

Order No. 79/17

**CENTRA GAS MANITOBA INC.:  
PRIMARY GAS RATE APPLICATION AND APPROVAL OF NON-PRIMARY GAS  
RATES, EFFECTIVE AUGUST 1, 2017**

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**July 28, 2017**

**BEFORE:** Larry Ring, Q.C., Panel Chair  
Robert T. Gabor, Q.C. Board Chair  
Carol Hainsworth, C.B.A., Member  
Marilyn Kapitany, B.Sc.(Hon), M.Sc., Member  
Susan Nemec, FCPA, FCA, Member

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Schedule of Rates – Appendix “A”

## 1.0 Summary

By this Order, the Public Utilities Board (Board) approves the July 14, 2017 interim ex parte Application of Centra Gas Manitoba Inc. (Centra) for a revised Primary Gas rate effective August 1, 2017. Additionally, the Board approves the revised interim non-Primary Gas rates for all customer classes except the Special Contract and Power Station classes. The revised interim non-Primary Gas costs are as a result of the Board's Directive 5 in Order 108/15. In respect of Centra's Application and by this Order:

- The Board grants Centra's interim ex parte Application to decrease the current Primary Gas rate to \$0.0921/m<sup>3</sup> effective August 1, 2017. The current rate is \$0.1017/m<sup>3</sup> for Primary Gas consumed on or after May 1, 2017. Prior to the reversion of the non-gas components of Centra's other rates, this Primary Gas rate change represents an annualized bill reduction of approximately 2.8% (or \$20 per year) for a typical residential consumer.
- As directed in Board Order 108/15 the Board orders Centra to revert the non-gas components of rates for all customer classes, except for the Special Contract and Power Station customer classes. The reversion of the non-gas components of rates results in revised non-Primary Gas rates. The Board has excluded these two customer classes from the interim reversion to historic non-gas components of rates to avoid an unintended negative consequence which would be a significant increase in non-gas rates to these customer classes. This matter will be reviewed at Centra's next General Rate Application.
- The Board finds Centra, since January 21, 2017, to be in default of Order 108/15 Directive 12. As a result, Centra is to pay a penalty of \$100 per day, the maximum permitted under Section 100 of *The Public Utilities Board Act*, from January 21, 2017 until the day Centra files a General Rate Application with the Board in accordance with applicable Board directives.

For a typical residential customer, the combined effect of the Primary Gas rate decrease and the reversion of non-gas rate components pursuant to Order 108/15 Directive 5 (except for the Special Contract and Power Station customer classes) is an annual bill decrease of 4.0% (or \$29 per year). For larger volume customers, the Primary Gas rate decrease and the non-Primary Gas rate changes result in varying bill impacts depending on customer class and consumption levels.

Primary Gas is a pass-through cost for Centra, meaning that Centra charges its customers exactly what Centra pays for Primary Gas and does not make a profit on its sale. The costs of Primary Gas are predominantly determined by the market price of natural gas in Western Canada.

The non-gas component of consumer rates includes such items as finance expense, operating and administrative costs, depreciation and amortization, net income, and capital and other taxes. In Order 108/15 the Board determined that Centra earned \$9.5 million more than what was approved by the Board on a weather-normalized basis. Further, and as held by the Board in Order 108/15:

*The Board is of the view that the non-gas cost revenue requirement which gives rise to Centra's allowed net income needs to be reviewed in the context of a General Rate Application. Although the Board is approving Centra's gas costs as final in this Order, the Board is of the view that Centra's non-gas earnings must be reviewed, and therefore will not finalize interim rates until the non-gas portions of those rates have been examined. The Board will direct Centra to file a full General Rate Application on or before January 20, 2017 at which time Centra's earnings will be reviewed. Absent a further Order of the Board, Centra's interim rates approved in Order 89/13 will terminate on July 31, 2017, and as of August 1, 2017, the non-gas components embedded in Centra's rates will revert back to the levels last approved on an interim basis in Order 66/11 and subsequently approved as final in Order 85/13. To that extent, unless the Board subsequently orders otherwise, Centra is directed to file rate schedules that reflect the reversion of the non-gas rate components back to the levels approved in Order 66/11 as part of its August 1, 2017 Primary Gas rate application.*

