



Cardinal Pipeline Company, LLC
2800 Post Oak Boulevard
P. O. Box 1396
Houston, Texas 77251-1396

December 20, 2018

Ms. M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Reference: Docket No. M-100, Sub 148 – The Federal Tax Cuts and Jobs Act
Docket No. G-39, Sub 42

Dear Ms. Jarvis:

On October 25, 2018, Cardinal Pipeline Company, LLC (“Cardinal”) filed its proposal to adjust its rates to reflect a reduction in the federal corporate income tax rate from 35% to 21% effective January 1, 2018 in compliance with the North Carolina Utilities Commission (“NCUC” or “Commission”) Order Addressing the Impacts of the Federal Tax Cuts and Jobs Act on Public Utilities issued on October 5, 2018 in Docket No. M-100, Sub 148. On November 9, 2018, Cardinal filed a revised proposal based on its discussions with the Public Staff to properly reflect the reduction in the federal corporate income tax (“November 9 Filing”). On December 17, 2018, the NCUC issued, in Docket No. M-100, Sub 148 and Docket No. G-39, Sub 42, an Order Requiring Filing of Revised Proposal (“December 17 Order”) directing

Cardinal to refile its proposal to provide for interest since January 1, 2018 on the provisionally collected revenues. The December 17 Order also grants Cardinal's request for a waiver of time to flow back the federal EDIT until March 15, 2022.

In compliance with the December 17 Order, Cardinal now submits for filing revised calculations, which reflect interest on the provisionally collected revenues as described further herein. Also included in the instant filing are the following revised tariff sheets to adjust its rates to reflect a reduction in the federal corporate income tax rate from 35% to 21% effective January 1, 2018: Twenty-Fourth First Revised Sheet No. 1, effective January 1, 2018 and Twenty-Fifth First Revised Sheet No. 1, effective April 1, 2018. Cardinal respectfully requests approval of its revised calculations and the revised tariff sheets to reflect the decrease in the federal corporate income tax rate as further described herein.

Any communications regarding this filing should be sent to:

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c/o Cardinal Operating Company, LLC
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Cardinal Pipeline Company, LLC
c/o Cardinal Operating Company, LLC
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Calculation of Refund and Interest

In the December 17 Order, the NCUC directed Cardinal to refile its proposal to reflect new calculations revising its rates to provide for interest on the provisionally collected revenues within 10 days of the issuance of the order. Cardinal hereby submits the attached Second Revised Exhibit C which shows the calculation of the proposed refund, including

interest at the overall weighted cost of capital, by shipper.

Page 1 of the Second Revised Exhibit C provides a summary by month of the calculation of the difference in revenue under Cardinal's current rates and under the rates proposed by Cardinal in the November 9 Filing and the associated interest. In total, Cardinal is refunding \$901,265.84. Of the \$901,265.84, the provisionally collected revenue amount is \$872,048.69 and the interest amount is \$29,217.15. Page 2 of the Second Revised Exhibit C provides the difference in original and revised invoice amounts and the associated interest by customer for Piedmont Natural Gas Company and Public Service Company of North Carolina. Piedmont Natural Gas Company will be refunded a total of \$477,503.22 and Public Service Company of North Carolina will be refunded a total of \$423,762.62. Cardinal will retroactively re-compute its transportation invoices to reflect use of the rates proposed in the November 9 Filing, and will expeditiously refund to customers the difference between customers' original invoice amounts and the revised invoice amounts for the period from January 1, 2018 to December 31, 2018. The difference between customers' revised invoice amounts and original invoice amounts, including interest, will be refunded as a credit to their transportation invoice.

Revised Tariff Sheets

The Twenty-Fourth First Revised Sheet No. 1 contained herewith is proposed to be effective January 1, 2018 and reflects the impact of the January 1, 2018 federal corporate income tax rate change on Cardinal's rates, as proposed by Cardinal in the November 9 Filing. Additionally, Cardinal is submitting Twenty-Fifth First Revised Sheet No. 1, which is proposed to be effective April 1, 2018, to incorporate the proposed rate change with the annual tracked fuel and electric power rate changes made effective April 1, 2018. For comparative

purposes a redline version of these tariff sheets denoting changes to the previously approved rates are provided.

Conclusion

Cardinal respectfully requests that the Commission approve its proposal to adjust its rates to reflect the change in the federal corporate income tax as described in the November 9 Filing, the revised calculations submitted herein to include interest on the provisionally collected revenues and the revised tariff sheets submitted herein, and that such approval occur by December 31, 2018.

