090.01)		3151	(49,874.80)	
3160	(93,867.56)		3160	(13,839.19)		3160	(8,465.52)	
3161	-		3161	(2,483.67)		3161	-	
Total	(4,147,770.43)		Total	(10,099,350.60)		Total	(7,765,657.04)	

27		
28	Jan-Nov Adjustment	
29	BEC 3	(7,765,657.04)
30	BEC 4	(10,099,350.60)
31	BEC Common	(4,147,770.43)
32	Total	(22,012,778.06)
33		

Depr Base from Dec 2017 Depr 1032 Report

BEC Common			BEC Unit 4			BEC Unit 3		
3110	11,028,341.29		3110	20,166,762.29		3110	12,742,735.20	
3111	6,652,251.00		3111	23,316,694.64		3111	13,189,096.81	
3120	28,116,902.18		3120	67,973,668.65		3120	46,154,456.67	
3121	39,917,722.80		3121	234,282,342.45		3121	185,713,799.44	
3140	178,301.16		3140	41,625,739.25		3140	18,947,568.02	
3141	270,749.22		3141	8,940,795.37		3141	2,846,128.05	
3150	4,448,939.20		3150	35,140,090.75		3150	25,071,447.16	
3151	361,997.13		3151	8,467,984.97		3151	1,971,518.50	
3160	2,106,518.22		3160	603,792.44		3160	334,636.33	
3161	17.77		3161	108,360.60		3161	-	
Depreciable	93,081,739.97		Depreciable	440,626,231.41		Depreciable	306,971,386.18	

Accounts to Allocate Reserve Adjustment

BEC Common			BEC Unit 4			BEC Unit 3		
3110	11,028,341.29	11.85%	3110	20,166,762.29	4.58%	3110	12,742,735.20	4.15%
3111	6,652,251.00	7.15%	3111	23,316,694.64	5.29%	3111	13,189,096.81	4.30%
3120	28,116,902.18	30.21%	3120	67,973,668.65	15.43%	3120	46,154,456.67	15.04%
3121	39,917,722.80	42.88%	3121	234,282,342.45	53.17%	3121	185,713,799.44	60.50%
3140	178,301.16	0.19%	3140	41,625,739.25	9.45%	3140	18,947,568.02	6.17%
3141	270,749.22	0.29%	3141	8,940,795.37	2.03%	3141	2,846,128.05	0.93%
3150	4,448,939.20	4.78%	3150	35,140,090.75	7.98%	3150	25,071,447.16	8.17%
3151	361,997.13	0.39%	3151	8,467,984.97	1.92%	3151	1,971,518.50	0.64%
3160	2,106,518.22	2.26%	3160	603,792.44	0.14%	3160	334,636.33	0.11%
3161	-	0.00%	3161	108,360.60	0.02%	3161	-	0.00%
Depreciable	93,081,722.20	100.00%	Depreciable Subtotal	440,626,231.41	100.00%	Depreciable	306,971,386.18	100.00%

Reserve Adjustment Allocation

BEC Common			BEC Unit 4			BEC Unit 3		
Allocation /	(2,129,228.64)		Allocation Amount	(10,099,350.60)		Allocation /	(6,973,315.35)	
3110	(252,271.44)		3110	(462,231.23)		3110	(289,470.34)	
3111	(152,169.12)		3111	(534,429.09)		3111	(299,610.11)	
3120	(643,169.38)		3120	(1,557,986.93)		3120	(1,048,467.69)	
3121	(913,111.15)		3121	(5,369,856.23)		3121	(4,218,767.44)	
3140	(4,078.61)		3140	(954,080.59)		3140	(430,422.42)	
3141	(6,193.34)		3141	(204,927.03)		3141	(64,654.07)	
3150	(101,768.73)		3150	(805,426.62)		3150	(569,535.52)	
3151	(8,280.62)		3151	(194,090.01)		3151	(44,786.00)	
3160	(48,186.25)		3160	(13,839.19)		3160	(7,601.77)	
3161	-		3161	(2,483.67)		3161	-	
Total	(2,129,228.64)		Total	(10,099,350.60)		Total	(6,973,315.35)	

