



December 6, 2018

Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: FERC Form No. 501-G;  
Mojave Pipeline Company, L.L.C.;  
Docket No. RP19-

Commissioners:

In Order No. 849 (“Final Rule”),<sup>1</sup> the Federal Energy Regulatory Commission (“Commission” or “FERC”) recognizes that its statutory obligation to ensure that a pipeline’s rates are just and reasonable is based on individual facts and circumstances of the pipeline. Pursuant to the requirements recently adopted by the Commission in the Final Rule and which will be codified, in part, at 18 C.F.R. § 260.402, Mojave Pipeline Company, L.L.C. (“Mojave”) has elected Option 3 as part of its FERC Form No. 501-G (“Form 501-G”) filing to demonstrate that an adjustment to its rates is not warranted at this time based on its individual facts and circumstances.

Mojave reiterates and incorporates by reference the comments filed by the Kinder Morgan Entities including Mojave to the Commission’s Notice of Proposed Rulemaking<sup>2</sup> and in the Kinder Morgan Entities’ Request for Rehearing. The Commission has broad authority to collect information from regulated interstate pipelines and already has vehicles in place such as the FERC Form Nos. 2 and 3Qs that facilitate such collection. But it is inconsistent with the Natural Gas Act to force pipelines to submit the Form 501-G in its current form, structured to result in an indicated cost of service reduction. This shifts the burdens established by sections 4 and 5 of the Natural Gas Act and undermines Mojave’s filed rates, which are deemed to be just and reasonable unless proven otherwise through full evidentiary hearing procedures.

Nevertheless, Mojave must comply with the Final Rule until the Commission or a reviewing court takes action, and Mojave therefore is submitting the Form 501-G as directed by the Commission. In doing so, Mojave stresses that the resulting outputs of the form are misleading, have little resemblance to a litigated or settled outcome, and are not indicative of Mojave’s actual rate of return, actual cost of service, or rates that would result from a rate case initiated under sections 4 or 5 of the Natural Gas Act.

<sup>1</sup> *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 83 Fed. Reg. 36672 (July 30, 2018); FERC Stats. & Regs., Regs. Preambles ¶ 31,404 (“Final Rule”).

<sup>2</sup> *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Notice of Proposed Rulemaking, 83 Fed. Reg. 12,888 (Mar. 26, 2018); FERC Stats. & Regs., Proposed Regs. ¶ 32,725 (2018).

### **No Further Action is Warranted at this Time**

In the Final Rule, the Commission required interstate pipelines to make a one-time informational filing, the Form 501-G, for evaluating the impact of the Tax Cuts and Jobs Act on interstate natural gas pipelines' revenue requirements.<sup>3</sup> The Commission acknowledged in the Final Rule that a rate reduction may not be "justified" for various pipelines at this time:

[d]espite the reduction in the corporate income tax and the change in policy concerning MLP Tax allowances, a rate reduction may not be justified for a significant number of pipelines. For example, the pipeline's existing rates may not fully recover its cost of service or a rate moratorium may prohibit changes at this time. Pipelines may include with their filing of the FERC Form No. 501-G a statement explaining why these or other reasons justify their not changing their rates at this time.<sup>4</sup>

Form 501-G calculates a Total Estimated ROE with adjusted tax allowance of 9.3% for Mojave. The amount produced by the form is significantly below the indicative rate of 10.55% selected by the Commission to evaluate whether an investigation should be initiated.<sup>5</sup> As such, the form indicates that Mojave is not fully recovering its cost of service. Accordingly, no adjustment to Mojave's rates is warranted at this time.

### **Procedural Requirements**

Mojave is submitting concurrently its completed, unadjusted Form 501-G in native format with formulas intact.<sup>6</sup> Mojave has attached as Appendix A hereto a PDF version of that form.

### **Communications**

The names, titles, and mailing addresses of the persons to whom communications concerning this filing are to be addressed and to whom service is to be made are as follows:<sup>7</sup>

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<sup>3</sup> See, e.g., Final Rule at P 63.

