

QUÉBEC

RÉGIE DE L'ÉNERGIE

No. R-3752-2011
Phase 2

SOCIÉTÉ EN COMMANDITE GAZ MÉTRO,
société dûment constituée, ayant sa principale
place d'affaires au 1717, rue du Havre, en les
ville et district de Montréal, province de
Québec,

(ci-après le **Distributeur** ou **Gaz Métro**)

ANNEXE C
ARGUMENTATION ÉCRITE DU DISTRIBUTEUR

Table 1 – Recommended ROE – Québec

Case number/ Province/	Rate Year	Sponsor	Expert – Booth					Suggested ROE (CAPM)	Decision
			R _f	β	MRP	Flotation Costs Issue	Other Adjustments		
D-2007-116 QUEBEC	2008	Industrial Gas Users Association (IGUA)	5.0%	0.50 [0.45 – 0.55] (p.26)	5.0% (p.25)	50 points (p. 58)		8.0% ¹ on 38.5% CE	[8.43 and 9.08%] 9.05% (pp. 30, 32)
D-2008-140 QUEBEC	2009	Industrial Gas Users Association (IGUA)	4.75%						
D-2009-156 QUEBEC	2010 and 2011	Industrial Gas Users Association (IGUA)	4.5% (p. 60)	[0.45 – 0.55] (p. 65)	5.5% (p. 61)	50 points (p. 68)		[7.5% – 8.0%] 8.64% ¹ on 38.5% CE	[8.03 and 9.46%] 9.20% (pp. 71 and 72)
D-2010-147 QUEBEC	2011	Industrial Gas Users Association (IGUA)	4.5% (p. 17)	[0.45 – 0.55] (p. 20)	5.5% (p. 18)	50 points (p. 24)	25 points (additional risk premium) (p. 23)	8.5% on 40% CE (p. 13)	[8.15 and 9.71%] 9.10% (pp. 28, 29)

¹ This number was taken from the table provided by Dr. Booth and refers to the Application of the Formula.

Table 2 – Recommended ROE – Canada

Case number/ Province/	Rate Year	Sponsor	Expert – Booth					Suggested ROE (CAPM)	Decision
			R _f	β	MRP	Flotation Costs Issue	Other Adjustments		
EB-2006-0501 ONTARIO	2007 and 2008	Consumers' Council of Canada (CCC) and Vulnerable Energy Consumers' Coalition (VECC)						7.50% (p. 65)	8.35% (p. 73)
EB-2007-0905 ONTARIO	2009	Consumers' Council of Canada (CCC) and Vulnerable Energy Consumers' Coalition (VECC)			5.0% (p. 155)		50 points (this refers to the total adjustment) (p. 156)	7.75% (p. 135)	8.65% (p. 158)
RH-1-2008 NATIONAL ENERGY BOARD	2007 and 2008	Industrial Gas Users Association (IGUA) and Canadian Association of Petroleum Producers (CAPP)	4.75% (p. 65)	0.50	5.0% (p. 65)	50 points (p. 65)		7.75% (p. 31, 78)	ATWACC of 6.4% or 9.7% on 40% CE
BCUC December 16, 2009 (Terasen Gas) BRITISH COLUMBIA	2010	Joint Industry Electricity Steering Committee (JIESC), BC Old Age Pensioners Organization (BCOAPO) and Commercial Energy Consumers Association of British Columbia (CECABC)	4.5% (p. 57)	0.50 (p. 57)	5.0% (p. 57)	50 points (p. 57)	25 points (margin of error) (p. 57)	7.75% (p. 57)	9.50% (p. 66)
NL BCPU NO. P.U. 43 (2009) NEWFOUNDLA ND AND LABRADOR	2010	Consumer Advocate	4.5% (p. 18)	0.50 (p. 20)	5.0% (p. 19)	50 points (financing flexibility) (p. 21)	25 points (p. 14)	7.75% (p. 14)	9.0% (p. 25)

Case number/ Province/	Rate Year	Sponsor	Expert – Booth					Suggested ROE (CAPM)	Decision
			R _f	β	MRP	Flotation Costs Issue	Other Adjustments		
EB-2009-0084 ONTARIO	2010	Consumers' Council of Canada (CCC), Vulnerable Energy Consumers' Coalition (VECC), Building Owners and Managers Association of the Greater Toronto Area and Industrial Gas Users Association (IGUA)	4.5% (p. 44)	0.50 (p. 44)	5.0% (p. 44)	50 points (p. 44)	25 points (margin de error) (p. 44)	7.75% (p. 44)	9.75% (p. 37)
AUC-2009-216 ALBERTA	2009	Canadian Association of Petroleum Producers (CAPP) and the City of Calgary	4.25% (p. 64)	0.50 (p. 64)	5.0% (p. 64)	50 points (p. 64)		7.25% (p. 64)	[7.63 and 9.12%] 9.00% (pp. 86, 88)