

Translation of Excerpts from R-3773-2012 B-0005 GM-1, Doc 1

[S 5.4, p. 9]

5.4 Post-Employment Benefits

1

Gaz Métro requests that expenses related to post-employment benefits be charged to operating expenses using the actuarial method (based services rendered by employees), rather than on the basis of actual disbursements, as is the case at this time for the majority of Gaz Métro plans. This change is applicable retroactively, with restatement of the opening balance sheet and comparative year, from October 1, 2012.

In addition, the transition to the actuarial method also involves the creation of deferral accounts for the recovery (remission) through future rates of different components of the expense, including, in particular, the effects on the opening balance sheet and comparative year of the change in accounting and the actuarial gains and losses.

These treatments are applicable under GAAP, GAAP U.S. and the IFRS, with the exception of deferral accounts under IFRS that are in equity (other elements of comprehensive income or opening retained earnings), as well as the treatment of actuarial gains and losses and past service costs.

[...]

[S 5.6, p. 10]

5.6 Opening balance

For the purposes of estimating the rate impact of the accounting changes requiring the creation of a deferral account, that is, those changes related to accumulated vacations and some elements of post-employment benefits, an amortization period of five years has been used, from the year 2013. This amortization of these deferral accounts will be compiled at later date in an appropriate filing to set rates for October 1, 2012, either in the 2013 Rate Case, or in an eventual phase of the incentive mechanism.

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[...]

[an excerpt from the table in S 6, p. 11]

6 SUMMARY OF THE RATE IMPACTS

The following table shows the estimated annual rate impacts for the years 2013 to 2019 of the requests for accounting changes in the current filing

Subjects	Annual Rate Impacts – Years 2013 to 2019
Post-Employment Benefits	
Accounting method for post-employment benefits	Decrease of \$12.0M to an increase of \$3.3 M (NOTE: this seems like the range of the impacts)