



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

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STATE TREASURER

DATE: October 30, 2017
TO: Members of the State Tax Commission
FROM: Heather S. Frick, Executive Director
SUBJECT: System Economic Factors for the 2018 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 2018 tax year.

Staff has calculated the factors using this new methodology and recommends adoption of the following factors for the 2018 year:

Cherryland	85
Tri County	80
Great Lakes	79
Midwest	89
Ontonagon	65
Thumb	75
Cloverland	90
Presque Isle	69
Bayfield	67
Alger Delta	71