



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;
Wyoming Interstate Company, L.L.C.;
Docket No. RP19-

Commissioners:

In Order No. 849 (“Final Rule”),¹ 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, Wyoming Interstate Company, L.L.C. (“WIC”) 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.

WIC reiterates and incorporates by reference the comments filed by the Kinder Morgan Entities including WIC to the Commission’s Notice of Proposed Rulemaking² 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 WIC’s filed rates, which are deemed to be just and reasonable unless proven otherwise through full evidentiary hearing procedures.

Nevertheless, WIC must comply with the Final Rule until the Commission or a reviewing court takes action, and WIC therefore is submitting the Form 501-G as directed by the Commission. In doing so, WIC stresses that the resulting outputs of the form are misleading, have little resemblance to a litigated or settled outcome, and are not

¹ *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”).

² *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).

indicative of WIC'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.

Background

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.³ 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.⁴

Thus, the Commission offered pipelines four voluntary options related to the filing of the Form 501-G report, including Option 3 for those pipelines with settlement rate moratorium provisions.

WIC's Section 5 Settlement

On January 19, 2017, the Commission initiated a section 5 investigation into the rates of WIC pursuant to Section 5 of the NGA.⁵ As the result of extensive negotiations and exchanges of offers of settlement among multiple parties representing significant compromises and numerous trade-offs on complex issues, WIC filed an offer of settlement including a Stipulation and Agreement⁶ ("S&A") that was either supported or not opposed by over 22 participants in that proceeding⁷ including FERC Trial Staff.⁸ The Commission approved the "black box" settlement on November 27, 2017.⁹ As relevant for this filing, the participants specifically agreed to moratoria on section 4 and 5 filings

³ See, e.g., Final Rule at P 63 (Form 501-G is referred to as an abbreviated cost and revenue study and as the "One-time Report").

⁴ *Id.* at P 222 (Emphasis added).

⁵ *Wyoming Interstate Co.*, 158 FERC ¶ 61,040 (2017) (Docket No. RP17-302-000). The 2017 section 5 proceeding was the second section 5 proceeding initiated against WIC by the Commission over the past six years. The Commission had previously initiated a section 5 investigation in 2012. See *Wyoming Interstate Co.*, 141 FERC ¶ 61,117 (2012).

⁶ See "Offer of Settlement," Docket Nos. RP17-302-000 and RP17-972-000 (Aug. 15, 2017).

⁷ See "Stipulation and Agreement," Docket Nos. RP17-302-001 and RP17-913-000, Appendix A (Aug. 15, 2017) ("S&A").

⁸ See "Initial Comments of the Commission Trial Staff in Support of the Offer of Settlement," Docket Nos. RP17-302-000, RP17-302-001 and RP17-972-000 (Sept. 5, 2017).

⁹ *Wyoming Interstate Co.*, 161 FERC ¶ 61,223 (2017).

prior to January 1, 2021¹⁰ and to a provision requiring WIC to implement any Commission imposed, industry wide requirement with respect to any changes in the corporate income tax rate,¹¹ which is the filing of the Form 501-G.

S&A Requirement Regarding Change in Corporate Income Tax Rates

WIC's S&A was filed on August 15, 2017, subsequent to public announcements by the government of a potential tax bill reducing the corporate income tax rate. In fact, because the participants were aware that Congress could revise the corporate tax rates, they specifically agreed upon the following provision in section 4.2(b) of the S&A to address this issue:

Notwithstanding anything in this S&A to the contrary, WIC shall implement any lawful and applicable Commission imposed industry-wide requirements pertaining to (i) statutory changes to corporate income tax rates or (ii) changes in policy regarding income tax allowance as of the dates specified in the industry-wide requirements. Also, notwithstanding anything in section 3.1(b) of this S&A, a change to WIC's rates under this section 4.2(b) shall not be considered as an action qualifying under section 3.1(b) that otherwise would terminate this S&A under section 3.1(b). Nothing in this S&A shall preclude a Supporting or Non-Opposing Party from advocating whatever position it deems appropriate in any Commission rulemaking or policymaking proceeding that discusses industry-wide changes to the Commission's income tax policies.