As indicated above, in Order 108/15, the Board directed Centra to file a General Rate Application by January 20, 2017 with the intent to review Centra's earnings, which at the time, exceeded the Board approved levels. To date, Centra has neither filed a GRA nor indicated when it will be in a position to do so. As a result, the Board finds Centra to be in default of Order 108/15 Directive 12 and therefore assess a penalty of \$100 per day, the maximum permitted under Section 100 of *The Public Utilities Board Act*, from January 21, 2017 until the day Centra files a GRA with the Board.

## 2.0 Introduction

Centra is a wholly-owned subsidiary of Manitoba Hydro. Centra's quarterly rates are subject to the approval of the Board pursuant to provisions of *The Public Utilities Board Act*.

The five components of natural gas rates billed to Centra's customers are:

- Primary Gas – gas that is sourced by Centra under its Western Canadian gas supply contract, which is priced quarterly by Centra, or gas purchased by consumers from either Centra or independent gas marketers and brokers under contracts, usually for a fixed rate and a fixed term;
- Supplemental Gas - gas that is required to meet the needs of Centra's customers during periods of peak load or other seasonal requirements. Supplemental Gas is applicable to the majority of customers, whether they purchase quarterly-priced Primary Gas from Centra or fixed-rate gas through contracts;
- Transportation (to Centra) - is the cost of transporting natural gas to Manitoba, including charges for pipelines not owned by Centra and the cost of gas storage facilities, and is applicable to the majority of Centra's customers;
- Distribution (to Customer) – is the cost of delivering natural gas to a customer's home or business, including the cost of facilities and pipelines owned by Centra, as well as the operation and maintenance costs for the distribution system and a small cost component related to unaccounted-for gas;
- Basic Monthly Charge - is the cost related to customer service including meter reading and billing, as well as the cost of the service line and the meter.

Centra's Primary Gas rate is subject to quarterly amendment (February 1, May 1, August 1, and November 1). These regularly scheduled quarterly Primary Gas rate reviews occur in accordance with the Board-approved Rate Setting Methodology, which is formula-driven and relies on established accounting and rate setting conventions. Quarterly Primary Gas rate setting does not involve a public hearing, reflecting the formulaic nature of the Rate Setting Methodology and furthering the objective of least-cost regulation. Public reviews of Primary Gas rates are conducted at periodic Cost of Gas or General Rate Application hearings.

Non-Primary Gas components of Centra's rates, for all customers including those receiving natural gas through fixed-rate contracts, are also periodically reviewed and approved by the Board. These non-Primary Gas rate reviews occur either through periodic Cost of Gas hearings, which also provides for the finalization of past interim quarterly Primary Gas rate changes, or in the context of a General Rate Application.

Order 44/17, dated April 26, 2017, is the most recent Order setting Centra's Primary Gas rate. Order 108/15, dated October 29, 2015, approved new Supplemental Gas, Transportation, and Distribution base rates. Order 89/13, dated August 2, 2013 and arising out of Centra's 2013/14 General Rate Application, approved the current Basic Monthly Charges. Order 137/16 is the most recent Order to adjust non-Primary Gas rates as it removed the interim rate riders established in Order 108/15 for Transportation (to Centra) and Distribution (to Customers) rates.

### 3.0 The Reversion of Non-Gas Rate Components and Centra's GRA Delay

In Order 85/13, arising from Centra's 2013/14 General Rate Application the Board set Centra's allowed annual net income at \$3 million (weather-normalized). During the 2015/16 Cost of Gas proceeding, the Board observed that Centra has over-earned on a weather-normalized basis. While the 2015/16 Cost of Gas proceeding did not focus on non-gas costs, which are the costs that directly affect Centra's net income, the Board concluded that Centra's non-gas earnings must be reviewed at a GRA. In order to address Centra's apparent excessive net income within a reasonable time period, the Board directed Centra to file a GRA:

- *Order 108/15 Directive 5: Absent a further Order of the Board with respect to the rates kept interim under Directive 4 of this Order, on July 31, 2017 any then-current interim rates shall terminate and the non-gas components embedded in any of Centra's rates shall revert back to levels approved on an interim basis in Order 66/11 and subsequently approved as final in Directive 14 of Order 85/13.*
- *Order 108/15 Directive 12: Centra is directed to, by no later than January 20, 2017, file a General Rate Application.*
- *Order 108/15 Directive 13: Centra is directed to, concurrent with the filing of its August 1, 2017 Primary Gas rate application, file rate schedules that reflect the reversion of the non-gas components of Centra's rates back to the levels approved on an interim basis in Order 66/11 and subsequently approved as final in Order 85/13.*

On January 19, 2017, Centra informed the Board that it would delay the filing of its next GRA in order to permit its internal resources to focus on the preparation of a Manitoba Hydro electric GRA. In its letter to the Board, Centra did not indicate when it would be in a position to file its next GRA.

#### 4.0 Centra's Application for Primary Gas Rate

On July 14, 2017, Centra applied to the Board for approval of the Primary Gas rate effective August 1, 2017. In accordance with Order 108/15 Directives 5 and 13, Centra's Application also includes modified non-Primary Gas rates that reflect the reversion of non-gas rate components to the levels approved on an interim basis in Order 66/11 and subsequently approved as final in Order 85/13. Per Board request, Centra's Application also included alternate rate schedules applicable to two additional non-gas rate component reversion scenarios.

Centra's Application was filed in accordance with the Board-approved Rate Setting Methodology. The Rate Setting Methodology determines a Primary Gas rate based on the forecast of natural gas prices and includes several factors that reflect the costs Centra incurs in providing Primary Gas to its customers.

Centra's Primary Gas rate is based on futures prices at AECO, a major gas trading hub in Alberta. Table 1 reflects the 12 month futures price strip<sup>1</sup> for natural gas taken by Centra on July 4, 2017 and used in the calculation of the proposed August 1, 2017 Primary Gas rate. The futures strip prices for January 2017 and April 2017 from previous quarterly rate applications are also shown in Table 1. As can be seen from the table, the July 2017 futures prices have decreased compared to the April futures prices.

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<sup>1</sup> A price strip is a gas price forecast for a specific period or "strip" of time based on the market prices of gas as traded on an exchange.

**Table 1: AECO Futures Price (Cdn\$/GJ)**

(\$/GJ)	Aug/17	Sep/17	Oct/17	Nov/17	Dec/17	Jan/18	Feb/18	Mar/18	Apr/18	May/18	Jun/18	Jul/18
Jan Strip	2.8383	2.8745	2.9207	3.1402	3.2476	3.3517						
Apr Strip	2.5913	2.6044	2.6783	2.7861	2.9621	3.0407	3.0335	2.9303	2.3132			
Jul Strip	2.2386	2.1974	2.2612	2.3971	2.5735	2.6535	2.6552	2.5951	2.2327	2.2174	2.2479	2.2692

Table 2 summarizes Centra's Application for the quarterly Primary Gas rate effective August 1, 2017. The table shows Primary Gas costs and rate calculations for the last year. In calculating Primary Gas rates, Centra used the Board-approved Rate Setting Methodology.

**Table 2: Current and Historical Primary Gas Rate Calculations**

	Component	Costs and Proposed Rates Aug 1/16	Costs and Proposed Rates Nov 1/16	Costs and Proposed Rates Feb 1/17	Costs and Proposed Rates May 1/17	Costs and Proposed Rates Aug 1/17
1	Date of Forward Price Strip	July 4, 2016	October 3, 2016	January 3, 2017	April 3, 2017	July 4, 2017
2	Weighted Primary Gas Cost (mix of Gas Supply & Storage Gas costs)	\$3.071	\$2.810	\$3.047	\$2.845	\$2.569
3	Rate per Cubic Metre	\$0.1161	\$0.1062	\$0.1152	\$0.1076	\$0.0971
4	<sup>1</sup> Base Primary Rate, adding Fuel and Overhead cost component per cubic metre	\$0.1187	\$0.1087	\$0.1178	\$0.1101	\$0.1001
5	Plus (Less) Rate Rider per cubic metre	(\$0.0132)	(\$0.0113)	(\$0.0051)	(\$0.0084)	(\$0.0080)
6	Total Billed Rate (\$/m <sup>3</sup> )	\$0.1055	\$0.0974	\$0.1127	\$0.1017	\$0.0921

