



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

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GOVERNOR

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STATE TREASURER

DATE: October 22, 2018
TO: Members of the State Tax Commission
FROM: Heather S. Frick, Executive Director
SUBJECT: System Economic Factors for the 2019 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 2019 tax year.

Staff has calculated the factors using this new methodology and recommends adoption of the following factors for the 2019 year:

Alger Delta	72
Bayfield	67
Cherryland	84
Cloverland	90
Great Lakes	79
Midwest	88
Ontonagon	65
Presque Isle	69
Thumb	75
Tri County	80