Respectfully submitted,

/s/ Scott A. Hallam

Scott A. Hallam
Email: scott.hallam@williams.com
Vice President, Cardinal Operating Company, LLC
(713) 215-2100

CARDINAL PIPELINE COMPANY, LLC
Summary - Refund Calculation Pursuant to Docket No. M-100, Sub 148

2018 Federal Income Tax Change to 21%
Effective January 1, 2018

Line No.	Month	Original Invoice Amount	1/	Revised Invoice Amount	1/	Difference	Interest	Cumulative Refund Balance
	(A)	(B)		(C)		(D)	(E)	(F)
		\$		\$		\$	\$	\$
1	January 2018	1,076,378.90		1,002,314.49		74,064.41	207.69	74,272.10
2	February 2018	972,213.20		905,316.31		66,896.89	602.97	141,771.95
3	March 2018	1,076,378.90		1,002,314.49		74,064.41	998.25	216,834.61
4	April 2018	1,040,795.40		969,120.17		71,675.24	1,406.93	289,916.77
5	May 2018	1,133,360.00		1,001,424.17		74,064.41	1,815.60	365,796.78
6	June 2018	1,040,795.40		969,120.17		71,675.24	2,224.28	439,696.30
7	July 2018	1,075,488.58		1,001,424.17		74,064.41	2,632.96	516,393.67
8	August 2018	1,075,488.58		1,001,424.17		74,064.41	3,048.34	593,506.42
9	September 2018	1,040,795.40		969,120.17		71,675.24	3,457.02	668,638.67
10	October 2018	1,075,488.58		1,001,424.17		74,064.41	3,865.69	746,568.77
11	November 2018	1,040,795.40		969,120.17		71,675.24	4,274.37	822,518.38
12	December 2018	1,075,488.58		1,001,424.17		74,064.41	4,683.05	901,265.84
13		<u>12,723,466.92</u>		<u>11,793,546.81</u>		<u>872,048.69</u>	<u>29,217.15</u>	

1/ Includes electric power.

CARDINAL PIPELINE COMPANY, LLC
Summary - Refund Calculation Pursuant to Docket No. M-100, Sub 148

2018 Federal Income Tax Change to 21%
Effective January 1, 2018

Line No.	Month	Original Invoice Amount	1/	Revised Invoice Amount	1/	Difference	Interest	Cumulative Refund Balance
	(A)	(B)		(C)		(D)	(E)	(F)
		\$		\$		\$	\$	\$
1	Piedmont Natural Gas Company	6,673,564.40		6,211,540.83		462,023.57	15,479.65	477,503.22
2	Public Service Company of NC	6,049,902.52		5,582,005.98		410,025.12	13,737.49	423,762.62
3	Total Refund	<u>12,723,466.92</u>		<u>11,793,546.81</u>		<u>872,048.69</u>	<u>29,217.15</u>	<u>901,265.84</u>

Rates and Charges Applicable to Rate Schedule CFT			
Monthly Billing Determinants	<u>Mcf/day</u>	<u>dt/day</u>	
Zone 1A	60,000	62,100	
Zone 1B	70,000	72,450	
Zone 2	332,270	343,900	
	<u>Monthly</u>	<u>Monthly</u>	<u>Daily</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Reservation Charges (1)	<u>(Mcf)</u>	<u>(dt)</u>	<u>(dt)</u>
Zone 1A	\$ 0.79026	\$ 0.76354	\$ 0.02510
Zone 1A Electric Power (4)	\$ 0.01480	\$ 0.01430	\$ 0.00047
Zone 1A Total Rate	\$ 0.80506	\$ 0.77784	\$ 0.02557
Zone 1B	\$ 1.22568	\$ 1.18424	\$ 0.03893
Zone 1B Electric Power (4)	\$ 0.01480	\$ 0.01430	\$ 0.00047
Zone 1B Total Rate	\$ 1.24048	\$ 1.19854	\$ 0.03940
Zone 2	\$ 2.53828	\$ 2.45244	\$ 0.08063
Zone 2 Electric Power (4)	\$ 0.01480	\$ 0.01430	\$ 0.00047
Zone 2 Total Rate	\$ 2.55308	\$ 2.46674	\$ 0.08110
Excess CFT Service (\$/dt) (2)		Electric (4)	
	<u>Base</u>	<u>Power</u>	<u>Total</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Zone 1A	\$ 0.02510	\$ 0.00047	\$ 0.02557
Zone 1B	\$ 0.03893	\$ 0.00047	\$ 0.03940
Zone 2	\$ 0.08063	\$ 0.00047	\$ 0.08110
Fuel Retention Percentage (3)			
Zone 1A	0.92%		
Zone 1B	0.92%		
Zone 2	0.92%		
(1) Zone 1A Cost of Service = 35.5937% of Total Zone 1 Cost of Service; Zone 1B = 64.4063% of Total Zone 1 Cost of Service.			
(2) The applicable rate multiplied by the excess CFT quantity delivered during that month.			
(3) Transporter shall retain from the volume of gas received on behalf of Shipper for transportation service under Rate Schedule CFT a percentage of such gas for fuel and line loss make-up. Transporter will evaluate the Fuel Retention Percentage on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Fuel Retention Adjustment set forth on Original Sheet No.2 of Transporter's NCUC tariff.			
(4) Transporter will evaluate the Electric Power Rates on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Electric Power Cost Adjustment set forth on Original Sheet Nos. 3 and 4 of Transporter's NCUC tariff.			

