National Fuel

June 15, 2018

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 17-M-0815 – Comments Regarding Staff Proposal To Address the Accounting and Ratemaking of the Tax Cuts and Jobs Act of 2017

Notice of Proposed Rulemaking – Comments Regarding I.D. No. PSC-16-18-00007-P; 17-M-0815SP1 entitled "Regulatory Treatment of Utilities Regarding Recent Changes in Federal Tax Law"

Dear Secretary Burgess:

National Fuel Gas Distribution Corporation ("National Fuel" or the "Company") hereby submits the attached comments (1) in response to the Notice Soliciting Comments on Staff Proposal issued on June 11, 2018 in the above-referenced proceeding and (2) in response to the Notice of Proposed Rulemaking published in the New York State Register on April 18, 2018 entitled "Regulatory Treatment of Utilities Regarding Recent Changes in Federal Tax Law"; I.D. No. PSC-16-18-00007-P; 17-M-0815SP1.

Any questions you may have regarding the attached can be directed to the undersigned at (716) 857-7797 or at DelvecchioJ@natfuel.com. Thank you.

Respectfully submitted,

Joseph N. Del Vecchio

Joseph N. Del Vecchio
Vice President and Chief Regulatory Counsel

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 17-M-0815 - Proceeding on Motion of the Commission on Changes in Law that May Affect Rates

COMBINED COMMENTS OF
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
ON (1) THE MARCH 29, 2018 STAFF PROPOSAL TO ADDRESS THE ACCOUNTING AND RATEMAKING OF THE TAX CUTS AND JOBS ACT OF 2017 AND (2) THE APRIL 18, 2018 NOTICE OF PROPOSED RULEMAKING ON REGULATORY TREATMENT OF UTILITIES REGARDING RECENT CHANGES IN FEDERAL TAX LAW (I.D. No. PSC-16-18-00007-P)

A. Introduction

On December 29, 2017, the Commission issued an order ("Order") in Case 17-M-0815[1] initiating a proceeding to study the potential effects of the enactment of the Tax Cut and Jobs Act of 2017 ("Tax Act") on the tax expenses and liabilities of New York utilities, and the regulatory treatment of any tax savings resulting from such act in order to ensure that net benefits accruing from the Tax Act are preserved for ratepayers. In the Order, the Commission directed New York Department of Public Service Staff ("Staff") to file a recommendation within 90 days of the issuance of the Order for the accounting and ratemaking treatment of the Tax Act's effects. The Order further directed that, upon filing of Staff's recommendations, interested parties shall have 90 days to comment. On March 29, 2018, Staff filed in this proceeding, and pursuant to the Order, its "Staff Proposal to Address the Accounting and Ratemaking of the Tax Cuts and Jobs Act of 2017" ("Staff Proposal"). On June 11, 2018, the Secretary issued a Notice Soliciting Comments on Staff Proposal ("Notice Soliciting Comments") in the above-referenced proceeding wherein the

[1] Case 17-M-0815 – Proceeding on Motion of the Commission on Changes in Law that May Affect Rates.

Commission sought comments on the Staff Proposal. Also related to the Tax Act, on April 18, 2018, Staff published a Notice of Proposed Rulemaking ("Notice") in the New York State Register titled Regulatory Treatment of Utilities Regarding Recent Changes in Federal Tax Law, which stated that the Commission is considering a Staff Proposal filed on March 29, 2018 on whether and how to incorporate into utility rates modifications necessary to reflect recent changes in federal tax law affecting utilities[2]. The Notice indicated that public comments will be received until 60 days after publication of the Notice. National Fuel Gas Distribution Corporation ("National Fuel" or the "the Company") hereby submits the following combined comments on (1) items contained in Staff's Proposal and pursuant to Ordering Paragraph 3 of the Order and Notice Soliciting Comments and (2) matters currently under consideration by the Commission in its Notice.

On June 4, 2018, the Company filed a petition[3] with the Commission regarding the Company's proposed disposition of net federal income tax savings resulting from the Tax Act and requesting authorization to, among other things, implement a customer refund program ("Customer Refund Program") to return the net effect of the recent federal income tax rate reduction under the Tax Act, estimated at approximately $7.8 million for 2018 and $10.8 million for 2019, to the Company's customers as soon as possible.

