

Minnesota Energy Resources Corporation
Capital Structure
Amounts in thousands

Line No.	Description	Reference	2016 Historic Capital Structure			Weighted Cost	
			Amount	Percent Capital	Cost Rate %	Debt	Capital
1							
2	Long-Term Debt	Exhibit____(LJG-1) Page 2	\$ 86,923	36.38%	4.96%	3.72%	1.80%
3							
4	Short-Term Debt	Exhibit____(LJG-1) Page 3	29,058	12.16%	1.58%	0.40%	0.19%
5							
6	Adjusted Common Equity	Exhibit____(LJG-1) Page 4	122,931	51.45%	9.11%		4.69%
7							
8	Total Capital		<u>\$ 238,912</u>	<u>100.00%</u>		<u>4.11%</u>	<u>6.68%</u>

Line No.	Description	Reference	2017 Projected Capital Structure			Weighted Cost	
			Amount	Percent Capital	Cost Rate %	Debt	Capital
9							
10							
11							
12							
13							
14							
15	Long-Term Debt	Exhibit____(LJG-1) Page 2	\$ 100,059	38.00%	4.02%	3.14%	1.53%
16							
17	Short-Term Debt	Exhibit____(LJG-1) Page 3	27,987	10.63%	2.72%	0.59%	0.29%
18							
19	Adjusted Common Equity	Exhibit____(LJG-1) Page 4	135,268	51.37%	9.11%		4.68%
20							
21	Total Capital		<u>\$ 263,314</u>	<u>100.00%</u>		<u>3.74%</u>	<u>6.50%</u>

Line No.	Description	Reference	2018 Proposed Capital Structure			Weighted Cost	
			Amount	Percent Capital	Cost Rate %	Debt	Capital
22							
23							
24							
25							
26							
27							
28	Long-Term Debt	Exhibit____(LJG-1) Page 2	\$ 119,020	39.63%	3.60%	2.90%	1.43%
29							
30	Short-Term Debt	Exhibit____(LJG-1) Page 3	28,448	9.47%	3.70%	0.71%	0.35%
31							
32	Adjusted Common Equity	Exhibit____(LJG-1) Page 4	152,874	50.90%	10.30%		5.24%
33							
34	Total Capital		<u>\$ 300,342</u>	<u>100.00%</u>		<u>3.62%</u>	<u>7.02%</u>

Minnesota Energy Resources Corporation
Long-Term Debt
Amounts in thousands

Line No.	Description	Reference	Historic 2016	Additional Borrowings	Projected 2017	Additional Borrowings	Proposed 2018
1							
2	December	General Ledger	\$ 107,000	\$ (29,000)	\$ 78,000	\$ 42,000	\$ 120,000
3	January	General Ledger	107,000	(29,000)	78,000	42,000	120,000
4	February	General Ledger	107,000	(29,000)	78,000	42,000	120,000
5	March	General Ledger	107,000	(29,000)	78,000	42,000	120,000
6	April	General Ledger	78,000	-	78,000	42,000	120,000
7	May	General Ledger	78,000	-	78,000	42,000	120,000
8	June	General Ledger	78,000	42,000	120,000	-	120,000
9	July	General Ledger	78,000	42,000	120,000	-	120,000
10	August	General Ledger	78,000	42,000	120,000	-	120,000
11	September	General Ledger	78,000	42,000	120,000	-	120,000
12	October	General Ledger	78,000	42,000	120,000	-	120,000
13	November	General Ledger	78,000	42,000	120,000	-	120,000
14	December	General Ledger	78,000	42,000	120,000	-	120,000
15							
16	Average Long-Term Debt	13 Month Average of Lines 2 - 14	<u>\$ 86,923</u>		<u>\$ 100,615</u>		<u>\$ 120,000</u>
17	Unamortized Debt Expense	13 Month Average			(556)		(980)
18	Average Net Long-Term Debt		<u><u>\$ 86,923</u></u>		<u><u>\$ 100,059</u></u>		<u><u>\$ 119,020</u></u>
19							
20	Annual Interest Expense		\$ 4,309		\$ 3,987		\$ 4,212
21	Amortization of Debt Expense		-		35		70
22	Total Interest Expense	General Ledger	<u><u>\$ 4,309</u></u>		<u><u>\$ 4,022</u></u>		<u><u>\$ 4,282</u></u>
23							
24	Interest Rate on Interest Expense	Line 20 ÷ Line 18	4.96%		3.98%		3.54%
25	Interest Rate on Amortization	Line 21 ÷ Line 18			0.03%		0.06%
26	Total Interest Rate on Long-Term Debt	Sum of Lines 24 - 25	<u><u>4.96%</u></u>		<u><u>4.02%</u></u>		<u><u>3.60%</u></u>

