



**Bear Creek Storage
Company, L.L.C.**

a Kinder Morgan operated company

October 11, 2018

Ms. Kimberly Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D. C. 20426

Re: Docket No. RP19-___
Bear Creek Storage Company, L.L.C.
Filing in Compliance with Order No. 849
Form 501-G

Dear Ms. Bose:

In compliance with Order No. 849, the Final Rule in Docket No. RM18-11 (“Final Rule”) and section 260.402 of the Code of Federal Regulations, Bear Creek Storage Company, L.L.C. (“Bear Creek”) hereby submits its FERC Form 501-G (see attached Excel spreadsheet as well as a PDF version in Appendix A).¹ As further detailed below, pursuant to Option 3 of the Final Rule, Bear Creek does not believe an adjustment to rates is warranted at this time.

Bear Creek reiterates and incorporates by reference the comments filed by the Kinder Morgan Entities including Bear Creek to the Commission’s Notice of Proposed Rulemaking 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. 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 burden established by sections 4 and 5 of the Natural Gas Act and undermines Bear Creek’s filed rates, which are deemed to be just and reasonable unless proven otherwise through full evidentiary hearing procedures.

Nevertheless, Bear Creek must comply with the Final Rule until the Commission or a reviewing court takes action, and Bear Creek therefore is submitting the Form No. 501-G as directed by the Commission. In doing so, Bear Creek stresses that the resulting outputs of the form are misleading, have little resemblance to a litigated or settled outcome, and are not indicative of Bear Creek’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.

¹ Bear Creek’s submission of this compliance filing is without prejudice to Bear Creek’s participation in the Request for Rehearing of the Final Rule filed on behalf of the Kinder Morgan Entities as well as any judicial review of any order on rehearing pertaining to the Final Rule.

Bear Creek's current rates are the result of a comprehensive settlement of a proceeding initiated by the Commission pursuant to Section 5 of the Natural Gas Act in Docket No. RP12-121.² With respect to the Form 501-G submitted herewith, Bear Creek notes the following. Bear Creek is a partnership indirectly owned 50% by Southern Natural Gas Company, L.L.C. ("SNG") and 50% by Tennessee Gas Pipeline Company, L.L.C. ("TGP"). Bear Creek has no debt of its own. TGP's capital structure does not qualify per the instructions of the Form 501-G (not all of its debt as of the end of 2017 is publicly traded). TGP's parent is Kinder Morgan Inc. ("KMI") and its debt/capital structure does not qualify either since not all of its debt is publicly traded. Consequently, the prescribed hypothetical capital structure is used in Bear Creek's Form 501-G.³

Regarding an income taxes allowance, Bear Creek is not a master limited partnership, nor are its parents. Bear Creek is a partnership indirectly owned 50% by SNG and 50% by TGP. SNG is indirectly owned 50% by KMI and 50% by Southern Company, which are both C-corporations and thus subject to income taxes. TGP is indirectly owned 100% by KMI. SNG and TGP are both organized as pass-through entities all of whose income or losses are consolidated on the federal income tax return of their corporate parents. As explained in paragraph #32 and reiterated in footnote 69 of the Final Rule, a natural gas company organized as a pass-through entity is considered subject to the federal corporate income tax if all of its income or losses are consolidated on the federal income tax return of its corporate parent and thus such a pass-through entity is eligible for a tax allowance. Therefore, since this situation applies to Bear Creek, its Form 501-G reflects an income tax allowance.⁴

Bear Creek is filing under Option 3 of the Final Rule. Paragraph #217 of the Final Rule stated that under Option 3 a pipeline may explain why an adjustment in its rates is not warranted. For example, a pipeline may explain that an existing rate settlement provides for a moratorium on any rate changes that might result from the Tax Cuts and Jobs Act⁵ or the *United Airlines* Issuances.⁶ Specifically, Bear Creek is not an open access storage provider and operates under the terms of Part 157 of the Commission's Regulations. Under its certificate pursuant to Section 7 of the Natural Gas Act, Bear Creek has only two customers, SNG and TGP, its owners. Bear Creek's capacity is 50% subscribed to SNG and 50% subscribed to TGP. SNG currently has a rate moratorium until September 1, 2021 and TGP currently has a rate moratorium until

² *Bear Creek Storage Co., L.L.C.*, 137 FERC ¶61,134 (2011).

