
Nicholas A. Stobbe

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File #: 189859

May 9, 2022

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Peoples Gas Company LLC's Petition for Approval to Distribute to Customers the Net Savings Associated with its Excess Accumulated Deferred Income Taxes for the January 1, 2018, to December 31, 2021, Period
Docket No. P-2022-3031235**

Dear Secretary Chiavetta:

Attached are the Responses to Nos. 1, 6, and 8 filed on behalf of Peoples Gas Company LLC to the Data Requests of the Bureau of Technical Utility Services in the above-referenced proceeding. Copies will be provided per the Certificate of Service.

Respectfully submitted,



Nicholas A. Stobbe

NAS/dmc
Attachments

cc: Marc Hoffer – TUS (via email - mhoffer@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL

Steven C. Gray, Esquire
Office of Small Business Advocate
Forum Place – 1st floor
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Patrick M. Cicero, Esquire
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Richard A. Kanaskie, Esquire
Bureau of Investigation &, Enforcement
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Email: rkanaskie@pa.gov

Date: May 9, 2022



Nicholas A. Stobbe

Docket No. P-2022-3031235
Peoples Gas Company LLC
Data Request

Respondent: Christine Saball

TUS - 1 Explain how the Company is currently complying with the Internal Revenue Service Private Letter Ruling at No. PLR-101961-21 (PLR) and how the Company had planned to comply with this PLR given its previous contention that excess accumulated deferred income tax (ADIT) should be addressed in the next base rate case.

Response: Overall, the Company's interpretation of the PLR is that it requires, if an adjustment outside of a base rate proceeding is made to refund ADIT to customers, that all normalization requirements affected by such refund must be considered, including the impact on rate base. The Company originally proposed to address this in its next base rate case as that was the surest way to ensure that all normalization aspects were addressed, thus reducing the risk of an IRS normalization violation. Although the Company still believes a base rate case proceeding is the best proceeding to address this issue, the Company felt compelled by the terms of the Order at Docket No. P-2021-3025898 to propose a refund that it believes is consistent with the normalization requirements, as explained in the PLR. By including the "Rate Base Offset," the Company believes it is complying with the PLR. However, it is important that any Order in this proceeding (Docket No. P-2022-3031235) should allow for subsequent revisions if a normalization violation was deemed to have occurred.

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TUS - 6 What other filings will the Company need to amend to ensure compliance with the PLR?

Response: The Company does not believe it is necessary to amend any other filings as a result of the PLR.

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TUS - 8 Provide any responses to the data request responses at Docket No. P-2021-3025898 that may need amended after the Company's analysis of the PLR.

Response: The Company does not believe it is necessary to amend any responses to the data requests at Docket No. P-2021-3025898 as result of the PLR.