### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



September 11, 2017

**Advice Letter 1043** 

Justin Lee Brown Vice President/Regulatory Affairs Southwest Gas Corporation P O Box 98510 Las Vegas, NV 89193-8510

Subject: Establish the TMA in the Preliminary Statement of SWG's California Gas Tariff in Compliance with D.17-06-006

Dear Mr. Brown:

Advice Letter 1043 is effective as of July 14, 2017.

Sincerely,
Ledword Ramboph

Edward Randolph

Director, Energy Division

July 14, 2017

ATTN:

Tariff Unit, Energy Division

California Public Utilities Commission 505 Van Ness Avenue, Room 4005

San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)

Advice Letter No. 1043

Enclosed herewith is an original and one (1) copy of Southwest Gas Corporation's Advice Letter No. 1043, together with California Gas Tariff Sheet No. 45.9 and 45.10.

Sincerely,

Valerie J. Ontiveroz

Regulatory Manager/California

VJO:jjp **Enclosures** 



Advice Letter No. 1043

July 14, 2017

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas or Company) (U 905 G) tenders herewith for filing the following tariff sheets:

### California Gas Tariff

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Original Sheet No. 45.9	Preliminary Statement (Continued)	
Original Sheet No. 45.10	Preliminary Statement (Continued)	

## Purpose

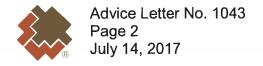
The purpose of this filing is to request approval to modify the Preliminary Statement of Southwest Gas' California Gas Tariff, to establish a Tax Memorandum Account (TMA), in accordance with Ordering Paragraph 3, in Decision (D.) 17-06-006.

## **Background**

On June 15, 2017, the Commission approved D.17-06-006, which grants Southwest Gas' petition to modify D.14-06-028, the Company's Test Year 2014 General Rate Case (GRC) decision. D.17-06-006 authorizes Southwest Gas to: 1) file its next GRC on September 1, 2019, with a 2021 test year; and 2) maintain its existing rate structure ordered in D.14-06-028, including the extension of its 2.75 percent Post-Test Year Attrition (PTYM) margin adjustments through 2020. Additionally, D.17-06-006 directs Southwest Gas to establish a TMA.

Pursuant to OP 3 in D.17-06-006:

Within 30 days of the effective date of this decision, Southwest Gas Company (Southwest Gas) shall file a Tier 2 advice letter to establish a Tax Memorandum Account and track Southwest Gas' income tax expenses, including repair deductions and bonus depreciation, and comply with the below directives:



## **Background** (Continued)

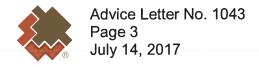
- (a) In the Tax Memorandum Account, Southwest Gas shall maintain separate line items detailing the differences between all authorized income tax expenses and all actually-incurred income tax expenses, resulting from (i) net revenue changes, (ii) mandatory tax law changes, tax accounting changes, tax procedural changes, or tax policy changes, and (iii) elective tax law changes, tax accounting changes, tax procedural changes, or tax policy changes;
- (b) Southwest Gas shall apply the following definition and formula in its Tax Memorandum Account ordered in this decision: (i) Authorized income tax expenses, as applied to the extended general rate case (GRC) period, means the income tax expenses authorized for 2019 and 2020 as a result of this decision; (ii) The authorized income tax expenses for 2019 and 2020 shall be calculated by first escalating the 2014 tax expenses authorized in Decision 14-06-028 by the Post Test Year Mechanism (PTYM) annual adjustments authorized from 2015 through 2018 and then annually escalating the 2.75 percent annual PTYM adjustments through to 2019 and 2020; and (iii) Southwest Gas shall demonstrate, in its advice letter establishing this Tax Memorandum Account, how the authorized tax expenses were calculated by escalating the amount from 2015 through 2020 and how the authorized revenue requirement relating to income tax expenses were calculated for 2019 and 2020; and
- (c) Southwest Gas shall actively maintain and keep open the Tax Memorandum Account and its balances to be reviewed in every subsequent GRC proceeding until a Commission decision closes the account.

In accordance with the above OP, Southwest Gas modifies its Preliminary Statement to incorporate the TMA. The attached schedule demonstrates Southwest Gas calculation of its authorized income tax expenses for 2019 and 2020.

