



December 6, 2018

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**ANR Pipeline Company**  
700 Louisiana Street, Suite 700  
Houston, TX 77002-2700

John A. Roscher  
Director, Rates & Tariffs

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RE: ANR Pipeline Company  
Form No. 501-G Filing  
Docket No. RP19-\_\_\_\_\_-000

Dear Ms. Bose:

Pursuant to section 206.402 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. § 206.402 (2018), and the Final Rule issued by the Commission in Docket No. RM18-11-000 on July 18, 2018,<sup>1</sup> ANR Pipeline Company (“ANR”) hereby submits its Form No. 501-G one-time informational report (“Form No. 501-G”).

### **Election of Option**

In the Final Rule, the Commission identified four options for each interstate natural gas pipeline in connection with the filing of Form No. 501-G:

- A limited NGA section 4 rate reduction filing pursuant to 18 C.F.R. § 154.404 (2018) (“Option 1”);
- a commitment to file a general section 4 rate case or pre-packaged uncontested settlement in the near future (“Option 2”);
- an explanation why no rate change is needed (“Option 3”); and
- no action other than filing a report (“Option 4”).

ANR has elected Option 3. ANR submits that a rate adjustment is not warranted at this time for multiple reasons.

First, ANR’s rates are currently subject to a 2016 settlement which resolved ANR’s most recent NGA section 4 rate proceeding in Docket No. RP16-440-000 (“2016 Settlement”).<sup>2</sup> Article IX of the 2016 Settlement reflects ANR’s commitment to make capital expenditures of at least \$837

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<sup>1</sup> *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 83 Fed. Reg. 36,672 (Jul. 30, 2018) (“Final Rule”).

<sup>2</sup> *See ANR Pipeline Co.*, 157 FERC ¶ 61,205 (2016).

million on “Reliability and Modernization Projects” (as defined in Article IX.A.) through December 31, 2018. This provision of the 2016 Settlement and the significant modernization expenditures incurred thereunder reflects ANR’s commitment to invest in improvements to its infrastructure. Article V.A. of the 2016 Settlement establishes a rate moratorium effective through the later of August 1, 2019, or the date on which ANR has spent \$837 million in modernization expenditures pursuant to Article IX of the 2016 Settlement.

Second, pursuant to its 2016 Settlement commitment, ANR has and continues to incur significant modernization expenditures which are not captured by the 2017 data in the unadjusted Form 501-G. As a result of these modernization expenditures, ANR’s return on equity (“ROE”) would have continued to decline to such a level that ANR had anticipated a need to file a rate increase pursuant to NGA section 4 to become effective immediately upon the expiration of the 2016 Settlement moratorium on August 1, 2019. However, the tax rate decrease has lowered ANR’s costs, in part offsetting the cost-of-service impacts of the modernization expenditures discussed above and enabling ANR to defer seeking a rate increase to the benefit of its customers.

Third, Article V.B. of the 2016 Settlement establishes a requirement that ANR file a general NGA section 4 rate case with rates to be effective no later than August 1, 2022. Given the existence of the current moratorium and the comeback requirement, and ANR’s on-going modernization program, ANR submits that it would be appropriate to evaluate all rate components, including taxes, at the time that ANR submits a rate case filing.

Fourth, as discussed below, ANR has prepared an Addendum containing adjustments to its Form No. 501-G (“Adjusted 501-G”). The Adjusted 501-G yields a tax-adjusted ROE of 14.4 percent; however, this 14.4 percent ROE does not take into account the additional significant modernization expenditures discussed above. As noted above, ANR anticipates that its ROE will further decline due to its continued modernization expenditures.

