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Oct 12 2016

October 12, 2016

VIA ELECTRONIC FILING

Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: Docket No. M-100, Sub 138

Dear Chief Clerk:

Pursuant to the North Carolina Utilities Commission's ("Commission") September 19, 2016 *Order Requiring Revised Tariff Filings, Proposed Customer Notices, and Requesting Review and Comments by the Public Staff* in the above-captioned docket, Public Service Company of North Carolina, Inc. ("PSNC" or "the Company"), files this letter to advise the Commission that the Company is proposing to address the reduction in the state corporate income tax ("SIT") rate from 4% to 3% effective for the taxable year beginning on or after January 1, 2017, through its general rate case proceeding now pending before the Commission in Docket No. G-5, Sub 565. Specifically, Section 8 of the Amended Stipulation provides that the 2017 SIT rate is being addressed through the Company's updated base rates. Accordingly, the Company's rates will not be required to be changed within the context of this docket.

Please do not hesitate to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

/s/Mary Lynne Grigg

cc: Service List