Minnesota Energy Resources Corporation
Short-Term Debt

Amounts in thousands

Line No.	Description	Reference	Historic 2016	Additional Borrowings	Projected 2017	Additional Borrowings	Proposed 2018
1							
2	December	General Ledger	\$ 26,600	\$ 9,750	\$ 36,350	\$ (2,632)	\$ 33,718
3	January	General Ledger	28,350	4,275	32,625	(1,810)	30,815
4	February	General Ledger	12,100	12,025	24,125	(2,644)	21,481
5	March	General Ledger	-	41,341	41,341	(32,068)	9,273
6	April	General Ledger	26,925	13,035	39,960	(31,493)	8,467
7	May	General Ledger	25,200	15,068	40,268	(30,074)	10,194
8	June	General Ledger	24,425	(18,637)	5,788	13,716	19,504
9	July	General Ledger	30,425	(19,143)	11,282	15,124	26,406
10	August	General Ledger	35,475	(20,419)	15,056	18,402	33,458
11	September	General Ledger	42,400	(22,894)	19,506	18,354	37,860
12	October	General Ledger	48,600	(20,680)	27,920	16,573	44,493
13	November	General Ledger	40,900	(5,003)	35,897	13,830	49,727
14	December	General Ledger	36,350	(2,632)	33,718	10,709	44,427
15							
16	Average	13 Month Average of Lines 2 - 14	<u>\$ 29,058</u>	<u>\$ (1,070)</u>	<u>\$ 27,987</u>	<u>\$ 461</u>	<u>\$ 28,448</u>
17							
18	Annual Interest on Debt Balance	General Ledger	\$ 303		\$ 537		\$ 747
19							
20	Credit Facility Fees*	General Ledger	\$ 45		\$ 96		\$ 149
21	Guarantee Fees	General Ledger	111		121		145
22	Rating Agency Fees	General Ledger			7		11
23	Total Other Short-Term Interest	Sum of Lines 19-21	<u>\$ 156</u>		<u>\$ 224</u>		<u>\$ 305</u>
24							
25	Total Short-Term Interest Expense	General Ledger	<u>\$ 459</u>		<u>\$ 761</u>		<u>\$ 1,052</u>
26							
27	Interest Rate on Short-Term Debt	Line 18 ÷ Line 16	1.04%		1.92%		2.63%
28	Other Short-Term Interest	Line 23 ÷ Line 16	<u>0.54%</u>		<u>0.80%</u>		<u>1.07%</u>
29	Total Interest Rate on Short-Term Debt	Sum of Lines 27 - 28	<u>1.58%</u>		<u>2.72%</u>		<u>3.70%</u>
30							
31	*Credit Facility Upfront Fee Amortization & Quarterly Commitment Fees						

Minnesota Energy Resources Corporation
Average Common Equity
Amounts in thousands

