Minnesota Energy Resources Corporation Docket No. G011/GR-17-563 Informational Requirements Document No. 2 Schedule 1 Page 1 of 8

## Projected 01/01/17 Proposed 01/01/18 Historic 01/01/16 - 12/31/17 - 12/31/18 Line No. Description Reference - 12/31/16 Adjustments Adjustments Energy Plant IR-2 Schedule 1 Page 2 1,019,512 55,430 1,074,942 635,875 1,710,817 1 2 Transmission Plant IR-2 Schedule 1 Page 2 111,387 9,697,501 98,790 9,586,114 9,796,291 **Distribution Plant** IR-2 Schedule 1 Page 2 435,626,923 46,407,888 482,034,811 55,559,078 537,593,889 3 Customer Plant IR-2 Schedule 1 Page 2 7,623,788 4,509,812 12,133,600 4 7,010,121 613,667 5 Total Plant 453,242,670 47,188,372 500,431,042 60.803.555 561,234,597 IR-2 Schedule 1 Page 2 14,387 (84,536) (386,243) 6 **Energy Accumulated Depreciation** (316,094) (301,707)IR-2 Schedule 1 Page 2 (211, 920)Transmission Accumulated Depreciation (3,573,683)115,637 (3, 458, 046)(3,669,966)7 **Distribution Accumulated Depreciation** IR-2 Schedule 1 Page 2 (180, 508, 187)(7, 457, 566)(187, 965, 753)(11,353,014)(199.318.767)8 9 Customer Accumulated Depreciation IR-2 Schedule 1 Page 2 (2, 173, 447)33,658 (2, 139, 789)(599, 555)(2,739,344)**Total Accumulated Depreciation** (206, 114, 320)10 (186,571,411) (7, 293, 884)(193, 865, 295)(12, 249, 025)Energy Plant Deferred Tax 11 IR-2 Schedule 1 Page 2 (84,388) (1, 475)(85,863) (25,083)(110,946) Transmission Plant Deferred Tax IR-2 Schedule 1 Page 2 12 (1,454,775)(347, 185)(1,801,960)(93, 902)(1,895,862)**Distribution Plant Deferred Tax** IR-2 Schedule 1 Page 2 (49,214,404)(13,681,488)13 (20,808,178)(70,022,582)(83,704,070) 14 Customer Plant Deferred Tax IR-2 Schedule 1 Page 2 (580, 248)(28,715)(608, 963)(177, 896)(786,859) 15 Total Plant Deferred Tax (51, 333, 815)(21,185,553) (72, 519, 368)(13, 978, 369)(86, 497, 737) Energy CWIP IR-2 Schedule 1 Page 2 22.559 61,519 84,078 16 (84,078) -Transmission CWIP IR-2 Schedule 1 Page 2 140,155 17 1,051,931 (911,776)(140, 155)18 Distribution CWIP IR-2 Schedule 1 Page 2 2.738.560 2.481.116 5.219.676 3.658.697 8.878.373 19 Customer CWIP IR-2 Schedule 1 Page 2 155.116 441.192 596.308 (596,308) Total CWIP 6,040,217 20 3,968,166 2,072,051 2,838,156 8,878,373 (36,180) 21 Customer Advances IR-2 Schedule 1 Page 2 (36, 179)(1) (36, 180)Net Utility Plant 20,780,985 37,414,317 22 219,269,431 240,050,416 277,464,733 23 Working Capital IR-2 Schedule 1 Page 3 (3,084,437)4,222,542 1,138,104 (2,867,845) (1,729,740)Materials and Supplies IR-2 Schedule 1 Page 4 233,017 232,983 234,190 24 (34) 1,207 25 Gas Storage IR-2 Schedule 1 Page 5 8,888,777 (1,742,956)7,145,821 158,554 7,304,375 26 IR-2 Schedule 1 Page 6 1,348,849 Prepayments 1,719,069 (370,220) (598, 654)750,195 27 Regulatory Assets & Liabilities IR-2 Schedule 1 Page 7 4.659.663 828.468 5.488.131 (8.856) 5.479.275 28 Sub-Total 12.416.089 2,937,800 15.353.889 (3,315,594) 12.038.295 Total Minnesota Rate Base 231,685,520 23,718,785 255,404,305 34,098,723 289,503,028 29

## MERC - Minnesota Rate Base

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| 1         Minnescia Production Plant         General Logger         1,018,512         55,430         1,074,942         635,975           2         Minnescia Production Plant         General Logger         4,013,817         613,867         47,223,784         4,003,555           4         Minnescia Total Plant         General Logger         45,324,670         47,188,372         500,451,042         60,803,555           7         Michigan Transmission Plant         General Logger         1,520,048         1,507,144         60,550           7         Michigan Transmission Plant         General Logger         65         -         -         52         26           9         Michigan Total Plant         General Logger         1,526,148         (19,899)         1,507,748         80,576           10         Michigan Total Plant         General Logger         1,526,148         (19,899)         1,507,748         80,576           11         Transmission Plant         General Logger         1,111,1197         22,448         11,224,965         177,340           10         Minnescia Producton Accumulated Depreciation         General Logger         (13,117,119,477         64,453,0477         46,538,0471           11         Transmission Accumulated Depreciation         General Logger  | 1,710,8<br>9,796,2 |              |               | Adjustments  | - 12/31/16    | Reference       | Description                                     | Line No. |
|--|--------------------|--------------|---------------|--------------|---------------|-----------------|---|----------|
| 2         Minnescia Transmission Plant         General Ledger         49.568.114         111.37         9.697.501         58.700           4         Minnescia Distribution Plant         General Ledger         7.010.121         613.877         7.222.788         4.500.912           7         Michigan Transmission Plant         General Ledger         1.525.063         (18.899)         1.507.184         80.550           7         Michigan Transmission Plant         General Ledger         1.525.063         (18.899)         1.507.184         80.550           9         Michigan Teal         General Ledger         1.525.063         (18.899)         1.507.184         80.550           9         Michigan Teal         General Ledger         1.525.063         (18.899)         1.507.64         80.550           10         Michigan Teal         General Ledger         1.525.063         (18.690)         1.507.64         80.550           11         Transmission Plant         General Ledger         1.525.053         (18.290)         1.555.57.55         (17.304.055.57)           13         Distribution Plant         General Ledger         (315.078.81)         (13.555.57)         (13.556.66)         (21.557.55)         (17.556.57)         (11.230.14)         1.555.57         (53.56)  |                    |              |               |              |               |                 |   |          |
| 3         Minnesota Distribution Plant         General Leiger         435,626,623         44,07,888         442,034,811         55,559,078           4         Minnesota Total Plant         General Leiger         7,010,21         7,623,788         45,008,032           6         Minnesota Total Plant         General Leiger         433,242,670         47,188,372         500,431,042         60,803,555           7         Michigan Total Plant         General Leiger         65         .         6         6         2           9         Michigan Total Plant         General Leiger         65         .         65         2           10         Michigan Total Plant         General Leiger         65         .         65         2           11         Production Plant         General Leiger         11,112,117         42,448         41,324,685         47,3348           12         Transmission Plant         General Leiger         (316,094)         1,43,77         (307,707)         (44,535)           13         Transmission Accumulated Depreciation         General Leiger         (316,094)         1,43,485         (42,036,481)         21,230,483           14         Minnesota Production Accumulated Depreciation         General Leiger         (316,094)         1,4  | 9.796.2            |              |               |              |               |                 |   |          |
| 4         Minnesota Customer Plant         General Loger         7.01.21         613.687         7.262.788         64.00.812           6         Minnesota Toral Plant         General Loger         7.01.21         613.687         7.262.788         64.00.812           6         Minnesota Toral Plant         General Loger         1.507.184         80.505           8         Minnesota Toral Plant         General Loger         1.507.184         80.505           8         Minnesota Toral Plant         General Loger         1.507.184         80.507           10         Monitor Plant         General Loger         1.507.184         80.507         26           11         Production Plant         General Loger         1.507.284         1.507.294         80.575           12         Distribution Plant         General Loger         1.013.512         55.580.078         1.55.589.078           13         Distribution Accumulated Depreciation         General Loger         451.788.81         477.183.377         3.04.585         1.55.589.078           14         Minnesota Transmission Accumulated Depreciation         General Loger         453.785.83         115.57.85         (133.53.14)           16         Minnesota Transmission Accumulated Depreciation         General Loger         (   |                    |              |               |              |               |                 |   |          |
| 6         Minnesota Total Plant         453,242,670         47,183,72         500,411,042         60,803,555           7         Michigan Trakensison Plant         General Ledger         1,526,083         (18,899)         1,507,184         80,550           8         Michigan Causener Plant         General Ledger         5         -         5         -         5           9         Michigan Causener Plant         General Ledger         1525,148         (18,899)         1,507,249         80,578           10         Production Plant         General Ledger         1101,512         55,630         1,074,942         653,575           11         Production Plant         General Ledger         11,112,197         92,488         11,204,685         179,340           12         Transmission Accumulated Depreciation         General Ledger         (21,608)         143,377         (61,837,75)         (61,837,75)           14         Customer Plant         General Ledger         (21,73,477)         33,585         (21,83,789)         (69,83,50)           16         Minnesota Total Accumulated Depreciation         General Ledger         (21,73,447)         33,585         (21,83,789)         (69,83,50)           18         Minnesota Datrindunaccumulated Depreciation         General Le  | 537,593,8          |              |               |              |               |                 |   |          |
| 6         Michigan Production Plant         General Ledger         L.         L.           Michigan Totamsission Plant         General Ledger         1.528,083         (18,899)         1.507,184         80,550           Michigan Total Plant         General Ledger         1.528,083         (18,999)         1.507,249         80,576           Michigan Total Plant         General Ledger         1.528,083         48,477,889         1120,185         507,340           Distribution Plant         General Ledger         435,657,803         44,477,889         482,034,811         55,569,078           Customer Plant         General Ledger         435,657,803         44,477,889         482,034,811         55,569,078           Minnesota Production Accumulated Depreciation         General Ledger         (316,094)         14,437         (301,707)         (04,438)           Minnesota Distribution Accumulated Depreciation         General Ledger         (36,094)         14,137         (31,707)         (04,338)           Minnesota Distribution Accumulated Depreciation         General Ledger         (37,348)         115,157         (3,48,404)         (21,1820)           Michigan Total Accumulated Depreciation         General Ledger         (31,770)         (04,4336)         (11,823,7149)         (74,73,7381)         (31,677)         <   | 12,133,6           | 4,509,812    | 7,623,788     | 613,667      | 7,010,121     | General Ledger  | Minnesota Customer Plant                        | 4        |
| 7         Michigan Transmission Plant         General Ledger         1.527,184         80,550           9         Michigan Customer Plant         General Ledger         65         -         62         26           10         Michigan Customer Plant         General Ledger         65         -         63         26           11         Primation Plant         General Ledger         1527,148         (8,899)         1507,249         80,576           12         Primation Plant         General Ledger         1112,1197         52,248         112,24,583         559,078           13         Distribution Plant         General Ledger         42,5628,923         46,407,288         42,02,823         45,509,078           14         Customer Plant         General Ledger         (316,094)         14,3267         (301,707)         (84,533)           15         Total Plant         General Ledger         (135,7369)         (12,73,47)         (93,576)         (12,15,001)           16         Minnesota Total Accumulated Depreciation         General Ledger         (12,73,47)         (12,73,47)         (12,74,47)         (12,73,47)         (12,74,47)         (12,73,47)         (12,74,47)         (12,74,47)         (12,74,47)         (12,73,48)         (12,15,001)   | 561,234,5          | 60,803,555   | 500,431,042   | 47,188,372   | 453,242,670   |                 | Minnesota Total Plant                           | 5        |
| 8         Michigan Distribution Plant         General Ledger         1.  |                    | -            | -             | -            | -             | General Ledger  | Michigan Production Plant                       | 6        |