Rates and Charges Applicable to Rate Schedule CFT			
Monthly Billing Determinants	<u>Mcf/day</u>	<u>dt/day</u>	
Zone 1A	60,000	62,100	
Zone 1B	70,000	72,450	
Zone 2	332,270	343,900	
	<u>Monthly</u>	<u>Monthly</u>	<u>Daily</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Reservation Charges (1)	<u>(Mcf)</u>	<u>(dt)</u>	<u>(dt)</u>
Zone 1A	\$ 0.79026	\$ 0.76354	\$ 0.02510
Zone 1A Electric Power (4)	\$ 0.01302	\$ 0.01258	\$ 0.00041
Zone 1A Total Rate	\$ 0.80328	\$ 0.77612	\$ 0.02551
Zone 1B	\$ 1.22568	\$ 1.18424	\$ 0.03893
Zone 1B Electric Power (4)	\$ 0.01302	\$ 0.01258	\$ 0.00041
Zone 1B Total Rate	\$ 1.23870	\$ 1.19682	\$ 0.03934
Zone 2	\$ 2.53828	\$ 2.45244	\$ 0.08063
Zone 2 Electric Power (4)	\$ 0.01302	\$ 0.01258	\$ 0.00041
Zone 2 Total Rate	\$ 2.55130	\$ 2.45602	\$ 0.08104
Excess CFT Service (\$/dt) (2)		Electric (4)	
	<u>Base</u>	<u>Power</u>	<u>Total</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Zone 1A	\$ 0.02510	\$ 0.00041	\$ 0.02551
Zone 1B	\$ 0.03893	\$ 0.00041	\$ 0.03934
Zone 2	\$ 0.08063	\$ 0.00041	\$ 0.08104
Fuel Retention Percentage (3)			
Zone 1A	1.05%		
Zone 1B	1.05%		
Zone 2	1.05%		
(1)	Zone 1A Cost of Service = 35.5937% of Total Zone 1 Cost of Service; Zone 1B = 64.4063% of Total Zone 1 Cost of Service.		
(2)	The applicable rate multiplied by the excess CFT quantity delivered during that month.		
(3)	Transporter shall retain from the volume of gas received on behalf of Shipper for transportation service under Rate Schedule CFT a percentage of such gas for fuel and line loss make-up. Transporter will evaluate the Fuel Retention Percentage on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Fuel Retention Adjustment set forth on Original Sheet No.2 of Transporter's NCUC tariff.		
(4)	Transporter will evaluate the Electric Power Rates on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Electric Power Cost Adjustment set forth on Original Sheet Nos. 3 and 4 of Transporter's NCUC tariff.		

Rates and Charges Applicable to
Rate Schedule CFT

Monthly Billing Determinants	Mcf/day	dt/day
Zone 1A	60,000	62,100
Zone 1B	70,000	72,450
Zone 2	332,270	343,900

	Monthly Rate (Mcf) =	Monthly Rate (dt) =	Daily Rate (dt) =
Reservation Charges (1)			
Zone 1A	\$ 0. 84205 <u>79026</u>	\$ 0. 81358 <u>76354</u>	\$ 0. 02675 <u>02510</u>
Zone 1A Electric Power (4)	\$ 0.01480	\$ 0.01430	\$ 0.00047
Zone 1A Total Rate	\$ 0. 85685 <u>80506</u>	\$ 0. 82788 <u>77784</u>	\$ 0. 02722 <u>02557</u>
Zone 1B	\$ 1. 30602 <u>22568</u>	\$ 1. 26185 <u>18424</u>	\$ 0. 04149 <u>03893</u>
Zone 1B Electric Power (4)	\$ 0.01480	\$ 0.01430	\$ 0.00047
Zone 1B Total Rate	\$ 1. 32082 <u>24048</u>	\$ 1. 27615 <u>19854</u>	\$ 0. 04196 <u>03940</u>
Zone 2	\$ 2. 73079 <u>53828</u>	\$ 2. 63844 <u>45244</u>	\$ 0. 08674 <u>08063</u>
Zone 2 Electric Power (4)	\$ 0.01480	\$ 0.01430	\$ 0.00047
Zone 2 Total Rate	\$ 2. 74559 <u>55308</u>	\$ 2. 65274 <u>46674</u>	\$ 0. 08721 <u>08110</u>