	Ending Plant Balance 12/31/16	Depreciation Reserve 12/31/16	Half of 2017 Adds from 2018 Budget	2017 Current Production. No adjustments made to lives.			BEC 1 and 2 lives reduced to 2022 and BEC 3, 4, and Common extended to 2035			Decrease in 2017 Depr Expense & Accum Depr & Increase in Depreciable Basis
				Remaining Life (01/01/17)	Salvage Value (01/01/17)	2017 Annual Accrual	Remaining Life (01/01/17)	Salvage Value (01/01/17)	2017 Annual Accrual	
Steam Generation										
<u>Boswell Energy Center:</u>	1,331,403,558	492,059,792	1,592,612			56,232,321			54,697,393	(1,534,928)
Unit No. 1	45,101,081	28,621,210	98,469	8	-16.08%	2,980,803	6	-16.08%	3,974,405	993,602
Unit No. 2	40,144,937	27,024,581	-	8	-18.06%	2,546,316	6	-18.06%	3,395,089	848,773
Unit No. 3	450,258,763	160,642,947	286,925	18	-7.92%	18,088,109	19	-7.92%	17,136,103	(952,006)
Unit No. 4	599,540,549	170,825,337	560,040	19	-7.42%	24,936,985	19	-7.42%	24,936,985	-
Common	196,358,228	104,945,717	647,179	13	-3.95%	7,680,108	19	-3.95%	5,254,811	(2,425,297)

<u>Boswell Energy Center:</u>	Annual Change	Change per Month	10 Month Adj	Adj for BEC 1,2 reduction to 2022 and BEC 3,4,Common extension to 2035
Unit No. 1	993,602.00	82,800.17	828,001.67	
Unit No. 2	848,773.00	70,731.08	707,310.83	
Unit No. 3	(952,006.00)	(79,333.83)	(793,338.33)	
Unit No. 4	-	-	-	
Common	(2,425,297.00)	(202,108.08)	(2,021,080.83)	
Totals	(1,534,928.00)	(127,910.67)	(1,279,106.67)	

Life change made in November 2017. 10 months of PP calculated expense. Change should have been made in January 2017 for 12 months of calculated expense. 10 month adjustment.

Depr Base from Oct 2017 Depr 1032 Report			
BEC Common	BEC Unit 1	BEC Unit 2	BEC Unit 3
3110 10,868,537.86	3110 1,052,863.57	3110 1,102,319.61	3110 12,749,458.84
3111 6,740,429.16	3111 5,327.46	3111 (2,252.61)	3111 13,279,851.05
3120 27,839,896.27	3120 5,535,312.96	3120 4,155,203.74	3120 46,497,721.45
3121 39,583,151.01	3121 7,546,189.55	3121 8,131,998.21	3121 186,841,785.22
3140 176,452.55	3140 3,096,433.84	3140 3,307,564.84	3140 19,096,107.99
3141 267,942.11	3141 114,023.49	3141 9,073.82	3141 2,865,712.27
3150 4,400,177.83	3150 3,691,926.04	3150 1,252,144.21	3150 25,254,474.46
3151 358,243.97	3151 142,180.73	3151 -	3151 2,031,671.24
3160 2,113,575.69	3160 2,028.59	3160 552.44	3160 336,938.96
3161 17.97	3161 -	3161 -	3161 -
Depreciable Subtotal 92,348,424.42	Depreciable Subtotal 21,186,286.23	Depreciable Subtotal 17,956,604.26	Depreciable Subtotal 308,953,721.48
3100 4,295,460.65	3100 59,858.35	3100 59,687.82	3100 3,104,623.55
Total 96,643,885.07	Total 21,246,144.58	Total 18,016,292.08	Total 312,058,345.03

