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CANADA



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-85-98

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IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Submissions by Squamish Gas Co. Ltd. and the Ministry of Energy and Mines  
regarding the Squamish Gas Return on Equity for 1996 and future years

**BEFORE:** P. Ostergaard, Chair )  
L.R. Barr, Deputy Chair ) September 23, 1998

**O R D E R**

**WHEREAS:**

- A. Commission Order No. G-2-98, approved the April 1997 Settlement Agreement ("the Settlement Agreement") between Squamish Gas Co. Ltd. ("Squamish Gas") and the Ministry of Employment and Investment ("the Ministry") which established the Squamish Gas 1991 to 1995 cost of service; and
- B. The Settlement Agreement stated that the appropriate rate of return on common equity ("ROE") for Squamish Gas subsequent to December 31, 1995, would be determined by the Commission and that Squamish Gas and the Ministry would make submissions to the Commission as to the appropriate ROE; and
- C. Submissions were received during August and September 1998, from Squamish Gas and the Ministry of Energy and Mines, which proposed ROE formulas for 1996 and the remaining years of the Squamish Rate Stabilization Agreement ("Squamish RSA"); and
- D. The Commission has considered the submissions and finds that a decision on the appropriate Squamish Gas ROE is required.

**NOW THEREFORE** the Commission orders that, for 1996 and the remaining years of the Squamish RSA, the appropriate ROE for Squamish Gas should be the ROE for a low-risk utility, as determined by the Commission's Automatic ROE Adjustment Formula, plus 50 basis points.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25th day of September, 1998.

BY ORDER

*Original signed by:*

Lorna R. Barr  
Deputy Chair