This Advice Letter will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

### **Effective Date**

In accordance with OP 3 in D.17-06-006, this Advice Letter is classified as Tier 2 (Effective after Energy Division Approval) and subject to Energy Division disposition pursuant General Order (GO) 96-B. Therefore, Southwest Gas respectfully requests that this Advice Letter be made effective August 13, 2017, which is 30 days from the date filed.



## **Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. The protest must be sent no later than 20 days after the date of this Advice Letter filing and shall be sent by letter via U.S. Mail, facsimile, or electronically emailed. The address for mailing or delivering a protest to the Commission is:

Energy Division
California Public Utilities Commission
Attention: Investigation, Monitoring & Compliance Program Manager

505 Van Ness Avenue, Room 4002 San Francisco, CA 94102

E-mail: edtariffunit@cpuc.ca.gov

Facsimile: 415-703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004, at the same address as above and mailed or faxed to:

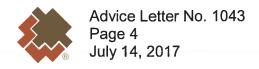
Mr. Justin Lee Brown Vice President/Regulation & Public Affairs Southwest Gas Corporation P.O. Box 98510 Las Vegas, Nevada 89193-8510 Facsimile: 702-364-3452

### **Notice**

Southwest Gas believes it is exempt from the notice requirements set forth in GO 96-B, General Rule 4.2, since the tariff revisions proposed herein are being filed in compliance with D.17-06-006, and do not request higher rates or charges, or more restrictive terms or conditions, than what is currently in effect.

### **Service**

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is mailing copies of this Advice Letter and related tariff sheets to the utilities and interested parties shown on the attached list.



## Service (Continued)

Communications regarding this filing should be directed to:

Valerie J. Ontiveroz Regulatory Manager/California Southwest Gas Corporation P.O. Box 98510 Las Vegas, NV 89193-8510

Telephone: 702-876-7323

E-mail: valerie.ontiveroz@swgas.com

Respectfully submitted,

SOUTHWEST GAS CORPORATION

Ву:

Justin Lee Brown

Attachments

## **Distribution List**

Advice Letter No. 1043

In Conformance with General Order 96-B, General Rule 4.3

The following individual has been served by regular, first-class mail:

Elizabeth Echols, Director Office of Ratepayer Advocates California Public Utilities Commission 505 Van Ness Avenue, 4<sup>th</sup> Floor San Francisco, CA 94105

The following individuals or entities have been served by electronic mail (e-mail):

Pacific Gas & Electric Company PG&ETariffs@pge.com

Southern California Gas Company ROrtiz@SempraUtilities.com

San Diego Gas & Electric Company <a href="mailto:SDG&ETariffs@SempraUtilities.com">SDG&ETariffs@SempraUtilities.com</a>

Robert M. Pocta Office of Ratepayer Advocates California Public Utilities Commission rmp@cpuc.ca.gov

Nathaniel Skinner Office of Ratepayer Advocates California Public Utilities Commission nws@cpuc.ca.gov

Pearlie Sabino
Office of Ratepayer Advocates
California Public Utilities Commission
pzs@cpuc.ca.gov

## CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)											
Company name/CPUC Utility No. Southwest Gas Corporation (U 905G)											
Utility type:	Contact Person: Valerie J. Ontiveroz										
□ ELC ■ GAS	Phone #: (702) 876	<u>-7323</u>									
☐ PLC ☐ HEAT ☐ WATER E-mail: <u>valerie.ontiveroz@swgas.com</u>											
EXPLANATION OF UTILITY TY	PE.	(Date Filed/ Received Stamp by CPUC)									
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water											
Advice Letter (AL) #: 1043											
Subject of AL: Establish the TMA in the Preliminary Statement of Southwest Gas' California Gas Tariff in compliance with D.17-06-006.											
Keywords (choose from CPUC listing): I	Memorandum Accou	<u>unt</u>									
AL filing type: ☐ Monthly ☐ Quarterly ☐	] Annual ■ One-Time	e 🗆 Other									
If AL filed in compliance with a Commiss	sion order, indicate re	elevant Decision/Resolution #:									
Decision 17-06-006											
Does AL replace a withdrawn or rejected	d AL? If so, identify th	ne prior AL <u>Not applicable</u>									
Summarize differences between the AL	and the prior withdra	wn or rejected AL¹: <u>Not applicable</u>									
Resolution Required? ☐ Yes ■ No											
Requested effective date: July 14, 2017	<u>,</u>	No. of tariff sheets: 2									
Estimated system annual revenue effect	t: (%): <u>Not applicable</u>	2									
Estimated system average rate effect (%	6): Not applicable										
When rates are affected by AL, include (residential, small commercial, large C/I		wing average rate effects on customer classes ).									
Tariff schedules affected: Not applical	<u>ole</u>										
Service affected and changes proposed	1:See 'Subject of AL	<u>.' above</u>									
Pending advice letters that revise the sa	me tariff sheets: Not	<u>applicable</u>									
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:											
CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Ave., San Francisco, CA 94102 E-mail: edtariffunit@cpuc.ca.gov		Utility Info (including e-mail) Mr. Justin Lee Brown, Vice-President/Regulation & Public Affairs Southwest Gas Corporation P. O. Box 98510 Las Vegas, NV 89193-8510 E-mail: justin.brown@swgas.com Facsimile: 702-364-3452									

