Q. Further to the response to PUB-NP-060, what would be the impact on customer rates if a deferral account is used to offset the impact of the proposed change in capitalizing pension costs?

A. Table 1 provides *pro forma* impacts on 2023 revenue requirement and customer rates if a deferral account is used to offset the impact of the proposed change in capitalizing pension costs. Three amortization period scenarios are shown: 3 years, 5 years and 10 years. Under each scenario, the amortization would begin on January 1, 2023.[1]

Table 1:
Proposed Change in Pension Capitalization
Deferral and Amortization Scenarios
***Pro Forma* 2023 Revenue Requirement and Customer Rate Impacts**
($000s)

	Proposed	**3 Years**	**5 Years**	**10 Years**
Change in Pension Capitalization	1,427	1,427	1,427	1,427
Deferral	-	(1,427)	(1,427)	(1,427)
Amortization	-	476	285	143
Return on Rate Base and Income Tax Effects	-	24	29	32
***Pro Forma* 2023 Revenue Requirement Impact**	**1,427**	**500**	**314**	**175**
***Pro Forma* Customer Rate Impact**	**0.20%**	**0.07%**	**0.04%**	**0.02%**

[1] For example, under the 3-year scenario, the amortization would commence on January 1, 2023 and end on December 31, 2025. The amortization would occur on a monthly basis over that period. See response to Request for Information PUB-NP-111.