B. General Comments

National Fuel appreciates the opportunity to provide these comments. National Fuel is a natural gas-only utility, which provides service to approximately 735,000 customers in western

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[2] I.D. No. PSC-16-18-00007-P

3 Re: Case 18-G-0337– Verified Petition of National Fuel Gas Distribution Corporation for Disposition of Income Tax Savings; Case 17-M-0815 – Proceeding on Motion of the Commission on Changes in Law that May Affect Rates ("Refund Petition")

New York and northwestern Pennsylvania. The Company understands that while companies regulated by the Commission are all impacted in some fashion by the Tax Act, the unique facts and circumstances of each utility are important and should be carefully considered by the Commission in evaluating the accounting and ratemaking treatment of the effects of the Tax Act.

In the Proposal, Staff encouraged the utilities to collaborate on issues common to them and separately address any concerns unique to their individual situations. The Company has participated in collaborative discussions with other New York utilities ("Joint Utilities") in an effort to provide common comments on particular issues in the Proposal, and the Company anticipates that the Joint Utilities will be filing separate comments on the Proposal in the near future. National Fuel, nevertheless, has determined that, for the reasons described in the Refund Petition, its own unique concerns dictate the submission of these individual comments as follows. These unique concerns also prompted National Fuel to file its Refund Petition seeking authorization to return the net effect of the recent federal income tax rate reduction under the Tax Act as soon as possible. These comments will reference the Refund Petition and how it meets the broad goals of Staff's proposal as well as clarify the circumstances of the Company that support its Refund Petition. National Fuel's decision not to join the Joint Utilities comments should not be interpreted as any disagreement with Joint Utilities comments or proposals, but rather as an effort to focus on the unique circumstances faced by the Company.

C. Comments On Specific Matters Currently Under Consideration in the Proposal

In the Proposal, Staff provides a review of the major changes contained in the Tax Act that impact investor owned utilities and follows with a particular Staff proposal to address each change. Staff's explanation of major changes are set forth below in italicized text, utilizing the corresponding numbers of the Proposal, and the Company's comments follow, seriatim.

Major Changes in the Tax Act

1. Corporate Tax Rate Reduction

Staff proposes that utilities be required to defer the revenue requirement impact of the change in the corporate tax rate on current and originating deferred income tax expenses until such time as the new tax rate is reflected in rates.

The Company agrees with the Staff proposal to defer the revenue requirement impact of the change on the corporate tax rate on current and originating deferred tax expenses until such time as the new tax rate is reflected in rates. Please note that as a result of the Company's fiscal year ending September 30, a blended tax rate of 24.5% will apply to FY2018 and a tax rate of 21% will apply to FY2019 and later.

Deferral treatment should be ongoing. Deferral treatment should also reflect prospective changes in the tax rate that could result from future changes in the tax law. For example, there has been a proposal by some in Congress to raise the tax rate to 25%.[4] While deferrals under the current tax rates may end if reflected in rates established in the next base rate case, deferral treatment should be authorized to continue if changes to the federal rate are established after new rates are established in any future rate case.

2. Excess Accumulated Deferred Income Taxes (Excess ADFIT).

Staff proposes that:

(1) For regulatory accounting and ratemaking purposes, utilities should revalue all ADFIT balances as of December 31, 2017 using the 21 percent tax rate.
(2) Excess ADFIT balances should be grossed up for tax effects and reclassified as regulatory liabilities or assets, as appropriate.
(3) Utilities should be required to separately identify protected and unprotected excess ADFIT balances.

[4] https://www.politico.com/story/2018/03/07/senate-democrats-tax-cuts-infrastructure-392523

(4) The benefits associated with protected ADFIT, should be deferred and accumulated (together with carrying charges on the balance) until the reversal of the protected excess ADFIT is reflected in rates. In order to determine the excess ADFIT for protected assets the ARAM method authorized under IRS normalization rules should be followed.
(5) The excess ADFIT related to unprotected assets/liabilities should be deferred as of December 31, 2017 and its amortization should not begin until the issue is addressed within the context of a utility's next general rate change or sur-credit filing.