<sup>&</sup>lt;sup>1</sup> Discuss in AL if more space is needed.

Canceling

Original Cal. P.U.C. Sheet No. \_ 45.9 Cal. P.U.C. Sheet No.

PRELIMINARY STATEMENT (Continued)

## 29. TAX MEMORANDUM ACCOUNT (TMA)

## 29A. PURPOSE

The purpose of the TMA is to track any revenue difference resulting from differences between the Company's authorized income tax expenses and its actually-incurred income tax expenses, including repair deductions and bonus depreciation. The account shall have separate line items detailing the differences resulting from (1) net revenue changes, (2) mandatory tax law changes, tax accounting changes, tax procedural changes, tax policy changes, and (3) elective tax law changes, tax accounting changes, tax procedural changes, or tax policy changes. The TMA is established in accordance with Decision (D.) 17-06-006.

Pursuant to D. 17-06-006, authorized income tax expenses for 2019 and 2020, shall be calculated by first escalating the 2014 tax expenses authorized in D.14-06-028 by the post-test year margin (PTYM) annual adjustments authorized from 2015 through 2018 and then annually escalating the 2.75 percent annual PTYM adjustments through 2019 and 2020. The Company's calculated authorized income tax expenses for 2019 and 2020 are \$11,479,459 and \$11,795,144, respectively.

#### 29B. TRACKING PROCEDURES

The Company shall maintain the TMA by separately tracking the calendar year difference between authorized income tax expenses and actually-incurred income tax expenses. The TMA shall include separate line items detailing the differences resulting from:

- 1. Net revenue changes,
- 2. Mandatory tax law changes, tax accounting changes, tax procedural changes, or tax policy changes, and
- 3. Elective tax law changes, tax accounting changes, tax procedural changes, or tax policy changes.

Interest on the tracked balance will be calculated as set forth in Section 12B of this Preliminary Statement.

Date Filed \_\_\_\_\_ July 14, 2017 Issued by Advice Letter No. \_\_\_\_\_1043 July 14, 2017 Justin Lee Brown Effective Decision No. Vice President Resolution No.

California Gas Tariff

Canceling

Original

Cal. P.U.C. Sheet No. <u>45.10</u> Cal. P.U.C. Sheet No.

**PRELIMINARY STATEMENT** (Continued)

## 29. TAX MEMORANDUM ACCOUNT (TMA)

## 29C. DISPOSITION

The TMA shall be reviewed in the Company's GRC proceedings until a Commission decision closes the account. Amounts tracked in the TMA may be recovered or refunded in rates only after a request by the Company and approval by the Commission.

### 29D. REPORTING

The Company will timely notify the Commission of any tax-related changes, including tax-related accounting changes, or tax-related procedural changes that materially affect, or may materially affect, revenues and any revenue differences if applicable. A "material affect" means a potential increase or decrease of \$3 million or more to the Company's California jurisdictions.

N

Advice Letter No. \_\_\_\_\_1043 Decision No.

Issued by Justin Lee Brown Vice President

Date Filed July 14, 2017 July 14, 2017 Effective Resolution No.