Line No.	Description	Reference	Historic 2016	Additional Paid In Capital	Retained Earnings	Projected 2017	Additional Paid In Capital	Retained Earnings	Proposed 2018
1									
2	Common Stock								
3	December	General Ledger	201,221	31,011	13,951	246,183	(39,998)	14,433	220,618
4	January	General Ledger	205,840	31,011	14,043	250,894	(28,272)	16,922	239,544
5	February	General Ledger	216,675	25,013	12,999	254,687	(28,272)	18,514	244,928
6	March	General Ledger	219,335	(4,988)	13,151	227,498	1,728	18,588	247,814
7	April	General Ledger	219,880	(4,989)	13,874	228,765	1,730	18,656	249,151
8	May	General Ledger	220,232	(4,990)	13,324	228,566	1,729	17,794	248,088
9	June	General Ledger	216,789	(14,991)	15,700	217,498	11,729	13,450	242,677
10	July	General Ledger	215,652	(14,993)	15,745	216,404	11,731	11,672	239,808
11	August	General Ledger	216,189	(14,994)	14,042	215,237	11,731	10,068	237,037
12	September	General Ledger	215,397	(14,995)	14,225	214,627	11,731	8,702	235,060
13	October	General Ledger	216,202	(14,996)	13,939	215,145	11,731	9,443	236,320
14	November	General Ledger	233,878	(29,997)	13,287	217,168	11,731	10,948	239,847
15	December	General Ledger	246,183	(39,998)	14,433	220,618	11,731	15,742	248,090
16									
17	Average	13 Month Average of Lines 3 - 15	218,729	(5,607)	14,055	227,176	(711)	14,226	240,691
18									
19	Equity Adjustments			Goodwill re Deferred Tax	Def Comp		Goodwill re Deferred Tax	Def Comp	
20									
21	December	General Ledger	97,578	(4,161)	507	93,924	(4,095)	37	89,866
22	January	General Ledger	97,167	(4,097)	547	93,617	(4,094)		89,523
23	February	General Ledger	96,996	(4,257)	536	93,275	(4,093)		89,181
24	March	General Ledger	96,881	(4,500)	553	92,934	(4,094)		88,840
25	April	General Ledger	96,299	(4,262)	556	92,593	(4,094)		88,499
26	May	General Ledger	96,335	(4,641)	558	92,252	(4,093)		88,158
27	June	General Ledger	95,447	(4,097)	561	91,911	(4,094)		87,817
28	July	General Ledger	95,630	(4,097)	37	91,570	(4,095)		87,476
29	August	General Ledger	95,289	(4,098)	37	91,228	(4,095)		87,134
30	September	General Ledger	94,948	(4,098)	37	90,887	(4,094)		86,793
31	October	General Ledger	94,607	(4,098)	37	90,546	(4,095)		86,452
32	November	General Ledger	94,266	(4,098)	37	90,205	(4,094)		86,111
33	December	General Ledger	93,924	(4,095)	37	89,866	(4,093)		85,772
34									
35	Average	13 Month Average of Lines 20 - 32	95,797	(4,200)	311	91,908	(4,094)		87,817
36									
37	Adjusted Common Equity								
38									
39	December	General Ledger	103,643			152,259			130,752
40	January	General Ledger	108,673			157,277			150,021
41	February	General Ledger	119,679			161,412			155,747
42	March	General Ledger	122,454			134,564			158,974
43	April	General Ledger	123,581			136,172			160,652
44	May	General Ledger	123,897			136,314			159,930
45	June	General Ledger	121,342			125,587			154,860
46	July	General Ledger	120,022			124,834			152,332
47	August	General Ledger	120,900			124,009			149,903
48	September	General Ledger	120,449			123,740			148,267
49	October	General Ledger	121,595			124,599			149,868
50	November	General Ledger	139,612			126,963			153,736
51	December	General Ledger	152,259			130,752			162,318
52									
53	Average	13 Month Average of Lines 37 - 49	122,931			135,268			152,874
54									
55	Return on Equity		9.11%			9.11%			10.30%

Minnesota Energy Resources Corporation
Unamortized Debt Expense
(000s)

Line No.	Description	Reference	Historic 2016	Costs	Amortization	Projected 2017	Costs	Amortization	Proposed 2018
1									
2	December	Forecast				-	1,050	(35)	1,015
3	January	Forecast				-	1,050	(41)	1,009
4	February	Forecast				-	1,050	(47)	1,003
5	March	Forecast				-	1,050	(52)	998
6	April	Forecast				-	1,050	(58)	992
7	May	Forecast				-	1,050	(64)	986
8	June	Forecast		1,050		1,050		(70)	980
9	July	Forecast		1,050	(6)	1,044		(70)	974
10	August	Forecast		1,050	(12)	1,038		(70)	968
11	September	Forecast		1,050	(17)	1,033		(70)	963
12	October	Forecast		1,050	(23)	1,027		(70)	957
13	November	Forecast		1,050	(29)	1,021		(70)	951
14	December	Forecast		1,050	(35)	1,015		(70)	945
15									
16	Average	13 Month Average of Lines 2 - 14				<u>556</u>			<u>980</u>
17									
18	Total Amortization				35			70	
19									
20	Monthly Amortization				(5.8)				

Minnesota Energy Resources Corporation
Cost of Long-Term Debt
Forecast 2018
(000s)

Line No.	(a) Description	(b) Original Issue Date	(c) Stated Maturity Date	(d) Interest Rate (%)	(e) Amount of Offering	(f) 13 Month Average Amount Outstanding	(g) Annual Cost
1							
2							
3	Unsecured Senior Notes						
4		6/27/2017	7/15/2027	3.110%	40,000	40,000	1,244
5		6/27/2017	7/15/2032	3.410%	40,000	40,000	1,364
6		6/27/2017	7/14/2047	4.010%	40,000	40,000	1,604
7							
8							
9	Total Long-Term Debt					<u>\$ 120,000</u>	<u>\$ 4,212</u>
10							
11	Amortization of Loss on Reacquired Debt						
12							
13	Reconcile Bond Interest						
14	Total Interest						\$ 4,212
15							
16	Unamortized Debt Discount,						
17	Premium and Expense					<u>(980)</u>	<u>70</u>
18							
19	Net Long-Term Debt Balance / Total Long-Term Interest					<u>\$ 119,020</u>	<u>\$ 4,282</u>
20							
21	Long-Term Interest Rate (g19 / f19)						3.60%

