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October 29, 2018

Ms. Gwen Pinson
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

**Re: WKG Storage, Inc.
Case No. 2018-00064**

Dear Ms. Pinson:

WKG Storage, Inc. files its responses to the Commission's order of October 19, 2018.

I certify that the electronic filing is a complete and accurate copy of the original documents to be filed in this matter, which will be filed within two days of this submission and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

If you have any questions about this matter, please contact me.

Very truly yours,



T. Tommy Littlepage
Attorney for WKG Storage, Inc.

cc: WKG Storage, Inc.

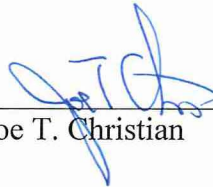
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

ELECTRONIC INVESTIGATION OF THE IMPACT) CASE NO.
OF THE TAX CUTS AND JOBS ACT ON THE) 2018-00064
RATES OF WKG STORAGE, INC.)

AFFIDAVIT


The Affiant, Joe T. Christian, being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information are true and correct to the best of his knowledge and belief.



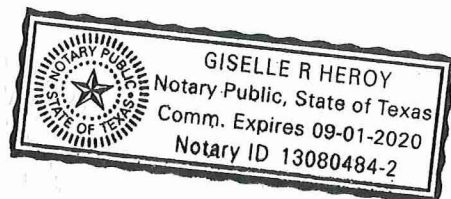
Joe T. Christian

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Joe T. Christian on this the 29th day of October, 2018.



Notary Public
My Commission Expires: 9/01/2020



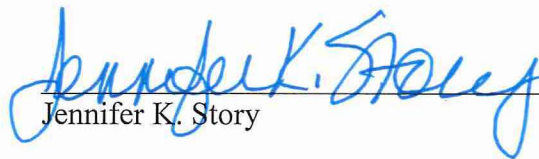
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

ELECTRONIC INVESTIGATION OF THE IMPACT) CASE NO.
OF THE TAX CUTS AND JOBS ACT ON THE) 2018-00064
RATES OF WKG STORAGE, INC.)

AFFIDAVIT

The Affiant, Jennifer K. Story, being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information are true and correct to the best of her knowledge and belief.

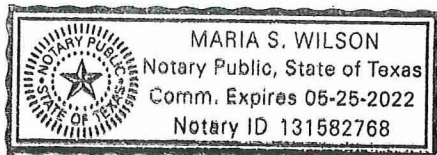

Jennifer K. Story

STATE OF TEXAS

COUNTY OF DALLAS

SUBSCRIBED AND SWORN to before me by Jennifer K. Story on this the 29 day of October, 2018.


Notary Public
My Commission Expires: 5/25/2022



Case No. 2018-00064
WKG Storage, Inc.
Staff DR Set No. 1
Question No. 1-01
Page 1 of 1

REQUEST:

Refer to the Direct Testimony of Joe T. Christian, page 7 lines 7-8. Mr. Christian states that the revised model reflecting the federal income tax change from 35 percent to 21 percent results in an annual reduction of approximately \$57,000.

- a. Provide copies of the workpapers that support WKG Storage's referenced model.
- b. Refer to Exhibit JTC-1. This exhibit estimates the difference in annual revenue to be \$(56,496) using the monthly demand charge. Using the annual demand charge, the difference in the annual revenue requirement is \$(104,300). Provide an explanation supporting the use of the monthly demand charge. If the annual demand charge is the appropriate component, provide an update to Exhibit JTC-1.
- c. Provide a copy of this response in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

RESPONSE:

- a) Please see Attachment 1, Schedule H for the detail calculation of Federal Income Taxes at the 21% rate. Cell E27 on this tab shows the calculated income taxes at 34%. Cell E 29 shows the variance of \$57,435.
- b) The Company is unsure how the \$(104,300) is computed from information shown on Exhibit JTC-1. However, referring to Exhibit JTC-1, Line 11 \$157,313 less Line 18 \$161,659 = (\$4,346) change in monthly demand. On an annual basis this equals \$52,150, which reflects the fact that demand fee is charged at a 90% of the full cost of service. Comparing the \$52,150 to Line 10 %1,887,760 less Line 17 \$1,939,910 = (\$52,150), thus there should be no difference in using annual or monthly numbers. Please see Attachment 1, tab named "Comparison" for the derivation of Exhibit JTC-1.
- c) Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - WKG Storage, Inc., Staff _1-01_Att1 - Cost of Service_TCJA.xlsx, 26 Pages.

Respondent: Joe Christian

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WKG STORAGE, INC.
COST OF SERVICE SCHEDULES AND WORKPAPERS
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Totals may vary due to rounding.

WKG STORAGE, INC.
RATE COMPARISON / PROOF OF REVENUES
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description (a)	Current Rate (b)	Proposed Rate (c)			
1	Firm Transportation Rates (\$/1000 cubic feet)					
2	Storage Transportation (TS-1) Injection	\$0.1498	\$0.1457			
3	Storage Transportation (TS-1) - Withdrawal	\$0.1498	\$0.1457			
4	Storage Service (S-1) - Reservation	\$0.0749	\$0.0729			
		<u>Capacity</u> (b)	<u>Proposed Rate</u> (c)	<u>Discount</u> (d)	<u>Months</u> (e)	<u>Revenue</u> (f)
5	Proof of Revenue - Proposed Rates:					
6	TS-1 Rate - Injection	1,750,000	\$0.1457			254,975
7	TS-1 Rate - Withdrawal	1,750,000	\$0.1457			254,975
8	Total TS-1					<u>509,950</u>
9	S-1 Storage Reservation	1,750,000	\$0.0729	90%	12	1,377,810
10	Annual Demand Charge					<u>1,887,760</u>
11	Monthly Demand Charge					157,313
12	Proof of Revenue - Existing Rates:					
13	TS-1 Rate - Injection	1,750,000	\$0.1498			262,150
14	TS-1 Rate - Withdrawal	1,750,000	\$0.1498			262,150
15	Total TS-1					<u>524,300</u>
16	S-1 Storage Reservation	1,750,000	\$0.0749	90%	12	1,415,610
17	Annual Demand Charge					<u>1,939,910</u>
18	Monthly Demand Charge					161,659
	Annual Increase - with 90% discount applied					(52,150)
	Monthly Increase - with 90% discount applied					(4,346)

WKG STORAGE, INC.
RATE DESIGN
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description (A)	Reference (B)	Storage Transportation (TS-1) (C)	Storage Service (S-1) (D)	Total Cost of Service (E)
1	Allocated Storage Costs 1/	Schedule A	\$ 510,095	\$ 1,530,286	\$ 2,040,381
2	Monthly Billing Determinants	Contracted Capacity	1,750,000	1,750,000	
	Proposed Rates:				
3	Transportation Injection		\$0.1457		
4	Transportation Withdrawal		\$0.1457		
5	Storage Reservation			\$0.0729	
	Current Rates:				
6	Transportation Injection		\$0.1500		
7	Transportation Withdrawal		\$0.1500		
8	Storage Reservation			\$0.050	