# SOUTHWEST GAS CORPORATION INCOME TAX EXPENSES 2019 and 2020

Line No.	Description		2019		2020	Line No.
	(a)		(b)		(c)	
	Southern California					
1	State Income Taxes	\$	1,504,801	\$	1,546,183	1
2	Federal Income Taxes		5,919,316		6,082,098	2
3	Income Tax Total	\$ _	7,424,117	\$	7,628,280	3
	Northern California					
4	State Income Taxes	\$	640,790	\$	658,412	4
5	Federal Income Taxes		2,303,861		2,367,217	5
6	Income Tax Total	\$ _	2,944,651	\$	3,025,629	6
	South Lake Tahoe					
7	State Income Taxes	\$	240,969	\$	247,595	7
8	Federal Income Taxes		869,722		893,639	8
9	Income Tax Total	\$ _	1,110,690	\$	1,141,234	9
10	Income Taxes Total	\$ =	11,479,459	\$_	11,795,144	10

## SOUTHWEST GAS CORPORATION SOUTHERN CALIFORNIA AUTHORIZED RESULTS OF OPERATIONS TEST YEAR 2014 AND ATTRITION YEARS 2015 THROUGH 2020

Line No.	Description		2014		2015		2016*		2017*	2018		2019		2020	Line No.
	(a)		(b)	_	(c)		(d)		(e)	(f)	-	(g)		(h)	
1	Base Margin Attrition Rate				2.75%		2.75%		2.75%	2.75%		2.75%		2.75%	1
2	Attrition Rate Applied to Cost of Service				2.75%		5.39%		3.00%	2.75%		2.75%		2.75%	2
	Margin														
	Automatic Trigger Mechanism (ATM)														
3	Cost of Capital Adjustment		n/a		-		-		-	-		-		-	3
4	Base Margin	\$	63,747,104 \$	5	65,500,149	\$	67,301,403 \$	;	70,928,030 \$	73,059,780	\$	75,068,924	\$	77,133,319	4
5	PIMA - Victor Valley Transmission Sys.		-		-		1,728,309		176,379	-		-		-	5
6	Special Contracts No Escalator		22,379	_	22,379		22,379	_	22,379	22,379	_	22,379	_	22,379	6
7	Adjusted Margin	\$	63,769,483 \$	β <u> </u>	65,522,528	\$	69,052,091 \$	<u> </u>	71,126,788 \$	73,082,159	\$ _	75,091,303	\$_	77,155,698	7
	Operating Expenses	_				_					_		_		
8	Other Gas Supply	\$	175,163 \$	5	179,980	\$	184,930 \$	,	190,015 \$	195,241	\$	200,610	\$	206,127	8
9	Storage		-		•		-		-	-		-		-	9
10	Transmission						-							·	10
11	Distribution		14,751,791		15,157,466		15,574,296		16,002,589	16,442,660		16,894,833		17,359,441	11
12	Customer Accounts		5,120,419		5,261,231		5,405,915		5,554,577	5,707,328		5,864,280		6,025,547	12
13	Customer Service & Information		188,689		193,878		199,210		204,688	210,317		216,101		222,043	13
14	Sales	٠.		. –		٠, ٠		_		-				-	14
15	Total O&M	2	20,236,063 \$	b	20,792,555	5	21,364,350 \$	•	21,951,869 \$	22,555,546	\$	23,175,823	\$	23,813,159	15
16 17	Administrative & General Total O&M and A&G	φ.	11,361,717		11,674,164	٠, ٠	12,014,864	_	12,347,282	12,686,832	<u> </u>	13,035,720		13,394,202	16
18		\$	31,597,779 \$	Þ	32,466,718	Ф	33,379,214 \$	•	34,299,151 \$	35,242,378	Ф	36,211,543	Ф	37,207,361	17
19	Depreciation & Amortization Regulatory Amortizations		12,135,936 79.019		12,469,674 81,192		13,141,490 83,425		13,536,486 85,719	13,908,740 88.076		14,291,230 90,498		14,684,239 92,987	18 19
20	Other Taxes (Property & Payroll)		3,070,886		3,155,335		3,379,717		3,486,719	3.582.604		3.681.126		3.782.357	20
21	State Income Taxes		1,313,923		1,350,056		1,387,182		1,425,330	1,464,526		1,504,801		1,546,183	20
22	Federal Income Taxes		4,695,560		4,824,688		5,412,367		5,606,707	5,760,892		5,919,316		6,082,098	22
23	Total Operating Expenses	e -	52,893,104 \$	. –	54,347,664	e -	56,783,396 \$	_	58,440,113 \$	60,047,216	e -	61,698,515	e –	63,395,224	23
20	Total Operating Expenses	Ψ.	32,033,104 0	' -	34,347,004	٠.	30,703,3 <del>3</del> 0 \$	<u> </u>	J0,440,113 Ø	00,047,210	۳-	01,080,515	<b>9</b> –	05,555,224	23
24	Regulatory Net Income (Loss)	\$	10,876,379 \$	5	11,174,864	\$	12,268,696 \$		12,686,674 \$	13,034,943	\$	13,392,788	\$	13,760,474	24
25	Authorized Regulatory Rate Base	\$	159.277.207 \$	5	163,657,330	\$	179.657.907 \$		185,773,499 \$	190.882.270	\$	196,131,533	\$	201.525.150	25
26	Rate of Return on Regulatory Rate Base	·	6.83%		6.83%	•	6.83%		6.83%	6.83%	•	6.83%		6.83%	26