Notes:

1. Compressor fuel costs are \$0.0014/m<sup>3</sup> and the reverted overhead costs are \$0.00164/m<sup>3</sup>.

AECO futures market prices, shown above in Table 1, are weighted according to the forecasted volumes Centra expects to purchase each month that flow directly to Manitoba consumers. This weighted price includes the costs to deliver the gas from the AECO hub to Centra's receipt point at Empress, Alberta. The 12 Month Forward Price is then weighted for the average cost of gas volumes that Centra withdraws from its storage facility, and is shown in row 2 of Table 2 as the Weighted Primary Gas Cost (mix of Gas Supply & Storage Gas costs).<sup>2</sup> The Weighted Primary Gas Cost per gigajoule is then converted to units of dollars per cubic metre ( $\$/\text{m}^3$ ) and is shown in row 3 of Table 2.

Centra incurs compressor fuel costs, which relate to fuel used by pipeline compressors in order to transport gas from Alberta to Manitoba. Centra also incurs overhead costs in the procurement and administration of Primary Gas supplies. The compressor fuel costs and overhead costs are added to the Weighted Primary Gas Cost to determine the Primary Gas Base Rate, which is shown in row 4 of Table 2. In accordance with Order 108/15 Directives 5 and 13, Centra's Application reflects the reversion of non-gas rate components starting August 1, 2017, which causes the Primary Gas overhead component to increase from  $\$0.00087/\text{m}^3$  to  $\$0.00164/\text{m}^3$ .

Centra tracks differences between the previously approved Primary Gas rate (and its underlying gas costs) and the actual cost of purchases it incurs. The previously approved Primary Gas rate is based on a forecast of natural gas market prices, and the prices Centra actually pays usually differ from those forecasted. These differences are tracked in a Purchased Gas Variance Account (PGVA). When the actual cost of gas is greater than what was forecasted, a positive balance accrues in the PGVA, which is then collected from customers. When the actual cost of gas is less than what was

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<sup>2</sup> Due to significant seasonal and daily weather and resulting demand swings in Manitoba, Centra makes use of seasonal gas storage facilities in order to optimize its gas supply portfolio costs and reliability. This includes relying partially on storing gas in the summer months and retrieving it from storage during the winter months.

forecasted, a negative balance accrues in the PGVA and this is refunded to customers. A Primary Gas rate rider is used to account for these differences between forecasted and actual costs of Primary Gas.

A Primary Gas rate rider recovers from or repays to customers the balance in the PGVA, with interest.<sup>3</sup> Utilization of the PGVA and rate rider ensures that customers' costs are adjusted so that customers are paying for the actual cost of gas with no mark-up or discount. The Primary Gas rate rider is determined by dividing the accumulated balance in the PGVA by the volumes Centra forecasts to flow in the upcoming twelve months, and is shown in row 5 of Table 2. If the PGVA balance is not brought to zero with the rate rider, the remaining balance will be included in the calculation of future rate riders.

