

1 **Volume 2, Tab 4 – A Report on Employee Future Benefits**

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3 **Q. Is it possible that ratepayers would be better off over the long run by NP's not**
4 **adopting the accrual method of accounting for OPEBs?**

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6 A. The Cash and Accrual Methods of accounting for OPEBs affect the *timing* of
7 recovery of OPEB liabilities. Accordingly, adoption of the Accrual Method of
8 accounting for OPEBs will not impact the aggregate amount of OPEBs liabilities
9 required to be recovered from ratepayers over the long run.