Accounts to Allocate Reserve Adjustments							
BEC Common	BEC Unit 1	BEC Unit 2	BEC Unit 3				
3110 10,868,537.86	3110 1,052,863.57	3110 1,102,319.61	3110 12,749,458.84	11.77%	4.97%	6.14%	4.13%
3111 6,740,429.16	3111 -	3111 -	3111 13,279,851.05	7.30%	0.00%	0.00%	4.30%
3120 27,839,896.27	3120 5,535,312.96	3120 4,155,203.74	3120 46,497,721.45	30.15%	26.14%	23.15%	15.05%
3121 39,583,151.01	3121 7,546,189.55	3121 8,131,998.21	3121 186,841,785.22	42.86%	35.63%	45.31%	60.48%
3140 176,452.55	3140 3,096,433.84	3140 3,307,564.84	3140 19,096,107.99	0.19%	14.62%	18.43%	6.18%
3141 267,942.11	3141 114,023.49	3141 -	3141 2,865,712.27	0.29%	0.54%	0.00%	0.93%
3150 4,400,177.83	3150 3,691,926.04	3150 1,252,144.21	3150 25,254,474.46	4.76%	17.43%	6.98%	8.17%
3151 358,243.97	3151 142,180.73	3151 -	3151 2,031,671.24	0.39%	0.67%	0.00%	0.66%
3160 2,113,575.69	3160 -	3160 -	3160 336,938.96	2.29%	0.00%	0.00%	0.11%
3161 -	3161 -	3161 -	3161 -	0.00%	0.00%	0.00%	0.00%
92,348,406.45	21,178,930.18	17,949,230.61	308,953,721.48	100.00%	100.00%	100.00%	100.00%

Reserve Adjustment Allocation							
BEC Common	BEC Unit 1	BEC Unit 2	BEC Unit 3				
Adjustment (2,021,080.83)	Adjustment 828,001.67	Adjustment 707,310.83	Adjustment (793,338.33)				
3110 11.77%	3110 4.97%	3110 6.14%	3110 4.13%	(237,862.18)	41,162.27	43,438.22	(32,738.35)
3111 7.30%	3111 0.00%	3111 0.00%	3111 4.30%	(147,516.92)	-	-	(34,100.30)
3120 30.15%	3120 26.14%	3120 23.15%	3120 15.05%	(609,286.97)	216,406.04	163,740.76	(119,397.90)
3121 42.86%	3121 35.63%	3121 45.31%	3121 60.48%	(866,292.67)	295,022.34	320,451.09	(479,776.55)
3140 0.19%	3140 14.62%	3140 18.43%	3140 6.18%	(3,861.73)	121,056.75	130,338.54	(49,035.42)
3141 0.29%	3141 0.54%	3141 0.00%	3141 0.93%	(5,864.02)	4,457.81	-	(7,358.64)
3150 4.76%	3150 17.43%	3150 6.98%	3150 8.17%	(96,299.61)	144,337.83	49,342.24	(64,849.01)
3151 0.39%	3151 0.67%	3151 0.00%	3151 0.66%	(7,840.31)	5,558.63	-	(5,216.97)
3160 2.29%	3160 0.00%	3160 0.00%	3160 0.11%	(46,256.43)	-	-	(865.20)
3161 0.00%	3161 0.00%	3161 0.00%	3161 0.00%	-	-	-	-
100.00%	100.00%	100.00%	100.00%	(2,021,080.83)	828,001.67	707,310.83	(793,338.33)

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. E015/D-18-544

Dated this 5th day of November 2018

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allte.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_18-544_D-18-544
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DIC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-544_D-18-544
Riley	Conlin	riley.conlin@stoel.com	Steel Rives LLP	33 S. 6th Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-544_D-18-544
Debra A.	Davey	ddavey@allete.com	Minnesota Power	30 W Superior St Duluth, MN 55802	Electronic Service	No	OFF_SL_18-544_D-18-544
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-544_D-18-544
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_18-544_D-18-544
Kimberly	Hellwig	kimberly.hellwig@stoel.com	Steel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-544_D-18-544
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Michael	Krikava	mkrkava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-544_D-18-544
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-544_D-18-544

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_18-544_D-18-544
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_18-544_D-18-544