| B         Michigan Distribution Plant         General Ledger         Constraint           0         Michigan Total Plant         General Ledger         1,284,443         (18,999)         1,507,249         80,576           10         Production Plant         General Ledger         1,211,912         82,848         1,214,865         1,773,442         685,875           12         Transmission Plant         General Ledger         1,112,177         48,2488         1,214,865         1,773,493           13         Transmission Plant         General Ledger         45,019,918         47,159,477         501,938,291         60,884,131           14         Minnesota Production Accumulated Depreciation         General Ledger         (15,038,1707)         (84,538)           15         Total Plant         General Ledger         (15,038,187)         (17,53,476)         (187,985,753)         (11,323,014)           16         Minnesota Distribution Accumulated Depreciation         General Ledger         (186,974,117)         (198,985,753)         (11,323,014)           17         Minesota Distribution Accumulated Depreciation         General Ledger         (12,73,471)         (198,985,753)         (11,248,025)           18         Michigan Total Accumulated Depreciation         Genereal Ledger         (198,97,117)   | 1,587,7            | 80,550       | 1.507.184     | (18,899)     | 1.526.083     | General Ledger  | Michigan Transmission Plant                     | 7        |
| 9         Michigan Total Plant         General Ledger         165         -         65         28           11         Production Plant         General Ledger         1,195,112         55,430         1,074,942         655,575           13         Disribution Plant         General Ledger         1,112,197         52,438         1,204,685         173,340           14         Crastome Plant         General Ledger         43,562,823         46,407,888         442,034,811         55,569,073           15         Transmission Accumulated Depreciation         General Ledger         (316,094)         14,337         501,392,228         45,082,35           16         Minesota Transmission Accumulated Depreciation         General Ledger         (316,094)         14,337         (3,458,046)         (211,320)           17         Minesota Transmission Accumulated Depreciation         General Ledger         (2,73,477)         (3,568         (2,139,789)         (595,555)           18         Minesota Total Accumulated Depreciation         General Ledger         (2,73,447)         (33,658         (2,139,789)         (595,551)           14         Michigan Production Accumulated Depreciation         General Ledger         (2,00,01,11,133,014)         (31,472         (53,449)         (57,354)         (31,472)   |                    | -            | -             | -            | -             |                 |   | 8        |
| 0         Michigan Total Plant         1.507.249         80.576           12         Production Plant         General Ledger         1,111.2197         52.488         11.204.685         173.340           12         Transmission Plant         General Ledger         11,112.197         52.488         41.204.685         173.340           13         Distribution Plant         General Ledger         7.010.186         613.667         7.623.853         4.608.813           14         Customer Plant         General Ledger         7.010.186         613.667         7.623.853         4.608.431           16         Minnescal Production Accumulated Depreciation         General Ledger         (137.69.817)         115.857         (131.787.81)         (131.787.856)         (113.787.856)         (113.787.856)         (113.787.856)         (132.788.91)         (133.788.91)         (137.788.956)         (113.787.856)         (132.788.91)         (132.788.91)         (132.788.91)         (133.786.525)         (12.249.022)         (132.788.91)         (132.788.91)         (133.788.92)         (132.788.91)         (133.788.92)         (132.788.91)         (133.788.91)         (137.789.756)         (113.287.765)         (12.249.022)         (12.249.022)         (12.249.022)         (12.249.022)         (12.249.022)         (12.249.022)         (12   |                    | 26           | 65            | -            | 65            |                 |   |          |
| 11         Production Plant         General Ledger         1,019,512         55,430         1,074,942         635,875           13         Distribution Plant         General Ledger         435,626,923         46,407,888         412,204,865         173,340           14         Customer Plant         General Ledger         7,010,186         613,697         7,622,883         450,638           15         Total Plant         General Ledger         (316,094,473)         501,334,291         60,843,91           16         Minesota Transision Accumulated Depreciation         General Ledger         (316,094,116,037)         (7,457,560)         (167,967,573)         (11,853,014)           17         Minesota Total Accumulated Depreciation         General Ledger         (2,173,447)         33,658         (2,139,789)         (99,555)           16         Minesota Total Accumulated Depreciation         General Ledger         -   | 1,587,8            |              |               | (18 800)     |               | Contonal Lougor |   |          |
| 12         Transmission Plant         General Ledger         11,121197         92,488         11,204,885         173,340           14         Customer Plant         General Ledger         7,010,186         613,6673         7,623,883         45,505,078           14         Customer Plant         General Ledger         7,010,186         613,6673         501,382,297         60,884,311           15         Toral Plant         General Ledger         (315,094)         14,387         (301,707)         (84,536)           17         Minnesota Production Accumulated Depreciation         General Ledger         (316,094)         14,387         (301,707)         (84,536)           17         Minnesota Stathuton Accumulated Depreciation         General Ledger         (182,504,187)         (7,457,568)         (113,330,149)           10         Michigan Transmission Accumulated Depreciation         General Ledger         - <t< td=""><td>1,710,8</td><td></td><td></td><td></td><td></td><td>General Ledger</td><td></td><td></td></t<>  | 1,710,8            |              |               |              |               | General Ledger  |   |          |
| 13         Distribution Plant         General Ledger         435,628,923         44,07,888         442,034,811         55,559,078           15         Total Plant         General Ledger         7,001,986         613,867         7,223,853         45,003,831           16         Minnesota Production Accumulated Depreciation         General Ledger         (316,094)         14,387         (301,707)         (84,536)           17         Minnesota Clustom Accumulated Depreciation         General Ledger         (186,094)         14,387         (301,707)         (84,536)           18         Minnesota Clustom Accumulated Depreciation         General Ledger         (187,7447)         33,588         (113,736)         (113,73,04)         (198,965,735)         (11,335,014)           19         Minnesota Total Accumulated Depreciation         General Ledger         (186,71,411)         7,23,8844         (198,965,2955)         (12,249,025)           20         Michigan Distribution Accumulated Depreciation         General Ledger         (180,604,143,77         (13,37,467)         (157,364)           21         Michigan Total Accumulated Depreciation         General Ledger         (141,437         (201,707)         (48,458)           22         Total Accumulated Depreciation         General Ledger         (141,426,04)         (20,861,71,471  | 11,384,0           |              |               |              |               |                 |   |          |
| 14         Custome Plant         General Ledger         7.010 (186         1613 (677)         7.623 (283)         4.509 (283)           16         Minnesota Production Accumulated Depreciation         General Ledger         (316,094)         14.337         (301,707)         (84,536)           17         Minnesota Distribution Accumulated Depreciation         General Ledger         (35,73,683)         (115,537)         (3,458,046)         (211,920)           19         Minnesota Total Accumulated Depreciation         General Ledger         (21,73,447)         33,658         (21,97,978)         (199,555)           21         Michigan Production Accumulated Depreciation         General Ledger         -   |                    |              |               |              |               |                 |   |          |
| Total Plant         454,768,818         47,169,473         501,938,291         60,884,131           16         Minnesota Production Accumulated Depreciation<br>Minnesota Transmission Accumulated Depreciation<br>General Ledger         (316,094)         14,387         (301,707)         (84,536)           18         Minnesota Distribution Accumulated Depreciation<br>Minnesota Customer Accumulated Depreciation<br>Minnesota Customer Accumulated Depreciation<br>Michigan Transmission Accumulated Depreciation<br>General Ledger         (18,571,417)         33,658         (2137,499)         (599,555)           20         Minnesota Total Accumulated Depreciation<br>Michigan Transmission Accumulated Depreciation<br>General Ledger         (18,571,411)         (7,23,884)         (133,855,255)         (12,249,025)           21         Michigan Transmission Accumulated Depreciation<br>Michigan Total Accumulated Depreciation<br>General Ledger         (20)         2         (18)         (3)           26         Michigan Total Accumulated Depreciation<br>Michigan Total Accumulated Depreciation<br>General Ledger         (316,094)         14,474         (57,467)         (57,364)           27         Transmission Accumulated Depreciation<br>General Ledger         (140,522)         (7,457,566)         (17,99,67,53)         (11,353,014)           28         Minnesota Transmission Acumulated Depreciation<br>General Ledger         (140,522)         (7,457,566)         (17,99,67,53)         (13,53,014)         (213,847)         | 537,593,8          |              |               |              |               |                 |   |          |
| 16         Minnesota Production Accumulated Depreciation         General Ledger         (316,094)         14,387         (301,707)         (84,536)           17         Minnesota Transission Accumulated Depreciation         General Ledger         (2,173,487)         (187,965,756)         (117,330,114)           19         Minnesota Customer Accumulated Depreciation         General Ledger         (2,173,447)         33,658         (2,139,789)         (12,240,025)           21         Michigan Transmission Accumulated Depreciation         General Ledger         -<   | 12,133,6           |              |               |              |               | General Ledger  |   |          |
| 17       Minnesota Transmission Accumulated Depreciation       General Ledger       (13,73,863)       115,637       (3,458,046)       (21,920)         19       Minnesota Distribution Accumulated Depreciation       General Ledger       (2,173,447)       (33,558)       (2,139,789)       (599,555)         21       Mindigan Production Accumulated Depreciation       General Ledger       (7,233,884)       (193,865,295)       (12,249,025)         23       Michigan Transmission Accumulated Depreciation       General Ledger       -   | 562,822,4          | 60,884,131   | 501,938,291   | 47,169,473   | 454,768,818   |                 | Total Plant                                     | 15       |
| 18         Minnesota Distribution Accumulated Depreciation         General Ledger         (180,508,187)         (7,457,566)         (187,965,753)         (11,33,014)           20         Minnesota Customer Accumulated Depreciation         General Ledger         (2,173,447)         33,658         (2,137,789)         (599,555)           21         Michigan Transmission Accumulated Depreciation         General Ledger         -         -         -           22         Michigan Transmission Accumulated Depreciation         General Ledger         (20,20,20)         2         (18)         (3)           24         Michigan Total Accumulated Depreciation         General Ledger         (20,0)         2         (18)         (3)           26         Production Accumulated Depreciation         General Ledger         (316,094)         14,47109         (33,964)         (269,281)           27         Transmission Accumulated Depreciation         General Ledger         (412,604)         147,109         (33,965)         (269,281)           20         Distribution Accumulated Depreciation         General Ledger         (44,2604)         147,109         (39,9545)         (269,281)           21         Transmission Accumulated Depreciation         General Ledger         (44,2604)         (147,455,666)         (119,965,753)         (11,35   | (386,2             |              |               |              |               |                 |   |          |
| 18         Minnesota Distribution Accumulated Depreciation         General Ledger         (180,508,187)         (7,457,566)         (187,965,753)         (11,33,014)           20         Minnesota Total Accumulated Depreciation         General Ledger         (2,173,447)         33,658         (2,137,789)         (599,555)           21         Michigan Transmission Accumulated Depreciation         General Ledger         -         -         -           22         Michigan Transmission Accumulated Depreciation         General Ledger         (20,20,20)         2         (18)         (3)           24         Michigan Total Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           26         Production Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           27         Transmission Accumulated Depreciation         General Ledger         (20,114,20,04)         14,317         (301,707)         (84,536)           28         Distribution Accumulated Depreciation         General Ledger         (18,050,183)         (7,457,566)         (187,965,753)         (11,353,014)           20         Listribution Accumulated Depreciation         General Ledger         (48,175)         (34,71,15)         (589,558)           21 </td <td>(3,669,9</td> <td>(211,920)</td> <td>(3,458,046)</td> <td>115,637</td> <td>(3,573,683)</td> <td>General Ledger</td> <td>Minnesota Transmission Accumulated Depreciation</td> <td>17</td>              | (3,669,9           | (211,920)    | (3,458,046)   | 115,637      | (3,573,683)   | General Ledger  | Minnesota Transmission Accumulated Depreciation | 17       |