<sup>4</sup> *Id.* at P 222 (Emphasis added).

<sup>5</sup> See Final Rule at P 103.

<sup>6</sup> All of Mojave's income or losses are included on the consolidated tax return of a corporate parent. Additionally, Line no. 31 of page 1 of Mojave's Form 501-G reflects the amortization of the excess accumulated deferred income taxes (ADIT) associated with Mojave's regulatory liability Account No. 254 to reflect the 21% reduced federal income tax rate. Consistent with Commission and IRS normalization requirements and the Form 501-G, Mojave intends to employ the Reverse South Georgia method to amortize its excess ADIT balance over the estimated weighted average remaining life of its assets as of December 31, 2017.

<sup>7</sup> Mojave respectfully requests waiver of the restriction in 18 C.F.R. § 385.203(b)(3) (2018) to allow more than two individuals representing Mojave to be included on the official service list for this proceeding.

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### **Conclusion**

Based on Mojave's individual facts and circumstances as just described, an adjustment to Mojave's rates is not warranted at this time. This submission is being made solely to comply with the Final Rule. Nothing in this filing should be construed as being supported or proposed by Mojave as the appropriate amount or level of costs, or the methodology for functionalizing, classifying or allocating costs, or designing or establishing rates. This filing is without prejudice to any filings made on behalf of Mojave or the Kinder Morgan Entities in this proceeding, Docket No. RM18-11-000 and Docket No. RP18-415-000, including their Request for Rehearing, as well as any petitions for rehearing, stay, or judicial review of any orders that may be issued in the referenced proceedings or this proceeding.