The Final Rule *requires* all interstate pipelines (unless exempted) to file the Form 501-G as a one-time informational report. The filing of this form is the industry-wide requirement imposed by the Commission with respect to the change in corporate income tax rates. WIC's filing of its Form 501-G, therefore, constitutes its implementation of the Commission imposed, industry-wide requirement, as agreed to by the parties to the S&A, and satisfies WIC's obligations under the S&A with respect to this issue. The four options available under the Final Rule are voluntary in nature, as pipelines may elect any of the four options, including taking no further action as demonstrated by Option 4. As stated above, WIC has elected Option 3 to explain herein that it has complied with the terms of its S&A with respect to the corporate income tax issue and why its S&A should not be disturbed.

While parties were free to participate and generally advocate any position in the Commission's rulemaking proceeding in Docket No. RM18-11-000, they expressly agreed in the S&A to waive their rights under section 5, including advocating any changes or adjustments to any provision of this S&A, including the rates during the term of the S&A.¹² The balance struck in the S&A as to how a change in the corporate

¹⁰ S&A at sections 4.1 and 4.2. Additionally, WIC must file a section 4 rate case to have rates effective no later than April 1, 2022. *Id.* at section 4.1.

¹¹ S&A at section 4.2(b).

¹² Section 4.2(a) of the S&A states: "Prior to January 1, 2021, each Supporting or Non-Opposing Party (as defined in Article V) on behalf of itself and its successors and assignees, will not, pursuant to the

income tax would be addressed is clear and conclusively provides that WIC's filing of the one-time report fulfills its obligations.

No Further Action is Warranted at this Time

WIC's S&A should continue to be honored. That S&A, which contains rate moratoria, should not be disturbed as part of this proceeding. As demonstrated above, WIC's filing of the one-time report fulfills the requirement agreed to by the parties to the S&A. Moreover, the Commission recognized in the NOPR that parties agree to rate moratoria in settlement to provide rate certainty and therefore the Commission does not generally disturb a settlement during a rate moratorium. The Commission should follow this long-standing practice of supporting the sanctity of settlements¹³ in this case as well. The moratoria provisions provide benefits as part of the carefully crafted balancing of interests to resolve the section 5 proceeding. Any disruption of the S&A contrary to the moratoria will greatly diminish the benefits of the common practice of including rate moratoria in settlements in the future and may establish precedent of modifying or terminating settlements in the future for any changes to federal income taxes.

Procedural Requirements

WIC is submitting concurrently its completed, unadjusted Form 501-G in native format with formulas intact.¹⁴ WIC has attached as Appendix A hereto a PDF version of that form.

NGA or any other statute, challenge or advocate in any manner a change in any provision of the S&A, including, without limitation the Settlement Base Rates, at the Commission or with any other governmental authority or regulatory body having jurisdiction over WIC. For purposes of clarity, this section 4.2(a) does not preclude any Supporting or Non-Opposing Party from making any NGA section 5 filing on the basis that WIC has violated the terms of this S&A or has applied the terms of this S&A in an unduly discriminatory manner."

¹³ *Iroquois Gas Transmission Sys. L.P.* 69 FERC ¶ 61,165, at 61,631(1994), quoting *Texas Eastern Transmission Corp. v. FERC*, 306 F.2d 345, 348 (5th Cir. 1962) (the Commission supported its decision not to modify a settlement on the basis that this is "consistent with the principle that approved settlements are binding on the parties and should not be modified simply because it later appears that 'the result is not as good as it ought to have been.'"); *JMC Power Projects v. Tennessee Gas Pipeline Co.*, 69 FERC ¶ 61,162 (1994), *reh'g denied*, 70 FERC ¶ 61,168, at 61,528 (1995), *aff'd sub nom.*, *Ocean States Power v. FERC*, 84 F.3d 1453 (D.C. Cir. 1996) (decision without published opinion). See also *Natural Gas Pipeline Co.*, 162 FERC ¶ 61,009, at P 29 (2018) (Commission stated that in deciding whether to initiate an NGA section 5 rate investigation, "the Commission would take into account the parties' interest in maintaining a settlement.").