<sup>\*</sup> Includes amounts related to the Company's Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan, authorized in (D.)13-10-024.

# SOUTHWEST GAS CORPORATION NORTHERN CALIFORNIA AUTHORIZED RESULTS OF OPERATIONS TEST YEAR 2014 AND ATTRITION YEARS 2015 THROUGH 2020

Line No.	Description		2014		2015		2016*		2047*	2048		2019		2020	Line
140.	Description			-		_	2016*		2017*	2018			-	2020	No.
	(a)		(b)		(c)		(d)		(e)	(f)		(g)		(h)	
1	Base Margin Attrition Rate				2.75%		2.75%		2.75%	2.75%		2.75%		2.75%	1
2	Attrition Rate Applied to Cost of Service				2.75%		2.75%		2.75%	2.75%		2.75%		2.75%	2
	Margin														
3	ATM Cost of Capital Adjustment		n/a		n/a		_		_			_		_	3
4	Base Margin	\$	17.669.250	s	18,155,154	\$	18,654,421	\$	19,167,418 \$	19 694 522	æ	20.236,121	\$	20.792.614	4
5	Adjusted Margin	\$ _	17,669,250	٠.	18,155,154		18,654,421		19,167,418		- ' -	<u>`</u>		20,792,614	5
	Operating Expenses														
6	Other Gas Supply	\$	31,636	\$	32,506	S	33,400	s	34,319 \$	35,263	\$	36,232	\$	37,229	6
7	Storage		-	_	-	•	-	_	,		•		•	-	7
8	Transmission		_		_		-		-	_		_		-	8
9	Distribution		2.012.052		2.067.383		2,124,236		2,182,653	2,242,676		2.304.349		2.367.719	9
10	Customer Accounts		864,918		888,703		913,143		938,254	964,056		990,568		1,017,808	10
11	Customer Service & Information		34,079		35,017		35,979		36,969	37,986		39,030		40,103	11
12	Sales		-		-		-		-	-		-		-	12
13	Total O&M	\$ -	2,942,686	\$ -	3.023.609	s –	3.106.759	`s	3,192,195 \$	3,279,980	-s-	3.370.179	·s -	3,462,859	13
14	Administrative & General		2,090,662		2,148,155		2,207,229		2.267.928	2.330.296		2,394,379		2,460,225	14
15	Total O&M and A&G	\$ -	5,033,347	\$ -	5,171,765	s <sup>–</sup>	5,313,988	`s	5,460,123 \$	5.610,276	`s	5.764,559	`s <sup>-</sup>	5,923,084	15
16	Depreciation & Amortization		3,608,222		3,707,448		3,809,403		3,914,161	4,021,801		4,132,400		4,246,041	16
17	Regulatory Amortizations		14,596		14,997		15,410		15,833	16,269		16,716		17,176	17
18	Other Taxes (Property & Payroll)		908,655		933,643		959,318		985,699	1,012,806		1,040,658		1,069,276	18
19	State Income Taxes		559,509		574,895		590,705		606,949	623,640		640,790		658,412	19
20	Federal Income Taxes		2,011,625		2,066,945		2,123,786		2,182,190	2,242,200		2,303,861		2,367,217	20
21	Total Operating Expenses	\$ _	12,135,954	\$ [	12,469,692	\$ _	12,812,609	\$	13,164,956 \$	13,526,992	\$	13,898,984	\$_	14,281,206	21
22	Regulatory Net Income (Loss)	\$	5,533,296	\$	5,685,462	\$	5,841,812	\$	6,002,462 \$	6,167,530	\$	6,337,137	\$	6,511,408	22
23	Authorized Regulatory Rate Base	\$	67,619,754	\$	69,479,297	\$	71,389,978	\$	73,353,203 \$	75,370,416	\$	77,443,102	\$	79,572,787	23
24	Rate of Return on Regulatory Rate Base		8.18%		8.18%		8.18%		8.18%	8.18%		8.18%		8.18%	24