The Company agrees with the Staff proposal that all ADFIT balances should be remeasured utilizing the new corporate tax rate; the balances should be grossed up for tax effects and reclassified as regulatory liabilities or assets, as appropriate. Further, the Company agrees that protected and unprotected excess ADFIT balances should be identified separately and that the ARAM method authorized under IRS normalization rules should be followed for protected assets. Please note as a result of the Company's fiscal year, ADFIT was remeasured as of September 30, 2017 using a combination of the 24.5% blended tax rate and the 21% tax rate as required under US GAAP. The Company agrees that the deferred balances associated with protected and unprotected balances should be included in the sur-credit rate. The Company has done exactly that in its Refund Petition. The Company also believes that carrying charges, net of refunds provided to customers, should be applied to all deferral balances.

3. Repeal of Alternative Minimum Tax ("AMT")

Staff is not proposing any particular ratemaking or accounting treatment recommendation for AMT since the tax impact of AMT is typically not used in rate setting (other than the rate base impact). Thus, it appears that New York utilities are not impacted by the change to AMT.

The Company does not oppose the Staff proposal.

4. Elimination of Bonus Tax Depreciation.

Staff proposes that:

(1) Utilities should determine the revenue requirement impact of the loss of bonus depreciation and Modified Accelerated Cost Recovery System (MACRS) tax rate reductions and reflect these values in calculation of the Tax Act net benefits.

(2) The overall net benefit that is determined for a utility should be addressed within the context of its next general rate change or sur-credit filing.

The Company agrees with these elements of the Staff proposal. The Company has reflected this treatment in its Refund Petition.

5. Treatment of Net Operating Losses (NOLs).

Staff proposes that:

(1) The deferred tax asset balance associated with NOLs, at December 31, 2017, should be remeasured using a 21% corporate tax rate.

(2) The ratemaking treatment to be applied to the determined 14% excess (35% minus 21%), should be similar to that applied to the other unprotected deferred tax balances.

(3) Utilities should determine the revenue requirement impact of the change in treatment of NOLs and reflect the values in calculation of the Tax Act net benefits.

The Company agrees with the Staff proposal. Please note as a result of the Company's fiscal year, NOLs were remeasured as of September 30, 2017 using a 24.5% blended tax rate as required under US GAAP as the NOLs are expected to be fully utilized during Fiscal 2018. The impact of the remeasured NOL balance was included in the Company's Refund Petition.

6. Interest Deduction Limitation

Since Staff expects that all interest related to utility operations would remain tax deductible and flowed through in establishing revenue requirements, no accounting or ratemaking changes are required.

The Company agrees that the interest deduction limitation should not impact National Fuel.

7. Contributions in Aid of Construction (CIAC).

It appears that the Staff recommends no change in current CIAC policy for electric, gas and telephone companies.

The Company agrees with the Staff proposal since it appears to maintain current treatment for electric, gas and telephone companies, reflecting, of course, updated income tax rates.

8. Other Net Impacts Associated with the Change in Tax Rates

Staff's proposal does not provide complete descriptions of the major tax changes as they apply to the revenue requirements and rates charged by investor owned public utilities. While Staff recognizes that there are other changes stemming from the Tax Act, Staff does not believe that those changes would be material.

As respects the Company, however, there is a significant impact that was not addressed in the Staff Proposal. The Tax Act directly impacts the equity ratio used to establish the rates of the Company; therefore, the appropriate equity ratio should be used.

The Company's earnings are based upon a 42.9% equity ratio ("16-G-0257 Equity Ratio") established in the Commission's Rate Order dated April 20, 2017.[5] The Commission, in setting such equity ratio, imputed the-then equity ratio of the Company's parent, National Fuel Gas Company ("NFGC" or the "Parent") to the Company instead of using the Company's actual equity

[5] Case 16-G-0257 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corp. for Gas Service.

ratio which was approximately 60% at the time. As of March 31, 2018, the Parent's actual equity ratio was 47.9%, or 500 basis points higher than set in the Rate Order. While the Parent's financial prudency and operational successes over the past twelve months have delivered the expected improvement in its equity ratio, the adoption of the Tax Act also played a prominent role in that increase. The Tax Act had the immediate effect of reducing the ADFIT of non-rate-regulated affiliates of the Company with an associated reduction in its GAAP income tax provision, immediately benefitting retained earnings. Additionally, these same affiliates will see larger ongoing retained earnings as a result of the lower federal statutory income tax rate.