WKG STORAGE, INC.
COST OF SERVICE
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description	Reference	Per Book	Adjustments	Adjusted Cost of Service
	(a)	(b)	(c)	(d)	(e)
1	Summary - Cost of Service:				
2	Revenues	Schedule J	\$ 1,470,000	\$ 465,381	\$ 1,935,381
3	Revenues - adjustment to reflect full tariff rates	Schedule J		105,000	
4					
5					
6	Rate Base	Schedule B	10,078,765	(1,062,658)	9,016,107
7	Requested Rate of Return	Schedule I	7.70%		7.70%
8	Required Return on Rate Base		776,065	(81,825)	694,240
9					
10	Operation and Maintenance Expenses	Schedule E	813,769		813,769
11					
12	Taxes Other than Income Taxes	Schedule G	68,801		68,801
13					
14	Depreciation and Amortization Expense	Schedule F	342,589		342,589
15					
16	Income Taxes	Schedule H	(1,498)	122,479	120,981
17					
18	Cost of Service		\$ 1,999,726	\$ 40,654	\$ 2,040,381

WKG STORAGE, INC.
RATE BASE
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description (a)	Reference (b)	Per Book Amount (c)	Adjustment (d)	Total Requested (e) = (c) + (d)
1	<u>Net Plant:</u>				
2	Gross Plant	Schedule C	\$ 14,882,143	\$ -	\$ 14,882,143
3	Construction Work In Progress	Trial Balance	600,356	-	600,356
4	Less Accumulated Depreciation	Schedule D	3,969,839	-	3,969,839
5	Total Net Plant (Ln 2 + Ln 3 - Ln 4)		<u>\$ 11,512,660</u>	<u>\$ -</u>	<u>\$ 11,512,660</u>
6					
7	<u>Additions:</u>				
8			\$ -	\$ -	\$ -
9	Prepayments	WP_B-2	40,486	(4,697)	35,790
10	Total Additions (Ln 8 + Ln 9)		<u>\$ 40,486</u>	<u>\$ (4,697)</u>	<u>\$ 35,790</u>
11					
12	<u>Deductions:</u>				
13	Injuries and Damages Reserve	WP_B-1	8,652	(8,500)	153
14	Accumulated Deferred Income Taxes	WP_B-3	1,465,730	720,897	2,186,626
15	Total Deductions (Ln 13 + Ln 14)		<u>\$ 1,474,382</u>	<u>\$ 712,397</u>	<u>\$ 2,186,779</u>
16					
17	Total Cash Working Capital (1)		\$ -	101,721	\$ 101,721
18				(447,285)	\$ (447,285)
19	Rate Base (Ln 5 + Ln 10 - Ln 15 + Ln 17)		<u>\$ 10,078,765</u>	<u>\$ (1,062,658)</u>	<u>\$ 9,016,107</u>
20					
21	<u>Note:</u>				
22	1. Cash Working Capital is calculated as 1/8 of O&M to be consistent with treatment in Docket No. 2013-00148.				

WKG STORAGE, INC.
INJURIES AND DAMAGES RESERVES
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Month\Year Ending (a)	Per Book Amount (b)	Adjustments (2) (c)	Adjusted Amount (d) = (b) + (c)	Allocation Factor (e)	Allocated Amount (f) = (d) * (e)
1	<u>WKG Storage, Inc. Direct</u>					
2	December 31, 2014	\$ -	\$ -	\$ -	100%	\$ -
3	January 31, 2015	-	-	-	100%	-
4	February 28, 2015	-	-	-	100%	-
5	March 31, 2015	-	-	-	100%	-
6	April 30, 2015	-	-	-	100%	-
7	May 31, 2015	-	-	-	100%	-
8	June 30, 2015	-	-	-	100%	-
9	July 31, 2015	-	-	-	100%	-
10	August 31, 2015	-	-	-	100%	-
11	September 30, 2015	-	-	-	100%	-
12	October 31, 2015	-	-	-	100%	-
13	November 30, 2015	-	-	-	100%	-
14	December 31, 2015	-	-	-	100%	-

WKG STORAGE, INC.
INJURIES AND DAMAGES RESERVES
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Month\Year Ending	Per Book Amount	Adjustments (2)	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d) = (b) + (c)	(e)	(f) = (d) * (e)
15	Shared Services General Office (Div 002)					
16	December 31, 2014	\$ 6,476,508	\$ (6,538,170)	\$ (61,663)	0.13%	\$ (80)
17	January 31, 2015	6,761,385	(6,538,170)	223,214	0.13%	290
18	February 28, 2015	6,745,690	(6,538,170)	207,519	0.13%	270
19	March 31, 2015	5,737,266	(5,538,170)	199,095	0.13%	259
20	April 30, 2015	4,759,273	(4,538,170)	221,103	0.13%	287
21	May 31, 2015	3,733,129	(3,538,170)	194,959	0.13%	253
22	June 30, 2015	4,717,488	(4,538,170)	179,318	0.13%	233
23	July 31, 2015	4,698,618	(4,538,170)	160,448	0.13%	209
24	August 31, 2015	4,760,395	(4,538,170)	222,225	0.13%	289
25	September 30, 2015	6,726,995	(6,538,170)	188,825	0.13%	245
26	October 31, 2015	6,655,480	(6,538,170)	117,310	0.13%	153
27	November 30, 2015	6,659,186	(6,538,170)	121,016	0.13%	157
28	December 31, 2015	6,655,587	(6,538,170)	117,417	0.13%	153
29	Total WKG Storage at December 31, 2015					
30	(Col (f) = (Ln 14 + Ln 28))	<u>\$ 8,652</u>				<u>\$ 153</u>

31

32 Notes:

33 1. Injuries and Damages Reserve amounts above are found in Account 228.2 and sub accounts 28102 and 28101.

34 2. The adjustment in Column (c) removes reserves not allocated to the divisions.

WKG STORAGE, INC.
PREPAYMENTS
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Month\Year Ending (a)	Per Book Amount (b)	Adjustments (c)	Adjusted Amount (d) = (b) + (c)	Allocation Factor (e)	Allocated Amount (g)=(d)*(e)*(f)
1	Prepayments - Acct. 165:					
2	<u>WKG Storage, Inc. Direct</u>					
3	December 31, 2014	\$ -	\$ -	\$ -	100%	\$ -
4	January 31, 2015	-	-	-	100%	-
5	February 28, 2015	-	-	-	100%	-
6	March 31, 2015	-	-	-	100%	-
7	April 30, 2015	-	-	-	100%	-
8	May 31, 2015	-	-	-	100%	-
9	June 30, 2015	-	-	-	100%	-
10	July 31, 2015	-	-	-	100%	-
11	August 31, 2015	-	-	-	100%	-
12	September 30, 2015	-	-	-	100%	-
13	October 31, 2015	-	-	-	100%	-
14	November 30, 2015	-	-	-	100%	-
15	December 31, 2015	-	-	-	100%	-
16						
17	13-Month Average	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
18						