Respectfully submitted,

**MOJAVE PIPELINE COMPANY, L.L.C.**

By \_\_\_\_\_ /s/  
William D. Wible  
Vice President, Regulatory

## Appendix A

**FERC Form No. 501-G**  
**One-time Report on Rate Effect of the Tax Cuts and Jobs Act**

**Cost of Service**

Pipeline  
Company  
Name

**Mojave Pipeline Company, L.L.C.**

Line No.	(A) Description	(B) Form 2 Reference	(C) Calendar Year 2017 Actuals	(D) Net Amort. of Excess/ Deficient ADIT	(E) With Adjusted Tax Allowance
3	CID	C001014			
4	Is the Pipeline a separate income taxpaying entity? Does it conduct business, realize net income or loss, pay income taxes and distribute profits to shareholders?		Yes		
<b>Cost of Service - Non Fuel</b>					
<b>Operating, Maintenance and Administrative &amp; General</b>					
5	Total Production & Gathering	P. 317; L. 30, C. (b)	\$ -		\$ -
6	Total Products Extraction	P. 318; L. 58, C. (b)	-		-
7	Total Natural Gas Storage	P. 322; L. 177, C. (b)	-		-
8	(Less) UG Compressor Station Fuel & Power	P. 320; L. 106, C. (b)	-		-
9	(Less) Other Compressor Station Fuel & Power	P. 321; LL. 131 & 132, C. (b)	-		-
10	(Less) LNG Compressor Station Fuel & Power	P. 322; LL. 157 & 158, C. (b)	-		-
11	Net Storage Costs	L. 7 minus LL. 8-10	-		-
12	Total Transmission	P. 323; L. 201, C. (b)	4,161,349		4,161,349
13	(Less) Gas for Compressor Station Fuel	P. 323; L. 184, C. (b)	1,847,482		1,847,482
14	(Less) Other Fuel & Power for Compressor Stns. (if included in true-up or tracking mechanism)	P. 323; L. 185, C. (b)	-		-
15	Net Transmission Costs	L. 12 minus LL. 13-14	2,313,867		2,313,867
16	Administrative & General	P. 325; L. 270, C. (b)	1,772,652		1,772,652
17	Total Operating, Maintenance and Admin. & Gen.	Sum of LL. 4, 5, 10, 14, 15	\$ 4,086,519		\$ 4,086,519
18	<b>Depreciation, Depletion, and Amortization</b>	Form 2 - P. 337; L. 12, C. (h) Form 2A - P. 114; LL. 6-8, C. (c)	4,061,460		4,061,460
19	Amort. of Plant Acq. Adj. If 'yes' to P. 2; L. 5 of Form 501-G then 0, else P. 114; L. 9, C. (c)		-		-
<b>Credits to Cost of Service</b>					
20	Regulatory Debits (if incl. in a § 4 rate filing)	P. 114; L. 12, C. (c)	-		-
21	(Less) Regulatory Credits (if incl. in a § 4 rate filing)	P. 114; L. 13, C. (c)	-		-
22	<b>Other Taxes</b>	P. 114; L. 14, C. (c)	1,161,692		1,161,692
<b>Return</b>					
23	Long Term Debt	P. 2; L. 27 of Form 501-G	1,448,854		1,449,385
24	Preferred Stock (or equivalent)	P. 2; L. 28 of Form 501-G	-		-
25	Common Equity	P. 2; L. 29 of Form 501-G	4,052,410		4,053,897
26	Total Return		5,501,264		5,503,282
<b>Allowance for Income Taxes</b>					
27	Federal Income Tax Rate	P. 5; L. 3 of Form 501-G	35.00%		21.00%
28	Weighted Average State Income Tax Rate	P. 5; L. 4 of Form 501-G	9.30%		9.30%
29	Composite Income Tax Rate	P. 5; LL. 3-6 of Form 501-G	41.05%		28.35%
30	Income Tax Allowance on Equity Return	[(L. 24+L. 25)*(L. 29/(1-L. 29))]	2,821,324		1,603,782
31	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT (Year 1 amortization)		-	24,713	24,713
32	Total Income Tax Allowance	L. 30 minus L. 31	2,821,324		1,579,069
33	<b>Total Cost of Service - Non Fuel</b>	Sum of LL. 17-20, 22, 26, 32 less L. 21	\$ 17,632,260		\$ 16,392,022
34	<b>Indicated Cost of Service Reduction</b>	1 minus [L. 33, C. (E) divided by L. 33, C. (C)]			<b>7.0%</b>

**FERC Form No. 501-G  
One-time Report on Rate Effect of the Tax Cuts and Jobs Act**

**Rate Base  
Mojave Pipeline Company, L.L.C.**

Line No.	(A) Description	(B) Form 2 Reference	(C) Calendar Year 2017 Actuals	(D) Excess/ Deficient ADIT Adjustment	(E) With Adjusted Tax Allowance
<b>Rate Base</b>					
1	Gas Plant in Service	P. 110; L. 2, C. (c)	\$ 249,916,323		\$ 249,916,323
2	Accumulated Depreciation	P. 110; L. 5, C. (c)	184,361,760		184,361,760
3	Acquisition Adjustment	P. 200; L. 12, C. (b)	-		-
4	(Less) Amort. of Plant Acquisition Adjustment	P. 200; L. 32, C. (b)	-		-
5	<b>No</b> Has the pipeline received permission to include Acq. Adjustment(s) in Rate Base? If no, provide amounts as a reduction to Rate Base.				
6	FERC Order Cite				
7	Net Acquisition Adjustment	If L. 5 is yes, then zero; else L. 3 minus L. 4	-		-
8	Net Plant	L. 1 minus L. 2 minus L. 7	65,554,563		65,554,563
<b>Gas Stored Underground</b>					
9	Base Gas - Account No. 117.1	P. 220; L. 5, C. (b)	-		-
10	System Balancing - Account No. 117.2	P. 220; L. 5, C. (c)	1,039,749		1,039,749
<b>Working Capital</b>					
11	Prepayments	P. 111; L. 54, C. (c)	-		-
12	Materials and Supplies	P. 111; L. 45, C. (c)	-		-
<b>ADIT and Regulatory Assets and Liabilities</b>					
13	Accumulated Deferred Income Taxes (IT)	P. 235; L. 3, C. (k)(see footnote)	116,129		116,129
14	(Less) Accum. Deferred IT - Other Property	P. 275; L. 3, C. (k)(see footnote)	655,296		655,296
15	(Less) Accum. Deferred IT - Other	P. 277; L. 3, C. (k)(see footnote)	-		-
16	Other Regulatory Assets	P. 232; L. 40, C. (g)	3,172,074	-	3,172,074
17	(Less) Other Regulatory Liabilities	P. 278; L. 45, C. (g)	1,838,670	-	1,813,957
18	<b>Rate Base</b>	Sum of LL. 8 - 13 minus LL. 14-15 plus L. 16 minus L. 17	\$ 67,388,549		\$ 67,413,262

