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Under section 95 of the *Gas Distribution Act, 1999*, the Lieutenant-Governor in Council makes the following Regulation:

### **Citation**

1 This Regulation may be cited as the *Single End Use Franchise Fee Adjustment Regulation - Gas Distribution Act, 1999*.

### **Definitions**

2 The following definitions apply in this Regulation.

“Act ” means the *Gas Distribution Act, 1999*. (*Loi*)

“CPI” means the All-items Consumer Price Index for New Brunswick, as published by Statistics Canada. (*IPC*)

### Calculation of capital factor

3 For the purposes of section 5 the capital factor is the amount determined by the formula

$$-0.015 + (\text{WACC } t - \text{WACC } t-1)$$

where

WACC t is the weighted average cost of capital of the general franchise holder as determined by the Board for the year for which the adjustment is calculated, and

WACC t-1 is the weighted average cost of capital of the general franchise holder as determined by the Board for the year immediately preceding the year for which the adjustment is calculated.

### Calculation of change in CPI

4 For the purposes of section 5 the change in the CPI is determined by the formula

$$\frac{A}{B} - 1$$

where

A is the CPI for the 12-month period that ended on December 31 in the year before the year for which the adjustment is determined, and

B is the CPI for the 12-month period immediately preceding the period described in A.

**Adjustment of franchise fee**

**5** For the purposes of subsection 13.1(7) of the Act, the franchise fee payable by the holder of a single end use franchise under subsection 13.1(4) of the Act shall be adjusted by adding to that fee the amount determined by the formula

$$F \times [(0.5 \times CF) + (0.5 \times cCPI)]$$

where

F is the franchise fee payable for the year immediately preceding the year for which the adjustment is calculated,

CF is the capital factor determined under section 3, and

cCPI is the change in the CPI determined under section 4.

**Minimum franchise fee payable**

**6** An adjustment under section 5 that results in a franchise fee payable at a rate below the rate set out in subsection 13.1(4) of the Act shall be deemed to result in a franchise fee payable at the rate set out in that subsection.