### **Form No. 501-G Addendum**

In the Final Rule, the Commission stated that pipelines may make adjustments to individual line items of Form No. 501-G in additional work sheets, and may fully explain and support the adjustments in an Addendum.<sup>3</sup> In the Adjusted 501-G included herewith, ANR has made certain adjustments to its Form No. 501-G that it believes are necessary and appropriate to provide the Commission with a more accurate picture of ANR’s current costs and revenues than is reflected in the data incorporated in Form No. 501-G. Specifically, ANR has adjusted its capital structure to reflect its actual capitalization of 66.78 percent debt/33.22 percent equity, which ANR submits is generally within the range that the Commission has found to be reasonable in the past and accurately reflects ANR’s actual capitalization and resulting cost of debt. These adjustments, which are described and supported more fully in the Adjusted 501-G, yield an ROE of 14.4 percent.

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3 See Final Rule at P 60, 105-06, 181.

## **Correspondence**

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

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\* Persons designated for official service pursuant to Rule 2010.

## **Reservation of Rights**

This submission is made solely to comply with the Commission's regulation and Final Rule, and in particular the Form No. 501-G is submitted using 2017 Form No. 2 data as required by the Commission, on the form required by the Commission. By submitting Form No. 501-G, ANR does not represent or concede that the form provides an accurate representation of ANR's current costs and revenues.

By submitting this Form No. 501-G and Adjusted 501-G, ANR does not waive any rights with respect to further actions ANR or TransCanada Corporation may take in the future with respect to proceedings in, or arising out of, FERC Docket No. RM18-11-000. ANR reserves the right to propose, in any appropriate filing, alternative service structures, cost allocations or methods for designing rates, as well as an alternative return on equity, overall rate of return and methods for establishing just and reasonable rates, as well as to make any other proposals it deems appropriate. The instant filing should not be construed as a proposal by ANR, or as stating either ANR's position with regard to the appropriate values used in setting rates or the positions ANR may take in evidence and arguments when responding to participants' positions later in this proceeding or in any other proceeding.

Pursuant to Section 385.2005 and Section 385.2011(c)(5), the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

Respectfully submitted,

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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John A. Roscher  
Director, Rates & Tariffs

Enclosures

ANR Pipeline Company

FERC Form No. 501-G

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

**Cost of Service**

Pipeline  
Company  
Name

**ANR Pipeline Company**

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				
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)	47,202,613		47,202,613
8	(Less) UG Compressor Station Fuel & Power	P. 320; L. 106, C. (b)	3,842,611		3,842,611
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	43,360,002		43,360,002
12	Total Transmission	P. 323; L. 201, C. (b)	257,664,831		257,664,831
13	(Less) Gas for Compressor Station Fuel	P. 323; L. 184, C. (b)	41,051,193		41,051,193
14	(Less) Other Fuel & Power for Compressor Stns. (if included in true-up or tracking mechanism)	P. 323; L. 185, C. (b)	654,791		654,791
15	Net Transmission Costs	L. 12 minus LL. 13-14	215,958,847		215,958,847
16	Administrative & General	P. 325; L. 270, C. (b)	104,863,989		104,863,989
17	Total Operating, Maintenance and Admin. & Gen.	Sum of LL. 4, 5, 10, 14, 15	\$ 364,182,838		\$ 364,182,838
18	<b>Depreciation, Depletion, and Amortization</b>	Form 2 - P. 337; L. 12, C. (h)	116,536,538		116,536,538
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)	-		-
	<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)	27,881,602		27,881,602
	<b>Return</b>				
23	Long Term Debt	P. 2; L. 27 of Form 501-G	38,126,403		38,514,472
24	Preferred Stock (or equivalent)	P. 2; L. 28 of Form 501-G	-		-
25	Common Equity	P. 2; L. 29 of Form 501-G	106,638,662		107,724,081
26	Total Return		144,765,065		146,238,553
	<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	4.30%		4.30%
29	Composite Income Tax Rate	P. 5; LL. 3-6 of Form 501-G	37.80%		24.40%
30	Income Tax Allowance on Equity Return	[(L. 24+L. 25)*(L. 29/(1-L. 29))]	64,792,352		34,762,435
31	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT (Year 1 amortization)		-	18,049,705	18,049,705
32	Total Income Tax Allowance	L. 30 minus L. 31	64,792,352		16,712,730
33	<b>Total Cost of Service - Non Fuel</b>	Sum of LL. 17-20, 22, 26, 32 less L. 21	\$ 718,158,395		\$ 671,552,261
34	<b>Indicated Cost of Service Reduction</b>	1 minus [L. 33, C. (E) divided by L. 33, C. (C)]			<b>6.5%</b>