Minnesota Energy Resources Corporation
 Cost of Long-Term Debt
 Forecast 2017
 (000s)

Line No.	(a) Description	(b) Original Issue Date	(c) Stated Maturity Date	(d) Interest Rate (%)	(e) Amount of Offering	(f) 365 Day Cost (%)	(g) 13 Month Average Amount Outstanding	(h) Annual Cost	Days Outstanding for June
1									
2	Mortgage Bonds								
3	Unsecured Senior Notes								
4		6/27/2017	7/15/2027	3.110%	40,000		\$ 21,538	\$ 636	4
5		6/27/2017	7/15/2032	3.410%	40,000		21,538	697	4
6		6/27/2017	7/14/2047	4.010%	40,000		21,538	820	4
7									
8									
9	Total Unsecured Senior Notes				\$ 120,000		\$ 64,615	\$ 2,153	
10									
11	Intercompany Long-Term Debt		Actual Maturity						
12		7/1/2006	6/27/2017	6.400%	29,000	6.489%	13,385	913	-4
13		7/1/2013	6/27/2017	3.990%	29,000	3.990%	13,385	569	-4
14		12/1/2014	6/27/2017	3.570%	20,000	3.570%	9,231	351	-4
15	Reconcile long-term intercompany interest							2	
16									
17	Total Long-Term Intercompany Debt				\$ 78,000		\$ 36,000	\$ 1,834	
18									
19	Total Long-Term Debt / Interest Expense before amortization						\$ 100,615	\$ 3,987	
20									
21	Unamortized Debt Discount,								
22	Premium and Expense		13 Month Average				(556)	35	
23									
24	Net Long-Term Debt Balance / Total Long-Term Interest						\$ 100,059	\$ 4,022	
25									
26	Long-Term Interest Rate (h24 / g24)							4.02%	

Minnesota Energy Resources Corporation
Cost of Long-Term Debt
2016 Actual
(000s)

Line No.	(a) Description	(b) Original Issue Date	(c) Stated Maturity Date	(d) Interest Rate (%)	(e) Amount of Offering	(f) 365 Day Cost (%)	(g) 13 Month Average Amount Outstanding	(h) Annual Cost
1								
2	Intercompany Long-Term Debt							
3	Actual early maturity date	7/1/2006	4/21/2016	6.160%	29,000	6.246%	8,923	551
4		7/1/2006	7/1/2021	6.400%	29,000	6.489%	29,000	1,887
5		7/1/2013	7/1/2023	3.990%	29,000	3.990%	29,000	1,157
6		12/1/2014	12/1/2024	3.570%	20,000	3.570%	20,000	714
7								
8	Total Intercompany Long-Term Debt						\$ 86,923	\$ 4,309
9								
10	Long-Term Interest Rate (h8 / g8)							4.96%

Minnesota Energy Resources Corporation
Short-Term Debt Expense Forecast
(000s)

	a-Jan 2017	a-Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018
L:[Short-term Debt (ending balance)]	32,625	24,125	41,341	39,960	40,268	5,788	11,282	15,056	19,506	27,920	35,897	33,718	30,815
N:[Short-Term Interest (calculated)]	56	46	53	66	66	38	14	22	28	39	52	57	73
Q:[Credit Facility Fees (Input)]			10	10	10	10	10	10	10	10	10	10	12
R:[Guarantee Fees (Input)]			12	12	12	12	12	12	12	12	12	12	12
S:[Rating Agency Fees (Input)]			1	1	1	1	1	1	1	1	1	1	1

Minnesota Energy Resources Corporation
Short-Term Debt Expense Forecast
(000s)

	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Total Costs	
												2017	2018
L:[Short-term Debt (ending balance)]	21,481	9,273	8,467	10,194	19,504	26,406	33,458	37,860	44,493	49,727	44,427		
N:[Short-Term Interest (calculated)]	59	35	20	21	34	52	68	81	93	106	106	537	747
Q:[Credit Facility Fees (Input)]	12	12	12	12	12	12	12	12	12	12	12	96	149
R:[Guarantee Fees (Input)]	12	12	12	12	12	12	12	12	12	12	12	121	145
S:[Rating Agency Fees (Input)]	1	1	1	1	1	1	1	1	1	1	1	7	11