¹⁴ All of WIC's income or losses are included on the consolidated tax return of a corporate parent. Additionally, Line no. 31 of page 1 of WIC's Form 501-G reflects the amortization of the excess accumulated deferred income taxes (ADIT) associated with WIC'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, WIC 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.

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:¹⁵

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Conclusion

Based on WIC's individual facts and circumstances as just described, an adjustment to WIC'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 WIC 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 WIC 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.

¹⁵ WIC respectfully requests waiver of the restriction in 18 C.F.R. § 385.203(b)(3) (2018) to allow more than two individuals representing WIC to be included on the official service list for this proceeding.

Respectfully submitted,

WYOMING INTERSTATE 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

Wyoming Interstate 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	C000978			
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)	-		-
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)	23,841,044		23,841,044
13	(Less) Gas for Compressor Station Fuel	P. 323; L. 184, C. (b)	4,066,183		4,066,183
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	19,774,861		19,774,861
16	Administrative & General	P. 325; L. 270, C. (b)	5,980,192		5,980,192
17	Total Operating, Maintenance and Admin. & Gen.	Sum of LL. 4, 5, 10, 14, 15	\$ 25,755,053		\$ 25,755,053
18	Depreciation, Depletion, and Amortization	Form 2 - P. 337; L. 12, C. (h)	31,190,661		31,190,661
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)	Form 2A - P. 114; LL. 6-8, 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)	4,573,118		4,573,118
Return					
23	Long Term Debt	P. 2; L. 27 of Form 501-G	9,670,403		9,682,356
24	Preferred Stock (or equivalent)	P. 2; L. 28 of Form 501-G	-		-
25	Common Equity	P. 2; L. 29 of Form 501-G	27,047,892		27,081,324
26	Total Return		36,718,295		36,763,679
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	0.81%		0.81%
29	Composite Income Tax Rate	P. 5; LL. 3-6 of Form 501-G	35.53%		21.64%
30	Income Tax Allowance on Equity Return	[(L. 24+L. 25)*(L. 29/(1-L. 29))]	14,904,060		7,478,770
31	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT (Year 1 amortization)		-	555,941	555,941
32	Total Income Tax Allowance	L. 30 minus L. 31	14,904,060		6,922,828
33	Total Cost of Service - Non Fuel	Sum of LL. 17-20, 22, 26, 32 less L. 21	\$ 113,141,187		\$ 105,205,339
34	Indicated Cost of Service Reduction	1 minus [L. 33, C. (E) divided by L. 33, C. (C)]			7.0%

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

**Rate Base
Wyoming Interstate 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)	\$ 948,630,049		\$ 948,630,049
2	Accumulated Depreciation	P. 110; L. 5, C. (c)	483,037,435		483,037,435
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	465,592,614		465,592,614
Gas Stored Underground					
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)	-		-
Working Capital					
11	Prepayments	P. 111; L. 54, C. (c)	-		-
12	Materials and Supplies	P. 111; L. 45, C. (c)	5,088,806		5,088,806
ADIT and Regulatory Assets and Liabilities					
13	Accumulated Deferred Income Taxes (IT)	P. 235; L. 3, C. (k)(see footnote)	2,761,609		2,761,609
14	(Less) Accum. Deferred IT - Other Property	P. 275; L. 3, C. (k)(see footnote)	15,333,755		15,333,755
15	(Less) Accum. Deferred IT - Other	P. 277; L. 3, C. (k)(see footnote)	249,578		249,578
16	Other Regulatory Assets	P. 232; L. 40, C. (g)	4,951,722	-	4,951,722
17	(Less) Other Regulatory Liabilities	P. 278; L. 45, C. (g)	13,025,237	-	12,469,296
18	Rate Base	Sum of LL. 8 - 13 minus LL. 14-15 plus L. 16 minus L. 17	\$ 449,786,181		\$ 450,342,122

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 Balance Sheet & Income Statement	Case 2 Page 218a	Case 3 Parent's SEC Form 10K	Case 4 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