WKG STORAGE, INC.
PREPAYMENTS
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Month\Year Ending	Per Book Amount	Adjustments	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d) = (b) + (c)	(e)	(g)=(d)*(e)*(f)
19	Shared Services - General Office (Div 002)					
20	December 31, 2014	\$ 30,871,095	\$ -	\$ 30,871,095	0.13%	\$ 40,132
21	January 31, 2015	28,350,852	-	28,350,852	0.13%	36,856
22	February 28, 2015	24,880,763	-	24,880,763	0.13%	32,345
23	March 31, 2015	29,603,127	-	29,603,127	0.13%	38,484
24	April 30, 2015	26,491,689	-	26,491,689	0.13%	34,439
25	May 31, 2015	27,939,058	-	27,939,058	0.13%	36,321
26	June 30, 2015	25,589,870	-	25,589,870	0.13%	33,267
27	July 31, 2015	23,862,310	-	23,862,310	0.13%	31,021
28	August 31, 2015	21,066,026	-	21,066,026	0.13%	27,386
29	September 30, 2015	20,331,955	-	20,331,955	0.13%	26,432
30	October 31, 2015	33,755,385	-	33,755,385	0.13%	43,882
31	November 30, 2015	34,011,139	-	34,011,139	0.13%	44,214
32	December 31, 2015	31,143,313	-	31,143,313	0.13%	40,486
33						
34	13-Month Average	<u>\$ 27,530,506</u>	<u>\$ -</u>	<u>\$ 27,530,506</u>		<u>\$ 35,790</u>
35						
36	December 31, 2015 Total (Ln 15 + Ln 32)					<u>\$ 40,486</u>
37						
38	13- Month Average Total (Ln 17 + Ln 34)					<u>\$ 35,790</u>

WKG STORAGE, INC.
 ACCUMULATED DEFERRED INCOME TAXES (1)
 TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description	Assets / (Liabilities) - Per		Adjustments (3)	Assets / (Liabilities) - Adjusted Balances
		Book Balances	(b)		
1	WKG Storage, Inc. Direct				
2		\$ -		\$ -	\$ -
3		-		-	-
4		-		-	-
5	CWIP	26,248		-	26,248
6		-		-	-
7	Fixed Asset Cost Adjustment	(1,262,726)		-	(1,262,726)
8	Depreciation Adjustment	(731,363)		-	(731,363)
9		-		-	-
10		-		-	-
11		-		-	-
12		-		-	-
13	Total WKG Storage Direct (Sum Ln 2 through Ln 11)	\$ (1,967,840)	\$ -	\$ -	\$ (1,967,840)
14					
15	SSU - General Office (Div 002):				
16	Directors Deferred Bonus	\$ 140,541	\$ -	\$ -	\$ 140,541
17	MIP / VPP Accrual	(1,944,142)		-	(1,944,142)
18	Miscellaneous Accrued	28,510		-	28,510
19	Self Insurance - Adjustment	2,386,432		-	2,386,432
20		-		-	-
21	Worker's Comp Insurance Reserve	68,217		-	68,217
22		-		-	-
23	SEBP Adjustment	25,132,565		-	25,132,565
24	Restricted Stock Grant Plan	6,917,886		-	6,917,886
25	Rabbi Trust	1,442,650		-	1,442,650
26		-		-	-
27	Restricted Stock - MIP	11,152,323		-	11,152,323
28	Director's Stock Awards	4,870,800		-	4,870,800
29		-		-	-
30	Pension Expense	(21,491,981)		-	(21,491,981)
31	FAS 106 Adjustment	8,711,975		-	8,711,975
32	CWIP	(2,150,230)		-	(2,150,230)
33	RWIP	(3,915)		-	(3,915)
34	Fixed Asset Cost Adjustment	(34,498,055)		-	(34,498,055)
35	Depreciation Adjustment	7,829,854		-	7,829,854
36	Section 481(a) Cushion Gas	549,284		-	549,284
37	Section 481(a) Line Pack Gas	66,648		-	66,648
38		-		-	-
39		-		-	-
40		-		-	-
41		-		-	-
42	Deferred Expense Projects	0		-	0
43	Allowance for Doubtful Accounts	2		-	2
44		-		-	-
45	Clearing Account - Adjustment	3,409		-	3,409
46	Charitable Contribution Carryover	11,424,357		-	11,424,357
47	Prepayments	(3,837,217)		-	(3,837,217)
48		-		-	-
49		-		-	-
50		-		-	-
51	Federal & State Tax Interest	271,005		-	271,005
52		-		-	-
53	VA Charitable Contributions	(10,286,479)		-	(10,286,479)
54		-		-	-
55		-		-	-
56	ST - State Net Operating Loss	-		-	-
57	ST - Enterprise Zone ITC	1,166,272		-	1,166,272
58	FD - Federal Benefit on State NOL	-		-	-
59	FD - NOL Credit Carryforward - Utility	554,535,985	(554,535,985)	-	-
60	FD - NOL Credit Carryforward - Non Reg	(223,040,174)		-	(223,040,174)
61	FD - NOL Credit Carryforward - Other	(8,887,801)		-	(8,887,801)
62	FD - FAS 115 Adjustment	(2,328,177)		-	(2,328,177)
63	FD - Treasury Lock Adjustment - Realized	10,670,379		-	10,670,379
64	FD - Treasury Lock Adjustment - Unrealized	37,647,022		-	37,647,022
65	FD - Federal Tax on Enterprise ITC	(408,195)		-	(408,195)
66	FD - AMT Minimum Tax Credit	10,099,286		-	10,099,286
67					
68	Total (Sum Ln 16 through Ln 66)	\$ 386,239,047	\$ (554,535,985)	\$ -	\$ (168,296,938)
69	Allocation Factor	0.13%	0.13%	-	0.13%
70	SSU General Office Allocated to WKG Storage (Ln 68 x Ln 69)	\$ 502,111	\$ (720,897)	\$ -	\$ (218,786)
71					
72	Grand Total WKG Storage ADIT (Ln 13 + Ln 70)	\$ (1,465,730)	\$ (720,897)	\$ -	\$ (2,186,626)

Notes:
 1. Includes FERC Accounts 190, 282 and 283
 2. Credit amounts are in parentheses.
 3. Adjustments are for those items not included in rate base for ratemaking purposes.