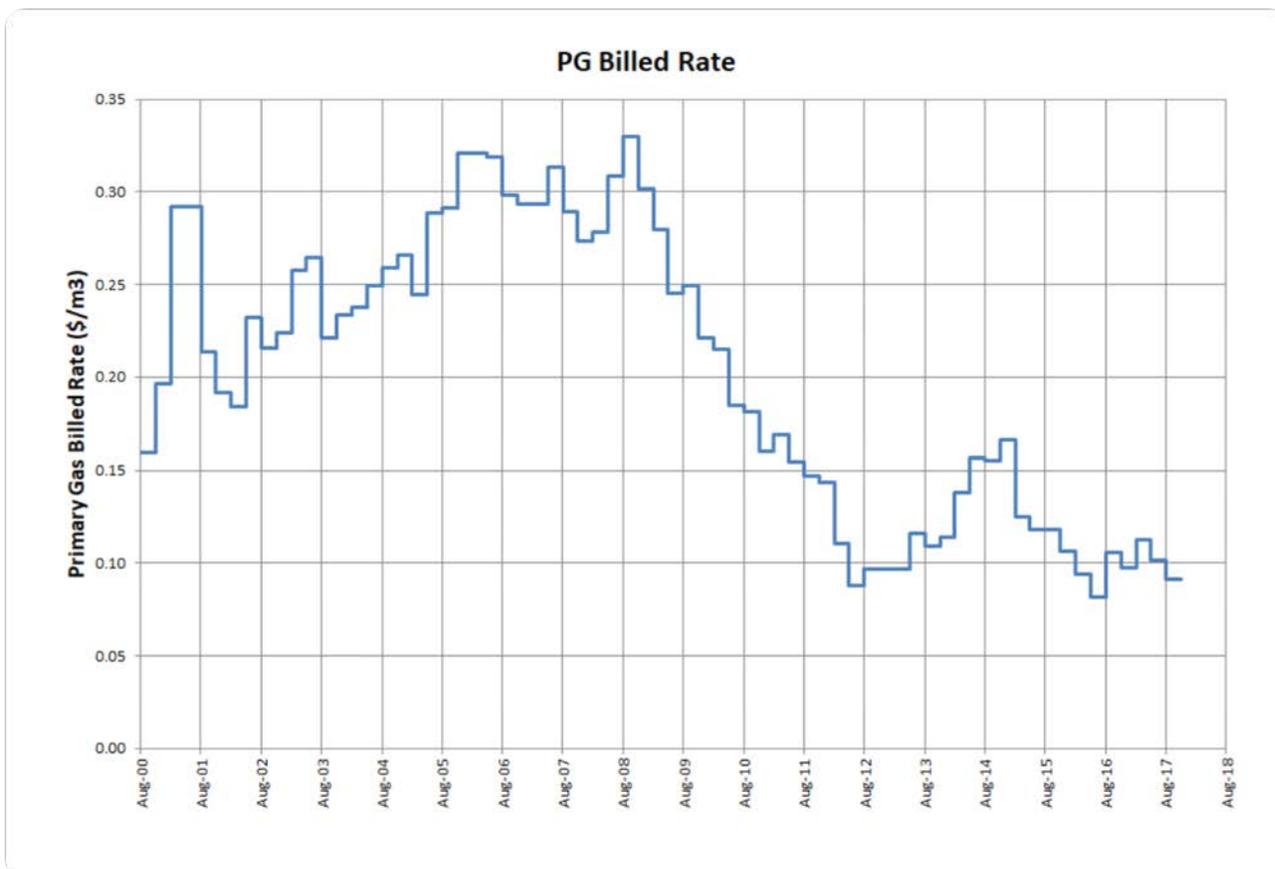
The Primary Gas rate rider is combined with the Primary Gas Base Rate to arrive at the Primary Gas Billed Rate, as shown in row 6 of Table 2, and this is the rate that Centra uses to calculate the bills of its Primary Gas customers.

The forecasted PGVA balance for July 31, 2017 is \$9.9 million owing to customers. This will be refunded to customers by way of a rate rider of \$0.0080/m<sup>3</sup> resulting in a Primary Gas Billed Rate of \$0.0921/m<sup>3</sup> as shown in row 6 of Table 2.

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<sup>3</sup> Interest is determined based on Centra's actual cost of borrowing, which reflects the carrying cost, to Centra, of the PGVA balance.

The following chart graphically shows the Primary Gas Billed Rate from August 1, 2000 up to and including the proposed August 1, 2017 rate.



## 5.0 Customer Impact

Prior to the reversion of the non-gas components of Centra's other rates, the reverted Primary Gas rate change represents an annualized bill reduction of approximately 2.8% (or \$20 per year) for a typical residential consumer, based on an average annual consumption of 2,243 m<sup>3</sup> of gas.