Consequently, these impacts increased the 16-G-0257 Equity Ratio by 1.91% through March 31, 2018, solely as a result of the passage of the Tax Act. The Parent projects further improvement in its equity ratio due to the Tax Act, with projected total increases translating to an increase in the 16-G-0257 Equity Ratio of 2.11% and 2.81% at the end of its FY2018 and FY2019, respectively, solely as a result of the passage of the Tax Act. Thus, for purposes of an imputed equity for ratemaking, the 16-G-0257 Equity Ratio is projected to rise from 42.9% to 45.01%[6] as of September 30, 2018, and hence the imputed equity ratio of the Company will rise similarly. This equity ratio improvement is the natural consequence of the Tax Act.

Accordingly, just as a lower income tax rate is now the proper income tax rate for the Commission to use to reset rates due to the TCJA, it is proper for the Commission to use a higher equity ratio to reset rates due to the TCJA. Both items have their genesis in the passage of the Tax Act and are now inextricably interwoven as a result. The additional return associated with an

[6] The actual equity ratio of the Parent, as reported in the Form 10-Q filed with the U.S. Securities and Exchange Commission for the period ending 3/31/18, now stands at 47.9%, an amount higher than referenced above. This higher ratio reflects, in addition to the benefits of the Tax Act, improvements to the equity ratio associated with ongoing increases to retained earnings since the Rate Order. For purposes of the Refund Petition, however, the Company isolated improvements to its equity ratio solely due to the Tax Act, and is only seeking to offset the customer refunds by that limited amount.

increased equity ratio resulting from the Tax Act thus must be netted against any tax savings to ratepayers.

The Company believes that any action taken by the Commission regarding the TCJA must fully embrace all of the TCJA's impacts upon a particular utility. The Commission should not focus solely on tax savings and any associated refund to ratepayers, without regard to the other effects the Tax Act has on the utility that offset such savings, such as the associated increase to the consolidated equity ratio flowing from the Tax Act. Ignoring the Tax Act's impact to the Company's equity ratio and focusing only on customer refunds would be tantamount to single issue ratemaking (*i.e.*, considering one cost or revenue item without considering other factors, costs or revenue items) which is inappropriate. *See* Case 13-W-0246, United Water New York Inc., *Order Denying Surcharge And Making Determinations Regarding The Treatment Of Certain Long-Term Water Supply Development Costs*, 2014 WL 6603186, at *19 (Nov. 14, 2014). Failing to recognize the Tax Act's impact on the Company's equity ratio would also run counter to the tenets that proscribe retroactive ratemaking in New York. *Mtr. of Niagara Mohawk Power Corp. v Pub. Serv. Comm'n.*, 54 A.D. 2d 255, 257 (3d Dept 1976) ("Rate-making is a prospective and not a retrospective process."). These well-established legal and rate making principles are particularly relevant in light of the unique situation of the Company.

Ratemaking Approaches and Options

The Staff Proposal addresses the determination of the appropriate ratemaking mechanism, and the timing of implementation of such mechanism, in order to pass back the ongoing benefits and return the deferred net benefits to customers. The Staff proposal recommends two options for providing the net tax benefits to customers: (1) implementing a sur-credit to reflect the net benefits under the Tax Act; or (2) requiring utilities that do not have filed rate cases for consideration during 2018 to file for a rate change, which would, in effect reopen existing rate plans to incorporate the changes. Staff prefers the first option since the advantages associated with the implementation of a sur-credit outweigh the alternative. Staff recommends that the Commission allow for flexibility if a utility can demonstrate that pass back of the net benefits through implementation of a sur-credit is not in the customers' long term interest.

The Company does not oppose implementation of Staff's first option, provided all rate impacts of the tax change are included in the sur-credit calculation. The Company's Customer Refund Program as set forth in the Refund Petition effectively implements Staff's first option.

Ratemaking Issues

Staff recognizes in its proposal that a measurement methodology must be established to compute income tax expense under both the new and old tax laws. The Staff proposal presents two measurement options: (1) measure the impact based on the rate year revenue requirement projections that were used to establish utilities' existing rates, and (2) use the actual operating results of the utility. Staff believes the most appropriate measurement method is the use of the rate year revenue requirement projections that were used to establish current rates.

The Company utilized Staff's preferred method in its Refund Petition, and therefore, does oppose not Staff's recommendation.