The Commission will apply Opinion No. 414, et al. in reviewing data submitted on page 4. Opinion No. 414, et al. requires that the pipeline's, or the parent's debt if using the parent's capital, must be issued in its name, be publicly traded, and be rated by a rating agency. The pipeline or parent must have a proper capital structure, which for purposes of FERC Form No. 501-G must have an equity ratio less than 65%.

Opinion No. 414, 80 FERC ¶ 61,157 (1997); reh'g denied, Opinion No. 414-A, 84 FERC ¶ 61,084 (1998).

Employing the data provided on Page 4 for capital structure and the component costs of Long Term Debt and Preferred Stock, the Pipeline's cost of capital for purposes of FERC Form No. 501-G will be based upon Case 4 - FERC Hypothetical Capital Structure and Cost of new Corporate Debt.

Summary of Page 4 Capital Structure and Capital Component Costs	Case 1	Case 2	Case 3	Case 4
	Balance Sheet & Income Statement	Page 218a	Parent's SEC Form 10K	Hypothetical
19) 1) Is the debt issued in the entity's name and traded?	No	No	No	
20) 2) Is the debt rated by a rating agency?	No	No	No	
21) 3) Is the equity ratio less than 65%?	No	No	Yes	
22) Each of the three above questions must be answered yes as the basis for using the capital structure and individual capital component cost.	<b>Not using Case 1 per Opinion No. 414 et al</b>	<b>Not using Case 2 per Opinion No. 414 et al</b>	<b>Not using Case 3 per Opinion No. 414 et al</b>	<b>Using Case 4</b>

		<u>Capitalization Ratio</u>	<u>Component Cost</u>	<u>Wtd. Cost of Capital</u>	
23	Long Term Debt	P. 4 of Form 501-G	43.00%	5.00%	2.15%
24	Preferred Stock (or equivalent)	P. 4 of Form 501-G	0.00%	0.00%	0.00%
25	Common Equity	P. 4 of Form 501-G	57.00%	10.55%	6.01%
26	Total Return	Sum of LL. 23 - 25	100.00%		8.16%
27	Return - Long Term Debt	L. 18 times L. 23, C. (E)	\$ 1,448,854	\$	1,449,385
28	Return - Preferred Stock (or equivalent)	L. 18 times L. 24, C. (E)	-		-
29	Return - Common Equity	L. 18 times L. 25, C. (E)	4,052,410		4,053,897
30	Total Return	Sum of LL. 27 - 29	\$ 5,501,264	\$	5,503,282

**FERC Form No. 501-G**  
**One-time Report on Rate Effect of the Tax Cuts and Jobs Act**  
**Return on Equity**  
**Pre Tax Cut and Pro Forma Post Tax Cut**  
**Mojave Pipeline Company, L.L.C.**

