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Private & Confidential

Jean-Benoit Trahan
Manager, Finance, Regulatory and Public Affairs
Gazifère Inc.
706 Greber Blvd
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20 May 2022

Subject: Gazifère Estimated 2023 Pension and Benefit Cost and Cash Contributions

Dear Jean-Benoit,

At your request, we have prepared estimates of Gazifère's share of the pension and benefits cost and cash contributions in 2023 for the following pension and non-pension post retirement plans:

- The Retirement Plan for the Employees of Enbridge Inc. and Affiliates (the "EI RPP");
- The Pension Plan for the Employees of Enbridge Gas Distribution Inc. and Affiliates (the "EGD RPP");
- The Enbridge Supplemental Pension Plan (the "EI SPP"); and
- The Non-pension Post Retirement Plan for Employees of Enbridge Gas Distribution Inc. (the "OPEB Plan").

Actual pension and benefits cost and cash funding requirements in respect of 2023 may differ from the amounts estimated here, and will be based on future economic conditions and the respective plans' economic and demographic experiences. We understand these estimates will be provided to the Régie de l'énergie (the "Régie") in conjunction with Gazifère's application for recovery of pension and benefits costs from ratepayers.

The information presented in this letter is prepared for the internal use of Gazifère and for submitting to the Régie. This information is not intended or suitable for any other purpose.

A summary of the projections are attached to this letter as follows:

- Appendix A contains important notices relevant to these projections.
- Appendix B – Summary of the membership data used to develop these calculations.
- Appendix C – Summary of estimated 2023 US GAAP pension and benefit costs for Gazifère's share of the, EI RPP, EGD RPP, EI SPP, and OPEB Plan.
- Appendix D – Summary of Gazifère's estimated 2023 contributions to the EI RPP, EGD RPP, EI SPP, and OPEB Plan.

Basis of Accounting Projections

The EI RPP, EGD RPP and EI SPP projections are based on membership data as at December 31, 2021 and the same assumptions (with the exception of the discount rate, expected return on assets and post-retirement indexation rates), methods and policies as the December 31, 2021 fiscal year end disclosures.

A summary of the membership statistics are included in Appendix D of this letter.

For purposes of the 2023 OPEB Benefit Cost and Cash Contributions, we have projected the results of the January 1, 2021 actuarial valuations of the OPEB Plan for US GAAP financial reporting purposes forward to December 31, 2022. The membership data used is as at January 1, 2021 and therefore does not reflect demographic changes since that date.

The purpose of these projections is to estimate Gazifère's accrual costs in 2023.

Under US GAAP, with the exception of the discount rate, assumptions are selected by Enbridge and are to be management's "best estimates". The discount rate must be chosen by reference to the market yields on high quality corporate bonds with cash flows similar to the cash flows of the plans. We have used the same assumptions as were used for the 2021 year-end disclosures under US GAAP, with the following exceptions:

- the discount rate reflects market conditions at April 30, 2022 as follows:

Discount Rate	Current Assumption as at April 30, 2022		Prior Assumption as at December 31, 2021	
	Total Plan	Gazifère	Total Plan	Gazifère
EI RPP				
Discount rate for benefit obligation determination	4.99%	5.03%	3.28%	3.37%
Discount rate for current service cost determination	5.06%	5.05%	3.38%	3.39%
EGD RPP				
Discount rate for benefit obligation determination	4.91%	4.94%	3.19%	3.25%
Discount rate for current service cost determination	5.08%	N/A	3.50%	N/A
EI SPP				
Discount rate for benefit obligation determination	4.92%	5.09%	3.20%	3.41%
Discount rate for current service cost determination	4.58%	5.10%	3.33%	3.42%
OPEB Plan				
Discount rate for benefit obligation determination	4.93%	4.93%	3.21%	3.21%
Discount rate for current service cost determination	5.09%	5.09%	3.41%	3.41%

- the expected return on assets reflects market conditions at March 31, 2022 as follows:

2023 Expected Return on Assets	Current Assumption as at March 31, 2022	Prior Assumption as at December 31, 2021
EI RPP	7.60%	7.10%
EGD RPP	7.10%	6.70%
EI SPP	5.10%	4.80%

- for purposes of the actuarial funding valuations performed as at December 31, 2021 the post-retirement indexation rates have been changed as follows:

	Current Assumption as at March 31, 2022	Prior Assumption as at December 31, 2021
Post-retirement indexation	Based on assumed inflation of 4.50% in 2022, 2.50% in 2023, 2.30% in 2024, 2.20% in 2.2% in 2025 and 2.0% per year thereafter and the contractual indexation provisions of the applicable plan	Based on assumed inflation of 2.00% per year and the contractual indexation provisions of the applicable plan

The interest on benefit obligations, for purposes of determining the interest cost, and the interest on the service cost are calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rates determined at April 30, 2022 used to determine the present value of the associated payment.

Actual assumptions to be used at December 31, 2022 (which will determine the actual 2023 accrual costs) will be reviewed in the final quarter of 2022 by Enbridge and may be different from the assumptions used for these projections.

Except for the changes noted above, all other assumptions, policies, methods and plan provisions are summarized in our ASC 715 (US GAAP) Actuarial Valuation Report as at December 31, 2021 Consolidated Total for All Plans Enbridge Inc. and Affiliates dated January 25, 2022 ("Pension Accounting Report") and our ASC 715 (US GAAP) Actuarial Valuation Report as at December 31, 2021 Consolidated Total for All Canadian Non-Pension Post-Retirement Benefits Plans Enbridge Inc., Subsidiaries and Affiliates dated January 25, 2022 ("OPEB Accounting Report").

The market value of assets is used to determine pension costs. For the purposes of these estimates, we have relied on actual asset experience up to March 31, 2022 as reported by CIBC Mellon in the monthly unaudited financial statements obtained from their online reporting tool Workbench. We have reduced the market value of assets for the pending asset transfers payable from the EI RPP assets.

For the EI RPP, EGD RPP and EI SPP, the actual market value of assets as at March 31, 2022 was extrapolated to December 31, 2022 using:

- Contributions taking into account the 2022 minimum funding requirements from the December 31, 2021 preliminary¹ actuarial funding valuations. In particular,
 - For the EI RPP, we have assumed employer and employee contributions would equal the estimated minimum required amounts from the December 31, 2021 actuarial valuation.
 - For the EGD RPP, we have assumed employer contributions would be withdrawn from the available prior year credit balance (i.e., no 2022 contributions).
 - For the EI SPP, we have assumed no employer contributions would be made in 2022 as permitted by the Enbridge funding policy.
- Assumed benefit payments based on membership data at December 31, 2021; and
- Expected investment returns based on the 2023 expected return on assets assumptions summarized above.

Basis of Funding Projections

The EI RPP consists of a defined benefit (“DB”) provision and a defined contribution (“DC”) provision. Minimum required cash funding to the DB component is determined based on actuarial valuations filed with the Office of the Superintendent of Financial Institutions (“OSFI”) and the Canada Revenue Agency (“CRA”). An actuarial valuation of the EI RPP as at December 31, 2021 will be filed with OSFI and the CRA no later than June 30, 2022.

The plurality (majority) of the pension plan’s membership has shifted to Ontario. In accordance with the Multi-Jurisdictional Pension Plan Agreement, OSFI has confirmed that the regulatory jurisdiction will be changing to Ontario no later than December 26, 2022. Following this change, the funding requirements of the *Pension Benefits Act (Ontario)* and regulations will apply to the EI RPP. We have reflected this change in jurisdiction in calculating the cash funding requirements of the EI RPP commencing for 2023.

