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June 7, 2018

VIA: ELECTRONIC FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System; Docket No. 20180044-GU

Dear Ms. Stauffer:

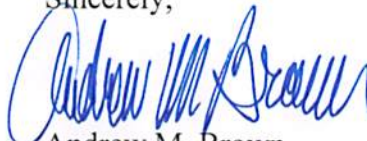
On May 31, 2018 Peoples Gas System submitted a Petition and Prepared Direct Testimony of various People Gas System witnesses in this matter. Document No. 3 of the Exhibit (VS-1) of People Gas System witness Valerie Strickland contained certain errors that we wish to correct via the attached corrected Document No. 3, marked Revised 6/7/18.

In the initial filing Peoples Gas System did not include the reclass associated with the column titled "True-Up Activity" to derive the total amount deferred at the tax rate prior to the Tax Cuts and Jobs Act ("TCJA"). The company has added a new column titled "Reclass" in the attached revised document, which includes that information. Also, the company has revised the column titled "After Tax Deferred Tax Liability" and "Rate". The "Rate" column now reflects the proper effective tax rate after the TCJA. This change does not affect the Excess Deferred Income Tax shown in the column titled "True-Up / Reclass Activity".

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We would appreciate your distributing the attached revised Document No. 3 to Ms. Strickland's Exhibit to the recipients of the initial filing so that they may substitute the revised version in place of the original.

Sincerely,



Andrew M. Brown

AB/plb
Attachment

cc: Parties of Record (w/attachment)