| Ninnesota Total Accumulated Depreciation         (186,571,411)         (7,293,884)         (193,865,295)         (12,249,025)           Michigan Transmission Accumulated Depreciation         General Ledger         (568,921)         31,472         (537,489)         (57,361)           Michigan Transmission Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           Michigan Outcomer Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           Michigan Total Accumulated Depreciation         General Ledger         (216,04)         14,387         (301,707)         (64,536)           Production Accumulated Depreciation         General Ledger         (116,040,147)         (7,457,566)         (187,965,753)         (11,353,014)           Distribution Accumulated Depreciation         General Ledger         (180,488)         (1,47,55)         (194,492,762)         (12,396,392)           Minnesota Production Plant Deferred Tax         General Ledger         (14,47,75)         (194,492,762)         (12,396,392)           Minnesota Pratuetor Plant Deferred Tax         General Ledger         (14,47,75)         (14,75)         (194,492,762)         (12,396,392)           Minnesota Pratuetored Tax         General Ledger         (14,64,775)         (14,476)         (194,49   | (199,318,7         | (11,353,014) | (187,965,753) | (7,457,566)  | (180,508,187) | General Ledger  | Minnesota Distribution Accumulated Depreciation | 18       |
| 1         Michigan Production Accumulated Depreciation         General Ledger         (568,921)         31,472         (67,361)           23         Michigan Transmission Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           24         Michigan Distribution Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           25         Michigan Otstomer Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           26         Michigan Total Accumulated Depreciation         General Ledger         (316,094)         14,327         (301,707)         (84,4556)           27         Transmission Accumulated Depreciation         General Ledger         (180,966,177)         (7.457,866)         (187,786,733)         (11,333,014)           28         Distribution Accumulated Depreciation         General Ledger         (180,966,177)         (7.457,766)         (197,486,733)         (11,333,014)           29         Total Accumulated Depreciation         General Ledger         (14,454,775)         (85,863)         (25,083)           30         Total Accumulated Depreciation         General Ledger         (49,214,404)         (20,081,78)         (70,022,582)         (13,681,488)  | (2,739,3           | (599,555)    | (2,139,789)   | 33,658       | (2,173,447)   | General Ledger  | Minnesota Customer Accumulated Depreciation     | 19       |
| 1         Michigan Production Accumulated Depreciation         General Ledger         (568,921)         31,472         (67,361)           23         Michigan Transmission Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           24         Michigan Transmission Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           25         Michigan Customer Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           26         Michigan Total Accumulated Depreciation         General Ledger         (316,094)         14,437         (337,467)         (57,364)           27         Transmission Accumulated Depreciation         General Ledger         (14,42,504)         147,109         (3,995,495)         (289,281)           28         Distribution Accumulated Depreciation         General Ledger         (148,052)         (7,282,410)         (11,433,014)         (23,060)         (21,38,007)         (59,935,55)           29         Total Accumulated Depreciation         General Ledger         (14,54,775)         (85,863)         (25,083)         (11,333,014)           21         Michigan Tonsmission Plant Deferred Tax         General Ledger         (44,214,404)         (20,080,178) <t< td=""><td>(206,114,3</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>   | (206,114,3         |              |               |              |               |                 |   |          |
| 22         Michigan Transmission Accumulated Depreciation         General Ledger         (568,291)         31,472         (537,449)         (57,361)           24         Michigan Customer Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           25         Michigan Total Accumulated Depreciation         General Ledger         (316,094)         14,387         (637,467)         (57,364)           26         Michigan Total Accumulated Depreciation         General Ledger         (4,142,604)         147,109         (3,398,485)         (229,281)           21         Transmission Accumulated Depreciation         General Ledger         (2,173,467)         33,660         (2,139,807)         (569,558)           20         Total Accumulated Depreciation         General Ledger         (4,142,604)         (147,105)         (18,79,85,75)         (11,33,014)           21         Minnesota Production Plant Deferred Tax         General Ledger         (4,214,404)         (20,80,178)         (7,022,582)         (12,364,389)           23         Minnesota Production Plant Deferred Tax         General Ledger         (4,324,404)         (20,80,178)         (7,022,582)         (13,814,48)           24         Minnesota Customer Plant Deferred Tax         General Ledger         (1,457,536)         (177  | (,,-               |              | (,,           | (,,,,,,      |               | General Ledger  |   |          |
| 23       Michigan Distribution Accumulated Depreciation<br>General Ledger       1       1         24       Michigan Customer Accumulated Depreciation<br>General Ledger       (20)       2       (18)       (3)         25       Michigan Total Accumulated Depreciation<br>General Ledger       (316,094)       14,387       (301,707)       (84,536)         26       Production Accumulated Depreciation<br>General Ledger       (418,2604)       147,109       (3,995,495)       (289,281)         27       Transmission Accumulated Depreciation<br>General Ledger       (180,506,187)       (7,457,566)       (187,965,753)       (11,353,014)         28       Distribution Accumulated Depreciation<br>General Ledger       (180,506,187)       (7,457,566)       (187,965,753)       (11,23,06,389)         30       Total Accumulated Depreciation<br>General Ledger       (184,382)       (1,475)       (85,863)       (25,083)         31       Minnesota Poduction Plant Deferred Tax<br>General Ledger       General Ledger       (48,214,404)       (20,808,178)       (70,22,582)       (13,681,488)         33       Minnesota Distribution Plant Deferred Tax<br>General Ledger       General Ledger       (51,33,815)       (21,185,553)       (72,519,368)       (13,978,369)         34       Minnesota Distribution Plant Deferred Tax       General Ledger       (51,55,56)       (48,464)  | (594,8             | (57 361)     | (537.440)     | 31 472       | (568.021)     |                 |   |          |
| 24         Michigan Customer Accumulated Depreciation         General Ledger         (20)         2         (18)         (3)           25         Michigan Total Accumulated Depreciation         General Ledger         (316,044)         147,397         (301,707)         (84,536)           26         Production Accumulated Depreciation         General Ledger         (41,42,604)         147,109         (3.995,495)         (269,281)           27         Transmission Accumulated Depreciation         General Ledger         (187,140,352)         (11,57,566)         (12,795,753)         (11,353,014)           29         Customer Accumulated Depreciation         General Ledger         (187,140,352)         (12,477,566)         (12,49,407)         (12,40,452)           31         Minnesota Production Plant Deferred Tax         General Ledger         (147,775)         (347,185)         (1,801,960)         (93,902)           32         Minnesota Distribution Plant Deferred Tax         General Ledger         (51,333,815)         (21,804,775)         (608,963)         (17,786)           34         Minnesota Plant Deferred Tax         General Ledger         (51,333,815)         (21,805,786)         (13,978,366)           35         Minnesota Plant Deferred Tax         General Ledger         -         -         -         -  | (554,6             | (37,301)     | (557,445)     | 51,472       | (500,521)     |                 |   |          |
| Michigan Total Accumulated Depreciation         General Ledger         (316,094)         31,474         (537,467)         (57,364)           26         Production Accumulated Depreciation         General Ledger         (316,094)         143,877         (301,707)         (84,536)           27         Transmission Accumulated Depreciation         General Ledger         (180,508),1877         (7,457,565)         (187,958,753)         (11,353,014)           28         Distribution Accumulated Depreciation         General Ledger         (187,140,352)         (7,262,410)         (194,402,762)         (12,306,389)           30         Total Accumulated Depreciation         General Ledger         (187,140,352)         (7,262,410)         (194,402,762)         (12,306,389)           31         Minnesota Transmission Plant Deferred Tax         General Ledger         (14,34,775)         (84,71,85)         (18,01,960)         (93,902)           33         Minnesota Tarasmission Plant Deferred Tax         General Ledger         (51,333,815)         (21,155,553)         (70,022,582)         (13,681,488)           34         Minnesota Viant Deferred Tax         General Ledger         (51,333,815)         (21,155,553)         (70,022,582)         (13,681,488)           35         Minnesota Plant Deferred Tax         General Ledger         -         -   |                    | -            | (10)          | -            | -             |                 |   |          |
| 26         Production Accumulated Depreciation         General Ledger         (316,04)         14,387         (201,707)         (84,536)           27         Transmission Accumulated Depreciation         General Ledger         (4,142,604)         147,109         (3,995,495)         (289,281)           29         Customer Accumulated Depreciation         General Ledger         (180,508,187)         (7,457,566)         (187,965,753)         (11,353,014)           29         Customer Accumulated Depreciation         General Ledger         (21,73,467)         33,660         (21,39,807)         (599,558)           31         Minnesota Production Plant Deferred Tax         General Ledger         (1,454,775)         (347,185)         (1,801,960)         (93,902)           33         Minnesota Distribution Plant Deferred Tax         General Ledger         (1,454,775)         (347,185)         (1,801,960)         (93,902)           34         Minnesota Distribution Plant Deferred Tax         General Ledger         (1,454,775)         (347,185)         (1,801,960)         (93,902)           35         Minnesota Distribution Plant Deferred Tax         General Ledger         (28,715)         (608,963)         (17,7896)           36         Michigan Production Plant Deferred Tax         General Ledger         (231,596)         (44,464)   |                    |              |               |              |               | General Ledger  |   |          |
| 27       Transmission Accumulated Depreciation       General Ledger       (14,12,604)       (147,109)       (3.995,495)       (269,281)         28       Distribution Accumulated Depreciation       General Ledger       (180,508,187)       (7,457,566)       (187,965,753)       (11,333,014)         20       Customer Accumulated Depreciation       General Ledger       (84,388)       (1,475)       (959,558)       (12,306,309)         31       Minnesota Production Plant Deferred Tax       General Ledger       (84,388)       (1,475)       (95,683)       (25,083)         32       Minnesota Transmission Plant Deferred Tax       General Ledger       (94,388)       (1,475)       (96,08,963)       (17,789)         33       Minnesota Dustomer Plant Deferred Tax       General Ledger       (95,02,44)       (28,715)       (606,963)       (17,789)         34       Minnesota Dustomer Plant Deferred Tax       General Ledger       (23,155)       (72,519,368)       (13,978,369)       (13,978,369)         35       Minchigan Distribution Plant Deferred Tax       General Ledger       (23,155)       (44,464)       (280,065)       (27,212)         36       Michigan Distribution Plant Deferred Tax       General Ledger       (5       (1       (13,978,369)       (1       (13,978,369)       (1,2,212)  | (594,8             |              |               |              |               |                 |   |          |