The EGD RPP consists of a DB provision and a defined contribution DC provision. Minimum required cash funding to the DB component is determined based on actuarial valuations filed with the Financial Services Regulatory Authority of Ontario (“FSRA”) and CRA. Interim valuations may be filed at the plan sponsor’s discretion, but must be filed at least once every three years. An actuarial valuation of the EGD RPP as at December 31, 2021 (the “2021 EGD Valuation”) will be filed with FSRA and the CRA no later than September 30, 2022. Contributions to the EGD RPP by Gazifère and the other participating employers must be made in accordance with the 2021 EGD Valuation until a new valuation is filed with the regulators (but no later than as at December 31, 2024).

We have assumed no contributions would be made to the EGD RPP in either 2022 or 2023 by Gazifère, based on the funded status of the plan and available prior year credit balance.

¹ At the time this letter was prepared, estimated actuarial valuation results as at December 31, 2021 have been reviewed and approved by the Enbridge Pension Committee. However, the accompanying actuarial valuation reports have not been finalized and therefore are still identified as preliminary in this letter.

The EI SPP is a supplemental arrangement comprised of two separate trust accounts as follows:

- Benefits accrued by United States ex-patriots while residing in Canada are secured by a Retirement Compensation Arrangement held in Canada that will operate as a grantor trust (the “Canadian Grantor Trust” or “CGT”); and
- Benefits accrued by all other members are secured by a Retirement Compensation Arrangement (“RCA”) trust held in Canada.

Contributions are determined in accordance with the funding policy, annually. An actuarial valuation of the SPP was conducted as at December 31, 2021 and is the basis for cash funding during 2022.

We have assumed no contributions would be made to the EI SPP in either 2022 or 2023 by Gazifère, based on the funded status of the plan.

The funding extrapolations are based on membership data as at December 31, 2021 as described in Appendix D of this letter.

The funding extrapolations are based on the same methods and policies as the actuarial funding valuations as described in the following reports:

- The Report on the Actuarial Valuation for Funding Purposes as at December 31, 2020 for the Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates dated August 25, 2021 for the EGD RPP;
- The Report on the Actuarial Valuation for Funding Purposes as at December 31, 2020 for the Retirement Plan for Employees of Enbridge Inc. and Affiliates dated September 21, 2021 for the EI RPP; and
- The Report on the Actuarial Valuation for Funding Purposes as at December 31, 2019 for the Retirement Plan for Employees of Enbridge Inc. and Affiliates dated February 2021 for the EI SPP.

Collectively, these are referred to as the “Reference Funding Reports”. The funding extrapolations are based on the same methods and assumptions as described in the Funding Reports, with the following exceptions:

	Current Assumption	Prior Assumption
Discount rate		
• EI RPP	6.65%	6.15%
• EGD RPP	6.35%	5.85%
• EI SPP	5.10%	4.80%
Provision for adverse deviation		
• EI RPP	17.74%	N/A
• EGD RPP	13.75%	16.17%

	Current Assumption	Prior Assumption
Post-retirement indexation	Based on assumed inflation of 4.50% in 2022, 2.50% in 2023, 2.30% in 2024, 2.20% in 2.2% in 2025 and 2.0% per year thereafter and the contractual indexation provisions of the applicable plan	Based on assumed inflation of 2.00% per year and the contractual indexation provisions of the applicable plan
Actuarial basis for benefits to be settled through a lump sum:	Discount rate: 3.50% Mortality rates: CPM2014 with fully generational improvements using CPM-B	Discount rate: 3.25% Mortality rates: Same

The OPEB Plan is a DB plan. The non-pension post-retirement benefits are funded on a pay-as-you-go basis. The company funds on a cash basis as benefits are paid. No assets have been segregated or restricted to provide the non-pension post-retirement benefits. Projected contributions are equivalent to the expected benefits to be paid, based on the data and assumptions outlined in the OPEB Report.

We trust that this letter contains all information you require for filing with the Régie. Please call if you have any additional questions or requests.

