

## Appendix C

### OPEB/FAS 106 Tracker

The OPEB tracker mechanism represents the difference between the allocated and funded FAS 106 cost, as calculated on an ongoing basis by the Company's actuary, and the recalculated and allocated FAS 106 cost included in rates in this case. This difference results, in part, from the elimination of the corridor approach for amortizing unrecognized net gains and losses and a reduction in the amortization period. Instead of utilizing a corridor with a longer amortization period, the total net unrecognized gains and losses will be amortized over ten years.

### Pensions/FAS 87 Tracker

The Pensions tracker mechanism represents the difference between the allocated FAS 87 cost, as calculated on an ongoing basis by the Company's actuary, and the recalculated and allocated FAS 87 cost included in rates in this case. This difference results, in part, from the elimination of the corridor approach for amortizing unrecognized net gains and losses and a reduction in the amortization period. Instead of utilizing a corridor with a longer amortization period, the total net unrecognized gains and losses will be amortized over ten years.