| 28         Distribution Accumulated Depreciation         General Ledger         (18,0508,187)         (7,457,566)         (137,965,753)         (11,853,014)           29         Customer Accumulated Depreciation         General Ledger         (2,173,467)         33,660         (2,139,807)         (599,558)           31         Minnesota Production Plant Deferred Tax         General Ledger         (84,388)         (1,475)         (85,863)         (25,083)           32         Minnesota Transmission Plant Deferred Tax         General Ledger         (49,214,404)         (20,080,178)         (70,022,582)         (13,681,488)           34         Minnesota Customer Plant Deferred Tax         General Ledger         (580,248)         (22,175)         (608,963)         (177,896)           35         Minnesota Plant Deferred Tax         General Ledger         (231,596)         (48,464)         (280,060)         (27,212)           36         Michigan Production Plant Deferred Tax         General Ledger         (231,596)         (48,464)         (280,060)         (27,212)           37         Michigan Distribution Plant Deferred Tax         General Ledger         (5)         -         -         -           38         Michigan Distribution Plant Deferred Tax         General Ledger         (5)         -         - <td< td=""><td>(386,2</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>  | (386,2             |              |               |              |               |                 |   |          |
| 29         Customer Accumulated Depreciation         General Ledger         (2,173,467)         33,660         (2,139,807)         (599,558)           30         Total Accumulated Depreciation         General Ledger         (84,388)         (1,475)         (85,863)         (25,083)           31         Minnesota Production Plant Deferred Tax         General Ledger         (1,477)         (347,185)         (1,80,1900)         (33,002)           33         Minnesota Distribution Plant Deferred Tax         General Ledger         (1,477)         (347,185)         (1,600,963)         (177,866)           34         Minnesota Customer Plant Deferred Tax         General Ledger         (51,333,815)         (21,185,53)         (72,219,368)         (13,978,369)           36         Michigan Plant Deferred Tax         General Ledger         (231,596)         (48,464)         (280,060)         (27,212)           37         Michigan Distribution Plant Deferred Tax         General Ledger         -  | (4,264,7           |              |               |              |               |                 |   |          |
| 30         Total Accumulated Depreciation         (187,140,352)         (7,262,410)         (194,402,762)         (12,306,389)           31         Minnesota Production Plant Deferred Tax         General Ledger         (84,388)         (1,475)         (85,863)         (25,083)           32         Minnesota Transmission Plant Deferred Tax         General Ledger         (44,34,775)         (347,185)         (1,801,960)         (93,902)           34         Minnesota Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,808,178)         (70,022,582)         (13,814,488)           34         Minnesota Plant Deferred Tax         General Ledger         (580,248)         (28,715)         (608,963)         (17,7,896)           36         Michigan Production Plant Deferred Tax         General Ledger         -         -         -         -           37         Michigan Distribution Plant Deferred Tax         General Ledger         (231,596)         (48,464)         (280,066)         (27,212)           38         Michigan Distribution Plant Deferred Tax         General Ledger         (51,358,617)         (385,649)         (2,082,020)         (121,114)           41         Production Plant Deferred Tax         General Ledger         (84,388)         (1,475)         (85,863)         (25,083) <td>(199,318,7</td> <td>(11,353,014)</td> <td>(187,965,753)</td> <td>(7,457,566)</td> <td>(180,508,187)</td> <td>General Ledger</td> <td>Distribution Accumulated Depreciation</td> <td>28</td> | (199,318,7         | (11,353,014) | (187,965,753) | (7,457,566)  | (180,508,187) | General Ledger  | Distribution Accumulated Depreciation           | 28       |
| 30         Total Accumulated Depreciation         (187,140,352)         (7,262,410)         (194,402,762)         (12,306,389)           31         Minnesota Production Plant Deferred Tax         General Ledger         (84,388)         (1,475)         (85,863)         (25,083)           32         Minnesota Transmission Plant Deferred Tax         General Ledger         (44,344,404)         (20,808,178)         (7,022,582)         (13,681,488)           34         Minnesota Distribution Plant Deferred Tax         General Ledger         (580,248)         (28,715)         (608,963)         (177,896)           36         Michigan Production Plant Deferred Tax         General Ledger         -<  | (2,739,3           | (599,558)    | (2,139,807)   | 33,660       | (2,173,467)   | General Ledger  | Customer Accumulated Depreciation               | 29       |
| 32         Minnesota Transmission Plant Deferred Tax         General Ledger         (1,454,775)         (347,185)         (1,801,960)         (93,902)           33         Minnesota Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,008,178)         (70,022,582)         (13,681,488)           34         Minnesota Distribution Plant Deferred Tax         General Ledger         (580,248)         (22,715)         (608,963)         (17,786)           35         Minchigan Production Plant Deferred Tax         General Ledger         -         -         -           36         Michigan Transmission Plant Deferred Tax         General Ledger         -  | (206,709,1         | (12,306,389) | (194,402,762) | (7,262,410)  | (187,140,352) | Ū               | Total Accumulated Depreciation                  | 30       |
| 32         Minnesota Transmission Plant Deferred Tax         General Ledger         (1,454,775)         (347,185)         (1,801,960)         (93,902)           33         Minnesota Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,008,178)         (70,022,582)         (13,881,488)           34         Minnesota Customer Plant Deferred Tax         General Ledger         (580,248)         (28,715)         (608,963)         (17,786)           35         Minchigan Production Plant Deferred Tax         General Ledger         -   | (110.9             | (25.083)     | (85 863)      | (1.475)      | (84,388)      | General Ledger  | Minnesota Production Plant Deferred Tax         | 31       |
| 33         Minnesota Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,808,176)         (70,022,582)         (13,881,488)           34         Minnesota Distribution Plant Deferred Tax         General Ledger         (50,248)         (22,715)         (608,963)         (177,886)           36         Minnesota Plant Deferred Tax         General Ledger         (51,333,815)         (21,185,533)         (72,519,368)         (33,78,369)           36         Michigan Transmission Plant Deferred Tax         General Ledger         (231,596)         (48,464)         (280,060)         (27,212)           38         Michigan Distribution Plant Deferred Tax         General Ledger         (5)         - <td>(1,895,8</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>  | (1,895,8           |              |               |              |               |                 |   |          |
| 34         Minnesota Customer Plant Deferred Tax         General Ledger         (580,248)         (28,715)         (608,963)         (177,896)           35         Minnesota Plant Deferred Tax         General Ledger         (51,333,815)         (21,185,553)         (72,519,368)         (13,978,369)           36         Michigan Production Plant Deferred Tax         General Ledger         -   | (83,704,0          |              |               |              |               |                 |   |          |
| 35         Minnesota Plant Deferred Tax         General Ledger         (51,333,815)         (21,185,553)         (72,519,368)         (13,978,369)           36         Michigan Droduction Plant Deferred Tax         General Ledger         (231,596)         (48,464)         (280,060)         (27,212)           38         Michigan Transmission Plant Deferred Tax         General Ledger         -         -         -           38         Michigan Customer Plant Deferred Tax         General Ledger         -         -         -           39         Michigan Customer Plant Deferred Tax         General Ledger         (5)         -         (5)         (1)           40         Michigan Customer Plant Deferred Tax         General Ledger         (84,888)         (14,475)         (85,863)         (25,083)           41         Production Plant Deferred Tax         General Ledger         (148,671)         (39,649)         (2,082,020)         (11,114)           42         Transmission Plant Deferred Tax         General Ledger         (51,565,416)         (21,234,017)         (70,022,582)         (13,881,488)           44         Customer Plant Deferred Tax         General Ledger         22,559         61,519         84,078         (84,078)           45         Minnesota Production CWIP         Genera  |                    |              |               |              |               |                 |   |          |
| 36       Michigan Production Plant Deferred Tax       General Ledger       (231,596)       (48,464)       (280,060)       (27,212)         37       Michigan Distribution Plant Deferred Tax       General Ledger       (5)       (6)       (1)         38       Michigan Distribution Plant Deferred Tax       General Ledger       (5)       (1)       (48,464)       (280,060)       (27,212)         39       Michigan Distribution Plant Deferred Tax       General Ledger       (5)       (1)       (48,464)       (280,065)       (27,213)         41       Production Plant Deferred Tax       General Ledger       (84,388)       (1,475)       (85,863)       (2,082,020)       (121,114)         42       Transmission Plant Deferred Tax       General Ledger       (49,214,404)       (20,080,178)       (70,022,582)       (13,861,488)         43       Distribution Plant Deferred Tax       General Ledger       (51,565,416)       (21,234,017)       (72,79,433)       (14,005,882)         44       Customer Plant Deferred Tax       General Ledger       1,051,931       (91,776)       1,40,155       (140,155)         45       Total Plant Deferred Tax       General Ledger       1,051,931       (91,776)       1,40,155       (140,155)         46       Minnesota Production CWIP   | (786,8             |              |               |              |               | General Ledger  |   |          |
| 37       Michigan Transmission Plant Deferred Tax       General Ledger       (231,596)       (48,464)       (280,060)       (27,212)         38       Michigan Distribution Plant Deferred Tax       General Ledger       -       -       -       -       -         39       Michigan Distribution Plant Deferred Tax       General Ledger       (5)       -   | (86,497,7          | (13,978,369) | (72,519,368)  | (21,185,553) | (51,333,815)  |                 |   |          |
| 38       Michigan Distribution Plant Deferred Tax       General Ledger       (1)         39       Michigan Distribution Plant Deferred Tax       General Ledger       (5)       (1)         39       Michigan Plant Deferred Tax       General Ledger       (5)       (231,601)       (48,464)       (280,065)       (27,213)         41       Production Plant Deferred Tax       General Ledger       (84,388)       (1,475)       (65,863)       (25,083)         42       Transmission Plant Deferred Tax       General Ledger       (186,371)       (395,649)       (2,082,020)       (11,114)         43       Distribution Plant Deferred Tax       General Ledger       (49,214,404)       (20,808,178)       (70,022,582)       (13,681,488)         44       Customer Plant Deferred Tax       General Ledger       (250,25)       (28,715)       (600,968)       (177,997)         45       Total Plant Deferred Tax       General Ledger       2,2559       61,519       84,078       (84,078)         46       Minnesota Production CWIP       General Ledger       1,051,931       (911,776)       140,155       (140,155)         47       Minnesota CWIP       General Ledger       2,738,660       2,481,116       5,219,676       3,686,697         48       Minnesota C   |                    | -            |               |              |               |                 |   |          |
| 39         Michigan Customer Plant Deferred Tax         General Ledger         (5)         -         (5)         (1)           40         Michigan Plant Deferred Tax         General Ledger         (5)         -         (5)         (231,601)         (48,464)         (280,065)         (27,213)           41         Production Plant Deferred Tax         General Ledger         (84,388)         (1,475)         (85,683)         (25,083)           42         Transmission Plant Deferred Tax         General Ledger         (1,866,371)         (395,649)         (2,082,020)         (121,114)           43         Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,808,178)         (70,022,582)         (13,681,488)           44         Customer Plant Deferred Tax         General Ledger         (51,565,416)         (21,234,017)         (72,799,433)         (14,005,582)  | (307,2             | (27,212)     | (280,060)     | (48,464)     | (231,596)     |                 |   |          |
| 40         Michigan Plant Deferred Tax         (231,601)         (48,464)         (280,065)         (27,213)           41         Production Plant Deferred Tax         General Ledger         (84,388)         (1,475)         (85,863)         (25,083)           41         Transmission Plant Deferred Tax         General Ledger         (1,686,371)         (39,6649)         (2,082,020)         (12,114)           43         Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,808,178)         (70,022,582)         (13,881,488)           44         Customer Plant Deferred Tax         General Ledger         (55,656)         (21,234,017)         (72,799,433)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,005,582)         (14,0155)         (140,15   | -                  | -            |               | -            | -             |                 |   |          |