Sincerely,



Scott Thompson, FSA, FCIA
 Principal
 For pension plans



Ken Chin, FSA, FCIA
 Principal
 For the non-pension post-retirement benefits plan

Copy:
 Tyler Brady – Enbridge Inc.
 Julie-Christine Lacombe – Gazifère
 Ben Ukonga, Edith Samuels – Mercer (Canada) Limited

Enclosure

Appendix A – Important Notices

Mercer has prepared this letter exclusively for Gazifère for submitting to the Régie. This letter may not be used or relied upon by any other party or for any other purpose; Mercer is not responsible for the consequences of any unauthorized use.

The benefits plan results shown in this letter are derived from accounting valuation results shown in the OPEB Report.

The pension plan results shown in this letter are derived from funding valuations prepared as at December 31, 2021. The December 31, 2021 actuarial valuation reports for the EI RPP and EGD RPP will be prepared and filed no later than June 30, 2022 and September 30, 2022 respectively. For reference to the provisions, methodologies, and importance notices that will be included in the actuarial funding reports, refer to the Reference Funding Reports.

The results shown in this letter are subject to the same Important Notices and qualifications described in the Reference Funding Reports except as specifically noted in this letter. The Reference Funding Reports are incorporated by reference into this letter and are essential to understanding the results. If you do not have copies of the Reference Funding Reports, please let us know immediately.

The accounting projections for the purposes of determining 2023 accrual costs are based on the same actuarial assumptions used in the Pension Accounting Report and OPEB Report except as noted in the *Basis of Accounting Projections* section of this letter. The funding projections for the purposes of determining 2023 cash costs, where applicable, are based on the same actuarial assumptions used in the Reference Funding Reports except as noted in the *Basis of Funding Projections* section of this letter.

There were no changes to the actuarial methods used in the OPEB Report, Pension Accounting Report or Reference Funding Reports, with the exception that the EI RPP 2023 cash contributions have been determined in accordance with the minimum funding requirements of *the Pension Benefits Act (Ontario)* (the "Act").

Our extrapolation reflects a single scenario from a range of possibilities. However, the future is uncertain, and the plans' actual experience will likely differ from the assumptions utilized and the scenarios presented; these differences may be significant or material. This letter is presented at a particular point in time and should not be viewed as a prediction of the plans' future financial conditions or their ability to pay benefits in the future.

The future valuations included in this presentation are based on membership data as at December 31, 2021. For the EI RPP and EGD RPP, the plan populations are extrapolated into the future based on economic and demographic assumptions as at April 30, 2022 along with expected future benefit accruals. Actuarial valuations are performed at each year-end to estimate the plan obligations at that time. For the EI SPP, a valuation based on membership data as at December 31, 2021 and assumptions as at April 30, 2022 has been performed. To project the plan's obligations at future dates, the obligations are adjusted for expected additional benefit accruals, benefit payments, and interest. For all plans, these projected obligations are combined with assets which are also projected to December 31, 2022 to calculate the funding and accounting requirements that might exist under the current applicable funding regulations or requirements and accounting standards at each future valuation date.

The results shown in this letter are based on plan provisions provided by the plan administrator. The results in this letter are based on the plan provisions in effect at December 31, 2021.

Because actual plan experience will differ from the assumptions, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit-related issues should be made only after careful consideration of alternative future financial conditions and scenarios and not solely on the basis of a valuation report or report.

To prepare the results in this report, actuarial assumptions are used to model a single scenario from a range of possibilities for each valuation basis. The results based on that single scenario are included in this presentation. As well, actuarial assumptions are used to project the population to each future valuation date based on a single scenario. However, the future is uncertain and the plans' actual experience will differ from those assumptions; these differences may be significant or material. Different assumptions or scenarios within the range of possibilities may also be reasonable, and results based on those assumptions would be different. Furthermore, actuarial assumptions may be changed from one valuation to the next because of changes in regulatory and professional requirements, developments in case law, plan experience, changes in expectations about the future, and other factors.

We note that the results presented herein rely on many assumptions, all of which are subject to uncertainty, with a broad range of possible outcomes, and the results are sensitive to all the assumptions used in the valuation.