M Item	"Beginning Balance"	"True-Up Activity"	Gross Timing Difference	"DIT Beginning Balance"	"Current Activity"	"True-Up Activity"	Reclass	"True-Up Activity"	"Adjustment Activity"	After Tax Deferred Tax Liability	Rate	Normalization	Excess DIT
401K - PERFORMANCE MATCH	-8,879,987.00	8,879,987.00	0.00	-0.12	6,879.60	0.00	3,425,454.99	-1,174,822.28	-6,879.59	-0.04	0.00	Unprotected	0.0077
ABNORMAL RETIREMENTS	0.00	0.00	0.00	-3,425,454.99	-0.63	0.00	0.00	0.00	1,174,822.28	0.00	0.00	Unprotected	0
ACC DEF - ITC - PGS	2,291,486.68	0.00	0.00	0.00	29,988.19	0.00	0.00	-333,131.88	580,777.30	0.00	0.00	Unprotected	-0.1323
ACCUMULATED BONUS	4,775,964.90	0.00	0.00	1,842,328.47	-19,732.00	0.00	0.00	-612,128.16	1,210,468.31	0.00	0.25	Unprotected	-0.0077
ALTERNATIVE FUEL VEHICLE DEDUCTION	11,943,516.21	0.00	0.00	4,607,211.37	401,214.51	0.00	0.00	-1,981,394.70	3,027,084.18	0.00	0.25	Unprotected	-1,580,127.19
AMORT - CAPITALIZED CUST ASSIST COSTS	-1,419,951.00	0.00	0.00	-1,419,951.00	0.00	0.00	0.00	187,895.51	-359,886.59	0.00	0.25	Unprotected	187,895.51
AMORT - LH IMPROVE AND LAND RIGHTS	64,480,004.21	0.00	0.00	24,873,161.62	-67,889.84	0.00	0.00	-7,872,814.72	16,342,457.06	0.00	0.25	Unprotected	-8,530,704.56
AMORT - CAPUTIALIZED CUST ASSIST COSTS	71,69,624.96	0.00	0.00	2,765,682.83	-250,345.42	0.00	0.00	-698,195.97	1,817,141.44	0.00	0.25	Unprotected	-948,544.39
BAO DEBT	252,188.43	0.00	0.00	97,281.68	-24,974.05	0.00	0.00	-8,390.48	63,971.45	0.00	0.25	Unprotected	-33,364.53
CI - BS REPLACEMENT - C	-1,030,552.00	0.00	0.00	-397,535.43	362,491.43	0.00	0.00	-226,149.40	-261,193.40	0.00	0.25	Unprotected	136,342.03
CI - BS REPLACEMENT - C	58,928,358.26	-40,591,304.26	0.00	18,337,054.00	-267,340.58	0.00	-15,658,095.62	-7,528,881.22	4,647,526.33	0.00	0.25	Unprotected	-2,425,992.25
COMPETITIVE RATE ADJ - C	-2,885,478.39	0.00	0.00	-1,113,073.29	20,999.28	0.00	2,051,571.64	-703,623.92	703,623.92	0.00	0.00	Unprotected	381,748.80
CONSTRUCTION OVERHEAD CAPITALIZED (263A)	5,318,397.00	0.00	0.00	47,680.43	0.00	0.00	0.00	-6,308.12	12,084.60	0.00	0.25	Unprotected	-6,308.12
CONTRACTOR DAMAGE RESERVE	-78,237,000.85	253,849,976.85	0.00	175,612,976.00	-30,179,923.08	0.00	97,922,628.57	-33,584,351.94	44,509,108.76	0.00	0.25	Unprotected	-23,233,596.73
CURRENCY ADJ - UNREAL G/L	9,500,474.34	0.00	0.00	9,500,474.34	3,325,166.02	0.00	0.00	-1,330,066.41	1,995,099.61	0.00	0.00	Unprotected	-1,330,066.41
DEF SEP CO - EMERA FED NOL-UNPROTECTED	4,625,015.23	0.00	0.00	4,625,015.23	165,344.30	0.00	0.00	35,612.61	200,996.91	0.00	0.04	Unprotected	35,612.61
DEFERRED FL	-2,834,666.00	0.00	0.00	-2,834,666.00	-1,095,472.41	0.00	0.00	-718,446.10	-200,996.91	0.00	0.04	Unprotected	35,612.61
DEPRECIATION - BOOK	441,491,283.88	-1,381,224,892.88	0.00	939,730,609.00	170,305,262.76	0.00	-532,807,502.43	182,736,053.33	-52,344,542.88	-2,381,175,483.21	0.25	Protected	124,326,756.46
DEPRECIATION - BOOK TAX DIFF FED	-847,096,444.02	1,137,085,042.02	0.00	289,988,599.00	-296,483,755.41	0.00	397,979,764.71	-159,191,905.88	107,658,178.32	60,897,605.58	0.21	Protected	-40,598,403.71
DEPRECIATION - BOOK TAX DIFF STATE	-725,539,711.79	1,146,316,286.79	0.00	420,776,573.00	-25,938,044.77	0.00	-4,921,100.54	18,282,742.09	-633,226.58	3,239,979.61	0.04	Protected	3,239,979.61