| 41       Production Plant Deferred Tax       General Ledger       (84,388)       (1,475)       (85,863)       (25,083)         42       Transmission Plant Deferred Tax       General Ledger       (1,686,371)       (395,649)       (2,082,020)       (121,114)         43       Distribution Plant Deferred Tax       General Ledger       (49,214,404)       (20,080,178)       (70,022,582)       (13,681,488)         44       Customer Plant Deferred Tax       General Ledger       (580,253)       (28,715)       (608,968)       (177,897)         45       Total Plant Deferred Tax       General Ledger       (22,523)       (28,715)       (608,968)       (177,897)         46       Minnesota Production CWIP       General Ledger       22,559       61,519       84,078       (84,078)         47       Minnesota Distribution CWIP       General Ledger       2,738,560       2,481,116       5,219,676       3,658,697         48       Minnesota Distribution CWIP       General Ledger       1,51,516       441,192       596,308       (596,308)         50       Minnesota Customer Accumulated CWIP       General Ledger       -       -       -         51       Michigan Production CVIP       General Ledger       -       -       -       -       -   |                    |              |               | -            |               | General Ledger  |   |          |
| 42         Transmission Plant Deferred Tax         General Ledger         (1,686,371)         (395,649)         (2,082,020)         (121,114)           43         Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,080,178)         (70,022,582)         (13,881,488)           44         Customer Plant Deferred Tax         General Ledger         (580,253)         (28,715)         (600,968)         (177,897)           45         Total Plant Deferred Tax         General Ledger         22,559         61,519         84,078         (84,078)           46         Minnesota Production CWIP         General Ledger         2,738,660         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (596,308)           50         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (596,308)           50         Minnesota Customer Accumulated CWIP         General Ledger         -         -         -           51         Michigan Production CWIP         General Ledger         -         -         -           50         Minnesota Customer Accumulated CWIP         General Ledger   | (307,2             | (27,213)     | (280,065)     | (48,464)     | (231,601)     |                 | Michigan Plant Deferred Tax                     | 40       |
| 43         Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,808,178)         (70,022,582)         (13,681,488)           44         Customer Plant Deferred Tax         General Ledger         (51,565,416)         (22,715)         (608,968)         (177,897)           45         Total Plant Deferred Tax         General Ledger         (25,559)         61,519         84,078         (84,078)           46         Minnesota Production CWIP         General Ledger         2,733,560         2,481,116         5,219,676         3,658,697           47         Minnesota Distribution CWIP         General Ledger         1,051,931         (911,776)         140,155         (140,155)           48         Minnesota Customer Accumulated CWIP         General Ledger         2,738,560         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         506,308         (506,308)           50         Mininesota CUVIP         General Ledger         -         -         -         -           51         Michigan Droduction CWIP         General Ledger         -         -         -         -           52         Michigan Transmission CWIP         General   | (110,9             | (25,083)     | (85,863)      | (1,475)      | (84,388)      | General Ledger  | Production Plant Deferred Tax                   | 41       |
| 43         Distribution Plant Deferred Tax         General Ledger         (49,214,404)         (20,808,178)         (70,022,582)         (13,681,488)           44         Customer Plant Deferred Tax         General Ledger         (51,565,416)         (22,715)         (608,968)         (177,897)           45         Total Plant Deferred Tax         General Ledger         (25,559)         61,519         84,078         (84,078)           46         Minnesota Production CWIP         General Ledger         2,733,560         2,481,116         5,219,676         3,658,697           47         Minnesota Distribution CWIP         General Ledger         1,051,931         (911,776)         140,155         (140,155)           48         Minnesota Customer Accumulated CWIP         General Ledger         2,738,560         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         506,308         (506,308)           50         Mininesota CUVIP         General Ledger         -         -         -         -           51         Michigan Droduction CWIP         General Ledger         -         -         -         -           52         Michigan Transmission CWIP         General   | (2,203,1           | (121,114)    | (2.082.020)   | (395,649)    | (1.686.371)   | General Ledger  | Transmission Plant Deferred Tax                 | 42       |
| 44         Customer Plant Deferred Tax         General Ledger         (580,253)         (28,715)         (608,968)         (177,897)           45         Total Plant Deferred Tax         General Ledger         (51,565,416)         (21,234,017)         (72,799,433)         (14,005,582)           46         Minnesota Production CWIP         General Ledger         2,2559         61,519         84,078         (84,078)           47         Minnesota Transmission CWIP         General Ledger         1,051,931         (911,776)         140,155         (140,155)           48         Minnesota Distribution CVIIP         General Ledger         2,738,560         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         4441,192         596,308         (596,308)           50         Miningan Production CWIP         General Ledger         -         -         -           51         Michigan Production CWIP         General Ledger         -         -         -           52         Michigan Distribution CWIP         General Ledger         -         -         -           53         Michigan Distribution CWIP         General Ledger         -         -         -           <  | (83,704,0          | (13 681 488) |               | (20,808,178) |               |                 |   |          |
| 45         Total Plant Deferred Tax         (51,565,416)         (21,234,017)         (72,799,433)         (14,005,582)           46         Minnesota Production CWIP         General Ledger         22,559         61,519         84,078         (84,078)           47         Minnesota Transmission CWIP         General Ledger         1,051,931         (911,776)         140,155         (140,155)           48         Minnesota Distribution CWIP         General Ledger         1,751,931         (911,776)         140,155         (140,155)           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (566,308)           50         Minnesota Customer Accumulated CWIP         General Ledger         -         -         -           51         Michigan Production CWIP         General Ledger         -         -         -         -           52         Michigan Transmission CWIP         General Ledger         167,465         (145,682)         21,783         (21,783)           53         Michigan Distribution CWIP         General Ledger         -         -         -           54         Michigan Distribution CWIP         General Ledger         -         -         -         -  | (786,8             | (177 807)    |               |              |               |                 |   |          |
| 46         Minnesota Production CWIP         General Ledger         22,559         61,519         84,078         (84,078)           47         Minnesota Transmission CWIP         General Ledger         1,051,931         (911,776)         140,155         (140,155)           48         Minnesota Distribution CWIP         General Ledger         2,738,560         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (596,308)           50         Minnesota Customer Accumulated CWIP         General Ledger         155,116         2,072,051         6,040,217         2,838,156           51         Michigan Transmission CWIP         General Ledger         167,465         (145,682)         21,783         (21,783)           53         Michigan Distribution CWIP         General Ledger         1         4         5         (5)  | (86,805,0          |              |               |              |               | General Leuger  |   |          |
| 47         Minnesota Transmission CWIP         General Ledger         1,051,931         (911,776)         140,155         (140,155)           48         Minnesota Distribution CWIP         General Ledger         2,738,560         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (596,308)           50         Mininagan Production CWIP         General Ledger         -         -         -           51         Michigan Production CWIP         General Ledger         -         -         -         -           52         Michigan Transmission CWIP         General Ledger         -         -         -         -         -           53         Michigan Distribution CWIP         General Ledger         -   | (00,005,0          | (14,005,582) | (12,199,433)  | (21,234,017) | (51,565,416)  |                 |   | 40       |
| 47         Minnesota Transmission CWIP         General Ledger         1,051,931         (911,776)         140,155         (140,155)           48         Minnesota Distribution CWIP         General Ledger         2,738,560         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (596,308)           50         Mininapart Customer Accumulated CWIP         General Ledger         3,968,166         2,072,051         6,040,217         2,338,156           51         Michigan Production CWIP         General Ledger         - <t< td=""><td></td><td>(84,078)</td><td>84,078</td><td>61,519</td><td>22,559</td><td>General Ledger</td><td>Minnesota Production CWIP</td><td>46</td></t<>   |                    | (84,078)     | 84,078        | 61,519       | 22,559        | General Ledger  | Minnesota Production CWIP                       | 46       |
| 48         Minnesota Distribution CWIP         General Ledger         2,738,560         2,481,116         5,219,676         3,658,697           49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (596,308)           50         Minnesota Customer Accumulated CWIP         General Ledger         3,968,166         2,072,051         6,040,217         2,838,156           51         Michigan Production CWIP         General Ledger         167,465         (145,682)         21,783         (21,783)           53         Michigan Customer Accumulated CWIP         General Ledger         1         4         5         (5)  |                    |              |               |              | 1.051.931     |                 | Minnesota Transmission CWIP                     | 47       |
| 49         Minnesota Customer Accumulated CWIP         General Ledger         155,116         441,192         596,308         (596,308)           50         Minnesota CWIP         3,968,166         2,072,051         6,040,217         2,838,156           51         Michigan Production CWIP         General Ledger         167,465         (145,682)         21,783         (21,783)           52         Michigan Distribution CWIP         General Ledger         167,465         (145,682)         21,783         (21,783)           53         Michigan Customer Accumulated CWIP         General Ledger         1         4         5         (5)   | 8,878,3            |              |               |              |               |                 |   |          |
| 50     Minnesota CWIP     3,968,166     2,072,051     6,040,217     2,838,156       51     Michigan Production CWIP     General Ledger     -     -       52     Michigan Distribution CWIP     General Ledger     167,465     (145,682)     21,783       53     Michigan Distribution CWIP     General Ledger     -     -       54     Michigan Customer Accumulated CWIP     General Ledger     1     4     5     (5)   | 0,010,0            |              |               |              |               |                 |   |          |
| 51     Michigan Production CWIP     General Ledger     167,465     (145,682)     21,783     (21,783)       52     Michigan Distribution CWIP     General Ledger     167,465     (145,682)     21,783     (21,783)       53     Michigan Customer Accumulated CWIP     General Ledger     1     4     5     (5)   | 8,878,3            |              |               |              |               | Concial Leugel  |   |          |
| 52         Michigan Transmission CWIP         General Ledger         167,465         (145,682)         21,783         (21,783)           53         Michigan Distribution CWIP         General Ledger         -  | 0,078,3            | 2,030,130    | 0,040,217     | 2,072,001    | 3,908,100     | Conorol Lodge-  |   |          |
| 53     Michigan Distribution CWIP     General Ledger     -     -       54     Michigan Customer Accumulated CWIP     General Ledger     1     4     5     (5)  | -                  | -            |               | -            | -             |                 |   |          |
| 54 Michigan Customer Accumulated CWIP General Ledger 1 4 5 (5)   | -                  | (21,783)     | 21,783        | (145,682)    | 167,465       |                 |   |          |