WKG STORAGE, INC.
 COMPONENTS OF RATE BASE- GROSS PLANT
 TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Reference	Per Book Amount	Adjustments (1)	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) * (g)
1	<u>WKG Storage, Inc. Direct</u>							
2	<u>Storage Plant</u>							
3	351.20	Compressor Station Structures		\$ 8,046	\$ -	\$ 8,046	100.00%	\$ 8,046
4	352.00	Wells		1,946,892	-	1,946,892	100.00%	1,946,892
5	352.03	Cusion Gas		4,840,000	-	4,840,000	100.00%	4,840,000
6	352.10	Storage Rights and Operating Leases		558,170	-	558,170	100.00%	558,170
7	353.00	Pipelines		918,990	-	918,990	100.00%	918,990
8	354.00	Compressor Station Equipment		1,617,225	-	1,617,225	100.00%	1,617,225
9	355.00	M&R Station Equipment		409,013	-	409,013	100.00%	409,013
10	356.00	Purification Equipment		367,294	-	367,294	100.00%	367,294
11		Total (Sum Ln 3 through Ln 10)		<u>\$ 10,665,630</u>	<u>\$ -</u>	<u>\$ 10,665,630</u>		<u>\$ 10,665,630</u>
12								
13	<u>Transmission Plant</u>							
14	365.20	Rights of Way		\$ 129,767	\$ -	\$ 129,767	100.00%	\$ 129,767
15	366.00	Structures & Improvements		9,872	-	9,872	100.00%	9,872
16	367.00	Mains		3,345,114	-	3,345,114	100.00%	3,345,114
17	369.00	M&R Station Equipment		461,395	-	461,395	100.00%	461,395
18		Total (Sum Ln 14 through Ln 17)		<u>\$ 3,946,149</u>	<u>\$ -</u>	<u>\$ 3,946,149</u>		<u>\$ 3,946,149</u>
19								
20	<u>Intangible Plant</u>							
21	301.00	Plant Organization		\$ 683	\$ -	\$ 683	100.00%	\$ 683
22								
23		Total WKG Storage Direct (Ln 11 + Ln 18 + Ln 21)		<u>\$ 14,612,461</u>	<u>\$ -</u>	<u>\$ 14,612,461</u>		<u>\$ 14,612,461</u>
24								

WKG STORAGE, INC.
 COMPONENTS OF RATE BASE- GROSS PLANT
 TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Reference	Per Book Amount	Adjustments (1)	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) * (g)
25	<u>SSU - General Office (Div 002):</u>							
26	<u>General Plant</u>							
27	390.00	Structures & Improvements		\$ 2,180,967	\$ -	\$ 2,180,967	0.13%	\$ 2,835
28	390.09	Improvements to Leased Premises		8,968,040	-	8,968,040	0.13%	11,658
29	391.00	Office Furniture & Equipment		10,476,421	-	10,476,421	0.13%	13,619
30	391.01	Office Furniture & Equipment		-	-	-	0.13%	-
31	391.02	Remittance Processing Equipment		-	-	-	0.13%	-
32	391.03	Office Furniture & Equipment		-	-	-	0.13%	-
33	392.00	Transportation Equipment		103,416	-	103,416	0.13%	134
34	393.00	Stores Equipment		-	-	-	0.13%	-
35	394.00	Tools & Work Equipment		411,276	-	411,276	0.13%	535
36	395.00	Laboratory Equipment		23,632	-	23,632	0.13%	31
37	397.00	Communication Equipment - Telephone		2,431,166	-	2,431,166	0.13%	3,161
38	398.00	Miscellaneous Equipment		814,832	-	814,832	0.13%	1,059
39	399.00	Other Tangible Property		168,103	-	168,103	0.13%	219
40	399.01	Other Tangible Property-Servers Hardware		31,577,360	-	31,577,360	0.13%	41,051
41	399.02	Other Tangible Property-Servers Software		18,136,963	-	18,136,963	0.13%	23,578
42	399.03	Other Tangible Property-Network-Hardware		3,276,588	-	3,276,588	0.13%	4,260
43	399.04	Other Tangible Property-CPU		-	-	-	0.13%	-
44	399.05	Other Tangible Property-MF Hardware		-	-	-	0.13%	-
45	399.06	Other Tangible Property-PC Hardware		2,338,177	-	2,338,177	0.13%	3,040
46	399.07	Other Tangible Property-PC Software		688,902	-	688,902	0.13%	896
47	399.08	Other Tangible Property-Application Software		83,232,308	-	83,232,308	0.13%	108,202
48	399.09	Other Tangible Property-System Software		982,650	-	982,650	0.13%	1,277
49	399.24	Other Tangible Property-GenStartupCost		-	-	-	0.13%	-
50		Total (Sum Ln 27 through Ln 49)		<u>\$ 165,810,802</u>	<u>\$ -</u>	<u>\$ 165,810,802</u>		<u>\$ 215,554</u>
51								
52	<u>SSU - General Office (Div 002):</u>							
53	<u>General Plant</u>							
54	Greenville Data Center (010.11520)							
55	390.05	G-Structures & Improvements		\$ 9,199,401	\$ -	\$ 9,199,401	0.023%	\$ 2,079
56	391.04	G-Office Furniture & Equip.		63,741	-	63,741	0.023%	14
57		Total (Sum of Ln 55 through Ln 56)		<u>\$ 9,263,141</u>	<u>\$ -</u>	<u>\$ 9,263,141</u>		<u>\$ 2,093</u>
58								

WKG STORAGE, INC.
 COMPONENTS OF RATE BASE- GROSS PLANT
 TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Reference	Per Book Amount	Adjustments (1)	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) * (g)
59	SSU - General Office (Div 002):							
60	General Plant							
61	Distribution and Marketing Projects							
62	390.29	Improvements to Leased Premises	\$	532	\$ -	\$ 532	0.24%	\$ 1
63	391.20	Office Furniture & Equipment		221,289	-	221,289	0.24%	531
64	394.20	Tools & Work Equipment		42,919	-	42,919	0.24%	103
65	397.20	Communication Equipment - Telephone		8,824	-	8,824	0.24%	21
66	398.20	Miscellaneous Equipment		7,388	-	7,388	0.24%	18
67	399.21	Other Tangible Property-Servers Hardware		1,628,900	-	1,628,900	0.24%	3,909
68	399.22	Other Tangible Property-Servers Software		961,256	-	961,256	0.24%	2,307
69	399.23	Other Tangible Property-Network-Hardware		37,965	-	37,965	0.24%	91
70	399.26	Other Tangible Property-PC Hardware		36,616	-	36,616	0.24%	88
71	399.28	Other Tangible Property-Application Software		18,735,344	-	18,735,344	0.24%	44,965
72		Total (Sum of Ln 62 through Ln 71)	\$	21,681,034	\$ -	\$ 21,681,034		\$ 52,034
73								
74		Total SSU General Office (Ln 50 + Ln 57 + Ln 72)	\$	196,754,978	\$ -	\$ 196,754,978		\$ 269,682
75								
76		Total WKG Storage Gross Plant (Ln 23 + Ln 74)						\$ 14,882,143