	Return based upon FERC Hypothetical Capital Structure and new Corp. Debt.	Capitalization Ratio	Component Cost	Wtd. Cost of Capital
23	Long Term Debt	P. 4 of Form 501-G	43.00%	2.15%
24	Preferred Stock (or equivalent)	P. 4 of Form 501-G	0.00%	0.00%
25	Common Equity	P. 4 of Form 501-G	57.00%	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)	\$ 9,670,403	\$ 9,682,356
28	Return - Preferred Stock (or equivalent)	L. 18 times L. 24, C. (E)	-	-
29	Return - Common Equity	L. 18 times L. 25, C. (E)	27,047,892	27,081,324
30	Total Return	Sum of LL. 27 - 29	\$ 36,718,295	\$ 36,763,679

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
Wyoming Interstate 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 7.%
1	Total Operating Revenues	P. 301; L. 21, C. (h)	\$ 133,340,691	\$ 133,340,691	
2	(Less) Sales for Resale (Acct. Nos. 480-484)	P. 301; L. 4, C. (h)	41,550	41,550	
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	\$ 133,299,141	\$ 133,299,141	\$ 123,949,392
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	\$ 25,755,053	\$ 25,755,053	\$ 25,755,053
10	Depreciation, Depletion, and Amortization	P. 1; L. 18 of 501-G	31,190,661	31,190,661	31,190,661
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	4,573,118	4,573,118	4,573,118
15	Non-Fuel Operating Cost Excl. Interest and Taxes	Sum of LL. 9-12 minus L. 13 plus L. 14	61,518,832	61,518,832	61,518,832
16	Operating Income	L. 6 minus L. 15	\$ 71,780,309	\$ 71,780,309	\$ 62,430,560
17	Interest Expense	P. 1; L. 23, C. (C) of 501-G	9,670,403	9,682,356	9,682,356
18	Income Before Income Taxes	L. 16 minus L. 17	\$ 62,109,906	\$ 62,097,953	\$ 52,748,204
	Allowance for Income Taxes				
19	Composite Income Tax Rate	P. 1; L. 29 of 501-G	35.53%	21.64%	21.64%
20	Income Taxes	L. 18 times L. 19	\$ 22,065,476	\$ 13,437,935	\$ 11,414,659
21	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT	P. 1; L. 31 of 501-G	-	555,941	555,941
22	Total Income Tax Allowance	L. 20 minus L. 21	22,065,476	12,881,994	10,858,717
23	Net Income	L. 18 minus L. 22	\$ 40,044,430	\$ 49,215,960	\$ 41,889,487
24	(Less) Preferred Dividends	P. 1; L. 24, C. (C) of 501-G	-	-	-
25	Rate Base	P. 2; L. 18 of 501-G	\$ 449,786,181	\$ 450,342,122	\$ 450,342,122
26	Total Estimated ROE (excluding fuel)	[L. 23 - L. 24] / [L. 25 * P. 2; L. 25 C. (C) of 501-G]	15.6%	19.2%	16.3%

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

**Capital Structure and Component Costs
Wyoming Interstate 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)	\$ 883,404	= 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)	\$ 441,966,928			
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	\$ 441,966,928	100.00%	10.55%	10.55%
10	Totals		\$ 441,966,928	100.00%		10.55%

11 **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 **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	\$ 490,781,289	100.00%	10.55%
17	Totals		\$ 490,781,289	100.00%	10.55%

18 **Yes** Are the Values on P. 218a from the books and records of Wyoming Interstate Company, L.L.C.?

19 If no, provide the name and stock symbol of the company for the source of the Page 218a amounts.

Ticker	Company Name
20	
21	
22	<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?
23	<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	Ticker(s)	KMI	Company Name(s)	Kinder Morgan, Inc.
30	Year	2017	10K Hyperlink(s)	https://ir.kindermorgan.com/sites/kindermorgan.investorhq.businesswire.com/files/repor
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
Wyoming Interstate 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, Wyoming Interstate 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:				0.81%
5	Composite Tax Rate - Calendar Year 2017:				35.53%
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)			0.81%
<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		0.00%		0.00%
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		0.00%		0.00%
24	Provide the date when the marginal tax rates were determined.			mm/dd/yyyy	

*/ 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).