|  | -                  | -            |               | -            | -             |                 |   |          |
| 55 Michigan CWIP 167.466 (145.678) 21.788 (21.788)   | -                  |              |               | -            |               | General Ledger  |   |          |
|  |                    | (21,788)     | 21,788        | (145,678)    | 167,466       |                 | Michigan CWIP                                   | 55       |
| 56 Production CWIP General Ledger 22,559 61,519 84,078 (84,078)  |                    | (84,078)     | 84,078        |              | 22,559        | General Ledger  |   | 56       |
| 57 Transmission CWIP General Ledger 1,219,396 (1,057,458) 161,938 (161,938)  |                    |              | 161.938       |              | 1.219.396     |                 | Transmission CWIP                               | 57       |
| 58 Distribution CWIP General Ledger 2,738,560 2,481,116 5,219,676 3,658,697  | 8,878,3            |              | 5 219 676     |              |               |                 | Distribution CWIP                               | 58       |
| Social Distribution Will         General Ledger         2,150,000         2,40,110         5,213,010         5,000           59         Customer Accumulated CWIP         General Ledger         155,117         441,196         596,313         (596,313)   | 0,070,0            |              |               |              |               |                 |   |          |
| 60 Total CWIP 44,135,632 1,925,373 6,062,005 2,846,388   | 8,878,3            |              |               |              |               | General Leager  |   |          |
| Et Minnenels Customer Advances for Construction Construction (20.470) (20.470)   | (00.1              |              | (00,400)      | (4)          | (00.470)      | Conorol Ladara  | Minnoosto Customor Advorter for Construction    | 61       |
| 61     Minnesota Customer Advances for Construction     General Ledger     (36,179)     (1)     (36,180)       62     Michigan Customer Advances for Construction     General Ledger     -     -   | (36,1              | -            | (36,180)      | (1)          | (36,179)      |                 |   |          |
| 63         Net Utility Plant         220,162,503         20,599,418         240,761,921         37,388,528   | 278,150,4          | 37 380 530   | 240 764 024   | 20 500 449   | 220 462 502   |                 | -   |          |
|  |                    |              | · · · · ·     | · · ·        |               |                 |   |          |
| 64         MERC-Minnesota         219,269,431         20,780,985         240,050,416         37,414,317  | 277,464,7          | 37,414,317   | 240,050,416   | 20,780,985   | 219,269,431   |                 | MERC-Minnesota                                  | 64       |
| 65 MERC-Michigan 893,072 (181,567) 711,505 (25,789)  | 685,7              | (25,789)     | 711,505       | (181,567)    | 893,072       |                 | MERC-Michigan                                   | 65       |

## Minnesota Energy Resources Corporation Docket No. G011/GR-17-563 Informational Requirements Document No. 2 Schedule 1 Page 3 of 8

|          |  |  | Historic 01/01/16       |                            | Projected 01/01/17 |             | Proposed 01/01/18       |
|----------|--|--|-------------------------|----------------------------|--------------------|-------------|-------------------------|
| Line No. | Description  | Reference                              | - 12/31/16              | Adjustments                | - 12/31/17         | Adjustments | - 12/31/18              |
| 1        | 131 Cash   | General Ledger                         | 1,112,494               | 743,419                    | 1,855,913          | 27,207      | 1,883,120               |
| 2        | 134 Other Collatoral   | General Ledger                         | 1,630,148               | 140,410                    | 1,000,010          | 21,201      | 1,000,120               |
| 3        | 136 Temporary Cash   | General Ledger                         | 1,030,140               |                            |                    |             |                         |
| 4        | 141 Notes Receivable   | General Ledger                         | (100)                   | 100                        |                    |             |                         |
| 5        | 142 Customer Accounts Receivable                               | General Ledger                         | 20,504,730              | 3,850,898                  | 24,355,628         | 482,564     | 24,838,192              |
| 6        | 143 Other Accounts Receivable                                  | General Ledger                         | 2,451,972               | (975,265)                  | 1,476,707          | (5,527)     | 1,471,180               |
| 7        | 144 Accumulated Provision Uncollectible Accounts               | General Ledger                         | (1,951,551)             | 1,951,551                  | 1,470,707          | (0,027)     | 1,471,180               |
| 8        | 146 Accounts Receivable from Associated Company                | General Ledger                         | 97,521                  | (97,521)                   |                    | -           |                         |
| 9        | 147 Taxes Receivable   | General Ledger                         | 97,521                  | (97,521)                   |                    |             |                         |
| 9<br>10  | 173 Accrued Utility Revenues                                   | General Ledger                         | -<br>12,789,948         | - (2,240,389)              | 10,549,559         | 2,835,059   | 13,384,618              |
| 10       | 174 Misc and Accrued Revenues                                  | General Ledger                         |                         | (2,240,389)<br>(3,167,356) | 10,549,559         | 2,635,059   | 13,364,010              |
|          |  |  | 3,167,356               |                            |                    | -           |                         |
| 12       | 184 Clearing   | General Ledger                         | 9,487                   | (9,487)                    | (00,000,000)       | -           | (07 700 000)            |
| 13       | 232 Accounts Payable   | General Ledger                         | (27,163,353)            | (837,610)                  | (28,000,963)       | 297,360     | (27,703,603)            |
| 14       | 234 Accounts Payable to Associated Company                     | General Ledger                         | (4,218,806)             | 4,218,806                  |                    | (3,284,327) | (3,284,327)             |
| 15       | 236 Accrued Taxes  | General Ledger                         | (10,230,291)            | (3,976,459)                | (14,206,750)       | (381,020)   | (14,587,770)            |
| 16       | 237 Accrued Interest   | General Ledger                         | (17,337)                | 17,337                     |                    | -           |                         |
| 17       | 238 Dividends Declared   | General Ledger                         | -                       | -                          |                    |             |                         |
| 18       | 241 Tax Collections Payable                                    | General Ledger                         | (453,289)               | 453,289                    |                    | -           |                         |
| 19       | 242 Misc Current/Accrued Liabilities (less Pension & Benefits) | General Ledger                         | (4,474,428)             | 2,320,464                  | (2,153,964)        | 127,830     | (2,026,134)             |
| 20       | Total Working Capital  |  | (6,745,499)             | 2,251,777                  | (6,123,870)        | 99,146      | (6,024,724)             |
| 21       | Deferred Taxes Other Than Plant, M&S                           | General Ledger                         | 3,427,547               | 3,552,425                  | 6,979,972          | (2,974,425) | 4,005,547               |
| 22       | Non-Utility Adjustment   | General Ledger                         | 221,454                 | 63,821                     | 285,275            | -           | 285,275                 |
| 23       | Plant Adjustment   |  | -                       | / -                        | -                  |             | -                       |
| 24       | Total Working Capital/Deferred Taxes/Non-Utility Adjustment    |  | (3,096,498)             | 5,868,023                  | 1,141,377          | (2,875,279) | (1,733,902)             |
| 25       | Rate Base Allocation-Percentages                               |  |                         |                            |                    |             |                         |
| 26       | Production   | IR-9 Schedule 1 Page 4                 | 4.16%                   |                            | 3.19%              |             | 2.98%                   |
| 20       | Transmission   | IR-9 Schedule 1 Page 4                 | 2.84%                   |                            | 2.13%              |             | 1.72%                   |
| 28       | Distribution   | IR-9 Schedule 1 Page 4                 | 91.08%                  |                            | 92.47%             |             | 92.28%                  |
| 29       | Customer   | IR-9 Schedule 1 Page 4                 | 1.92%                   |                            | 2.21%              |             | 3.01%                   |
|          |  | U U                                    |                         |                            |                    |             |                         |
| 30       | Rate Base Allocation-Dollars                                   |  |                         |                            |                    |             |                         |
| 31       | Production   | Line 24 x Line 26                      | (128,709)               |                            | 36,417             |             | (51,697)                |
| 32       | Transmission   | Line 24 x Line 27                      | (87,817)                |                            | 24,328             |             | (29,837)                |
| 33       | Distribution   | Line 24 x Line 28                      | (2,820,393)             |                            | 1,055,464          |             | (1,600,127)             |
| 34       | Customer   | Line 24 x Line 29                      | (59,580)                |                            | 25,167             |             | (52,240)                |
| 35       | MERC - Minnesota Allocation Percentages                        |  |                         |                            |                    |             |                         |
| 36       | Production (System Sales)                                      | IR-9 Schedule 1 Page 1                 | 100.00%                 |                            | 100.00%            |             | 100.00%                 |
| 37       | Transmission (Total Sales)                                     | IR-9 Schedule 1 Page 1                 | 86.27%                  |                            | 86.55%             |             | 86.05%                  |
| 38       | Distribution (Distribution Plant)                              | IR-9 Schedule 1 Page 2                 | 100.00%                 |                            | 100.00%            |             | 100.00%                 |
| 39       | Customer (Fixed Charge Count)                                  | IR-9 Schedule 1 Page 1                 | 100.00%                 |                            | 100.00%            |             | 100.00%                 |
| 40       | MERC - Minnesota Allocation Dollars                            |  |                         |                            |                    |             |                         |
| 40       | Production   | Line 31 x Line 36                      | (128,709)               |                            | 36,417             |             | (51,697)                |
| 42       | Transmission   | Line 32 x Line 37                      | (75,756)                |                            | 21,056             |             | (25,675)                |
| 42       | Distribution   | Line 32 x Line 37                      | (2,820,393)             |                            | 1,055,464          |             | (1,600,127)             |
| 43<br>44 | Customer   | Line 33 x Line 38                      | (2,820,393)<br>(59,579) |                            | 25,167             |             | (1,600,127)<br>(52,240) |
| 44<br>45 | Total MERC - Minnesota   | Line 34 x Line 39                      | (3,084,437)             |                            | 1,138,104          |             | (1,729,740)             |
| 46       | MERC Michigan Allocation Dollars                               |  |                         |                            |                    |             |                         |
| 46<br>47 | MERC - Michigan Allocation Dollars<br>Production               | Line 31 - Line 41                      |                         |                            |                    |             |                         |
|          | Transmission   | Line 31 - Line 41<br>Line 32 - Line 42 | -                       |                            |                    |             |                         |
| 48<br>49 | Distribution   | Line 32 - Line 42<br>Line 33 - Line 43 | (12,060)                |                            | 3,273              |             | (4,161)                 |