ENERGY CONSERVATION REV - C	-2,498,428.00	0.00	0.00	-2,498,428.00	305,455.69	0.00	0.00	25,086.33	-633,226.58	0.00	0.25	Unprotected	330,542.02
ENVIRONMENTAL DISP COSTS NET - C	-2,643,027.32	0.00	0.00	-2,643,027.32	-1,019,547.78	0.00	0.00	712,606.83	-669,875.27	0.00	0.25	Unprotected	349,672.51
ENVIRONMENTAL DISP COSTS NET - NC	15,742,627.19	0.00	0.00	15,742,627.19	-15,216.49	0.00	0.00	-2,067,533.09	3,989,968.87	0.01	0.00	Unprotected	-2,067,533.09
FAS 106 - NC	825,877.00	0.00	0.00	825,877.00	-12,016.34	0.00	0.00	-97,237.19	209,318.53	0.00	0.25	Unprotected	-109,263.53
FAS 106 FAS 158 - C	825,877.00	0.00	0.00	825,877.00	-12,016.34	0.00	0.00	-97,237.19	209,318.53	0.00	0.25	Unprotected	-109,263.53
FAS 106 FAS 158 - C 283	-133,650.00	0.00	0.00	-123,650.00	-47,680.27	0.00	0.00	295,897.90	-31,334.02	0.00	0.25	Unprotected	16,358.25
FAS 106 FAS 158 - NC	123,650.00	0.00	0.00	123,650.00	279,381.65	0.00	0.00	-295,897.90	31,334.02	0.00	0.25	Unprotected	-16,358.25
FAS 106 FAS 158 - NC 283	3,049,962.00	0.00	0.00	3,049,962.00	-80,298.81	0.00	0.00	-323,211.16	775,012.87	0.00	0.25	Unprotected	-403,509.97
FAS 112	96,722.60	0.00	0.00	96,722.60	1,176,522.84	0.00	0.00	-12,796.40	24,514.34	0.00	0.25	Unprotected	-12,796.40
FAS 158 - MED PT D NC	-96,722.60	0.00	0.00	-96,722.60	-37,310.74	0.00	0.00	12,796.40	-24,514.34	0.00	0.25	Unprotected	12,796.40
FAS 158 - MED PT D NC 283	-16,807,003.67	0.00	0.00	-16,807,003.67	-6,483,301.66	0.00	0.00	1,940,367.13	-4,259,735.08	0.00	0.25	Unprotected	2,223,566.58
G/L - SALE OF ASSETS	-394,317.00	0.00	0.00	-394,317.00	283,199.45	0.00	0.00	394,317.00	-394,317.00	0.00	-1.00	Unprotected	0.00
GENERAL BUSINESS CREDIT	-763,334.84	0.00	0.00	-763,334.84	-294,456.41	0.00	0.00	156,361.60	100,989.19	0.00	0.25	Unprotected	100,989.19
HEDGES	-621,882.00	0.00	0.00	-621,882.00	-239,890.98	0.00	0.00	52,318.18	-157,615.99	0.00	0.25	Unprotected	82,274.99
INSURANCE RESERVE - C	2,777,927.00	0.00	0.00	2,777,927.00	1,071,585.35	0.00	0.00	-438,932.90	704,065.60	0.00	0.25	Unprotected	-367,519.75
INSURANCE RESERVE - NC	858,625.00	0.00	0.00	858,625.00	331,214.60	0.00	0.00	-43,495.88	217,618.51	0.00	0.25	Unprotected	-113,596.09
LEASE-PLANT	1,179,673.88	0.00	0.00	1,179,673.88	455,059.20	0.00	0.00	-37,900.14	298,988.34	0.00	0.25	Unprotected	-156,070.86
LONG TERM INCENTIVE	181,065.00	0.00	0.00	181,065.00	69,846.83	0.00	0.00	-227,796.12	45,890.93	0.00	0.25	Unprotected	-23,954.90
OCI FAS 133 - C	-181,065.00	0.00	0.00	-181,065.00	-203,841.22	0.00	0.00	227,796.12	-45,890.93	0.00	0.25	Unprotected	23,954.90
OCI FAS 133 - C 283	0.00	0.00	0.00	0.00	35,380.34	0.00	0.00	-35,380.34	0.00	0.00	0.00	Unprotected	0.00
OCI FAS 133 - NC	0.00	0.00	0.00	0.00	-35,380.34	0.00	0.00	35,380.34	0.00	0.00	0.00	Unprotected	0.00
OCI FAS 133 - NC 283	918,998.60	0.00	0.00	918,998.60	354,503.71	0.00	0.00	-178,017.48	232,920.20	0.00	0.25	Unprotected	-121,583.51
PENSION - NC	-22,276,366.22	0.00	0.00	-22,276,366.22	-37,850.37	0.00	0.00	2,985,013.62	-5,645,945.02	0.00	0.25	Unprotected	2,947,163.25
PENSION FAS 158 - NC	22,299,756.00	0.00	0.00	22,299,756.00	8,602,130.88	0.00	0.00	-3,668,716.44	5,651,873.16	0.00	0.25	Unprotected	-2,950,257.72
PENSION FAS 158 - NC 283	-22,299,756.00	0.00	0.00	-22,299,756.00	-718,458.72	0.00	0.00	3,668,716.44	-5,651,873.16	0.00	0.25	Unprotected	2,950,257.72