WKG STORAGE, INC.
 COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
 TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Reference	Amount Per Books	Adjustments (1)	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) * (g)
1	<u>WKG Storage, Inc. Direct</u>							
2	<u>Storage Plant</u>							
3	351.20	Compressor Station Structures		\$ 2,535	\$ -	\$ 2,535	100.00%	\$ 2,535
4	352.00	Wells		806,138	-	806,138	100.00%	806,138
5	352.03	Cusion Gas		-	-	-	100.00%	-
6	352.10	Storage Rights and Operating Leases		-	-	-	100.00%	-
7	353.00	Pipelines		465,668	-	465,668	100.00%	465,668
8	354.00	Compressor Station Equipment		837,153	-	837,153	100.00%	837,153
9	355.00	M&R Station Equipment		183,822	-	183,822	100.00%	183,822
10	356.00	Purification Equipment		152,931	-	152,931	100.00%	152,931
11		Total (Sum Ln 3 through Ln 10)		<u>\$ 2,448,248</u>	<u>\$ -</u>	<u>\$ 2,448,248</u>		<u>\$ 2,448,248</u>
12								
13	<u>Transmission Plant</u>							
14	365.20	Rights of Way		\$ 18,384	\$ -	\$ 18,384	100.00%	\$ 18,384
15	366.00	Structures & Improvements		3,702	-	3,702	100.00%	3,702
16	367.00	Mains		1,151,619	-	1,151,619	100.00%	1,151,619
17	369.00	M&R Station Equipment		182,378	-	182,378	100.00%	182,378
18		Total (Sum Ln 14 through Ln 17)		<u>\$ 1,356,083</u>	<u>\$ -</u>	<u>\$ 1,356,083</u>		<u>\$ 1,356,083</u>
19								
20	<u>Intangible Plant</u>							
21	301.00	Plant Organization		\$ -	\$ -	\$ -	100.00%	\$ -
22								
23		Total WKG Storage Direct (Ln 11 + Ln 18 + Ln 21)		<u>\$ 3,804,331</u>	<u>\$ -</u>	<u>\$ 3,804,331</u>		<u>\$ 3,804,331</u>
24								

WKG STORAGE, INC.
 COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
 TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Reference	Amount Per Books	Adjustments (1)	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) * (g)
25	<u>SSU - General Office (Div 002):</u>							
26	<u>General Plant</u>							
27	390.00	Structures & Improvements		\$ 281,897	\$ -	\$ 281,897	0.13%	\$ 366
28	390.09	Improvements to Leased Premises		8,969,588	-	8,969,588	0.13%	11,660
29	391.00	Office Furniture & Equipment		6,063,812	-	6,063,812	0.13%	7,883
30	391.01	Office Furniture & Equipment		-	-	-	0.13%	-
31	391.02	Remittance Processing Equipment		5,860	-	5,860	0.13%	8
32	391.03	Office Furniture & Equipment		2,888	-	2,888	0.13%	4
33	392.00	Transportation Equipment		82,262	-	82,262	0.13%	107
34	393.00	Stores Equipment		758	-	758	0.13%	1
35	394.00	Tools & Work Equipment		100,361	-	100,361	0.13%	130
36	395.00	Laboratory Equipment		8,868	-	8,868	0.13%	12
37	397.00	Communication Equipment - Telephone		1,299,617	-	1,299,617	0.13%	1,690
38	398.00	Miscellaneous Equipment		124,266	-	124,266	0.13%	162
39	399.00	Other Tangible Property		118,173	-	118,173	0.13%	154
40	399.01	Other Tangible Property-Servers Hardware		5,815,164	-	5,815,164	0.13%	7,560
41	399.02	Other Tangible Property-Servers Software		7,448,613	-	7,448,613	0.13%	9,683
42	399.03	Other Tangible Property-Network-Hardware		1,228,127	-	1,228,127	0.13%	1,597
43	399.04	Other Tangible Property-CPU		17,152	-	17,152	0.13%	22
44	399.05	Other Tangible Property-MF Hardware		15,410	-	15,410	0.13%	20
45	399.06	Other Tangible Property-PC Hardware		1,291,265	-	1,291,265	0.13%	1,679
46	399.07	Other Tangible Property-PC Software		522,454	-	522,454	0.13%	679
47	399.08	Other Tangible Property-Application Software		66,856,586	-	66,856,586	0.13%	86,914
48	399.09	Other Tangible Property-System Software		1,098,924	-	1,098,924	0.13%	1,429
49	399.24	Other Tangible Property-GenStartupCost		0	-	0	0.13%	0
50		Total (Sum Ln 27 through Ln 49)		\$ 101,352,046	\$ -	\$ 101,352,046		\$ 131,758
51								
52	<u>SSU - General Office (Div 002):</u>							
53	<u>General Plant</u>							
54		Greenville Data Center (010.11520)						
55	390.05	G-Structures & Improvements		\$ 4,140,094	\$ -	\$ 4,140,094	0.023%	\$ 936
56	391.04	G-Office Furniture & Equip.		10,500	-	10,500	0.023%	2
57		Total (Sum of Ln 55 through Ln 56)		\$ 4,150,593	\$ -	\$ 4,150,593		\$ 938
58								

WKG STORAGE, INC.
 COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
 TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Reference	Amount Per Books	Adjustments (1)	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) * (g)
59	<u>SSU - General Office (Div 002):</u>							
60	<u>General Plant</u>							
61	Distribution and Marketing Projects							
62	390.29	Improvements to Leased Premises		\$ 532	\$ -	\$ 532	0.24%	\$ 1
63	391.20	Office Furniture & Equipment		58,860	-	58,860	0.24%	141
64	394.20	Tools & Work Equipment		15,900	-	15,900	0.24%	38
65	397.20	Communication Equipment - Telephone		2,496	-	2,496	0.24%	6
66	398.20	Miscellaneous Equipment		249	-	249	0.24%	1
67	399.21	Other Tangible Property-Servers Hardware		399,768	-	399,768	0.24%	959
68	399.22	Other Tangible Property-Servers Software		120,141	-	120,141	0.24%	288
69	399.23	Other Tangible Property-Network-Hardware		23,827	-	23,827	0.24%	57
70	399.26	Other Tangible Property-PC Hardware		14,402	-	14,402	0.24%	35
71	399.28	Other Tangible Property-Application Software		13,035,739	-	13,035,739	0.24%	31,286
72		Total (Sum of Ln 62 through Ln 71)		<u>\$ 13,671,912</u>	<u>\$ -</u>	<u>\$ 13,671,912</u>		<u>\$ 32,813</u>
73								
74		Total SSU General Office (Ln 50 + Ln 57 + Ln 72)		<u>\$ 119,174,551</u>	<u>\$ -</u>	<u>\$ 119,174,551</u>		<u>\$ 165,508</u>
75								
76		Total WKG Storage Accumulated Depreciation (Ln 23 + Ln 74)						<u>\$ 3,969,839</u>

WKG STORAGE, INC.
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	FERC Acct	Description	Per Book Amount	Adjustments	Adjusted Amount
(a)	(b)		(c)	(d)	(e) = (c) + (d)
1	766	Maintenance of field measuring and regulating station equipment	\$ 2,197	\$ -	\$ 2,197
2	814	Operation Supervision and Engineering	8,967	-	8,967
3	816	Wells expenses	78,878	186,653	265,531
4	817	Lines expenses	4,632	-	4,632
5	818	Compressor station expenses	13,218	-	13,218
6	820	Storage-Measuring and regulating station expenses	6,259	-	6,259
7	821	Storage-Purification expenses	15,481	-	15,481
8	824	Storage-Other expenses	19,005	-	19,005
9	825	Storage well royalties	1,993	-	1,993
10	831	Maintenance of Structures and Improvements	238,108	(217,865)	20,243
11	835	Maintenance of measuring and regulating station equipment	(189)	-	(189)
12	841	Other storage expenses-Operation labor and expenses	25,225	(16,225)	9,000
13	842	Other storage-Rents	784	-	784
14	856	Transmission - Mains expenses	460	-	460
15	863	Transmission - Maintenance of mains	-	-	-
16	870	Operation Supervision and Engineering	303	-	303
17	874	Mains and Services Expenses	23,383	-	23,383
18	903	Customer Records and Collection Expenses	3,071	-	3,071
19	920	A&G - Administrative and General Salaries	190,314	-	190,314
20	921	Office Supplies and Expenses	679,465	(662,034)	17,431
21	922	Administrative Expenses Transferred - Credit	104,889	-	104,889
22	923	Outside Services Employed	583,910	(515,763)	68,147
23	924	Property Insurance	12,315	-	12,315
24	925	Injuries and Damages	130	-	130
25	926	Employee Pensions and Benefits	25,002	-	25,002
26	930.2	A&G - Miscellaneous General Expense	666	-	666
27	931	A&G - Rents	540	-	540
28					
29		Total Operation and Maintenance Expenses (Sum of Ln 1 through Ln 26)	\$ 2,039,003	\$ (1,225,234)	\$ 813,769