³ Bear Creek's strict adherence to the prescribed Form 501-G capital structure guidance without adjustment through the submission of an Addendum or otherwise is in no way an indication that Bear Creek concurs with or supports the use of such capital structure or other cost and revenue inputs reflected in its Form 501-G for ratemaking purposes.

⁴ Line no. 31 of page 1 of Bear Creek's Form 501-G reflects the amortization of the excess accumulated deferred income taxes (ADIT) associated with Bear Creek'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, Bear Creek 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.

⁵ An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Pub. L. No. 115-97, 131 Stat. 2054 (2017) (Tax Cuts and Jobs Act).

⁶ *United Airlines, Inc. v FERC*, 827 F.3d 122 (D.C. Cir. 2016). For purposes of this filing, the Revised Policy Statement, *United Airlines*, and Opinion No. 511-C will collectively be referred to as "*United Airlines* Issuances."

November 1, 2019. Therefore, any potential adjustment in Bear Creek's rates would not result in an adjustment to the tariff rates of SNG and TGP due to their respective rate moratoriums. Accordingly, Bear Creek's situation is analogous to other pipelines that are under a rate moratorium.

Based on Bear Creek's individual facts and circumstances as described above, an adjustment to Bear Creek'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 Bear Creek 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 Bear Creek 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.

Copies of this filing are available at Bear Creek's offices in Birmingham, Alabama, and being electronically mailed to SNG's customers, TGP's customers, and to interested state commissions.

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:

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Respectfully submitted,

BEAR CREEK STORAGE COMPANY, L.L.C.

/s/ T. Brooks Henderson
T. Brooks Henderson
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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Bear Creek Storage Company, L.L.C.)
)
)

Docket No. RP19-

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of Bear Creek's customers and interested state commissions.

Dated at Birmingham, Alabama this 11th day of October 2018.

/s/ T. Brooks Henderson
T. Brooks Henderson
Director – Rates and Regulatory
Bear Creek Storage Company, L.L.C.
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Birmingham, AL 35202-2563
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Bear Creek Storage Company, L.L.C.

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

Bear Creek Storage 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	C003234			
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		
Cost of Service - Non Fuel					
Operating, Maintenance and Administrative & General					
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)	7,246,506		7,246,506
8	(Less) UG Compressor Station Fuel & Power	P. 320; L. 106, C. (b)	1,851,230		1,851,230
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	5,395,276		5,395,276
12	Total Transmission	P. 323; L. 201, C. (b)	-		-
13	(Less) Gas for Compressor Station Fuel	P. 323; L. 184, C. (b)	-		-
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	-		-
16	Administrative & General	P. 325; L. 270, C. (b)	1,343,448		1,343,448
17	Total Operating, Maintenance and Admin. & Gen.	Sum of LL. 4, 5, 10, 14, 15	\$ 6,738,724		\$ 6,738,724
18	Depreciation, Depletion, and Amortization	Form 2 - P. 337; L. 12, C. (h) Form 2A - P. 114; LL. 6-8, C. (c)	914,262		914,262
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)		-		-
Credits to Cost of Service					
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	Other Taxes	P. 114; L. 14, C. (c)	2,247,215		2,247,215
Return					
23	Long Term Debt	P. 2; L. 27 of Form 501-G	2,611,733		2,612,711
24	Preferred Stock (or equivalent)	P. 2; L. 28 of Form 501-G	-		-
25	Common Equity	P. 2; L. 29 of Form 501-G	7,304,956		7,307,692
26	Total Return		9,916,689		9,920,402
Allowance for Income Taxes					
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	5.35%		5.35%
29	Composite Income Tax Rate	P. 5; LL. 3-6 of Form 501-G	38.48%		25.23%
30	Income Tax Allowance on Equity Return	[(L. 24+L. 25)*(L. 29)/(1-L. 29)]	4,568,677		2,465,412
31	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT (Year 1 amortization)		-	45,484	45,484
32	Total Income Tax Allowance	L. 30 minus L. 31	4,568,677		2,419,928
33	Total Cost of Service - Non Fuel	Sum of LL. 17-20, 22, 26, 32 less L. 21	\$ 24,385,568		\$ 22,240,531
34	Indicated Cost of Service Reduction	1 minus [L. 33, C. (E) divided by L. 33, C. (C)]			8.8%