Line No.	(A) Description	(B) Form 2 Reference	(C) Calendar Year 2017 Actuals	(D) With Adjusted Tax Allowance	(E) Rate Moratorium Option 12% ROE Test
<b>Operating Revenue</b>					Indicated Cost of Service Reduction of 7%
1	Total Operating Revenues	P. 301; L. 21, C. (h)	\$ 15,718,401	\$ 15,718,401	
2	(Less) Sales for Resale (Acct. Nos. 480-484)	P. 301; L. 4, C. (h)	-	-	
3	(Less) Commercial & Industrial Sales	P. 301; L. 2, C. (h)	-	-	
4	(Less) Gas Sales & Other Adj. from Acct. No. 495	P. 308; L. 10, C. (b)	-	-	
5	(Less) Fuel Related Revenues Incl. in Total Revenues per Pipeline		-	-	
6	<b>Total Adjusted Revenue</b>	L. 1 minus sum of LL. 2-5	<b>\$ 15,718,401</b>	<b>\$ 15,718,401</b>	<b>\$ 14,612,782</b>
7	<input checked="" type="checkbox"/> <b>Yes</b>	Enter 'Yes' or 'No' - Does the Pipeline track or true-up fuel retention?			
8	<input checked="" type="checkbox"/> <b>Yes</b>	Enter 'Yes' or 'No' - Does the Pipeline have stated fuel rates?			
<b>Calculation of Return On Equity - Pre Tax Cut and Pro Forma Post Tax Cut</b>					
9	Total Operating, Maintenance and Admin. & Gen.	P. 1; L. 17 of 501-G	\$ 4,086,519	\$ 4,086,519	\$ 4,086,519
10	Depreciation, Depletion, and Amortization	P. 1; L. 18 of 501-G	4,061,460	4,061,460	4,061,460
11	Amort. of Plant Acq. Adj.	P. 1; L. 19 of 501-G	-	-	-
12	Regulatory Debits (if incl. in a § 4 rate filing)	P. 1; L. 20 of 501-G	-	-	-
13	(Less) Regulatory Credits (if incl. in a § 4 rate filing)	P. 1; L. 21 of 501-G	-	-	-
14	Other Taxes	P. 1; L. 22 of 501-G	1,161,692	1,161,692	1,161,692
15	Non-Fuel Operating Cost Excl. Interest and Taxes	Sum of LL. 9-12 minus L. 13 plus L. 14	9,309,671	9,309,671	9,309,671
16	<b>Operating Income</b>	L. 6 minus L. 15	<b>\$ 6,408,730</b>	<b>\$ 6,408,730</b>	<b>\$ 5,303,111</b>
17	Interest Expense	P. 1; L. 23, C. (C) of 501-G	1,448,854	1,449,385	1,449,385
18	Income Before Income Taxes	L. 16 minus L. 17	<b>\$ 4,959,876</b>	<b>\$ 4,959,345</b>	<b>\$ 3,853,726</b>
<b>Allowance for Income Taxes</b>					
19	Composite Income Tax Rate	P. 1; L. 29 of 501-G	41.05%	28.35%	28.35%
20	Income Taxes	L. 18 times L. 19	\$ 2,035,781	\$ 1,405,825	\$ 1,092,416
21	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT	P. 1; L. 31 of 501-G	-	24,713	24,713
22	Total Income Tax Allowance	L. 20 minus L. 21	2,035,781	1,381,112	1,067,703
23	<b>Net Income</b>	L. 18 minus L. 22	<b>\$ 2,924,095</b>	<b>\$ 3,578,232</b>	<b>\$ 2,786,023</b>
24	(Less) Preferred Dividends	P. 1; L. 24, C. (C) of 501-G	-	-	-
25	<b>Rate Base</b>	P. 2; L. 18 of 501-G	<b>\$ 67,388,549</b>	<b>\$ 67,413,262</b>	<b>\$ 67,413,262</b>
26	<b>Total Estimated ROE (excluding fuel)</b>	[L. 23 - L. 24] / [L. 25 * P. 2; L. 25 C. (C) of 501-G]	<b>7.6%</b>	<b>9.3%</b>	<b>7.3%</b>

**FERC Form No. 501-G  
One-time Report on Rate Effect of the Tax Cuts and Jobs Act**

**Capital Structure and Component Costs  
Mojave Pipeline Company, L.L.C.**

Line No.	(A) Description	(B) Form 2 Reference	(C) Capitalization	(D) Capitalization Ratio	(E) Capital Component Cost Rate	(F) Weighted Cost of Capital
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The Commission will use your responses on the following four cases to evaluate your capital structure and capital component costs for Form No. 501-G: Case 1, balance sheet and income statement; Case 2, Page 218a of Form No. 2; Case 3, the parent's financial statements as filed in its SEC Form 10-K; or Case 4, a hypothetical capital structure and capital component costs.