WKG STORAGE, INC.
Operation & Maintenance Expense Adjustments
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

CO #	Account	Account Description	Sub Account	Sub Account Description	AUG-15	SEP-15	OCT-15	NOV-15	DEC-15	TOTAL	Adjustment	Description
(a)	(b)	(c)	(d)	(e)	(a)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
233	8310	Storage-Maintenance of structures and improvements	02001	Inventory Materials	-	1,639	-	-	-	1,639		
233	8310	Storage-Maintenance of structures and improvements	06111	Contract Labor	1,030	15,646	-	24,750	190,115	231,541		
233	8310	Storage-Maintenance of structures and improvements	07590	Misc General Expense	-	1,928	3,000	-	-	4,928		
							(3,000)	(24,750)	(190,115)	(217,865)	(217,865)	Remove Costs associated with Barnsley project
					1,030	19,213	-	-	-	20,243		Remaining expenses
233	8410	Other storage expenses-Operation labor and expenses	06111	Contract Labor	-	-	-	-	16,225	16,225	(16,225)	Non-recurring charge (Barnsley project?)
233	9210	A&G-Office supplies & expense	07590	Misc General Expense	-	879,899	-	-	(217,865)	662,034	(662,034)	Accrual & Partial Reversal that should have been booked on Barnley + write-off of impaired asset

WKG STORAGE, INC.
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Proposed Rates	Proposed Depreciation Expense
	(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f)	(g) = (e) x (f) - (h)
1	<u>WKG Storage, Inc. Direct</u>						
2	<u>Storage Plant</u>						
3	351.20	Compressor Station Structures	\$ 8,046	\$ -	\$ 8,046	3.00%	\$ 241
4	352.00	Wells	1,946,892	-	1,946,892	4.86%	94,619
5	352.03	Cusion Gas	4,840,000	-	4,840,000	0.00%	-
6	352.10	Storage Rights and Operating Leases	558,170	-	558,170	0.00%	-
7	353.00	Pipelines	918,990	-	918,990	3.59%	32,992
8	354.00	Compressor Station Equipment	1,617,225	-	1,617,225	4.18%	67,600
9	355.00	M&R Station Equipment	409,013	-	409,013	4.04%	16,524
10	356.00	Purification Equipment	367,294	-	367,294	3.76%	13,810
11		Total (Sum Ln 3 through Ln 10)	<u>\$ 10,665,630</u>	<u>\$ -</u>	<u>\$ 10,665,630</u>		<u>\$ 225,786</u>
12							
13	<u>Transmission Plant</u>						
14	365.20	Rights of Way	\$ 129,767	\$ -	\$ 129,767	1.00%	\$ 1,298
15	366.00	Structures & Improvements	9,872	-	9,872	5.00%	494
16	367.00	Mains	3,345,114	-	3,345,114	2.43%	81,286
17	369.00	M&R Station Equipment	461,395	-	461,395	2.79%	12,873
18		Total (Sum Ln 14 through Ln 17)	<u>\$ 3,946,149</u>	<u>\$ -</u>	<u>\$ 3,946,149</u>		<u>\$ 95,950</u>
19							
20	<u>Intangible Plant</u>						
21	301.00	Plant Organization	\$ 683	\$ 683	\$ -	0.00%	\$ -
22							
23		Total WKG Storage Direct (Ln 11 + Ln 18 + Ln 21)	<u>\$ 14,612,461</u>	<u>\$ 683</u>	<u>\$ 14,611,779</u>		<u>\$ 321,737</u>
24							

WKG STORAGE, INC.
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Proposed Rates	Proposed Depreciation Expense
	(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f)	(g) = (e) x (f) - (h)
25	<u>SSU - General Office (Div 002):</u>						
26	<u>General Plant</u>						
27	390.00	Structures & Improvements	\$ 2,180,967	-	\$ 2,180,967	7.43%	\$ 162,046
28	390.09	Improvements to Leased Premises	8,968,040	8,968,040	-	7.43%	-
29	391.00	Office Furniture & Equipment	10,476,421	-	10,476,421	4.89%	512,297
30	391.01	Office Furniture & Equipment	-	-	-	4.89%	-
31	391.02	Remittance Processing Equipment	-	-	-	11.37%	-
32	391.03	Office Furniture & Equipment	-	-	-	2.22%	-
33	392.00	Transportation Equipment	103,416	-	103,416	28.96%	29,949
34	393.00	Stores Equipment	-	-	-	10.00%	-
35	394.00	Tools & Work Equipment	411,276	-	411,276	10.00%	41,128
36	395.00	Laboratory Equipment	23,632	-	23,632	10.00%	2,363
37	397.00	Communication Equipment - Telephone	2,431,166	-	2,431,166	7.12%	173,099
38	398.00	Miscellaneous Equipment	814,832	-	814,832	5.36%	43,675
39	399.00	Other Tangible Property	168,103	-	168,103	15.75%	26,476
40	399.01	Other Tangible Property-Servers Hardware	31,577,360	-	31,577,360	14.29%	4,512,405
41	399.02	Other Tangible Property-Servers Software	18,136,963	-	18,136,963	14.29%	2,591,772
42	399.03	Other Tangible Property-Network-Hardware	3,276,588	-	3,276,588	14.29%	468,224
43	399.04	Other Tangible Property-CPU	-	-	-	26.26%	-
44	399.05	Other Tangible Property-MF Hardware	-	-	-	15.76%	-
45	399.06	Other Tangible Property-PC Hardware	2,338,177	-	2,338,177	16.83%	393,515
46	399.07	Other Tangible Property-PC Software	688,902	-	688,902	17.73%	122,142
47	399.08	Other Tangible Property-Application Software	83,232,308	-	83,232,308	8.22%	6,841,696
48	399.09	Other Tangible Property-System Software	982,650	982,650	-	22.16%	-
49	399.24	Other Tangible Property-GenStartupCost	-	-	-	8.33%	-
50		Total (Sum Ln 27 through Ln 49)	\$ 165,810,802	\$ 9,950,691	\$ 155,860,112		\$ 15,920,788
51		Allocation Factor					0.13%
52		General Office Allocated to WKG Storage (Ln 50 x Ln 51)					\$ 20,697
53							
54	<u>SSU - General Office (Div 002):</u>						
55	<u>General Plant</u>						
56		Greenville Data Center (010.11520)					
57	390.05	G-Structures & Improvements	\$ 9,199,401	\$ -	\$ 9,199,401	7.43%	\$ 683,515
58	391.04	G-Office Furniture & Equip.	63,741	-	63,741	4.89%	3,117
59		Total (Sum of Ln 101 through Ln 102)	\$ 9,263,141	\$ -	\$ 9,263,141		\$ 686,632
60		Allocation Factor					0.023%
61		Greenville Data Center Allocated to WKG Storage (Ln 59 x Ln 60)					\$ 155
62							