Excess CFT Service (\$/dt) (2)

	Base Rate	Electric (4) Power Rate	Total Rate
Zone 1A	\$ 0.02675 <u>02510</u>	\$ 0.00047	\$ 0. 02722 <u>02557</u>
Zone 1B	\$ 0.04149 <u>03893</u>	\$ 0.00047	\$ 0. 04196 <u>03940</u>
Zone 2	\$ 0.08674 <u>08063</u>	\$ 0.00047	\$ 0. 08721 <u>08110</u>

Fuel Retention Percentage (3)

Zone 1A	0.92%
Zone 1B	0.92%
Zone 2	0.92%

- (1) Zone 1A Cost of Service = 35.5937% of Total Zone 1 Cost of Service; Zone 1B = 64.4063% of Total Zone 1 Cost of Service.
- (2) The applicable rate multiplied by the excess CFT quantity delivered during that month.
- (3) Transporter shall retain from the volume of gas received on behalf of Shipper for transportation service under Rate Schedule CFT a percentage of such gas for fuel and line loss make-up. Transporter will evaluate the Fuel Retention Percentage on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Fuel Retention Adjustment set forth on Original Sheet No.2 of Transporter's NCUC tariff.
- (4) Transporter will evaluate the Electric Power Rates on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Electric Power Cost Adjustment set forth on Original Sheet Nos. 3 and 4 of Transporter's NCUC tariff.

Rates and Charges Applicable to
Rate Schedule CFT

Monthly Billing Determinants	Mcf/day	dt/day
Zone 1A	60,000	62,100
Zone 1B	70,000	72,450
Zone 2	332,270	343,900

	Monthly Rate (Mcf) =	Monthly Rate (dt) =	Daily Rate (dt) =
Reservation Charges (1)			
Zone 1A	\$ 0. 84205 <u>79026</u>	\$ 0. 81358 <u>76354</u>	\$ 0. 02675 <u>02510</u>
Zone 1A Electric Power (4)	\$ 0.01302	\$ 0.01258	\$ 0.00041
Zone 1A Total Rate	\$ 0. 85507 <u>80328</u>	\$ 0. 82616 <u>77612</u>	\$ 0. 02716 <u>02551</u>
Zone 1B	\$ 1. 30602 <u>22568</u>	\$ 1. 26185 <u>18424</u>	\$ 0. 04149 <u>03893</u>
Zone 1B Electric Power (4)	\$ 0.01302	\$ 0.01258	\$ 0.00041
Zone 1B Total Rate	\$ 1. 31904 <u>23870</u>	\$ 1. 27443 <u>19682</u>	\$ 0. 04190 <u>03934</u>
Zone 2	\$ 2. 73079 <u>53828</u>	\$ 2. 63844 <u>45244</u>	\$ 0. 08674 <u>08063</u>
Zone 2 Electric Power (4)	\$ 0.01302	\$ 0.01258	\$ 0.00041
Zone 2 Total Rate	\$ 2. 74381 <u>55130</u>	\$ 2. 65102 <u>45602</u>	\$ 0. 08715 <u>08104</u>

Excess CFT Service (\$/dt) (2)

	Base Rate	Electric (4) Power Rate	Total Rate
Zone 1A	\$ 0. 02675 <u>02510</u>	\$ 0.00041	\$ 0. 02716 <u>02551</u>
Zone 1B	\$ 0. 04149 <u>03893</u>	\$ 0.00041	\$ 0. 04190 <u>03934</u>
Zone 2	\$ 0. 08674 <u>08063</u>	\$ 0.00041	\$ 0. 08715 <u>08104</u>

Fuel Retention Percentage (3)

Zone 1A	1.05%
Zone 1B	1.05%
Zone 2	1.05%

- (1) Zone 1A Cost of Service = 35.5937% of Total Zone 1 Cost of Service; Zone 1B = 64.4063% of Total Zone 1 Cost of Service.
- (2) The applicable rate multiplied by the excess CFT quantity delivered during that month.
- (3) Transporter shall retain from the volume of gas received on behalf of Shipper for transportation service under Rate Schedule CFT a percentage of such gas for fuel and line loss make-up. Transporter will evaluate the Fuel Retention Percentage on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Fuel Retention Adjustment set forth on Original Sheet No.2 of Transporter's NCUC tariff.
- (4) Transporter will evaluate the Electric Power Rates on an annual basis to determine if changes are appropriate and will make any necessary filings with the NCUC, in accordance with the Electric Power Cost Adjustment set forth on Original Sheet Nos. 3 and 4 of Transporter's NCUC tariff.