**Case 1. Cost of Capital based upon amounts obtained from the Balance Sheet and Income Statement.**

<b>Cost of Debt and Preferred Stock</b>						
1	Interest	P. 116; LL. 62-68, C. (c)	\$ 12,747	= 0		
2	Long-Term Debt	P. 112; L. 24, C. (c)	\$ -			
3	Preferred Dividends	P. 120a; L. 68, C. (b)	\$ -	= 0		
4	Preferred Stock (or equivalent)	P. 112; L. 3, C. (c)				
5	Common Equity	P. 112; L. 15, C. (c)	\$ 71,238,911			
6	<b>Cost of Capital</b>					
7	Long-Term Debt	L. 3	\$ -	0.00%	0.00%	0.00%
8	Preferred Stock (or equivalent)	L. 5	\$ -	0.00%	0.00%	0.00%
9	Common Equity	L. 6 minus L. 5	\$ 71,238,911	100.00%	10.55%	10.55%
10	Totals		\$ 71,238,911	100.00%		10.55%
11	<input type="checkbox"/> No	Enter 'Yes' or 'No' - Is all of the debt listed on L. 3 above issued in the pipeline's name and publicly traded?				
12	<input type="checkbox"/> No	Enter 'Yes' or 'No' - Is all the debt listed on L. 3 above rated by a rating agency?				

**Case 2. Cost of Capital based upon amounts obtained from Page 218a of the FERC Form No. 2.**

	P. 218a	Column (b)	Column (c)	Column (d)		
14	Long-Term Debt	L. 3	\$ -	0.00%	0.00%	
15	Preferred Stock (or equivalent)	L. 4	\$ -	0.00%	0.00%	
16	Common Equity	L. 5	\$ 81,880,851	100.00%	10.55%	
17	Totals		\$ 81,880,851	100.00%	10.55%	
18	<input type="checkbox"/> Yes	Are the Values on P. 218a from the books and records of Mojave Pipeline Company, L.L.C.?				
19	If no, provide the name and stock symbol of the company for the source of the Page 218a amounts.					
20	<b>Ticker</b>	<b>Company Name</b>				
21	<input type="checkbox"/> No	Enter 'Yes' or 'No' - Is all of the debt listed on L. 15 above issued in the pipeline's name, or, that of the entity on L. 21? and publicly traded?				
22	<input type="checkbox"/> No	Enter 'Yes' or 'No' - Is all of the debt listed on L. 15 above rated by a rating agency?				

**Case 3. Cost of Capital based upon Parent's Capital Structure and costs for Long Term Debt and Preferred Stock.**

24	Long-Term Debt	SEC - 10K	\$ 34,088,000,000	49.25%	5.25%	2.59%
25	Preferred Stock (or equivalent)	SEC - 10K	-	0.00%	0.00%	0.00%
26	Common Equity	SEC - 10K	35,124,000,000	50.75%	10.55%	5.35%
27	Totals		\$ 69,212,000,000	100.00%		7.94%
28	Provide the stock symbol(s), the name of the parent company(s), a hyperlink to the parent's SEC Form 10-K, and the associated year:					
29	<b>Ticker(s)</b>	<b>KMI</b>	<b>Company Name(s)</b>	<b>Kinder Morgan, Inc.</b>		
30	<b>Year</b>	<b>2017</b>	<b>10K Hyperlink(s)</b>	<b><a href="http://ir.kindermorgan.com/annual-quarterly-reports">http://ir.kindermorgan.com/annual-quarterly-reports</a></b>		
31	<input type="checkbox"/> No	Enter 'Yes' or 'No' - Is all of the debt listed on L. 24 above publicly traded?				
32	<input type="checkbox"/> No	Enter 'Yes' or 'No' - Is all of the debt listed on L. 24 above rated by a rating agency?				