WKG STORAGE, INC.
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Utility Account	Account Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Proposed Rates	Proposed Depreciation Expense
	(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f)	(g) = (e) x (f) - (h)
63	<u>SSU - General Office (Div 002):</u>						
64	<u>General Plant</u>						
65	Distribution and Marketing Projects						
66	390.29	Improvements to Leased Premises	\$ 532	\$ 532	\$ -	7.43%	\$ -
67	391.20	Office Furniture & Equipment	221,289	-	221,289	4.89%	10,821
68	394.20	Tools & Work Equipment	42,919	-	42,919	10.00%	4,292
69	397.20	Communication Equipment - Telephone	8,824	-	8,824	7.12%	628
70	398.20	Miscellaneous Equipment	7,388	-	7,388	5.36%	396
71	399.21	Other Tangible Property-Servers Hardware	1,628,900	-	1,628,900	14.29%	232,770
72	399.22	Other Tangible Property-Servers Software	961,256	-	961,256	14.29%	137,363
73	399.23	Other Tangible Property-Network-Hardware	37,965	-	37,965	14.29%	5,425
74	399.26	Other Tangible Property-PC Hardware	36,616	-	36,616	16.83%	6,163
75	399.28	Other Tangible Property-Application Software	18,735,344	-	18,735,344	8.22%	1,540,045
76		Total (Sum of Ln 66 through Ln 75)	\$ 21,681,034	\$ 532	\$ 21,680,502		\$ 1,937,904
77		Allocation Factor					
78		Distribution & Marketing Allocated to WKG Storage (Ln 76 x Ln 77)					\$ -
79							
80		Total SSU General Office (Ln 52 + Ln 61 + Ln 78)					\$ 20,852
81							
82		Total WKG Storage Depreciation Expense (Ln 23 + Ln 80)					\$ 342,589

WKG STORAGE, INC.
DEPRECIATION RATES
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Account	Description	Current Depr Rate
WKG Storage, Inc. Direct			
<u>Storage Plant</u>			
1	351.20	Compressor Station Structures	3.00%
2	352.00	Wells	4.86%
3	352.03	Cusion Gas	0.00%
4	352.10	Storage Rights and Operating Leases	0.00%
5	353.00	Pipelines	3.59%
6	354.00	Compressor Station Equipment	4.18%
7	355.00	M&R Station Equipment	4.04%
8	356.00	Purification Equipment	3.76%
9			
10	<u>Transmission Plant</u>		
11	365.20	Rights of Way	1.00%
12	366.00	Structures & Improvements	5.00%
13	367.00	Mains	2.43%
14	369.00	M&R Station Equipment	2.79%
15			
16	<u>Intangible Plant</u>		
17	301.00	Plant Organization	0.00%
18			
19	SSU - General Office (Div 002):		
20	<u>General Plant</u>		
21	390.00	Structures & Improvements	7.43%
22	390.09	Improvements to Leased Premises	7.43%
23	391.00	Office Furniture & Equipment	4.89%
24	391.01	Office Furniture & Equipment	4.89%
25	391.02	Remittance Processing Equipment	11.37%
26	391.03	Office Furniture & Equipment	2.22%
27	392.00	Transportation Equipment	28.96%
28	393.00	Stores Equipment	10.00%
29	394.00	Tools & Work Equipment	10.00%
30	395.00	Laboratory Equipment	10.00%
31	397.00	Communication Equipment - Telephone	7.12%
32	398.00	Miscellaneous Equipment	5.36%
33	399.00	Other Tangible Property	15.75%
34	399.01	Other Tangible Property-Servers Hardware	14.29%
35	399.02	Other Tangible Property-Servers Software	14.29%
36	399.03	Other Tangible Property-Network-Hardware	14.29%
37	399.04	Other Tangible Property-CPU	26.26%
38	399.05	Other Tangible Property-MF Hardware	15.76%
39	399.06	Other Tangible Property-PC Hardware	16.83%
40	399.07	Other Tangible Property-PC Software	17.73%
41	399.08	Other Tangible Property-Application Software	8.22%
42	399.09	Other Tangible Property-System Software	22.16%
43	399.24	Other Tangible Property-GenStartupCost	8.33%
44			
45	SSU - Greenville Data Center (Div 002):		
46	<u>General Plant</u>		
47	390.05	G-Structures & Improvements	7.43%
48	391.04	G-Office Furniture & Equip.	4.89%
49			
50	SSU - Distribution & Marketing (Div 002):		
51	<u>General Plant</u>		
52	390.29	Improvements to Leased Premises	7.43%
53	391.20	Office Furniture & Equipment	4.89%
54	394.20	Tools & Work Equipment	10.00%
55	397.20	Communication Equipment - Telephone	7.12%
56	398.20	Miscellaneous Equipment	5.36%
57	399.21	Other Tangible Property-Servers Hardware	14.29%
58	399.22	Other Tangible Property-Servers Software	14.29%
59	399.23	Other Tangible Property-Network-Hardware	14.29%
60	399.26	Other Tangible Property-PC Hardware	16.83%
61	399.28	Other Tangible Property-Application Software	8.22%

WKG STORAGE, INC.
TAXES OTHER THAN INCOME TAX - ACCOUNT 408.1
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description	Per Book Amount	Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d) = (b) + (c)
1	<u>Non Revenue - Related</u>			
2	Ad Valorem Tax	\$ 17,100	\$ -	\$ 17,100
3	Payroll Tax	45,517	-	45,517
4	Non Revenue - Related Taxes Allocated from Div 10	-	-	-
5	Non Revenue - Related Taxes Allocated from SSU	6,184	-	6,184
6	Total Non Revenue - Related (Sum Ln 2 through Ln 5)	<u>\$ 68,801</u>	<u>\$ -</u>	<u>\$ 68,801</u>

Note:

WKG STORAGE, INC.
TOTAL INCOME TAXES
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description		Test Period	Revenue Requirement
	(a)	(b)	(c)	(d)
1	Net Income before Interest and Income Taxes		\$244,841	\$694,240
2				
3	Interest Expense:			
4	Rate Base (Schedule B, Col (e), Ln 21)		10,078,765	9,016,107
5	Weighted Cost of Debt (1)		2.49%	2.49%
6	Total (Ln 4 x Ln 5)		250,659	224,231
7	Net Income before Income Taxes (Ln 1 + Ln 3 - Ln 5)		(5,818)	470,009
8				
9	Application of State Tax Rate (Ln 7 x 4.63%)	6.00%	(349)	28,201
10				
11	Net Income before Federal Tax (Ln 7 - Ln 9)		(5,469)	441,808
12				
13	Application of Federal Tax Rate (Ln 11 x 35%)	21.00%	(1,149)	92,780
14				
15	Total (Ln 9 + Ln 13)		<u>(\$1,498)</u>	<u>\$120,981</u>
16				
17	Composite Tax Rate	25.74%		178416

