

APPENDIX 1

Gazifère Inc.

Rate Impact - Pension and OPEB

December 31, 2012

SUMMARY OF RATE IMPACT	
Total Pension Impact - (Refund)/Recovery	A (1 568 800)
Total OPEB Impact - (Refund)/Recovery	B 1 037 000
Total Net Refund to Ratepayers (gross of tax)	<u>(531 800)</u>

PENSION IMPACT - REFUND OF \$1,568,800	
<i>Pension Regulatory Liability:</i>	
Balance at Dec. 31, 2011	(2 132 000)
Measurement date adjustment (Note 1)	139 388
Write-off transitional asset (net impact)	(399 388)
Add: 2012 cash contribution to RPP	456 239
Add: 2012 accruals vs cash expense difference	366 961
<u>Estimated Regulatory Liability as of December 31, 2012</u>	<u>(1 568 800) A</u>

OPEB IMPACT - RECOVERY OF \$1,007,083	
<i>OPEB Regulatory Asset:</i>	
Balance at Dec. 31, 2011	854 000
Write-off transitional obligation (net impact)	111 000
Add: 2012 accrual expense	112 000
Less: 2012 OPEB cash payments (expense already considered in the IR formula)	(40 000)
<u>Estimated Regulatory Asset as of December 31, 2012</u>	<u>1 037 000 B</u>

Note 1 - Gazifère's Dec. 31, 2011 CGAAP Pension balance was determined using Mercer's draft actuarial report (Nov. 22, 2011). This adjustment represents the change in Pension funded status between the draft report and Mercer's final report at Dec. 31, 2011.