# SOUTHWEST GAS CORPORATION SOUTH LAKE TAHOE AUTHORIZED RESULTS OF OPERATIONS TEST YEAR 2014 AND ATTRITION YEARS 2015 THROUGH 2020

Line										T 1777.TI					Line
No.	Description		2014	_	2015	_	2016*	_	2017*	2018		2019		2020	No.
	(a)		(b)		(c)		(d)		(e)	(f)		(g)		(h)	
1	Base Margin Attrition Rate				2.75%		2.75%		2.75%	2.75%		2.75%		2.75%	1
2	Attrition Rate Applied to Cost of Service				2.75%		2.75%		2.75%	2.75%		2.75%		2.75%	2
	Margin														
3	ATM Cost of Capital Adjustment		n/a		n/a		-		_	_		_		_	3
4	Base Margin	\$	8,826,018 \$	8	9.068.733	\$	9,318,124	S	9,574,372 \$	9,837,667	\$	10,108,203	\$	10 386 179	4
5	Adjusted Margin	\$ _	8,826,018	_	9,068,733		9,318,124		9,574,372 \$	9,837,667		10,108,203			5
	Operating Expenses														
6	Other Gas Supply	\$	24,425 \$	8	25.097 \$	s	25.787	8	26,496 \$	27,225	\$	27,974	\$	28,743	6
7	Storage	•				•	-	•		- , ,	*		•	20,7 10	7
8	Transmission		_		_		-		-	_		_		_	8
9	Distribution		2,447,140		2,514,436		2,583,583		2,654,632	2,727,634		2.802.644		2.879.717	9
10	Customer Accounts		568,482		584,115		600,178		616,683	633,642		651,067		668,971	10
11	Customer Service & Information		26,311		27,035		27,778		28,542	29,327		30,134		30,962	11
12	Sales		-		-							-		-	12
13	Total O&M	\$ -	3,066,358 \$	<sub>6</sub> –	3,150,683	s –	3.237.327 9	5 -	3.326.353 \$	3.417.828	\$	3,511,818	·s -	3,608,393	13
14	Administrative & General		1,082,218		1,111,979	•	1,142,558	•	1,173,978	1,206,263	•	1,239,435	•	1,273,519	14
15	Total O&M and A&G	\$ -	4,148,576 \$	<sub>6</sub> -	4,262,662 \$	s <sup>-</sup>	4,379,885	5 -	4,500,332 \$	4,624,091	\$	4,751,253	`s <sup>-</sup>	4,881,913	15
16	Depreciation & Amortization		1,264,248		1,299,015		1,334,738		1,371,443	1,409,158		1,447,910	-	1,487,727	16
17	Regulatory Amortizations		8,130		8,354		8,584		8,820	9,062		9,311		9,567	17
18	Other Taxes (Property & Payroll)		357,726		367,564		377,672		388,058	398,729		409,694		420,961	18
19	State Income Taxes		210,403		216,189		222,134		228,243	234,519		240,969		247,595	19
20	Federal Income Taxes		759,401		780,285		801,743		823,790	846,445		869,722		893,639	20
21	Total Operating Expenses	\$ _	6,748,484 \$	5 _	6,934,068 \$	\$ _	7,124,754	§ _	7,320,685 \$	7,522,004	\$	7,728,859	\$	7,941,403	21
22	Regulatory Net Income (Loss)	\$	2,077,534 \$	5	2,134,666 \$	\$	2,193,369	5	2,253,687 \$	2,315,663	\$	2,379,344	\$	2,444,776	22
23	Authorized Regulatory Rate Base	\$	25,388,780 \$	5	26,086,971 \$	5	26,804,363 \$	5	27,541,483 \$	28,298,873	\$	29,077,092	\$	29,876,712	23
24	Rate of Return on Regulatory Rate Base		8.18%		8.18%		8.18%		8.18%	8.18%		8.18%		8.18%	24