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

**Rate Base
Bear Creek Storage 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
Rate Base					
1	Gas Plant in Service	P. 110; L. 2, C. (c)	\$ 183,311,932		\$ 183,311,932
2	Accumulated Depreciation	P. 110; L. 5, C. (c)	156,919,636		156,919,636
3	Acquisition Adjustment	P. 200; L. 12, C. (b)	-		-
4	(Less) Amort. of Plant Acquisition Adjustment	P. 200; L. 32, C. (b)	-		-
5	No 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	26,392,296		26,392,296
Gas Stored Underground					
9	Base Gas - Account No. 117.1	P. 220; L. 5, C. (b)	95,598,428		95,598,428
10	System Balancing - Account No. 117.2	P. 220; L. 5, C. (c)	-		-
Working Capital					
11	Prepayments	P. 111; L. 54, C. (c)	37,000		37,000
12	Materials and Supplies	P. 111; L. 45, C. (c)	2,654,140		2,654,140
ADIT and Regulatory Assets and Liabilities					
13	Accumulated Deferred Income Taxes (IT)	P. 235; L. 3, C. (k)(see footnote)	338,137		338,137
14	(Less) Accum. Deferred IT - Other Property	P. 275; L. 3, C. (k)(see footnote)	1,908,051		1,908,051
15	(Less) Accum. Deferred IT - Other	P. 277; L. 3, C. (k)(see footnote)	-		-
16	Other Regulatory Assets	P. 232; L. 40, C. (g)	191,092	-	191,092
17	(Less) Other Regulatory Liabilities	P. 278; L. 45, C. (g)	1,827,090	45,484	1,781,606
18	Rate Base	Sum of LL. 8 - 13 minus LL. 14-15 plus L. 16 minus L. 17	\$ 121,475,952		\$ 121,521,436

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.	Not using Case 1 per Opinion No. 414 et al	Not using Case 2 per Opinion No. 414 et al	Not using Case 3 per Opinion No. 414 et al	Using Case 4

		<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 <u>57.00%</u>	<u>10.55%</u>	<u>6.01%</u>
26	Total Return	Sum of LL. 23 - 25 100.00%		<u>8.16%</u>
27	Return - Long Term Debt	L. 18 times L. 23, C. (E) \$	2,611,733	\$ 2,612,711
28	Return - Preferred Stock (or equivalent)	L. 18 times L. 24, C. (E)	-	-
29	Return - Common Equity	L. 18 times L. 25, C. (E)	7,304,956	7,307,692
30	Total Return	Sum of LL. 27 - 29	\$ 9,916,689	\$ 9,920,402