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

**Rate Base  
ANR Pipeline Company**

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)	\$ 4,384,855,704		\$ 4,384,855,704
2	Accumulated Depreciation	P. 110; L. 5, C. (c)	2,079,846,899		2,079,846,899
3	Acquisition Adjustment	P. 200; L. 12, C. (b)	-		-
4	(Less) Amort. of Plant Acquisition Adjustment	P. 200; L. 32, C. (b)	-		-
5	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	2,305,008,805		2,305,008,805
<b>Gas Stored Underground</b>					
9	Base Gas - Account No. 117.1	P. 220; L. 5, C. (b)	87,912,896		87,912,896
10	System Balancing - Account No. 117.2	P. 220; L. 5, C. (c)	20,500,749		20,500,749
<b>Working Capital</b>					
11	Prepayments	P. 111; L. 54, C. (c)	2,246,992		2,246,992
12	Materials and Supplies	P. 111; L. 45, C. (c)	36,386,143		36,386,143
<b>ADIT and Regulatory Assets and Liabilities</b>					
13	Accumulated Deferred Income Taxes (IT)	P. 235; L. 3, C. (k)(see footnote)	93,971,751		93,971,751
14	(Less) Accum. Deferred IT - Other Property	P. 275; L. 3, C. (k)(see footnote)	445,682,912		445,682,912
15	(Less) Accum. Deferred IT - Other	P. 277; L. 3, C. (k)(see footnote)	6,521,420		6,521,420
16	Other Regulatory Assets	P. 232; L. 40, C. (g)	32,861,763	-	32,861,763
17	(Less) Other Regulatory Liabilities	P. 278; L. 45, C. (g)	353,363,702	-	335,313,997
18	<b>Rate Base</b>	Sum of LL. 8 - 13 minus LL. 14-15 plus L. 16 minus L. 17	<b>\$ 1,773,321,065</b>		<b>\$ 1,791,370,770</b>

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?	Yes	Yes	No	
20) 2) Is the debt rated by a rating agency?	Yes	Yes	No	
21) 3) Is the equity ratio less than 65%?	No	No	No	
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>

	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)	\$ 38,126,403	\$ 38,514,472
28	Return - Preferred Stock (or equivalent)	L. 18 times L. 24, C. (E)	-	-
29	Return - Common Equity	L. 18 times L. 25, C. (E)	106,638,662	107,724,081
30	Total Return	Sum of LL. 27 - 29	\$ 144,765,065	\$ 146,238,553