| 49<br>50 |  |  | -                       |                            | -                  |             | -                       |
|          | Customer   | Line 34 - Line 44                      | (1)                     |                            | 0                  |             | (0)                     |
| 51       | Total MERC - Michigan  |  | (12,061)                |                            | 3,273              |             | (4,162)                 |

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| Line No. | Description   | Reference              | Historic 01/01/16<br>- 12/31/16 | Adjustments | Projected 01/01/17<br>- 12/31/17 | Adjustments | Proposed 01/01/18<br>- 12/31/18 |
|----------|---|------------------------|---------------------------------|-------------|----------------------------------|-------------|---------------------------------|
| 1        | 154 Plant Materials and Operations Supplies             | General Ledger         | 230,790                         | 2,193       | 232,983                          | 1,207       | 234,190                         |
| 2        | 163 Store Expense Undistributed                         | General Ledger         | 2,227                           | (2,227)     | -                                | -           | -                               |
| 3        | Materials and Supplies Deferred Taxes                   | General Ledger         | -                               | -           |                                  |             |                                 |
| 4        | Total Materials and Supplies                            |                        | 233,017                         | (34)        | 232,983                          | 1,207       | 234,190                         |
| 5        | Allocation Percentage to MN based on Distribution Plant | IR-9 Schedule 1 Page 2 | 100.0000%                       |             | 100.0000%                        |             | 100.0000%                       |
| 6        | Allocated to Minnesota                                  | Line 4 x Line 5        | 233,017                         |             | 232,983                          |             | 234,190                         |
| 7        | Allocated to Michigan                                   | Line 4 - Line 6        | -                               |             | -                                |             | -                               |

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| Line No. | Description                                       | Reference              | Historic 01/01/16<br>- 12/31/16 | Adjustments | Projected 01/01/17<br>- 12/31/17 | Adjustments | Proposed 01/01/18<br>- 12/31/18 |
|----------|---|------------------------|---------------------------------|-------------|----------------------------------|-------------|---------------------------------|
| 1        | 164 Gas Storage                                   | General Ledger         | 8,888,777                       | (1,742,956) | 7,145,821                        | 158,554     | 7,304,375                       |
| 2        | Allocation Percentage to MN based on System Sales | IR-9 Schedule 1 Page 1 | 100.0000%                       |             | 100.0000%                        |             | 100.0000%                       |
| 3        | Allocated to Minnesota                            | Line 1 x Line 2        | 8,888,777                       |             | 7,145,821                        |             | 7,304,375                       |
| 4        | Allocated to Michigan                             | Line 1 - Line 3        | -                               |             | -                                |             | -                               |

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| Line No. | Description                             | Reference              | Historic 01/01/16<br>- 12/31/16 | Adjustments | Projected 01/01/17<br>- 12/31/17 | Adjustments | Proposed 01/01/18<br>- 12/31/18 |
|----------|---|------------------------|---------------------------------|-------------|----------------------------------|-------------|---------------------------------|
| 1        | 165010 Prepayments Insurance            | General Ledger         | 611,671                         | 741,057     | 1,352,728                        | (600,728)   | 752,000                         |
| 2        | 165225 Prepaid Postage                  | General Ledger         | 6,098                           | (6.098)     | 1,002,120                        | (000,120)   | 102,000                         |
| 3        | 165350 Prepayments-Fed Inc Tax          | General Ledger         | 914,403                         | (914,403)   |                                  |             |                                 |
| 4        | 165351 Prepayments-State Inc Tax        | General Ledger         | 184,022                         | (184,022)   |                                  |             |                                 |
| 5        | 165360 Prepayments-Surplus Lines Tax    | General Ledger         | 9,597                           | (9,597)     | _                                | -           |                                 |
| 6        | Total Prepayments                       | Conordi Lougor         | 1,725,791                       | (373,063)   | 1,352,728                        | (600,728)   | 752,000                         |
| 7        | Rate Base Allocation-Percentages        |                        |                                 |             |                                  |             |                                 |
| 8        | Production                              | IR-9 Schedule 1 Page 4 | 4.16%                           |             | 3.19%                            |             | 2.98%                           |
| 9        | Transmission                            | IR-9 Schedule 1 Page 4 | 2.84%                           |             | 2.13%                            |             | 1.72%                           |
| 10       | Distribution                            | IR-9 Schedule 1 Page 4 | 91.08%                          |             | 92.47%                           |             | 92.28%                          |
| 11       | Customer                                | IR-9 Schedule 1 Page 4 | 1.92%                           |             | 2.21%                            |             | 3.01%                           |
| 12       | Rate Base Allocation-Dollars            |                        |                                 |             |                                  |             |                                 |
| 13       | Production                              | Line 6 x Line 8        | 71,734                          |             | 43,160                           |             | 22,421                          |
| 14       | Transmission                            | Line 6 x Line 9        | 48,943                          |             | 28,833                           |             | 12,940                          |
| 15       | Distribution                            | Line 6 x Line 10       | 1,571,907                       |             | 1,250,907                        |             | 693,981                         |
| 16       | Customer                                | Line 6 x Line 11       | 33,206                          |             | 29,828                           |             | 22,657                          |
| 17       | MERC - Minnesota Allocation Percentages |                        |                                 |             |                                  |             |                                 |
| 18       | Production (System Sales)               | IR-9 Schedule 1 Page 1 | 100.00%                         |             | 100.00%                          |             | 100.00%                         |
| 19       | Transmission (Total Sales)              | IR-9 Schedule 1 Page 1 | 86.27%                          |             | 86.55%                           |             | 86.05%                          |
| 20       | Distribution (Distribution Plant)       | IR-9 Schedule 1 Page 2 | 100.00%                         |             | 100.00%                          |             | 100.00%                         |
| 21       | Customer (Fixed Charge Count)           | IR-9 Schedule 1 Page 1 | 100.00%                         |             | 100.00%                          |             | 100.00%                         |
| 22       | MERC - Minnesota Allocation Dollars     |                        |                                 |             |                                  |             |                                 |
| 23       | Production                              | Line 13 x Line 18      | 71,734                          |             | 43,160                           |             | 22,421                          |
| 24       | Transmission                            | Line 14 x Line 19      | 42,222                          |             | 24,955                           |             | 11,136                          |
| 25       | Distribution                            | Line 15 x Line 20      | 1,571,907                       |             | 1,250,907                        |             | 693,981                         |
| 26       | Customer                                | Line 16 x Line 21      | 33,206                          |             | 29,827                           |             | 22,657                          |
| 27       | Total MERC - Minnesota                  |                        | 1,719,069                       |             | 1,348,849                        |             | 750,195                         |
| 28       | MERC - Michigan Allocation Dollars      |                        |                                 |             |                                  |             |                                 |
| 29       | Production                              | Line 13 - Line 23      | -                               |             | -                                |             | -                               |
| 30       | Transmission                            | Line 14 - Line 24      | 6,722                           |             | 3,878                            |             | 1,805                           |
| 31       | Distribution                            | Line 15 - Line 25      | -                               |             | -                                |             | -                               |
| 32       | Customer                                | Line 16 - Line 26      | 0                               |             | 0                                |             | 0                               |
| 33       | Total MERC - Michigan                   |                        | 6,722                           |             | 3,879                            |             | 1,805                           |

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| Line No. | Description   | Reference                              | Historic 01/01/16<br>- 12/31/16 | Adjustments | Projected 01/01/17<br>- 12/31/17 | Adjustments | Proposed 01/01/18<br>- 12/31/18 |
|----------|---|--|---------------------------------|-------------|----------------------------------|-------------|---------------------------------|
| 1        | 128515 Post Retirement Life Asset   | General Ledger                         |                                 |             |                                  |             |                                 |
| 2        | 128525 Prepaid Pension-Retirement   | General Ledger                         |                                 |             |                                  |             |                                 |
| 3        | 182015 Reg Asset-Short Term   | General Ledger                         |                                 |             |                                  |             |                                 |
| 4        | 182016 Reg Assets-Derivatives-Current   | General Ledger                         |                                 |             |                                  |             |                                 |
| 5        | 182035 Reg Asset-Curr-NonDeriv Adj  | General Ledger                         |                                 |             |                                  | -           |                                 |
| 6        | 182312 Reg Asset-FAS 158  | General Ledger                         |                                 |             |                                  | -           |                                 |
| 7        | 182334 Reg Asset-Cleanup Gas-Expenditures<br>182337 MGP Current Year Clean Up     | General Ledger<br>General Ledger       |                                 |             |                                  |             |                                 |
| 9        | 182351 Reg Asset-Purch Acctg Eff Benefits   | General Ledger                         | 5,956,648                       | (385,655)   | 5,570,993                        | (11,455)    | 5,559,538                       |
| 10       | 182513 Rate Case  | General Ledger                         | 3,330,040                       | (505,055)   | 3,570,885                        | (11,400)    | 3,333,330                       |
| 11       | 182517 Reg Asset-ST Offset  | General Ledger                         |                                 |             |                                  |             |                                 |
