

**Application re  
Liberty Cost of Capital**

## **NEW BRUNSWICK ENERGY AND UTILITIES BOARD**

### **APPLICATION** (Rule 2.2)

**This is an Application by:** Liberty Utilities (Gas New Brunswick) LP, as represented by its general partner, Liberty Utilities (Gas New Brunswick) Corp. (“Liberty”)

**In accordance with:** a Decision of New Brunswick Energy and Utilities Board (the “Board”) dated January 13, 2021.

**The Applicant applies to the Board for the following:**

1. Liberty hereby applies to the Board for an order or orders approving its (a) capital structure; (b) cost of debt; and (c) return on equity (“ROE”).
2. Liberty is the general franchisee under an Amended and Restated General Franchise Agreement dated October 1, 2019 (“GFA”) with the Province of New Brunswick as represented by the Minister of Natural Resources and Energy Development. The GFA authorizes Liberty to distribute natural gas and provide customer services in the Province of New Brunswick.
3. In a Decision dated January 13, 2021, the Board directed Liberty to file an application with supporting evidence by March 31, 2021 in relation to its capital structure, cost of debt and ROE.
4. Liberty is filing, at the same time as this Application, relevant supporting or explanatory information to be tendered as evidence.
5. On the basis of the foregoing, Liberty applies for the following orders, decisions or directions of the Board:
  - (a) approval of a capital structure with an equity ratio of 50%;
  - (b) approval of a cost of debt of 3.315%;
  - (c) approval of an ROE of 11.5%;

- (d) such interim order under section 40 of the Energy and Utilities Board Act, and such further directions in that regard, as may be necessary or appropriate;
- (e) an order under subsection 96(3) of the Gas Distribution Act, 1999 (“GDA”) exempting Liberty, to the extent necessary or appropriate, from some or all of the provisions of any regulations made by the Board under subsection 96(1) of the GDA; and
- (f) such further or other order, decision or direction relating to Liberty’s capital structure, cost of debt or ROE, as Liberty may request and the Board may deem necessary or appropriate.

6. The authorized representatives of Liberty are:

(a) Liberty:

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7. Liberty intends to proceed in the English language.

**DATED** at Fredericton, New Brunswick this 31<sup>st</sup> day of March, 2021.

**LIBERTY UTILITIES (GAS NEW  
BRUNSWICK) LP**, as represented by its general  
partner, **LIBERTY UTILITIES (GAS NEW  
BRUNSWICK) CORP.**

by its counsel  
**McINNES COOPER**

  
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Len Hoyt, Q.C.