



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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GOVERNOR

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STATE TREASURER

**DATE:** October 14, 2019  
**TO:** Members of the State Tax Commission  
**FROM:** David A. Buick, Executive Director  
**SUBJECT:** System Economic Factors for the 2020 Year

In 2014, the State Tax Commission entered into a settlement agreement regarding the development of system economic factors for the electric distribution cooperatives. This agreement required the adoption of a new methodology for determination of the factors for a three year trial period beginning with the 2014 year. Pursuant to the settlement agreement, beginning with the 2017 tax year, staff reviewed the system economic factors and applicable statutes and recommend the new methodology be utilized to develop the system economic factors for the 2020 tax year.

Staff has calculated the factors using this new methodology and recommends adoption of the following factors for the 2020 year:

Alger Delta	71
Bayfield	67
Cherryland	85
Cloverland	90
Great Lakes	80
Midwest	90
Ontonagon	65
Presque Isle	70
Thumb	76
Tri County	80