The results shown in this report include projections of plan assets, plan liabilities, contribution requirements, and cash flows to a date that is after the calculation date of this report. Such projections are sensitive to many factors that are unknowable at this time, including (but not limited to) the level of market interest rates, investment performance on the pension fund to the projection date, and other plan demographic and economic experience over the projection period. As a result, actual plan assets, plan liabilities, contribution requirements, and cash flows in future years will be different from those projected and these differences may be significant or material. *Factors such as plan amendments, legislative changes or changes in accounting standards may also be relevant in some cases.*

Appendix B – Membership Data

Analysis of Membership Data

The actuarial valuations are based on membership data as at December 31, 2021 (January 1, 2021 for OPEB), provided by Enbridge Inc.

We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, gender, etc.), pensionable earnings, credited service, contributions accumulated with interest, and pensions to retirees and other members entitled to a deferred pension. Contributions, lump sum payments, and pensions to retirees were compared with corresponding amounts reported in financial statements. The results of these tests were satisfactory.

If the data supplied are not sufficient and reliable for its intended purpose, the results of our calculation may differ significantly from the results that would be obtained with such data. Although Mercer has reviewed the suitability of the data for its intended use in accordance with accepted actuarial practice in Canada, Mercer has not verified or audited any of the data or information provided.

The membership data summarized in the following tables is for the total plans. Members employed by the Company are identified by organization data flags supplied by Enbridge Inc.

EI RPP Membership Data

The membership summarized below is for the total plan.

	31.12.2021
Active and Disabled Members Accruing Defined Benefit Service (Non-SMEs)	
Number	5,297
Total base earnings for next year	\$586,025,300
Average base earnings for next year	\$110,600
Average pensionable earnings for next year	\$118,800
Average years of Non-SME DB pensionable service	5.2 years
Average age	44.7 years
Active and Disabled Members Accruing Defined Benefit Service (SMEs)	
Number	227
Total base earnings for next year	\$58,053,500
Average base earnings for next year	\$255,700
Average pensionable earnings for next year	\$314,300
Average years of Non-SME DB pensionable service	3.3 years
Average years of SME DB pensionable service	5.6 years
Average age	50.0 years

31.12.2021	
Suspended Defined Benefit Members (Non-SMEs)	
Number	235
Total base earnings for next year	\$24,023,700
Average base earnings for next year	\$102,200
Average pensionable earnings for next year	\$106,400
Average years of Non-SME DB pensionable service	5.3 years
Average age	45.5 years
Suspended Defined Benefit Members (SMEs)	
Number	16
Total base earnings for next year	\$5,157,700
Average base earnings for next year	\$322,400
Average pensionable earnings for next year	\$373,200
Average years of Non-SME DB pensionable service	2.0 years
Average years of SME DB pensionable service	4.6 years
Average age	49.8 years
Active Defined Contribution Members without Defined Benefit Service	
Number	1,567
Total base earnings for next year	\$157,658,300
Average base earnings for next year	\$100,600
Average pensionable earnings next year	\$107,700
Average age	38.7 years
Suspended Defined Contribution Members without Defined Benefit Service	
Number	46
Total base earnings for next year	\$6,221,700
Average base earnings for next year	\$135,300
Average age	46.5 years
Deferred Pensioners	
Number	1,109
Total annual pension	\$8,361,800
Average annual pension	\$7,500
Average age	48.4 years

	31.12.2021
Pensioners and Survivors	
Number	1,872
Total annual pension (including bridge benefits)	\$44,185,500
Average annual pension (including bridge benefits)	\$23,600
Total bridge benefits	\$421,000
Average bridge benefits	\$4,100
Average age	69.8 years

EI SPP Membership Data

As a supplemental plan, the EI SPP primarily provides certain benefits that would otherwise be payable under the EI RPP and EGD RPP, if not for limits imposed on registered pension plans by the *Income Tax Act* of Canada. Please refer to the EI RPP and EGD RPP active and suspended membership statistics for those members eligible for EI SPP benefits.