Minnesota Energy Resources Corporation
Income Statement Actuals
(\$)

GLN5205M Minnesota Energy Resources Run Time:
JOBSFINP Income Statement January 10, 2017 at 19:59

2016-12-31		Period	YTD
430001	Int Debt Assoc Co ST	(33,973)	(303,012)
431.00	Other Interest Expense	(56)	(452)
431000	Credit Line Interest	(39,324.19)	(154,793.05)

FERC	Common Account		Total
	675001	801002	
	Credit Line Fees		
431.00	(452)		(452)
431000	1,000	(155,793)	(154,793)
Total	548	(155,793)	(155,245)
Credit Line	548	44,856	45,404
Guarantee		110,937	110,937
Total			<u>156,341</u>

Minnesota Energy Resources Corporation
Interest Expense Actuals
(\$)

Unit	Year	Period	Journal ID	Date	Line #	Unit	Account	Account	Resp	Proc1	Product	Res Type	Home	FERC	FERC Descr	Cost Element	Cost Ele Descr	WBS Element	WBS Element Des	Sum Amount
4500	2016		4 3911023542	4/30/2016	11	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,709.25
4500	2016		5 3911029998	5/31/2016	17	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,709.25
4500	2016		6 3911035150	6/30/2016	10	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,709.25
4500	2016		7 3911039114	7/29/2016	16	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,767.09
4500	2016		8 3911045529	8/31/2016	12	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,767.09
4500	2016		9 3911051092	9/30/2016	14	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000009	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	31,377.92
4500	2016		9 3911051092	9/30/2016	14	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,767.09
4500	2016		10 3911056160	10/31/2016	18	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,767.09
4500	2016		11 3911059961	11/30/2016	14	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,767.09
4500	2016		12 3911066268	12/31/2016	14	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	7,767.09
4500	2016		12 3911066404	12/31/2016	2	WE00	801002	Interest Expense - LOC Commit	G00	B300	200	045	A21	431000	Credit Line Interest	0431000009	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	31,557.00
4500	2016		2 3911009883	2/29/2016	12	WE00	675003	Credit Rating Fees	G00	B300	200	045	A05	930200	A&G-Assoc & Club Dues & Exps	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	4,949.66
4500	2016		3 3911017300	3/31/2016	2	WE00	675003	Credit Rating Fees	G00	B300	200	045	A21	930200	A&G-Assoc & Club Dues & Exps	0431000039	Interest Expense	W-5434-100038-109	4500-INTEREST EXP-CRED FACILITY-MERC	18,178.08
155,792.95																				

spreadsheet from Felicia:

Company	Short-term debt limits	Ratio to Total WEC	2016 facility fee	2016 guarantee fee estimate	2016 total fees from WEC
MERC	50 million	4.76%	80,630.19	145,078.21	225,708.40

Alloc of category of cost:

Facility Fee	35.72%
Guarantee Fee	64.28%

Total to Allocate \$ 74,679.95

Facility Fee	Guarantee Fee	Total 2016
\$ 26,678.04	\$ 48,001.91	(note: allocation information provided by Felicia Christensen)
\$ 18,178.08	\$ 62,934.92	(note: breakdown for these charges provided by Chris Lapinski)
\$ 44,856.12	\$ 110,936.83	\$ 155,792.95

Minnesota Energy Resources Corporation
Balance Sheet 2016 Actuals
(\$)