Carrying Charge Rate on Deferred Net Benefits

Staff proposes the carrying costs applied to deferred balances be calculated using the utility's Commission-approved pre-tax rate of return. Staff believes that the time period expected to fully return the realized tax benefits to customers is not expected to be a short-term episode, it will be, at a minimum, a full year if not longer. Staff believes that the use of the Commission approved pre-tax rate of return not only is supported by the longer-term duration of the pass back of benefits, but also is consistent with the rate base treatment of tax deferrals in ratemaking.

The Company does not necessarily agree with Staff's reasoning in choosing the approved pre-tax rate of return. Since the Company, in its Refund Petition, is proposing to pass back the net benefits annually, the Company believes it would not be inappropriate to use a shorter term carrying cost rate such as the other customer capital rate. However, the Company utilized Staff's recommended pretax rate of return in its proposed Customer Refund Program. Staff recommends that carrying costs be applied to the following items: the change in the corporate federal income tax rate; any required amortization of the excess accumulated deferred income taxes; and, the carrying cost impacts of the elimination of bonus depreciation. Of course any interest calculation on outstanding net deferral balances should recognize the amount of refunds provided to customers. Provided there is a proper matching of the timing of the net benefits associated with tax change with the refunds provided to customers, the Company would not be opposed to utilizing the pre-tax rate of return as recommended by Staff. As respects Staff's proposal concerning carrying costs on the tax rate reduction impact on use of MACRS, the Company is unclear on Staff's proposal in this regard and refrains from comment on this item.

Change in Law Provisions

Staff noted in its proposal that for utilities without a "change in law" provision, due to either the respective rate plan not including the provision or the rates having been set based on a litigated proceeding, that the Commission in its December 29, 2017 Order put utilities on notice that the net benefits must be preserved for ratepayers and, therefore, proposes these utilities preserve for ratepayers the net benefits associated with the changes in tax law consistent with the outcome of this proceeding. The Company has deferred such impacts on its book and has included in its proposed Customer Refund Program refunds to customers that recognize the complete net benefits of the tax law change that largely incorporates the recommendations of Staff's proposal that it believes is fair to both customers and the Company. Nothing in these comments or the Company's Refund Petition should be implied as waiving any of the Company's legal rights to challenge any Commission decision that ignores the costs of the Tax Act change on the Company. Accordingly, National Fuel fully reserves all of its rights, and provides these comments subject to such reservation of rights.

Financial Considerations/Implications

Staff recognizes in its proposal that from a credit perspective, the Tax Act is seen as a credit positive for nearly every sector of the U.S. economy. Staff also observes, however, that for utilities, the cash flow ramifications that result from certain Tax Act's provisions are largely viewed negatively by the major ratings agencies (S&P Global, Moody's Investors Service and Fitch Ratings). The Company is well aware of the financial stresses that the Tax Act will impose on other gas and electric distribution companies relating to the negative cash flow impacts of the Tax Act. All else being equal, this likely reduction in future cash flows has led to negative credit rating actions for many of these utilities, and their corporate families. Fortunately, this is not the case for the Company. Although, as a distribution utility, the Company will be similarly affected by the negative cash flow impacts, the Company is a part of the National Fuel Gas Company system, which, with its complement of non-rate-regulated businesses, has seen its long-term financial outlook strengthened by passage of the TCJA.

Due to the Parent's integrated structure, the Tax Act is immediately earnings accretive and long-term cash flow positive. Thus, the continuing benefits provided by the Parent's integrated structure, further enhanced by the passage of the TCJA, places the Company in a very different situation than most other New York utilities, and overall, the Tax Act has a favorable impact on the financial position of the Parent. Moody's and S&P have not indicated any changes to the Parent's bond rating or outlook. Moody's did recently issue an industry-wide update that lowered the outlook on 25 regulated utilities (but notably did not include NFGC) on an expected negative impact from the Tax Act. In fact, one of NFGC's non-rate-regulated subsidiaries actually had its industry outlook revised from Stable to Positive by Moody's, further demonstrating the benefits of its integrated structure.

Although S&P has not made any changes to industry ratings, they provided guidance that they expect the Tax Act to be negative for regulated utilities, but are waiting to see the reaction of regulators and/or companies to determine any possible ratings changes. For NFGC, the potential negative impact of the Tax Act on regulated subsidiary cash flows should be more than offset by the ongoing benefits received in its non-rate regulated subsidiaries. This is expected to keep the NFGC's credit ratings at their current level and presents a unique set of circumstances for the Company in comparison to its peer utilities in New York, as well as an excellent opportunity for its customers to realize immediate savings.

