

**APPENDIX 1
RATE CASE 2016**

**Gazifère Inc.
Rate Impact - Pension and OPEB
December 31, 2016**

| SUMMARY OF RATE IMPACT | | |
|---|----------|------------------|
| Total Pension Impact - (Refund)/Recovery | A | (2,500) |
| Total OPEB Impact - (Refund)/Recovery | B | 1,328,000 |
| Total Net Recovery to Ratepayers (gross of tax) | | <u>1,325,500</u> |

| PENSION IMPACT - REFUND OF \$2,500 | | |
|--|--|-------------------------|
| <i>Pension Regulatory Liability:</i> | | |
| Balance at December 31, 2014 | | (2,110,500) |
| Add: 2015 estimated accrual expense (DB) | | 1,003,000 |
| Less: 2015 estimated cash contribution to RPP (DB) | | - |
| Estimated Regulatory Liability as of December 31, 2015 | | <u>(1,107,500)</u> |
| Add: 2016 estimated accrual expense (DB) | | 1,105,000 |
| Less: 2016 estimated cash contribution to RPP (DB) | | - |
| Estimated Regulatory Liability as of December 31, 2016 | | <u>(2,500) A</u> |

| OPEB IMPACT - RECOVERY OF \$1,328,000 | | |
|--|--|---------------------------|
| <i>OPEB Regulatory Asset:</i> | | |
| Balance at December 31, 2014 | | 1,198,000 |
| Add: 2015 estimated accrual expense | | 133,000 |
| Less: 2015 estimated OPEB cash payments | | (46,000) |
| Estimated Regulatory Asset as of December 31, 2015 | | <u>1,285,000</u> |
| Add: 2016 estimated accrual expense | | 140,000 |
| Less: 2016 estimated OPEB cash payments | | (51,000) |
| Estimated Regulatory Asset as of December 31, 2016 | | <u>1,328,000 B</u> |