When taking into account the reversion of non-gas rate components per Order 108/15 Directive 5, customers will experience additional annualized bill changes starting August 1, 2017.

If the non-gas rate components revert to levels approved on an interim basis in Order 66/11 and subsequently approved as final in Order 85/13, as directed in Order 108/15 Directive 5, the combined annualized bill impacts for the Special Contract and Power Stations customer classes are as follows:

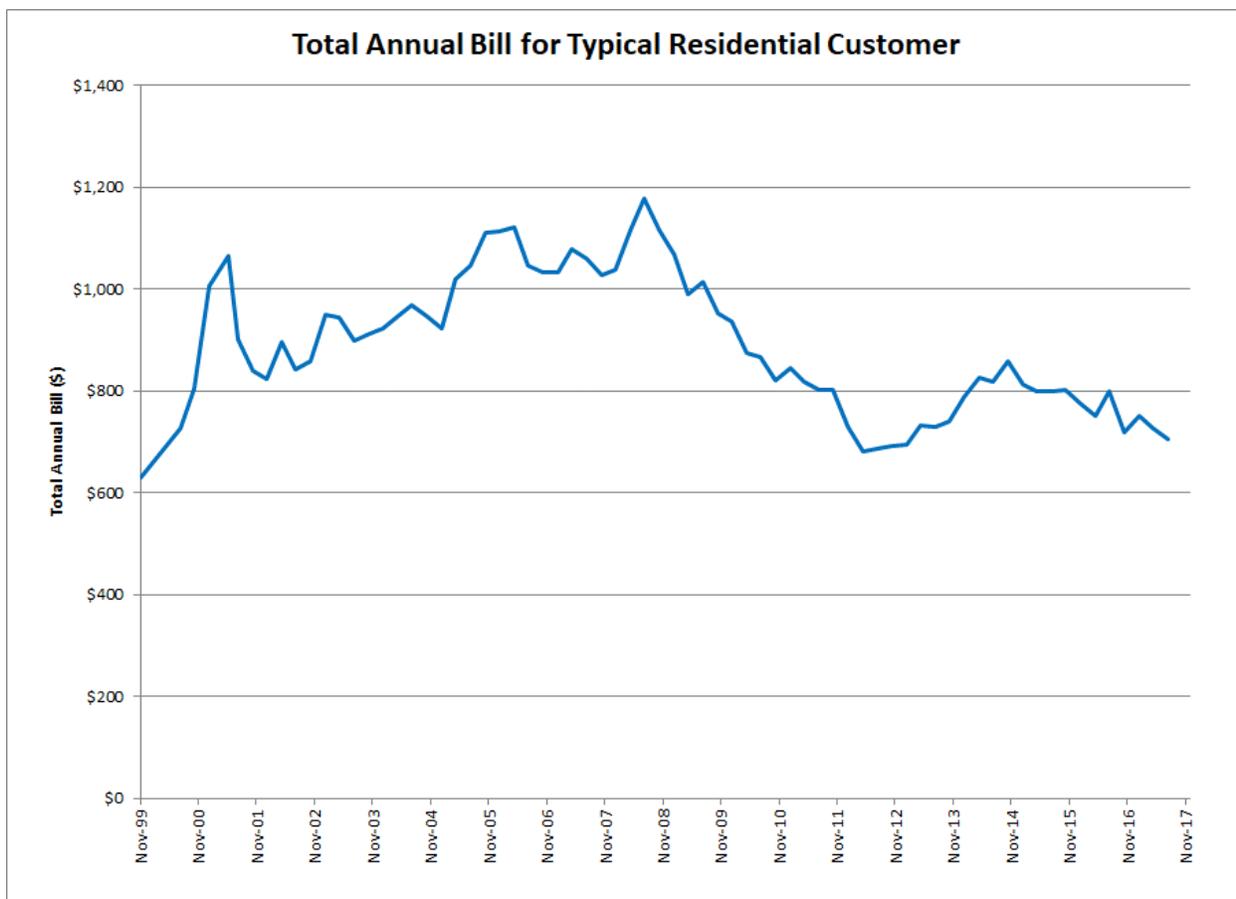
<b>Customer Class</b>	<b>Annualized Bill Change (Illustrative)</b>
Special Contract	14.4%
Power Stations	80.0% – 81.8%

