

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 148
DOCKET NO. G-39, SUB 42

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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|-------------------------------------------|---|--------------------------|
| DOCKET NO. M-100, SUB 148 |) | |
| |) | |
| In the Matter of |) | |
| The Federal Tax Cuts and Jobs Act |) | |
| |) | |
| DOCKET NO. G-39, SUB 42 |) | ORDER GRANTING REQUEST |
| |) | TO SUSPEND THE FILING OF |
| |) | QUARTERLY REPORTS |
| In the Matter of |) | |
| Cardinal Pipeline Company, LLC Filings to |) | |
| Reflect The Federal Tax Cuts and Jobs Act |) | |

BY THE COMMISSION: On October 5, 2018, in Docket No. M-100, Sub 148, the Commission issued an Order Addressing the Impacts of The Federal Tax Cuts and Jobs Act on Public Utilities (the October 5, 2018 Order). The October 5, 2018 Order directed certain utilities, including Cardinal Pipeline Company, LLC (Cardinal), to “adjust their base rates to reflect the reduction in the federal corporate income tax rate to 21% for taxable years beginning after December 31, 2017, as outlined in the Tax Act.” The Commission further requested that certain utilities, including Cardinal, “file proposals . . . to adjust their rates to reflect the reduction in the federal corporate income tax rate to 21%” by no later than October 25, 2018 and that the Public Staff and other parties “file comments on the proposals by no later than Wednesday, November 14, 2018.”

The October 5, 2018 Order also required certain utilities, including Cardinal, to file quarterly reports on deferred accounts associated with the Tax Act once new rates and charges were approved. The reports were to detail the status of the provisional revenues collected since January 1, 2018 and the EDIT deferred account.

On October 25, 2018, Cardinal filed its proposal as required in the October 5, 2018 Order. On November 9, 2018, Cardinal filed a revised proposal.

On December 17, 2018, the Commission issued its Order Requiring Filing of Revised Proposal wherein the Commission required Cardinal to refile its proposal to reflect new calculations revising its rates to provide for interest on the federal provisionally collected revenues. The Commission also granted Cardinal’s request for a waiver of time to flow back the federal EDIT from October 5, 2021 to March 15, 2022.

On December 21, 2018, Cardinal refiled its proposal.

On December 28, 2018, the Commission issued its Order Approving December 21, 2018 Revised Proposal and Tariffs. In the Order, the Commission approved Cardinal's December 21, 2018 revised proposal including the revised tariff sheets, effective January 1, 2019.

On April 30, 2019, Cardinal filed its Initial Quarterly Report on deferred accounts for the period of January 2019 to March 2019 in compliance with the October 5, 2018 Order. Cardinal explained that the March 31, 2019 balance in the deferred regulatory liability account that holds the difference between the revenues collected under the prior federal corporate income tax rate and the recomputed revenues using the revised federal corporate income tax rate (the provisional revenues) is zero. Cardinal noted that, as approved by the Commission, the Company refunded its customers the difference between the originally invoiced amounts and the revised invoice amounts in its customers' January 2019 invoices and paid the interest associated with the refund on January 31, 2019. Cardinal stated that on January 1, 2019, it began billing its customers the revised rates and therefore will have no further refund obligation associated with the federal corporate income tax rate change effective January 1, 2018.

Further, Cardinal noted that its March 31, 2019 balance in the EDIT regulatory liability account associated with the federal corporate income tax rate change is \$13,339,024.

Cardinal maintained that because it has fully refunded to its customers the difference between the revenues collected under the prior federal corporate income tax rate and the recomputed revenues using the revised federal corporate income tax rate the status of the deferred regulatory account reflecting such difference will not change. Cardinal further asserted that the status of the deferred regulatory liability that holds the EDIT balance associated with the federal corporate tax rate change will not change until the EDIT balance is addressed in Cardinal's next rate case. Therefore, Cardinal requested that the Commission allow Cardinal to file subsequent quarterly reports only if the balance of either account changes.

On June 19, 2019, the Public Staff filed a letter in response to Cardinal's April 30, 2019 Initial Quarterly Report on deferred accounts. The Public Staff stated that it has reviewed Cardinal's filing and does not oppose the Company's request to suspend the filing of its quarterly reports regarding its EDIT deferred account balance, provided there is no change in the balance of the account. The Public Staff noted that it anticipates that any additional reporting requirements concerning the EDIT deferred account balance would be addressed in the final order of the Commission ruling on the final disposition of the EDIT deferred account balance¹. The Public Staff recommended, however, that the Company immediately file a report should the EDIT deferred account balance change. The Public Staff further recommended that because Cardinal has provided sufficient information to establish that the balance of the provisional revenues liability is zero, the

¹ In its December 17, 2018 Order, the Commission granted Cardinal a waiver of the October 5, 2021 date until March 15, 2022.

Company should not be required to file subsequent reports showing the status of that deferred account.

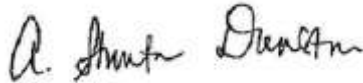
After reviewing Cardinal's April 30, 2019 Initial Quarterly Report and the Public Staff's June 19, 2019 letter, the Commission finds that it is appropriate to grant Cardinal's request to suspend the quarterly reporting required in the October 5, 2018 Order. However, Cardinal shall immediately file a report should the EDIT deferred account balance change.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 27th day of June, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "A. Shonta Dunston". The signature is fluid and cursive.

A. Shonta Dunston, Deputy Clerk