	31.12.2021
Deferred Pensioners	
Number pending receipt of deferred pension	44
Total annual supplemental pension	391,600
Average annual supplemental pension	\$8,900
Average age	54.1 years
Pensioners and Survivors	
Number	213
Total annual supplemental pension	10,687,000
Average annual supplemental pension	\$50,200
Average age	66.6 years

EGD RPP Membership Data

The membership summarized below is for the total plan.

31.12.2021	
Active and Disabled Members Accruing Defined Benefit Service (Non-SME)	
Number	397
Total base earnings for the following year	\$31,447,200
Average base earnings for the following year	\$79,200
Average years of pensionable service	12.7 years
Average age	45.4 years
Suspended Defined Benefit Members (Non-SME) Accruing Defined Contribution Service	
Number	5
Total base earnings for the following year	\$402,500
Average base earnings for the following year	\$80,500
Average years of pensionable service	9.7 years
Average age	52.5 years
Suspended Defined Benefit Members (Non-SME) Accruing Benefits in the EI Plan	
Number	1,243
Total base earnings for the following year	\$124,753,000
Average base earnings for the following year	\$100,400
Average years of pensionable service	8.9 years
Average age	45.8 years
Suspended Defined Benefit Members (SME) Accruing Benefits in the EI RPP	
Number	37
Total base earnings for the following year	\$12,011,000
Average base earnings for the following year	\$324,600
Average years of Non-SME pensionable service	10.0 years
Average years of SME pensionable service	2.7 years
Average age	52.6 years
Active Defined Contribution Members without Defined Benefit Service	
Number	11
Total base earnings for the following year	\$894,200
Average base earnings for the following year	\$81,300
Average age	46.8 years

31.12.2021	
Suspended Defined Contribution Members without Defined Benefit Service	
Number	71
Total base earnings for the following year	\$6,953,800
Average base earnings for the following year	\$97,900
Average age	46.3 years
Deferred Pensioners	
Number	347
Total annual lifetime pension	\$2,180,900
Average annual pension	\$6,300
Average age	48.5 years
Pensioners and Survivors	
Number	1,902
Total annual lifetime pension	\$48,319,500
Average annual lifetime pension	\$25,400
Total annual temporary pension	\$1,273,200
Average annual temporary pension	\$5,200
Average age	73.1 years
Pending Terminated Members	
Number	9

Gazifère OPEB Participant Data

The participant data as at January 1, 2021 summarized below (an extract of the EGD OPEB data) represents Gazifère participants.

01.01.2021	
Active Members	
Number	98
Average years of service	8.8 years
Average age	40.4 years

Retirees and Survivors	Grandfathered Plan	Non-Grandfathered Plan
Number of retirees	16	10
Average age	71.3 years	60.8 years
Number of spouses of retirees	10	6
Average age of spouses	67.8 years	57.9 years
Average life insurance	\$52,500	\$10,000
Number of surviving spouses	2	1
Average age of surviving spouses	76.8 years	58.0 years

Appendix C
Gazifère Inc.

Gazifère's Allocation of US GAAP Pension and OPEB Expense Projections (2022 to 2023)

Company's Share US GAAP ('000s)	EI RPP	EGD RPP	EI SPP	OPEB	Total Pension	Grand Total
2022						
DB Current service cost (employer)	886	-	5	56	891	947
Interest cost	147	551	-	55	698	753
Expected return on plan assets	(281)	(1,208)	-	-	(1,489)	(1,489)
Amortization of past service costs	-	-	-	2	-	2
Amortization of net actuarial loss (gain)	-	124	(1)	(3)	123	120
Total DB Net Periodic Benefit Cost	752	(533)	4	110	223	333
DC Current Service Cost	209	-	-	-	209	209
Total (DB & DC) Net Periodic Benefit Cost	961	(533)	4	110	432	542
Flex Credits ²	45	-	-	-	45	45
2023						
DB Current service cost (employer)	575	-	8	36	583	619
Interest cost	205	730	1	70	936	1,006
Expected return on plan assets	(332)	(1,222)	-	-	(1,554)	(1,554)
Amortization of past service costs	-	-	-	2	-	2
Amortization of net actuarial loss (gain)	(12)	-	-	(34)	(12)	(46)
Total DB Net Periodic Benefit Cost	436	(492)	9	74	(47)	27
DC Current Service Cost	206	-	-	-	206	206
Total (DB & DC) Net Periodic Benefit Cost	642	(492)	9	74	159	233
Flex Credits ²	47	-	-	-	47	47

