

Gazifère Inc.
Rate Impact - Pension and OPEB
December 31, 2015
Scenario 1

SUMMARY OF RATE IMPACT	
Total Pension Impact - Recovery	A 1,034,019
Total OPEB Impact - Recovery	B 1,314,000
Total Net Refund to Ratepayers (gross of tax)	<u>2,348,019</u>

PENSION IMPACT - RECOVERY OF \$1,034,019	
<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
Add: 2013 cash contribution to RPP	812,720
Add: 2013 accruals vs cash expense difference	176,368
Add: 2014 cash contribution to RPP	761,470
Add: 2014 accruals vs cash expense difference	91,630
Add: 2015 cash contribution to RPP	721,196
Add: 2015 accruals vs cash expense difference	39,435
Estimated Regulatory Liability as of December 31, 2015	<u>1,034,019</u> A

OPEB IMPACT - RECOVERY OF \$1,314,000	
<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 expense	(40,000)
Add: 2013 accrual expense	143,000
Less: 2013 OPEB cash expense	(43,000)
Add: 2014 accrual expense	139,000
Less: 2014 OPEB cash expense	(45,000)
Add: 2015 accrual expense	135,000
Less: 2015 OPEB cash expense	(52,000)
Estimated Regulatory Asset as of December 31, 2015	<u>1,314,000</u> B

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.