**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**  
**ANR Pipeline Company**

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 6.5%
1	Total Operating Revenues	P. 301; L. 21, C. (h)	\$ 758,234,722	\$ 758,234,722	
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)	67,707	67,707	
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>\$ 758,167,015</b>	<b>\$ 758,167,015</b>	<b>\$ 708,964,453</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	\$ 364,182,838	\$ 364,182,838	\$ 364,182,838
10	Depreciation, Depletion, and Amortization	P. 1; L. 18 of 501-G	116,536,538	116,536,538	116,536,538
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	27,881,602	27,881,602	27,881,602
15	Non-Fuel Operating Cost Excl. Interest and Taxes	Sum of LL. 9-12 minus L. 13 plus L. 14	508,600,978	508,600,978	508,600,978
16	<b>Operating Income</b>	L. 6 minus L. 15	<b>\$ 249,566,037</b>	<b>\$ 249,566,037</b>	<b>\$ 200,363,475</b>
17	Interest Expense	P. 1; L. 23, C. (C) of 501-G	38,126,403	38,514,472	38,514,472
18	Income Before Income Taxes	L. 16 minus L. 17	<b>\$ 211,439,634</b>	<b>\$ 211,051,565</b>	<b>\$ 161,849,003</b>
	<b>Allowance for Income Taxes</b>				
19	Composite Income Tax Rate	P. 1; L. 29 of 501-G	37.80%	24.40%	24.40%
20	Income Taxes	L. 18 times L. 19	\$ 79,913,610	\$ 51,490,250	\$ 39,486,301
21	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT	P. 1; L. 31 of 501-G	-	18,049,705	18,049,705
22	Total Income Tax Allowance	L. 20 minus L. 21	79,913,610	33,440,545	21,436,596
23	<b>Net Income</b>	L. 18 minus L. 22	<b>\$ 131,526,024</b>	<b>\$ 177,611,020</b>	<b>\$ 140,412,407</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>\$ 1,773,321,065</b>	<b>\$ 1,791,370,770</b>	<b>\$ 1,791,370,770</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>13.0%</b>	<b>17.4%</b>	<b>13.8%</b>



**FERC Form No. 501-G**  
**One-time Report on Rate Effect of the Tax Cuts and Jobs Act**  
**Capital Structure and Component Costs**  
**ANR Pipeline Company**

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)	\$ 50,632,699	= 7.53%		
2	Long-Term Debt	P. 112; L. 24, C. (c)	\$ 672,086,196			
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)	\$ 1,351,347,327			
6	<b>Cost of Capital</b>					
7	Long-Term Debt	L. 3	\$ 672,086,196	33.22%	7.53%	2.50%
8	Preferred Stock (or equivalent)	L. 5	\$ -	0.00%	0.00%	0.00%
9	Common Equity	L. 6 minus L. 5	\$ 1,351,347,327	66.78%	10.55%	7.05%
10	Totals		\$ 2,023,433,523	100.00%		9.55%

11  **Yes** Enter 'Yes' or 'No' - Is all of the debt listed on L. 3 above issued in the pipeline's name and publicly traded?  
 12  **Yes** 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	\$ 671,997,966	33.88%	7.23%	2.45%
15	Preferred Stock (or equivalent)	L. 4	\$ -	0.00%	0.00%	0.00%
16	Common Equity	L. 5	\$ 1,311,443,010	66.12%	10.55%	6.98%
17	Totals		\$ 1,983,440,976	100.00%		9.43%

18  **Yes** Are the Values on P. 218a from the books and records of ANR Pipeline Company?  
 19 If no, provide the name and stock symbol of the company for the source of the Page 218a amounts.  
 20  
 21 

Ticker	Company Name

  
 22  **Yes** 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  **Yes** 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	\$ -	0.00%	0.00%	0.00%
25	Preferred Stock (or equivalent)	SEC - 10K	-	0.00%	0.00%	0.00%
26	Common Equity	SEC - 10K	-	0.00%	10.55%	0.00%
27	Totals		\$ -	0.00%		0.00%

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)

  
 30 

Year	10K Hyperlink(s)

  
 31  **No** Enter 'Yes' or 'No' - Is all of the debt listed on L. 24 above publicly traded?  
 32  **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**  
**ANR Pipeline Company**

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, ANR Pipeline Company</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><u>4.30%</u></b>
5	Composite Tax Rate - Calendar Year 2017:				<b><u>37.80%</u></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>4.30%</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%	<u>0.00%</u>
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%	<u>0.00%</u>
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).

ANR Pipeline Company  
Adjusted FERC Form No. 501-G

### **Addendum to ANR Form No. 501-G**

ANR has included with its unadjusted Form No. 501-G an adjusted version of the form, Adjusted 501-G.