Key Assumptions ¹	EI RPP	EGD RPP	EI SPP	OPEB
Effective discount rate on benefit obligations	4.99%	4.91%	4.92%	4.93%
Effective rate for interest on benefit obligations	4.67%	4.54%	4.58%	4.58%
Effective discount rate for service cost	5.06%	N/A	5.02%	5.09%
Effective rate for interest on service cost	4.83%	N/A	4.81%	5.00%
Expected return on assets	7.54%	7.10%	5.10%	N/A
Net expected return on assets	7.54%	7.10%	5.10%	N/A
Increases in pensionable earnings	Ranges from 2.50% to 5.00% based on age	Ranges from 2.50% to 5.00% based on age	Ranges from 2.50% to 5.00% based on age	N/A
Average wage index	2.5% per year	2.5% per year	2.5% per year	N/A
Mortality table	100% CPM Private, with improvements based on scale CPM-B	100% CPM Private, with improvements based on scale CPM-B	100% CPM Private, with improvements based on scale CPM-B	100% CPM Private, with improvements based on scale CPM-B

¹ Effective discount rates and interest rates disclosed are only those applicable as at December 31, 2022

² Flex credits are paid outside the pension plans and will not be accounted for as part of the net periodic benefit cost.

Appendix D
Gazifère Inc.

Gazifère's Share of Funding - Projected Cash Contributions (2022 to 2023)

Company's Share Projected Contributions ('000s)	EI RPP	EGD RPP	EI SPP	OPEB	Total Pension	Grand Total
2022						
DB Current Service Cost	407	-	-	-	407	407
DC Current Service Cost	209	-	-	-	209	209
Flex Credits ¹	45	-	-	-	45	45
Going Concern Special Payments	-	-	-	-	-	-
Solvency Special Payments	115	-	-	-	115	115
Direct Benefit Payments	-	-	-	73	-	73
Total	776	-	-	73	776	849
2023						
DB Current Service Cost	-	-	8	-	8	8
DC Current Service Cost	206	-	-	-	206	206
Flex Credits ¹	47	-	-	-	47	47
Going Concern Special Payments	-	-	-	-	-	-
Solvency Special Payments	-	-	-	-	-	-
Direct Benefit Payments	-	-	-	77	-	77
Total	253	-	8	77	261	338

Key Assumptions	EI RPP	EGD RPP	EI SPP	OPEB	Total Pension	Grand Total
Going concern discount rate	6.65%	6.35%	5.10%	N/A		
Provision for adverse deviation	17.74%	13.75%	N/A	N/A		
Going concern mortality	100% CPM Private, with improvements based on scale	100% CPM Private, with improvements based on scale	100% CPM Private, with improvements based on scale	N/A		
Commutated value discount rate	CPM-B 2.70% for 10 years; 3.70% thereafter	CPM-B N/A	CPM-B N/A	N/A		
Annuity proxy discount rate	3.74%	N/A	N/A	N/A		
Solvency mortality	100% CPM Combined, with improvements based on scale	N/A	N/A	N/A		
Net expected return on assets	CPM-B 7.60%	7.10%	5.10%	N/A		
Increases in pensionable earnings	Ranges from 2.50% to 5.00% based on age	Ranges from 2.50% to 5.00% based on age	Ranges from 2.50% to 5.00% based on age	N/A		
Average wage index	2.5% per year	2.5% per year	2.5% per year	N/A		

¹ Flex credits are paid outside the pension plans and will not be accounted for as part of the net periodic benefit cost.