
Nicholas A. Stobbe

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File #: 189859

May 10, 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. 2 and 3 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
555 Walnut Street
Harrisburg, PA 17101
Email: sgray@pa.gov

Patrick M. Cicero, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
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Richard A. Kanaskie, Esquire
Bureau of Investigation &, Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
Email: rkanaskie@pa.gov

Date: May 10, 2022



Nicholas A. Stobbe

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

Respondent: Christine Saball

TUS - 2 Provide a breakdown between (1) ADIT and (2) excess ADIT (broken down by protected and unprotected). Explain the amortization methodology and how many years remain on the amortization. Provide a detailed explanation, including any workpapers, as to how the monthly amortization of excess ADIT was determined, breaking down the protected and unprotected amounts as well as the net balance of the Excess ADIT beginning from the enactment of the TCJA.

Response: Please refer to the attachment for a breakdown of ADIT and Excess ADIT. Unprotected excess deferred income taxes for non-plant items were adjusted from 35% to 21% with a reduction to deferred income tax expense as of December 31, 2017. Protected and unprotected plant excess deferred income taxes are being amortized using the average rate assumption method. The amortization was then subsequently reclassified to a regulatory liability in order to be addressed in the next rate case. The source of this information (the “2018”, “2019”, “2020.1” “2020.2” and “2021” tabs) is Powertax system reports as the calculations are being completed within this system. Please note the “2020.1” tab is for the period of January 1, 2020 through March 15, 2020 prior to the acquisition of Company by Essential and the “2020.2” tab is for the period of March 15, 2020 through December 31, 2020 after the acquisition of the Company by Essential.

TUS - 3 Provide the accounting journal entries, including supporting workpapers, showing revaluation of the ADIT balances at December 31, 2017, from the prior rate to 21 percent. This should include any regulatory liabilities that were set up for excess deferred federal income taxes.

Response: Please refer to the attachment to TUS-2. The original journal entry would have been to debit the net deferred income tax liability and credit regulatory liability.

VERIFICATION
(Docket No. P-2022-3031235)

I, Christine Saball, on behalf of Peoples Gas Company LLC, hereby state that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 10, 2022

Christine Saball

(Signature)

Digitally signed by: Christine Saball
DN: CN = Christine Saball
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