**Great River Energy**

**2016 Projected Net Revenue Requirement Supplemental Notes**

(Section II.F.4 Requirement)

**Section II.F.4 – Accounting Changes**

* GRE adopted Accounting Standards Update No. 2015-03, Simplifying the Presentation of Debt Issuance Costs, which is effective for GRE in 2016. GRE now presents debt issuance costs as a reduction of long-term obligations rather than as deferred charges and the amortization of debt issuance costs as a component of interest expense.
* GRE added salvage value to certain assets in 2016, including the Maple Grove headquarters building and some transmission assets. This would decrease GRE’s depreciation expense going forward.