WKG STORAGE, INC.
SUMMARY OF RETURN
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description (a)	Proposed Rates (b)	Proposed Amounts (c)
1	<u>Net Operating Income/Return</u>		
2			
3	Cost of Debt (1)	5.31%	\$ 224,271
4	Cost of Equity (2)	9.80%	469,903
5			
6	Total Return on Invested Capital		<u>\$ 694,174</u>
7			
8	<u>Rate Base - Capitalization Structure (1)</u>		
9			
10	Debt	46.82%	\$ 4,221,179
11	Equity	53.18%	<u>4,794,928</u>
12			
13	Total Invested Capital		<u>\$ 9,016,107</u>
14			
15			
16	<u>Percent Return - After Tax</u>		
17	Cost of Debt	2.49%	
18	Return on Equity	<u>5.21%</u>	
19			
20	Percent Return - After Tax	<u><u>7.70%</u></u>	
21			
22	<u>Note:</u>		
23	1. Capital Structure and Cost of Debt are December 31, 2015 13 mo average book balances.		
24	2. Cost of Equity is per the Final Order of Docket No. 2013-00148.		

WKG STORAGE, INC.
SUMMARY OF REVENUE
TEST YEAR ENDING DECEMBER 31, 2015, as adjusted for TCJA

Line No.	Description	Per Books Revenue	Adjustment[1]	Tariff Revenue	Revenue Deficiency	Proposed Revenue
	(a)	(b)	(c)	(d)	(e)	(f)
1	January	122,500				
2	February	122,500				
3	March	122,500				
4	April	122,500				
5	May	122,500				
6	June	122,500				
7	July	122,500				
8	August	122,500				
9	September	122,500				
10	October	122,500				
11	November	122,500				
12	December	122,500				
13		<u>\$1,470,000</u>	<u>\$105,000</u>	<u>\$1,575,000</u>	<u>\$465,381</u>	<u>\$2,040,381</u>

14
15
16
17

18 **[1] Calculation of Revenue at Full Tariff Rates**

Line No.	TS-1 Rate	Working Capacity	Rate / Dth	Months	Annual Amount
20	Injection	1,750,000	\$0.15		262,500
21	Withdrawal	1,750,000	\$0.15		262,500
22					
23	S-1 Rate	1,750,000	0.05	12	1,050,000
24					
25	Revenue at full tariff rates				<u>\$1,575,000</u>

**Case No. 2018-00064
WKG Storage, Inc.
Staff DR Set No. 1
Question No. 1-02
Page 1 of 1**

REQUEST:

Refer to the Direct Testimony of Jennifer K. Story (Story Direct Testimony), page 10, lines 17-22.

- a. Provide estimates of the excess deferred liability and amortization for the fiscal year ended September 30, 2019, using the TCJA federal income tax rate of 21 percent.
- b. Provide a copy of this response in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

RESPONSE:

- a) The Company's fiscal year ended September 30, 2018 has just closed but amounts recorded to the financial statements are not yet available. The regulatory liability for excess deferred taxes as of the Company's third quarter, June 30, 2018, was estimated to be \$820,929. The estimated amortization period using the Reverse South Georgia Method ("RSGM") is 32 years. This results in amortization of \$25,654 per year. The Company will be able to provide the estimated regulatory liability calculated at September 30, 2018 in late November after it has filed its annual 10-Q.
- b) Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - WKG Storage, Inc., Staff _1-02_Att1 - WKG EDIT.xlsx, 1 Page.

Respondent: Jennifer Story

Atmos Energy Corporation
WKG Storage Regulatory Liability and P&L Analysis

Blended Deferred Rate Before Tax Reform 39.9985%
Blended Deferred Rate After Tax Reform 27.0751%

Code	Type of ADIT	Reg Liability Category	Name	Components of Re-Measured WKG Storage ADIT Balance						Components of Deferred Re-Measurement Change			
				WKG Storage ADIT 9/30/2017 Valued at 40%**	WKG Storage ADIT 9/30/2017 Revalued at 27.08%**	Difference Deferred Re- Measurement	WKG Storage Deferrals Not Included In Rate Base Re-Measured at 27.08% **	WKG Storage Deferrals Included In Rate Base Re-Measured at 27.08% **	Total WKG Storage Deferrals Re-Measured at 27.08% **	WKG Storage Deferred Re- Measurement Change Items Not Included in Rate Base = P&L Impact	West Texas Direct Deferred Re- Measurement Change Items Included In Rate Base = Excess Deferrals	Total Gross Up Recorded on WKG Storage	Total Regulatory Liability Recorded on WKG Storage
FXA01	Fed & State	Plant	Fixed Asset Cost Adjustment	(1,292,478)	(874,882)	417,596	0	(874,882)	(874,882)	0	417,596	155,042	572,638
FXA02	Fed & State	Plant	Depreciation Adjustment	(560,694)	(379,535)	181,159	0	(379,535)	(379,535)	0	181,159	67,259	248,418
FXA26	Fed & State	Plant	CWIP	288	195	(93)	0	195	195	0	(93)	(25)	(128)
Total				(1,852,884)	(1,254,223)	598,661	0	(1,254,223)	(1,254,223)	0	598,661	222,267	820,929
												Amortization Period	32
												Annual Amortization	25,654

**Case No. 2018-00064
WKG Storage, Inc.
Staff DR Set No. 1
Question No. 1-03
Page 1 of 1**

REQUEST:

Refer to the Story Testimony, page 11, lines 3-7 and page 12 lines 1-2.

- a. WKG Storage has estimated an excess deferred liability of \$820,929 and an estimated 32-year amortization period. WKG Storage states that it will have the actual amounts in October 2018 after its parent company file their consolidated federal income tax return. When available, provide the actual excess deferred liability and actual amortization period.
- b. Provide a copy of this response in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

RESPONSE:

- a) Although the Company will be able to refine its estimates once it has filed its 10-Q for the fiscal year ended September 30, 2018, the tax return for that time period will not be filed until July, 2019. It is only at that time that the Company will have final amounts for the EDIT liability and the amortization period.

The Company will supplement this response after it has filed its 10-Q in November, 2018.

- b) Not applicable.

Respondent: Jennifer Story

**Case No. 2018-00064
WKG Storage, Inc.
Staff DR Set No. 1
Question No. 1-04
Page 1 of 1**

REQUEST:

Refer to the Story Direct Testimony, page 11, lines 22-23 and continuing onto page 12, lines 1-2. Provide annual estimates of the amortization of the excess deferred income taxes.

RESPONSE:

Please see the Company's response to Staff DR No. 1-02 subpart (a).

Respondent: Jennifer Story