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
Bear Creek Storage 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
Operating Revenue					Indicated Cost of Service Reduction of 8.8%
1	Total Operating Revenues	P. 301; L. 21, C. (h)	\$ 27,585,248	\$ 27,585,248	
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	Total Adjusted Revenue	L. 1 minus sum of LL. 2-5	\$ 27,585,248	\$ 27,585,248	\$ 25,158,757
7	<input checked="" type="checkbox"/> Yes Enter 'Yes' or 'No' - Does the Pipeline track or true-up fuel retention?				
8	<input checked="" type="checkbox"/> Yes Enter 'Yes' or 'No' - Does the Pipeline have stated fuel rates?				
Calculation of Return On Equity - Pre Tax Cut and Pro Forma Post Tax Cut					
9	Total Operating, Maintenance and Admin. & Gen.	P. 1; L. 17 of 501-G	\$ 6,738,724	\$ 6,738,724	\$ 6,738,724
10	Depreciation, Depletion, and Amortization	P. 1; L. 18 of 501-G	914,262	914,262	914,262
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	2,247,215	2,247,215	2,247,215
15	Non-Fuel Operating Cost Excl. Interest and Taxes	Sum of LL. 9-12 minus L. 13 plus L. 14	9,900,201	9,900,201	9,900,201
16	Operating Income	L. 6 minus L. 15	\$ 17,685,047	\$ 17,685,047	\$ 15,258,556
17	Interest Expense	P. 1; L. 23, C. (C) of 501-G	2,611,733	2,612,711	2,612,711
18	Income Before Income Taxes	L. 16 minus L. 17	\$ 15,073,314	\$ 15,072,336	\$ 12,645,845
Allowance for Income Taxes					
19	Composite Income Tax Rate	P. 1; L. 29 of 501-G	38.48%	25.23%	25.23%
20	Income Taxes	L. 18 times L. 19	\$ 5,799,834	\$ 3,802,223	\$ 3,190,104
21	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT	P. 1; L. 31 of 501-G	-	45,484	45,484
22	Total Income Tax Allowance	L. 20 minus L. 21	5,799,834	3,756,739	3,144,620
23	Net Income	L. 18 minus L. 22	\$ 9,273,480	\$ 11,315,597	\$ 9,501,225
24	(Less) Preferred Dividends	P. 1; L. 24, C. (C) of 501-G	-	-	-
25	Rate Base	P. 2; L. 18 of 501-G	\$ 121,475,952	\$ 121,521,436	\$ 121,521,436
26	Total Estimated ROE (excluding fuel)	[L. 23 - L. 24] / [L. 25 * P. 2; L. 25 C. (C) of 501-G]	13.4%	16.3%	13.7%

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

**Capital Structure and Component Costs
Bear Creek Storage 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.

Cost of Debt and Preferred Stock						
1	Interest	P. 116; LL. 62-68, C. (c)	\$ -	= 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)	\$ 125,738,035			
6	Cost of Capital					
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	\$ 125,738,035	100.00%	10.55%	10.55%
10	Totals		\$ 125,738,035	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	\$ 122,848,006	100.00%	10.55%	
17	Totals		\$ 122,848,006	100.00%	10.55%	
18	<input checked="" type="checkbox"/> Yes Are the Values on P. 218a from the books and records of Bear Creek Storage 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	Ticker	Company Name				
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	\$ 2,890,672,396	35.92%	6.52%	2.34%
25	Preferred Stock (or equivalent)	SEC - 10K		0.00%	0.00%	0.00%
26	Common Equity	SEC - 10K	\$ 5,155,858,475	64.08%	10.55%	6.76%
27	Totals		\$ 8,046,530,871	100.00%		9.10%
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	Ticker(s)	Company Name(s)	See Transmittal Letter (above amounts reflect sum of SNG and TGP debt and equity at 12/31/17)			
30	Year	10K Hyperlink(s)	None			
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
Bear Creek Storage Company, L.L.C.

Line No.	(A) Description	(B) Form 2 Reference	(C) Weighting	(D) Marginal Tax Rates	(E) Weighted Average Tax Rates
1	Based on the response to Line 4 on Page 1 of Form No. 501-G, Bear Creek Storage Company, L.L.C.				
2	is a C Corp subject to the 35% tax rate for 2017. Please fill out lines 6 and 9.				
3	Federal Income Tax Rate (FIT) - Calendar Year 2017:				35.00%
4	State Income Tax Rate (SIT) - Calendar Year 2017:				5.35%
5	Composite Tax Rate - Calendar Year 2017:				38.48%
6	Provide the percentage of federal income tax deductible for state income taxes. = (p)				0.00%
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)]				
<u>Tax Rates for C Corps.</u>					
9	Provide the sum of weighted state tax rate(s)	sum of all rows from P. 263b.; C. (q)			5.35%
<u>Tax Rates for Pass Through Entities */</u>					
Federal Income Tax Rates					
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>
State and Local Income Tax Rates					
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.			December 31, 2017	

*/ 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).