Special Considerations

Staff's Proposal includes a number of special considerations applicable to telephone companies, water utilities, and small gas utilities. The Company is not separately commenting on these aspects of the Proposal at the present time.

Additional Staff Requested Information

Staff requests that, comments by the affected utilities should include a detailed computation of: the ongoing net benefit from the tax changes; the expected net benefits to be deferred for customers from the effective date of each tax law change to the date in which new rates or the sur-credit will be implemented; and, the cash flow implications following the Staff recommendations. Such detailed computation was provided in the Company's Exhibit A of the Company's Refund Petition and is provided here by reference to that filing. A summary of those calculations is provided below.

The Company is proposing to include in the annual refund the three general categories of cost recognized in the Staff Proposal: (1) the revenue requirement impacts of the net benefits as measured by using the last Commission approved rate year revenue requirement forecast, (2) the amortization of excess accumulated deferred federal income taxes ("ADFIT") associated with accelerated tax depreciation ("Protected ADFIT"), and (3) the ADFIT impact associated with the deferred income tax balances other than tax depreciation ("Unprotected ADFIT") amortized over 5 years. The table below summarizes these costs by category.

	Revenue Requirement	**Protected ADFIT**	**Unprotected ADFIT**	**Total Impact**[7]
2018	($5,544,000)	($3,749,000)	$1,310,000	($7,983,000)
2019	($7,125,000)	($5,226,000)	$1,310,000	($11,040,000)

The table below summarizes the Company's proposed Customer Refund Program by rate class beginning with rates in effect October 1, 2018. [8]

[7] Inclusive of Gross Receipts Tax and uncollectibles impacts.

[8] Total Refund and unit Refund Rates exclude impact of gross receipts tax which is automatically calculated on a customer's bill.

	Allocation %	Total Refund before GRT	Volumes (Mcf)	Refund Rate per Mcf
SC 1 Residential	83.49%	($6,507,272)	52,813,255	($0.12321)
SC 3 Non Residential	9.87%	($769,283)	15,793,731	($0.04871)
TC 1.1	2.94%	($228,832)	7,399,515	($0.03093)
TC 2.0	1.09%	($85,037)	3,876,901	($0.02193)
TC 3.0	1.16%	($90,055)	5,977,720	($0.01507)
TC 4.0	1.07%	($83,594)	12,300,812	($0.00680)
TC 4.1	0.39%	($30,219)	2,777,813	($0.01088)
Total	100.00%	($7,794,292)	100,939,747	

The table below summarizes the Company's Customer Refund Program by rate class beginning with rates in effect October 1, 2019.

	Allocation %	Total Refund before GRT	Volumes (Mcf)	Refund Rate per Mcf
SC 1 Residential	83.49%	($8,999,607)	52,813,255	($0.17040)
SC 3 Non Residential	9.87%	($1,063,924)	15,793,731	($0.06736)
TC 1.1	2.94%	($316,476)	7,399,515	($0.04277)
TC 2.0	1.09%	($117,607)	3,876,901	($0.03034)
TC 3.0	1.16%	($124,547)	5,977,720	($0.02084)
TC 4.0	1.07%	($115,612)	12,300,812	($0.00940)
TC 4.1	0.39%	($41,794)	2,777,813	($0.01505)
Total	100.00%	($10,779,566)	100,939,747	

D. Conclusion

Once again, National Fuel appreciates the opportunity to provide these comments. The Company makes these comments with a full reservation of rights with respect to all future matters pertaining to the ratemaking aspects of this subject and thanks the Commission and Staff for the opportunity to comment on these items.

The Company also incorporates into these comments the totality of its Refund Petition by reference. The Company's Refund Petition has effectively addressed Staff's proposals as well as addressed other issues such as allocation of the refund amount by class and calculation of unit rate refund amounts. By comprehensively addressing all pertinent issues related to the Tax Act in its Refund Petition, the Company believes it has provided the necessary information to expeditiously begin refunding the net benefits of the Tax Act by October 1, 2018.

Respectfully submitted,

/s/ Eric Meinl

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