GLN5117M
JOBSFINP

Minnesota Energy Resources
Capitalization Balances
PSCW Financial Test
2016

Run Time:
January 11, 2017 at 19:34

	JANUARY BALANCE	FEBRUARY BALANCE	MARCH BALANCE	APRIL BALANCE	MAY BALANCE	JUNE BALANCE	JULY BALANCE	AUGUST BALANCE	SEPTEMBER BALANCE	OCTOBER BALANCE	NOVEMBER BALANCE	DECEMBER BALANCE	
Total Common Stock Equity	(205,839,578)	(216,675,338)	(219,335,368)	(219,880,263)	(220,232,191)	(216,788,702)	(215,651,778)	(216,189,440)	(215,396,856)	(216,202,154)	(233,878,195)	(246,182,654)	
Def Comp Mutual Fund, Net of Tax	(547,372)	(536,042)	(552,600)	(555,516)	(558,116)	(561,258)	(36,582)	(36,582)	(36,582)	(36,582)	(36,582)	(36,582)	507,539.56
Activity	(3,250)	11,330	(16,558)	(2,916)	(2,599)	(3,142)	524,676	0	0	0	0	0	
Non Operating	(0)	158,818	401,627	163,865	543,276	(0)	(0)	(0)	(0)	(0)	0	0	(66,590)
Activity	(66,591)	158,818	242,809	(237,762)	379,411	(543,276)	0	0	0	0	0	0	
DefTax-Other Physical Property	(29,936,612)	(30,277,827)	(30,619,042)	(30,960,257)	(31,301,473)	(31,642,688)	(31,983,903)	(32,325,118)	(32,666,334)	(33,007,549)	(33,348,839)	(33,690,123)	(4,094,726.46)
Activity	(341,215)	(341,215)	(341,215)	(341,215)	(341,215)	(341,215)	(341,215)	(341,215)	(341,215)	(341,215)	(341,290)	(341,284)	
Other Physical Property Net	0	0	0	0	0	0	0	0	0	0	0	0	
Total Non-Utility Items	97,167,000	96,995,933	96,880,969	96,299,075	96,334,671	95,447,038	95,630,498	95,289,283	94,948,068	94,606,852	94,265,562	93,924,279	

Minnesota Energy Resources Corporation
Balance Sheet 2015 Actuals
(\$)

GLN5117M
JOBSFINP

Minnesota Energy Resources
Capitalization Balances
PSCW Financial Test
2015

Run Time:
January 13, 2016 at 21:40

	JANUARY BALANCE	FEBRUARY BALANCE	MARCH BALANCE	APRIL BALANCE	MAY BALANCE	JUNE BALANCE	JULY BALANCE	AUGUST BALANCE	SEPTEMBER BALANCE	OCTOBER BALANCE	NOVEMBER BALANCE	DECEMBER BALANCE
Total Common Stock Equity	(230,875,484)	(234,533,663)	(226,369,875)	(229,333,576)	(219,068,722)	(217,214,392)	(216,212,718)	(200,574,666)	(199,569,237)	(199,173,557)	(198,918,461)	(201,221,165)
Def Comp Mutual Fund, Net of Tax	(305,986)	(230,924)	(237,274)	(239,337)	(240,634)	(364,820)	(557,213)	(540,378)	(534,006)	(550,143)	(550,248)	(544,122)
Non Operating	1,623,949	1,623,949	1,217,961	1,082,632	947,303	0	0	0	0	(0)	0	66,590
DefTax-Other Physical Property	(25,842,545)	(26,183,575)	(26,524,606)	(26,865,636)	(27,206,666)	(27,547,696)	(27,888,726)	(28,229,756)	(28,570,786)	(28,911,817)	(29,252,848)	(29,595,396)
Total Non-Utility Items	102,908,986	102,656,922	101,916,236	101,434,953	100,960,450	99,552,111	99,205,044	98,880,849	98,546,191	98,189,024	97,847,888	97,578,056

Minnesota Energy Resources Corporation
Balance Sheet 2016 Actuals
(\$)

GLN5180M
JOBSFINP

Minnesota Energy Resources
ACTUAL BALANCE SHEET BY MONTH

FERC Account	FERC Account Description	December/2015 BALANCE	January/2016 BALANCE	February/2016 BALANCE	March/2016 BALANCE	April/2016 BALANCE	May/2016 BALANCE	June/2016 BALANCE	July/2016 BALANCE	August/2016 BALANCE	September/2016 BALANCE	October/2016 BALANCE	November/2016 BALANCE	December/2016 BALANCE	13 MONTH AVERAGE	2016-12-31 2016-12-31
233000	Premium on Capital Stock	(140,406,596.91)	(140,406,596.91)	(146,407,569.91)	(146,408,542.91)	(146,409,515.91)	(146,410,488.91)	(146,411,461.91)	(146,412,434.91)	(146,413,407.91)	(146,414,380.91)	(146,415,353.91)	(161,416,326.91)	(171,417,299.91)	(147,953,169.12)	(31,010,703)
	ST Notes Payable to Affiliates	(26,600,000)	(28,350,000)	(12,100,000)	0	(26,925,000)	(25,200,000)	(24,425,000)	(30,425,000)	(35,475,000)	(42,400,000)	(48,600,000)	(40,900,000)	(36,350,000)	(28,856,250)	
	Income St less select revenue	(9,338,689.65)	(4,618,413.71)	(9,453,200.10)	(12,112,257.23)	(12,656,179.30)	(13,007,134.56)	(9,562,672.02)	(8,424,775.29)	(8,961,463.89)	(8,167,907.31)	(8,972,232.57)	(11,647,299.95)	(13,950,786.12)	(9,935,689.48)	