Peoples Gas System
TOTAL Deferred Taxes Balance Report
* 2017 Provision

Schedule M Items

Deferred Taxes

Summary Protected Grand Total

Current Law Proposed Rate
-0.01925 0.0077
0.0055 0
0.33075 0.19845
0.03575 0.04345
0.35 0.21
0.38575 0.25345
0.62800 0.339495

Net Fed & State Norm Gross Up
-0.1323
-0.28850618

MItem	"Beginning Balance"	"True-Up Activity"	Gross Timing Difference	"DIT Beginning Balance"	"Current Activity"	Reclass	"True-Up Activity"	"Adjustment Activity"	After Tax Deferred Tax Liability	Rate	Normalization	Excess DIT
RATE CASE EXPENSE - NC	0.08	0.00	0.00	0.03	0.00	0.00	0.00	-0.01	0.02	0.02	0.25 Unprotected	-0.01
REPAIRS CAPITALIZED ON BOOKS	-142,985,514.82	10,408,585.82	-132,576,929.00	-55,156,662.35	2,519,934.86	4,015,111.98	-1,377,055.90	16,397,046.76	-33,601,622.85	0.04	0.25 Unprotected	17,539,972.72
RESEARCH EXPENSE - C	0.16	0.00	0.00	0.07	0.00	0.00	0.00	-0.03	0.00	0.00	0.25 Unprotected	-0.03
RESEARCH EXPENSE - NC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unprotected	0.00
RESTORATION PLAN	41,592.00	0.00	0.00	16,044.11	-5,237.75	0.00	0.00	-264.87	10,541.49	0.04	0.25 Unprotected	-5,502.62
RESTORATION PLAN FAS 158 - NC	281,817.00	0.00	0.00	108,710.91	-36,007.70	0.00	0.00	-1,276.69	71,426.52	0.04	0.25 Unprotected	-37,284.39
RESTORATION PLAN FAS 158 - NC 283	-281,817.00	0.00	0.00	-108,710.91	36,007.70	0.00	0.00	1,276.69	-71,426.52	0.00	0.25 Unprotected	37,284.39
RETIREMENT OVERHEAD COSTS	1,917,294.00	1,917,294.00	0.00	-739,596.16	0.00	0.00	-253,658.00	253,658.00	0.00	0.00	0.00 Unprotected	0.00
SEC 263A INDIRECT COSTS	2,235,573.96	2,530,945.64	4,766,519.60	862,372.66	-19,641.53	976,312.28	-334,844.11	-276,124.91	1,208,074.39	0.04	0.25 Unprotected	-630,610.55
SEC 263A INTEREST CAP	20,987,130.13	-15,945,260.13	5,041,870.00	8,095,785.45	-57,978.22	-6,150,884.10	2,109,557.92	-2,718,619.09	1,277,861.96	0.04	0.25 Unprotected	-667,039.39
SERP - NC	899,342.42	0.00	0.00	346,921.34	-53,449.10	0.00	0.00	-65,933.90	227,938.34	0.04	0.25 Unprotected	-118,983.00
SERP FAS 158 - C	388,457.00	0.00	0.00	149,847.29	0.00	0.00	0.00	51,393.86	98,454.43	0.04	0.25 Unprotected	-51,393.86
SERP FAS 158 - C 283	-388,457.00	0.00	0.00	-149,847.29	0.00	0.00	0.00	-51,393.86	98,454.43	0.00	0.25 Unprotected	51,393.86
SERP FAS 158 - NC	1,219,014.00	0.00	0.00	470,234.65	64,868.00	0.00	0.00	-225,943.55	306,959.10	0.04	0.25 Unprotected	-161,275.55
SERP FAS 158 - NC 283	-1,219,014.00	0.00	0.00	-470,234.65	-64,868.00	0.00	0.00	225,943.55	-306,959.10	0.00	0.25 Unprotected	161,275.55
SOFTWARE DEVELOPED INTERNALLY	-9,462,526.00	0.00	-9,462,526.00	-3,650,169.40	0.00	0.00	0.00	-44,058.42	-2,398,277.21	0.04	0.25 Unprotected	1,251,892.19
STORM RESERVE	35,999.49	0.00	0.00	13,886.80	39,295.69	0.00	0.00	-44,058.42	9,124.07	0.04	0.25 Unprotected	-4,762.73
VACATION ACCRUAL	2,310,351.34	0.00	2,310,351.34	891,218.03	-8,631.02	0.00	0.00	-297,028.47	585,598.54	0.04	0.25 Unprotected	-305,659.49
WHOLE PRICING INTEREST COMPONENT	-1,833,177.00	0.00	-1,833,177.00	-707,148.03	-69,293.98	0.00	0.00	311,823.29	-464,618.72	0.04	0.25 Unprotected	242,529.31
WORKERS COMPENSATION - NC	528,155.00	0.00	528,155.00	203,735.80	-70,517.05	0.00	0.00	642.14	133,860.89	0.04	0.25 Unprotected	-69,874.91
	-1,218,373,505.20	1,128,545,057.85	-89,828,447.35	-187,176,954.41	7,317,712.08	-6,525,234.56	2,422,214.17	59,342,365.61	-124,619,897.11	0.04	0.25 Unprotected	69,082,291.86

Summary			
Row Labels	Original	Reclass	Revised
Protected	54,597,549.50	32,370,782.85	86,968,332.35
Unprotected	12,062,528.19	(29,948,568.68)	(17,886,040.49)
Grand Total	66,660,077.69	2,422,214.17	69,082,291.86