

Pensions and OPEBS Tracker Language

1. Beginning with the effective date of rates in this case, Liberty shall be authorized to record as a regulatory asset/liability, as appropriate, the difference between the pension expense used in setting rates (\$153,977; amount stated prior to application of transfers to construction) and the pension expense as recorded for financial reporting purposes as determined in accordance with Generally Accepted Accounting Principles pursuant to Accounting Standards Codification (ASC) 715 (previously FAS 87 and FAS 88, or such standard as the FASB may issue to supersede, amend, or interpret the existing standards), and such difference shall be recovered from or returned to customers in future rates. The difference between the amount of pension expense included in Liberty's rates and the amount funded by Liberty shall be included in the Company's rate base in future proceedings.
2. Liberty commits to contributing amounts to the pension fund equal to expense recorded for financial reporting purposes, subject to the following conditions:
 - a. Such funding shall not be less than the ERISA minimum, nor more than the ERISA maximum.
 - b. In the event that the contribution amount determined pursuant to the above is insufficient to avoid the benefit restrictions specified for at-risk plans pursuant to the Pension Protection Act of 2006, such contribution may be increased to a level sufficient to avoid such restrictions.
 - c. In the event that the contribution amount determined pursuant to the above is insufficient to avoid any Pension Benefit Guaranty Corporation (PBGC) variable premiums, such contribution may be increased to a level sufficient to avoid such premiums.

Additional contributions made subject to these conditions shall will receive regulatory treatment as provided in paragraph 1.

3. Beginning with the effective date of rates in this case, Liberty shall be authorized to record as a regulatory asset/liability, as appropriate, the difference between the Other Post-Employment Benefits (OPEBs) expense used in setting rates (\$491,286; amount stated prior to application of transfers to construction) and the OPEB expense as recorded for financial reporting purposes as determined in accordance with Generally Accepted Accounting Principles pursuant to Accounting Standards Codification (ASC) 715 (previously FAS 106, or such standard as the FASB may issue to supersede, amend, or interpret the existing standards), and such difference shall be recovered from or returned to customers in future rates. The difference between the amount of OPEB expense included in Liberty's rates and the amount funded by Liberty shall be included in the Company's rate base in future proceedings.
4. Liberty commits to contributing amounts to its independent external funding mechanisms equal to OPEB expense recorded for financial reporting purposes, subject to the following condition:

- a. Such funding shall not exceed the maximum amount deductible for tax purposes.

Any reduction in contribution amount resulting from this condition shall receive regulatory treatment as provided in paragraph 3.

5. The provisions of ASC 715 (previously FAS 158) require certain adjustments to the prepaid pension asset/OPEB asset and/or accrued liability with a corresponding adjustment to equity (i.e., decreases/increases to Other Comprehensive Income). The Company will be allowed to maintain a regulatory asset/liability to offset any adjustments that would otherwise be recorded to equity caused by applying the provisions of ASC 715 or any other FASB statement or procedure that requires accounting adjustments to equity due to funded status or other attributes of the pension or OPEB plans. The parties acknowledge that the adjustments described in this paragraph shall not increase or decrease rate base.