Minnesota Energy Resources Corporation
Balance Sheet Feb 2017 Actuals
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GLN5180M
JOBSFINP

Minnesota Energy Resources
ACTUAL BALANCE SHEET BY MONTH

FERC Account	FERC Account Description	February/2016 BALANCE	March/2016 BALANCE	April/2016 BALANCE	May/2016 BALANCE	June/2016 BALANCE	July/2016 BALANCE	August/2016 BALANCE	September/2016 BALANCE	October/2016 BALANCE	November/2016 BALANCE	December/2016 BALANCE	January/2017 BALANCE	February/2017 BALANCE	13 MONTH AVERAGE	2017-02-28 2017-02-28
186900	Goodwill	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	127,650,984	
282300	Def Tax Fed-Non-Oper	(25,638,655)	(25,927,732)	(26,216,810)	(26,505,887)	(26,794,964)	(27,084,042)	(27,373,119)	(27,662,197)	(27,951,274)	(28,240,351)	(28,529,481)	(28,818,562)	(29,107,644)	(27,373,131)	(3,468,989)
282400	Def Tax-State-Non-Oper	(4,639,172)	(4,691,310)	(4,743,448)	(4,795,586)	(4,847,723)	(4,899,861)	(4,951,999)	(5,004,137)	(5,056,275)	(5,108,488)	(5,160,642)	(5,212,739)	(5,264,837)	(4,952,018)	(625,665)
	Activity		(341,215.25)	(341,215.25)	(341,215.26)	(341,215.27)	(341,215.25)	(341,215.26)	(341,215.25)	(341,215.25)	(341,290.40)	(341,283.50)	(341,179.09)	(341,179.07)		
	Premium on Capital Stock	(146,407,569.91)	(146,408,542.91)	(146,409,515.91)	(146,410,488.91)	(146,411,461.91)	(146,412,434.91)	(146,413,407.91)	(146,414,380.91)	(146,415,353.91)	(161,416,326.91)	(171,417,299.91)	(171,418,684.91)	(171,420,069.91)	(152,871,809.91)	(25,012,500)
	Activity		(973.00)	(973.00)	(973.00)	(973.00)	(973.00)	(973.00)	(973.00)	(973.00)	(15,000,973.00)	(10,000,973.00)	(1,385.00)	(1,385.00)		
	Total Equity	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(60,814,467.84)	(74,765,253.96)	(74,765,253.96)	(62,558,316.10)	
	Income St less select reven	(9,453,200.10)	(12,112,257.23)	(12,656,179.30)	(13,007,134.56)	(9,562,672.02)	(8,424,775.29)	(8,961,463.89)	(8,167,907.31)	(8,972,232.57)	(11,647,299.95)	(13,950,786.12)	(4,709,488.03)	(8,501,957.37)	(10,095,814.58)	
	Activity		(2,659,057.13)	(543,922.07)	(350,955.26)	3,444,462.54	1,137,896.73	(536,688.60)	793,556.58	(804,325.26)	(2,675,067.38)	(2,303,486.17)	9,241,298.09	(3,792,469.34)		
												(9,332,372.41)	(14,041,860)			
												(4,497,586)		(12,999,543)		
													(250,893,427)	(3,792,469)		
														(254,687,281)		
	Goodwill net of def tax	97,373,157	97,031,942	96,690,726	96,349,511	96,008,296	95,667,081	95,325,865	94,984,650	94,643,435	94,302,144	93,960,861	93,619,682	93,278,503		(4,094,654)

Minnesota Energy Resources Corporation
Rate Making Capital Structure
(000s)

2018 MERC Rate Case 2017.09.08 Jur
Model

a-Sep 2016 a-Oct 2016 a-Nov 2016 a-Dec 2016 a-Jan 2017 a-Feb 2017 Mar 2017 Apr 2017 May 2017 Jun 2017 Jul 2017 Aug 2017 Sep 2017 Oct 2017 Nov 2017 Dec 2017

Minnesota Energy Resources Corporation

K:[Monthly Capital Structure (before adjustments)]