First, as shown on page 2, line 23, column (C) and line 25, column (C) of the Adjusted 501-G, ANR has adjusted its capital structure to reflect its actual capitalization of 66.78% equity/33.22% debt. ANR submits that this capital structure is generally within the range that the Commission has found to be reasonable in the past (*see Pacific Gas Transmission Co.*, 62 FERC ¶ 61,109 at 61,778 (1993) (approving use of 68.86 percent equity thickness)), and it accurately reflects ANR's actual capitalization. ANR thus meets the Commission's criteria for using its own capital structure because ANR: (1) issues its own non-guaranteed debt; (2) has its own bond rating separate from any corporate parent; and (3) has an actual capital structure that is not excessive compared to equity ratios approved by the Commission. *See Transcontinental Gas Pipe Line Corp.*, 84 FERC ¶ 61,084 at 61,414-15 (1998).

Second, as shown on page 2, line 23, column (D) of the Adjusted 501-G, ANR has adjusted its long-term debt cost to 7.53% to reflect use of its actual capital structure as described above.

When these adjustments are made, ANR's ROE is 14.4 percent, as shown on page 3, line 26, column (D) of the Adjusted 501-G; however, this 14.4 percent ROE does not take into account the additional significant modernization expenditures discussed in ANR's transmittal letter.

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

**Cost of Service**

Pipeline  
Company  
Name

**ANR Pipeline Company**

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	<b>C000623</b>			
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)	47,202,613		47,202,613
8	(Less) UG Compressor Station Fuel & Power	P. 320; L. 106, C. (b)	3,842,611		3,842,611
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	43,360,002		43,360,002
12	Total Transmission	P. 323; L. 201, C. (b)	257,664,831		257,664,831
13	(Less) Gas for Compressor Station Fuel	P. 323; L. 184, C. (b)	41,051,193		41,051,193
14	(Less) Other Fuel & Power for Compressor Stns. (if included in true-up or tracking mechanism)	P. 323; L. 185, C. (b)	654,791		654,791
15	Net Transmission Costs	L. 12 minus LL. 13-14	215,958,847		215,958,847
16	Administrative & General	P. 325; L. 270, C. (b)	104,863,989		104,863,989
17	Total Operating, Maintenance and Admin. & Gen.	Sum of LL. 4, 5, 10, 14, 15	\$ 364,182,838		\$ 364,182,838
18	<b>Depreciation, Depletion, and Amortization</b>	Form 2 - P. 337; L. 12, C. (h)	116,536,538		116,536,538
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)	-		-
<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)	27,881,602		27,881,602
<b>Return</b>					
23	Long Term Debt	P. 2; L. 27 of Form 501-G	44,374,095		44,825,756
24	Preferred Stock (or equivalent)	P. 2; L. 28 of Form 501-G	-		-
25	Common Equity	P. 2; L. 29 of Form 501-G	124,944,712		126,216,458
26	Total Return		169,318,807		171,042,214
<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	4.30%		4.30%
29	Composite Income Tax Rate	P. 5; LL. 3-6 of Form 501-G	37.80%		24.40%
30	Income Tax Allowance on Equity Return	[(L. 24+L. 25)*(L. 29/(1-L. 29))]	75,914,884		40,729,904
31	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT (Year 1 amortization)		-	18,049,705	18,049,705
32	Total Income Tax Allowance	L. 30 minus L. 31	75,914,884		22,680,199
33	<b>Total Cost of Service - Non Fuel</b>	Sum of LL. 17-20, 22, 26, 32 less L. 21	\$ 753,834,669		\$ 702,323,391
34	<b>Indicated Cost of Service Reduction</b>	1 minus [L. 33, C. (E) divided by L. 33, C. (C)]			<b>6.8%</b>