| 12       | 182391  | General Ledger                         |                                 |             |                                  |             |                                 |
| 13       | 182901 Cloquet Plant Amortization   | General Ledger                         | 7,342                           | (7,342)     |                                  |             |                                 |
| 14       | 183000 Rochester Deferral   | General Ledger                         | 117,959                         | (117,959)   |                                  |             |                                 |
| 15       | 186028 Labor Accruals   | General Ledger                         |                                 |             |                                  |             |                                 |
| 16<br>17 | 186390 Labor Loader<br>186650 Operating Deposit                                   | General Ledger                         | 6,053                           | -           |                                  |             |                                 |
| 18       | 186999 Advances to Affiliates   | General Ledger<br>General Ledger       | 6,053                           | (6,053)     |                                  |             |                                 |
| 10       | 228200 Injuries & Damages Reserve   | General Ledger                         |                                 |             |                                  |             |                                 |
| 20       | 228210 Workers Comp Claim Reserve   | General Ledger                         |                                 |             |                                  |             |                                 |
| 21       | 228300 Def Cr-Sup Ret Select SERP   | General Ledger                         |                                 |             |                                  |             |                                 |
| 22       | 228305 Supple Remp Ret Plan SERP  | General Ledger                         |                                 |             |                                  |             |                                 |
| 23       | 228310 Pension Restoration  | General Ledger                         |                                 |             |                                  |             |                                 |
| 24       | 228315 Post Ret Health Care-Admin   | General Ledger                         |                                 |             |                                  |             |                                 |
| 25       | 228320 Post Ret Health Care-NonAdmin  | General Ledger                         |                                 |             |                                  |             |                                 |
| 26       | 228331 Accr Pens Liab-CHI Retire Plan   | General Ledger                         |                                 |             |                                  |             |                                 |
| 27       | 229005 Accum Prov for Rate Refunds  | General Ledger                         | (1,295,690)                     | 1,295,690   |                                  |             |                                 |
| 28       | 242070 Current Pension Obligation   | General Ledger                         |                                 |             |                                  | -           |                                 |
| 29<br>30 | 242071 Current Sick Pay Plan Oblig  | General Ledger                         |                                 |             |                                  |             |                                 |
| 30       | 242072 Current Pension Restoration<br>242080 Curr Post Retiremnt Obligation       | General Ledger<br>General Ledger       |                                 |             |                                  |             |                                 |
| 32       | 244010 Derivative Liabilities-Current   | General Ledger                         |                                 |             |                                  |             |                                 |
| 33       | 253010 Def Cr-Outst Checks Cancelled  | General Ledger                         |                                 |             |                                  |             |                                 |
| 34       | 253030 Performance Share Awards   | General Ledger                         |                                 |             |                                  |             |                                 |
| 35       | 253031 Feb 10 Perf Share Liability LT   | General Ledger                         |                                 |             |                                  |             |                                 |
| 36       | 253051 Workers Comp Claim Reserve   | General Ledger                         |                                 |             |                                  |             |                                 |
| 37       | 253052 Injuries & Damages Reserve   | General Ledger                         |                                 |             |                                  |             |                                 |
| 38       | 253699 LT Payables to Affil-SFAS158   | General Ledger                         |                                 | -           |                                  |             |                                 |
| 39       | 253950 Def Crgas site cleanup   | General Ledger                         |                                 |             |                                  |             |                                 |
| 40<br>41 | 254009 Reg Liab-Cost to Fwd-External  | General Ledger<br>General Ledger       |                                 |             |                                  | -           |                                 |
| 41       | 254015 Reg Liabilities Derivatives Long Term<br>254317 Reg Liab-Short Term Offset | General Ledger                         |                                 |             |                                  |             |                                 |
| 42       | 254391 Reg Liab-2010 Health Care Leg  | General Ledger                         | (72,138)                        | 5,058       | (67,080)                         |             | (67,080)                        |
| 44       | 254400 Reg Liabilities Deferred Taxes   | General Ledger                         | (42,291)                        | 42,291      | (07,000)                         |             | (07,000)                        |
| 45       | 254450 Reg Liab-Derivatives   | General Ledger                         |                                 | -           |                                  |             |                                 |
| 46       | 254490 Reg Liab - FASB 158  | General Ledger                         |                                 |             |                                  |             |                                 |
| 45       | Total Regulatory Assets and Liabilities   |  | 4,677,883                       | 826,030     | 5,503,913                        | (11,455)    | 5,492,458                       |
| 46       | Rate Base Allocation-Percentages  |  |                                 |             |                                  |             |                                 |
| 47       | Production  | IR-9 Schedule 1 Page 3                 | 4.16%                           |             | 3.19%                            |             | 2.98%                           |
| 48       | Transmission  | IR-9 Schedule 1 Page 3                 | 2.84%                           |             | 2.13%                            |             | 1.72%                           |
| 49       | Distribution  | IR-9 Schedule 1 Page 3                 | 91.08%                          |             | 92.47%                           |             | 92.28%                          |
| 50       | Customer  | IR-9 Schedule 1 Page 3                 | 1.92%                           |             | 2.21%                            |             | 3.01%                           |
| 51       | Rate Base Allocation-Dollars  |  |                                 |             |                                  |             |                                 |
| 51<br>52 | Rate Base Allocation-Dollars<br>Production  | Line 45 x Line 47                      | 194,441                         |             | 175,608                          |             | 163,761                         |
| 52       | Production  | Line 45 x Line 47<br>Line 45 x Line 48 | 194,441<br>132.665              |             | 1/5,608                          |             | 94,514                          |
| 54       | Distribution  | Line 45 x Line 49                      | 4,260,770                       |             | 5,089,628                        |             | 5,068,702                       |
| 55       | Customer  | Line 45 x Line 50                      | 90,007                          |             | 121,361                          |             | 165,481                         |
| 56       | MERC - Minnesota Allocation Percentages   |  |                                 |             |                                  |             |                                 |
| 50       | Production (System Sales)   | IR-9 Schedule 1 Page 1                 | 100.00%                         |             | 100.00%                          |             | 100.00%                         |
| 58       | Transmission (Total Sales)  | IR-9 Schedule 1 Page 1                 | 86.27%                          |             | 86.55%                           |             | 86.05%                          |
| 59       | Distribution (Distribution Plant)   | IR-9 Schedule 1 Page 2                 | 100.00%                         |             | 100.00%                          |             | 100.00%                         |
| 60       | Customer (Fixed Charge Count)   | IR-9 Schedule 1 Page 1                 | 100.00%                         |             | 100.00%                          |             | 100.00%                         |
| 61       | MERC - Minnesota Allocation Dollars   |  |                                 |             |                                  |             |                                 |
| 62       | Production  | Line 52 x Line 57                      | 194,441                         |             | 175,608                          |             | 163,761                         |
| 63       | Transmission  | Line 53 x Line 58                      | 114,445                         |             | 101,535                          |             | 81,332                          |
| 64       | Distribution  | Line 54 x Line 59                      | 4,260,770                       |             | 5,089,628                        |             | 5,068,702                       |
| 65       | Customer  | Line 55 x Line 60                      | 90,006                          |             | 121,360                          |             | 165,480                         |
| 66       | Total MERC - Minnesota  |  | 4,659,663                       |             | 5,488,131                        |             | 5,479,275                       |
| 67       | MERC - Michigan Allocation Dollars  |  |                                 |             |                                  |             |                                 |
| 68       | Production  | Line 52 - Line 62                      |                                 |             |                                  |             |                                 |
| 69       | Transmission  | Line 53 - Line 63                      | 18,219                          |             | 15,781                           |             | 13,182                          |
| 70<br>71 | Distribution<br>Customer  | Line 54 - Line 64<br>Line 55 - Line 65 | · · ·                           |             | · · · ·                          |             | · · ·                           |
| 71       | Total MERC - Michigan   | Line 33 * Line 03                      | 18,220                          |             | 15,782                           |             | 13,183                          |
| 12       | rota marto - mongan   |  | 10,220                          |             | 13,/02                           |             | 13,103                          |

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## Minnesota Energy Resources Corporation Rate Base Variance Explanations

| Net Utility Plant                | 2018 Proposed Less<br>2016 Historical<br>57,987,946 |  |
|----------------------------------|---|--|
| Working Capital/Misc Adjustments | 1,362,596   | Working Capital in the proposed test year was adjusted based on the Lead/Lag Study included in the the Testimony and Exibits of Seth DeMerritt. Non-Plant Deferred Taxes increased \$0.6 million in the 2018 test year as compared to the 2016 historical test year. |
| Gas Storage                      | (1,584,402)   | The 2018 proposed test year is based off of the sales forecast identifed in the Direct Testimony and Exhibits of Mr. Matt Czervianke, and uses a NYMEX date of May 15, 2017 for the cost of gas.   |
| Reg A/L                          | 814,575   | Regulatory Assets and Liabilities increase due the elimination of the refund liability from MERC's 2016 rate case. These increases are offset by the completion of the Cloquet Plant Amortization, and the ending of the Rochester Project Deferral.                 |