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Mailing Address:  
P.O. Box 5601  
Bismarck, ND 58506-5601  
(701) 530-1600

September 24, 2020

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street NE, Room 1A  
Washington, D.C. 20426

Re: Letter Order Pursuant to § 375.307  
WBI Energy Transmission, Inc.  
Docket No. CP20-52-000 and CP20-52-001  
North Bakken Expansion Project

Dear Ms. Bose:

WBI Energy Transmission, Inc. (WBI Energy), herewith submits its response to an OEMR data request from the Federal Energy Regulatory Commission (Commission) staff on September 17, 2020, in the above referenced docket.

WBI Energy states that the responses provided herein were prepared by WBI Energy and represent the responses of WBI Energy and not the individual preparer. Pursuant to 18 CFR § 385.2010 of the Commission's regulations, copies of this response are being served to each person whose name appears on the official service list for this proceeding.

Any questions regarding this filing should be addressed to the undersigned at (701) 530-1563.

Sincerely,

/s/ Lori Myerchin

Lori Myerchin  
Director, Regulatory Affairs &  
Transportation Services

Attachment

Courtesy Copies: via email  
Official Service List  
Alex Schroeder, FERC

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 24th day of September 2020.

By /s/ Lori Myerchin  
Lori Myerchin  
Director, Regulatory Affairs &  
Transportation Services  
WBI Energy Transmission, Inc.  
1250 West Century Avenue  
Bismarck, ND 58503  
Telephone: (701) 530-1563

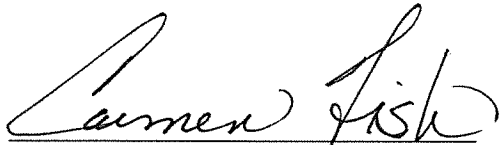
STATE OF NORTH DAKOTA     )  
COUNTY OF BURLEIGH     )

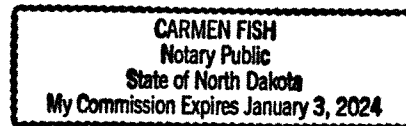
I, Lori Myerchin, being first duly sworn, do hereby depose and say that I am the Director, Regulatory Affairs and Transportation Services for WBI Energy Transmission, Inc.; that I have read the foregoing document; that I know the contents thereof; that I am authorized to execute such document; and that all such statements and matters set forth therein are true and correct to the best of my knowledge, information and belief.

Dated this 24<sup>th</sup> day of September, 2020.

By   
Lori Myerchin  
Director, Regulatory Affairs  
and Transportation Services

Subscribed and sworn to before me this 24<sup>th</sup> day of September, 2020.

  
Carmen Fish, Notary Public  
Burleigh County, North Dakota  
My Commission Expires: 01/03/2024





FERC Data Request:

On July 22, 2020, Commission Staff issued a data request stating that WBI Energy did not appear to have taken into account the deductibility of state income taxes from federal income taxes when it calculated its total effective tax rate, as shown on Schedule 3 of Exhibit P of its application. In that data request, Staff asked WBI Energy to explain why it did not take this into account and to provide a revised incremental cost of service and incremental rate.

On July 28, 2020, WBI Energy responded to the data request, stating that its combined tax rate of 25.50% does take into account the deductibility of state income taxes from federal income taxes. WBI Energy provided the following formula in support of its answer:

5.5% combined state income tax rate  $-(5.5\% \times 21\%) = 4.5\%$  effective state income tax rate.  $21\%$  federal rate  $+ 4.5\%$  effective state income tax rate  $= 25.50\%$  combined effective federal and state income tax rate.

Please clarify or provide further detail on this arithmetic, specifically how the 4.5% effective state income tax rate was derived.

WBI Energy Response:

WBI Energy's combined effective federal and state income tax rate of 25.50% takes into account the deductibility of state income taxes from federal income taxes.

Calculation to account for deductibility of state income taxes from federal taxes is as follows:

$$5.5\% - (21\% \times 5.5\%) = 4.345\%$$

where 5.5% is equal to the combined state income tax rate and 21% is equal to the federal income tax rate. WBI Energy has rounded the resulting percentage to 4.5%.

The combined effective federal and state income rate is then:

$$21\% + 4.5\% = 25.5\%$$