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

**Rate Base  
ANR Pipeline Company**

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)	\$ 4,384,855,704		\$ 4,384,855,704
2	Accumulated Depreciation	P. 110; L. 5, C. (c)	2,079,846,899		2,079,846,899
3	Acquisition Adjustment	P. 200; L. 12, C. (b)	-		-
4	(Less) Amort. of Plant Acquisition Adjustment	P. 200; L. 32, C. (b)	-		-
5	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	2,305,008,805		2,305,008,805
<b>Gas Stored Underground</b>					
9	Base Gas - Account No. 117.1	P. 220; L. 5, C. (b)	87,912,896		87,912,896
10	System Balancing - Account No. 117.2	P. 220; L. 5, C. (c)	20,500,749		20,500,749
<b>Working Capital</b>					
11	Prepayments	P. 111; L. 54, C. (c)	2,246,992		2,246,992
12	Materials and Supplies	P. 111; L. 45, C. (c)	36,386,143		36,386,143
<b>ADIT and Regulatory Assets and Liabilities</b>					
13	Accumulated Deferred Income Taxes (IT)	P. 235; L. 3, C. (k)(see footnote)	93,971,751		93,971,751
14	(Less) Accum. Deferred IT - Other Property	P. 275; L. 3, C. (k)(see footnote)	445,682,912		445,682,912
15	(Less) Accum. Deferred IT - Other	P. 277; L. 3, C. (k)(see footnote)	6,521,420		6,521,420
16	Other Regulatory Assets	P. 232; L. 40, C. (g)	32,861,763	-	32,861,763
17	(Less) Other Regulatory Liabilities	P. 278; L. 45, C. (g)	353,363,702	-	335,313,997
18	<b>Rate Base</b>	Sum of LL. 8 - 13 minus LL. 14-15 plus L. 16 minus L. 17	<b>\$ 1,773,321,065</b>		<b>\$ 1,791,370,770</b>

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 1 - amounts obtained from the Balance Sheet and Income Statement.

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?	Yes	Yes	No	
20	2) Is the debt rated by a rating agency?	Yes	Yes	No	
21	3) Is the equity ratio less than 68.8%?	Yes	No	No	
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>All are 'Yes', using Case 1</b>	<b>Using Case 1</b>	<b>Using Case 1</b>	<b>Using Case 1</b>

	Return based upon Pipeline's Balance Sheet & Income Statement.	Capitalization Ratio	Component Cost	Wtd. Cost of Capital
23	Long Term Debt	P. 4 of Form 501-G	33.22%	2.50%
24	Preferred Stock (or equivalent)	P. 4 of Form 501-G	0.00%	0.00%
25	Common Equity	P. 4 of Form 501-G	66.78%	7.05%
26	Total Return	Sum of LL. 23 - 25	100.00%	9.55%
27	Return - Long Term Debt	L. 18 times L. 23, C. (E)	\$ 44,374,095	\$ 44,825,756
28	Return - Preferred Stock (or equivalent)	L. 18 times L. 24, C. (E)	-	-
29	Return - Common Equity	L. 18 times L. 25, C. (E)	124,944,712	126,216,458
30	Total Return	Sum of LL. 27 - 29	\$ 169,318,807	\$ 171,042,214