**Case 4. Cost of Capital based upon FERC Hypothetical Capital Structure and Cost of new Corporate Debt.**

33	Long-Term Debt			43.00%	5.00%	2.15%
34	Preferred Stock			0.00%	0.00%	0.00%
35	Common Equity			57.00%	10.55%	6.01%
36	Totals			100.00%		8.16%



**FERC Form No. 501-G**  
**One-time Report on Rate Effect of the Tax Cuts and Jobs Act**  
**Current Composite Income Tax Rate**  
**Mojave Pipeline Company, L.L.C.**

Line No.	(A) Description	(B) Form 2 Reference	(C) Weighting	(D) Marginal Tax Rates	(E) Weighted Average Tax Rates
1	<b>Based on the response to Line 4 on Page 1 of Form No. 501-G, Mojave Pipeline Company, L.L.C.</b>				
2	<b>is a C Corp subject to the 35% tax rate for 2017. Please fill out lines 6 and 9.</b>				
3	Federal Income Tax Rate (FIT) - Calendar Year 2017:				<b>35.00%</b>
4	State Income Tax Rate (SIT) - Calendar Year 2017:				<b>9.30%</b>
5	Composite Tax Rate - Calendar Year 2017:				<b>41.05%</b>
6	<b>Provide the percentage of federal income tax deductible for state income taxes. = (p)</b>				<b>0.00%</b>
7	Composite Tax Rate equals				
8	[FIT Rate * (1 - SIT Rate) / (1 - SIT Rate * FIT Rate * p)] + [SIT Rate * (1 - FIT Rate * p) / (1 - SIT Rate * FIT Rate * p)]				
<b><u>Tax Rates for C Corps.</u></b>					
9	Provide the sum of weighted state tax rate(s)	sum of all rows from P. 263b.; C. (q)			<b>9.30%</b>
<b><u>Tax Rates for Pass Through Entities */</u></b>					
<b>Federal Income Tax Rates</b>					
10	Subchapter C	per Pipeline's parents' owners	0.0%	0.0%	0.00%
11	Individuals	per Pipeline's parents' owners	0.0%	0.0%	0.00%
12	Mutual Funds	per Pipeline's parents' owners	0.0%	0.0%	0.00%
13	Pensions, IRAs, Keogh Plans	per Pipeline's parents' owners	0.0%	0.0%	0.00%
14	UBTI Entities	per Pipeline's parents' owners	0.0%	0.0%	0.00%
15	Non-Taxpaying Entities	per Pipeline's parents' owners	0.0%	0.0%	0.00%
16	Weighted Average Rate		<u>0.00%</u>		<u>0.00%</u>
<b>State and Local Income Tax Rates</b>					
17	Subchapter C	per Pipeline's parents' owners	0.0%	0.0%	0.00%
18	Individuals	per Pipeline's parents' owners	0.0%	0.0%	0.00%
19	Mutual Funds	per Pipeline's parents' owners	0.0%	0.0%	0.00%
20	Pensions, IRAs, Keogh Plans	per Pipeline's parents' owners	0.0%	0.0%	0.00%
21	UBTI Entities	per Pipeline's parents' owners	0.0%	0.0%	0.00%
22	Non-Taxpaying Entities	per Pipeline's parents' owners	0.0%	0.0%	0.00%
23	Weighted Average Rate		<u>0.00%</u>		<u>0.00%</u>
24	Provide the date when the marginal tax rates were determined.			<b>mm/dd/yyyy</b>	

\*/ Income tax rates and weighting must be consistent with the Commission's *Policy Statement on Income Tax Allowances*, 111 FERC ¶ 61,139 (2005), and the Commission's *Order on Initial Decision and on Certain Remanded Cost Issues*, 113 FERC ¶ 61,277 (2005).