

**PUB (MPI) Pre-Ask 2**

<b>Part and Chapter:</b>	<b>Compliance Filing 2020 GRA</b>	<b>Page No.:</b>	<b>Page 3 of 13, Figure 3</b>
	<b>Rebate Application</b>		<b>Page 18 of 27, Figure 11 Projected Total Equity &amp; MCT - Before &amp; After Rebate</b>
<b>PUB Approved Issue No:</b>			
<b>Topic:</b>	<b>Capital Position</b>		
<b>Sub Topic:</b>			

**Preamble to IR:**

In the Compliance Filing MPI projected AOCI for Basic of (\$103.2 million) at the end of February 2020. Based on the Rebate Application the AOCI for Basic is now projected to be (\$34.8 million) at March 31, 2020, a \$68.4 million improvement.

**Question:**

Please reconcile and provide details of this change in Basic AOCI.

**Rationale for Question:**

**RESPONSE:**

Please see reconciliation table and variance explanation below.

**Figure 1                      Accumulated Other Comprehensive Income (AOCI) - Reconciliation**

Line No.		
1	<b>(103,247)</b>	<b>2020 GRA - Compliance Filing</b>
2	71,878	Higher than expected Employee Future Benefit liability valuation from interest rates
3	<u>(3,433)</u>	Lower than expected change in available for sale investments
4	<b>(34,802)</b>	<b>2021 Special Rebate Application</b>

The variance between the projected AOCI amounts is mainly attributable to the impact of interest rates on the valuation of Employee Future Benefits (EFB) liability. In the compliance filing, MPI used the projected discount rate of 2.86% to value EFB liability whereas it used a discount rate of 3.88% in this Special Rebate Application.