**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**  
**ANR Pipeline Company**

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 6.8%
1	Total Operating Revenues	P. 301; L. 21, C. (h)	\$ 758,234,722	\$ 758,234,722	
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)	67,707	67,707	
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>\$ 758,167,015</b>	<b>\$ 758,167,015</b>	<b>\$ 706,359,698</b>
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?			
	<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	\$ 364,182,838	\$ 364,182,838	\$ 364,182,838
10	Depreciation, Depletion, and Amortization	P. 1; L. 18 of 501-G	116,536,538	116,536,538	116,536,538
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	27,881,602	27,881,602	27,881,602
15	Non-Fuel Operating Cost Excl. Interest and Taxes	Sum of LL. 9-12 minus L. 13 plus L. 14	508,600,978	508,600,978	508,600,978
16	<b>Operating Income</b>	L. 6 minus L. 15	<b>\$ 249,566,037</b>	<b>\$ 249,566,037</b>	<b>\$ 197,758,720</b>
17	Interest Expense	P. 1; L. 23, C. (C) of 501-G	44,374,095	44,825,756	44,825,756
18	Income Before Income Taxes	L. 16 minus L. 17	<b>\$ 205,191,942</b>	<b>\$ 204,740,281</b>	<b>\$ 152,932,964</b>
	<b>Allowance for Income Taxes</b>				
19	Composite Income Tax Rate	P. 1; L. 29 of 501-G	37.80%	24.40%	24.40%
20	Income Taxes	L. 18 times L. 19	\$ 77,552,294	\$ 49,950,486	\$ 37,311,055
21	(Less) Net Amort. of Excess(+) and/or Deficient(-) ADIT	P. 1; L. 31 of 501-G	-	18,049,705	18,049,705
22	Total Income Tax Allowance	L. 20 minus L. 21	77,552,294	31,900,781	19,261,350
23	<b>Net Income</b>	L. 18 minus L. 22	<b>\$ 127,639,647</b>	<b>\$ 172,839,500</b>	<b>\$ 133,671,614</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>\$ 1,773,321,065</b>	<b>\$ 1,791,370,770</b>	<b>\$ 1,791,370,770</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>10.8%</b>	<b>14.4%</b>	<b>11.2%</b>

**FERC Form No. 501-G**  
**One-time Report on Rate Effect of the Tax Cuts and Jobs Act**  
**Capital Structure and Component Costs**  
**ANR Pipeline Company**

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)	\$ 50,632,699	= 7.53%		
2	Long-Term Debt	P. 112; L. 24, C. (c)	\$ 672,086,196			
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)	\$ 1,351,347,327			
6	<b>Cost of Capital</b>					
7	Long-Term Debt	L. 3	\$ 672,086,196	33.22%	7.53%	2.50%
8	Preferred Stock (or equivalent)	L. 5	\$ -	0.00%	0.00%	0.00%
9	Common Equity	L. 6 minus L. 5	\$ 1,351,347,327	66.78%	10.55%	7.05%
10	Totals		\$ 2,023,433,523	100.00%		9.55%

11  **Yes** Enter 'Yes' or 'No' - Is all of the debt listed on L. 3 above issued in the pipeline's name and publicly traded?  
 12  **Yes** 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	L. 3	\$ 671,997,966	33.88%	7.23%	2.45%
15	L. 4	\$ -	0.00%	0.00%	0.00%
16	L. 5	\$ 1,311,443,010	66.12%	10.55%	6.98%
17	Totals	\$ 1,983,440,976	100.00%		9.43%

18  **Yes** Are the Values on P. 218a from the books and records of ANR Pipeline Company?  
 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 checked="" type="checkbox"/> <b>Yes</b>	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 checked="" type="checkbox"/> <b>Yes</b>	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.**

23	Long-Term Debt	SEC - 10K	\$ -	0.00%	0.00%	0.00%
24	Preferred Stock (or equivalent)	SEC - 10K	-	0.00%	0.00%	0.00%
25	Common Equity	SEC - 10K	-	0.00%	10.55%	0.00%
26	Totals		\$ -	0.00%		0.00%

27 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:

28	<b>Ticker(s)</b>	<b>Company Name(s)</b>
29	<b>Year</b>	<b>10K Hyperlink(s)</b>
30	<input checked="" type="checkbox"/> <b>No</b>	Enter 'Yes' or 'No' - Is all of the debt listed on L. 24 above publicly traded?
31	<input checked="" type="checkbox"/> <b>No</b>	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.**

32	Long-Term Debt		43.00%	5.00%	2.15%
33	Preferred Stock		0.00%	0.00%	0.00%
34	Common Equity		57.00%	10.55%	6.01%
35	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**  
**ANR Pipeline Company**

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, ANR Pipeline Company</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>4.30%</b>
5	Composite Tax Rate - Calendar Year 2017:				<b>37.80%</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>4.30%</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%	<u>0.00%</u>
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%	<u>0.00%</u>
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).