Beginning Balance	216,189	215,397	216,202	233,878	246,183	250,894	254,687	227,498	228,765	228,566	217,498	216,404	215,237	214,627	215,145	217,168
Debits																
Line: B:[Net Income]							2,811	1,266	(198)	(1,068)	(1,093)	(1,167)	(610)	518	2,023	3,450
Line: CQ:[Special Common Stock Dividend adjustment]							(30,000)			(10,000)						
Credits																
Line: AM:[Capital Contribution]																
Line: AH:[Monthly Equity Change]																
L:[Common Equity]	215,397	216,202	233,878	246,183	250,894	254,687	227,498	228,765	228,566	217,498	216,404	215,237	214,627	215,145	217,168	220,618
M:[Long-term Debt]	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
N:[Unamortized Debt Expense]										(1,050)	(1,044)	(1,038)	(1,033)	(1,027)	(1,021)	(1,015)
O:[Net Long-term Debt]	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	118,950	118,956	118,962	118,967	118,973	118,979	118,985
P:[Short-term Debt]	42,400	48,600	40,900	36,350	32,625	24,125	41,341	39,960	40,268	5,788	11,282	15,056	19,506	27,920	35,897	33,718
V:[Total Capital]	335,797	342,802	352,778	360,533	361,519	356,812	346,839	346,725	346,834	342,235	346,642	349,255	353,100	362,038	372,045	373,321
W:[]																
X:[Common Equity Adjustments]																
Y:[Common Equity]	215,397	216,202	233,878	246,183	250,894	254,687	227,498	228,765	228,566	217,498	216,404	215,237	214,627	215,145	217,168	220,618
AA:[Net Goodwill]	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)
AB:[Deferred Tax Asset/Liability]	32,670	33,011	33,352	33,691	34,034	34,376	34,717	35,058	35,399	35,740	36,081	36,423	36,764	37,105	37,446	37,785
AC:[Adjustment]																
Total Equity Adjustments	(94,981)	(94,640)	(94,299)	(93,960)	(93,617)	(93,275)	(92,934)	(92,593)	(92,252)	(91,911)	(91,570)	(91,228)	(90,887)	(90,546)	(90,205)	(89,866)
Activity		341	341	339	344	341	341	341	341	341	341	341	341	341	341	339
AD:[Adjusted Common Stock]	120,416	121,562	139,579	152,222	157,277	161,412	134,564	136,171	136,314	125,587	124,835	124,009	123,739	124,599	126,963	130,752

Minnesota Energy Resources Corp
Rate Making Capital Structure
(000s)

2018 MERC Rate Case 2017.09.08 Jur
Model

	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018
Minnesota Energy Resources Corpora												
K:[Monthly Capital Structure (before												
Beginning Balance	220,618	239,544	244,928	247,814	249,151	248,088	242,677	239,808	237,037	235,060	236,320	239,847
Debits												
Line: B:[Net Income]	5,752	4,208	2,047	958	(999)	(5,103)	(2,564)	(2,442)	(1,819)	1,085	2,856	7,110
Line: CQ:[Special Common Stock D												
Credits												
Line: AM:[Capital Contribution]	11,726											
Line: AH:[Monthly Equity Change]	1,448	1,176	839	379	(63)	(307)	(305)	(330)	(158)	175	671	1,133
L:[Common Equity]	239,544	244,928	247,814	249,151	248,088	242,677	239,808	237,037	235,060	236,320	239,847	248,090
M:[Long-term Debt]	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
N:[Unamortized Debt Expense]	(1,009)	(1,003)	(998)	(992)	(986)	(980)	(974)	(969)	(963)	(957)	(951)	(945)
O:[Net Long-term Debt]	118,991	118,997	119,002	119,008	119,014	119,020	119,026	119,031	119,037	119,043	119,049	119,055
P:[Short-term Debt]	30,815	21,481	9,273	8,467	10,194	19,504	26,406	33,458	37,860	44,493	49,727	44,427
V:[Total Capital]	389,350	385,406	376,089	376,626	377,297	381,201	385,240	389,527	391,958	399,856	408,623	411,571
W:[]												
X:[Common Equity Adjustments]												
Y:[Common Equity]	239,544	244,928	247,814	249,151	248,088	242,677	239,808	237,037	235,060	236,320	239,847	248,090
AA:[Net Goodwill]	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)	(127,651)
AB:[Deferred Tax Asset/Liability]	38,128	38,470	38,811	39,152	39,493	39,834	40,175	40,517	40,858	41,199	41,540	41,879
AC:[Adjustment]												
Total Equity Adjustments	(89,523)	(89,181)	(88,840)	(88,499)	(88,158)	(87,817)	(87,476)	(87,134)	(86,793)	(86,452)	(86,111)	(85,772)
Activity	344	341	341	341	341	341	341	341	341	341	341	339
AD:[Adjusted Common Stock I	150,021	155,747	158,974	160,651	159,930	154,861	152,333	149,903	148,267	149,868	153,736	162,318