With the decreased Primary Gas rate and reversion of the non-gas components of rates to levels approved on an interim basis in Order 66/11 for all classes other than Special Contract and Power Stations, the combined annualized bill impacts on the various customer classes are as follows:

<b>Customer Class</b>	<b>Annualized Bill Change (Illustrative)</b>
Small General Service	(3.1%) – (5.0%)
Large General Service	(4.1%) – (5.7%)
High Volume Firm (Sales Service)	(5.9%) – (6.5%)
High Volume Firm (Transportation Service)	(12.8%) – (15.1)
Mainline (Sales Service)	(3.8%) – (6.8%)
Mainline (Transportation Service)	(20.9%) – (31.4%)
Interruptible	(6.6%) – (7.8%)
Special Contract	0%
Power Stations	0%

The projected combined annualized bill impact for a typical residential customer, based on average annual consumption of 2,243 m<sup>3</sup> of gas, is a decrease of \$29 per year or 4.0% from May 1, 2017 rates.

A graph of the historical annual bill for typical residential customers as a result of all of Centra's rate changes is shown below:



## 6.0 Board Findings

The Board considers the information filed by Centra on July 14, 2017 to be Centra's evidence in support of its interim ex parte Application.

### *Approval*

As Centra's July 14, 2017 Application and supporting evidence properly reflects the Board-approved Primary Gas Rate Setting Methodology, the Board approves Centra's Application to amend the Primary Gas rate. The Primary Gas rate will decrease to \$0.0921/m<sup>3</sup> effective August 1, 2017.

Primary Gas rate changes affect only those customers receiving quarterly-priced Primary Gas from Centra. Customers on fixed-price contracts with either gas marketers or Centra are not affected. The next review of the Primary Gas rate will take place as of November 1, 2017.

To date, Centra has neither filed a General Rate Application (GRA) nor indicated when it will do so. As a result, the Board finds Centra to be in default of Order 108/15 Directive 12. Consequently, the Board imposes a penalty of \$100 per day to Centra, the maximum permitted under Section 100 of *The Public Utilities Board Act*, commencing from January 21, 2017 until the date Centra files its General Rate Application with the Board. The Board does not take this step lightly; however, the lack of compliance by Centra results in the Board enforcing penalties.

Based on Centra's failure to file a General Rate Application, the Board requires Centra to revert to the non-gas components of rates for all customer classes, except for the Special Contract and Power Station customer classes, as indicated in Order 108/15. The Board has excluded these two customer classes from the interim reversion to historic non-gas components of rates to avoid an unintended negative consequence which would be a significant increase in rates to these customer classes. This matter will be reviewed at Centra's next General Rate Application.

*Notification*

Centra must advise its customers of the change in the Primary Gas rate. Furthermore, Centra is to clearly communicate to customers that the change in non-Primary Gas rates is the result of its delay in complying with Order 108/15 Directive 12. Centra is also to communicate that any bill impacts caused by the reversion of non-gas rate components to levels approved as final in Order 85/13 will be reviewed at the next General Rate Application, which may contribute to the partial reversal of any bill decrease resulting from this Order.

## 7.0 It Is Therefore Ordered That:

1. The Schedules of Rates attached to this Order as Appendix “A”, effective for all gas consumed on and after August 1, 2017, BE AND ARE HEREBY APPROVED on an interim basis.
2. Order 108/15 Directive 5 BE AND IS HEREBY VARIED such that , absent further Order of the Board, effective August 1, 2017 the then-current interim rates shall terminate and the non-gas components embedded in Centra’s rates shall revert back to levels approved on an interim basis in Order 66/11 and subsequently approved as final in Directive 14 of Order 85/13, with the exception of rates for the Special Contract and Power Stations customer classes which are to continue as approved in Order 89/13.
3. Centra is in default of Order 108/15 Directive 12 and it BE AND IS HEREBY ORDERED to pay a penalty of \$100 per day, the maximum permitted by *The Public Utilities Board Act*, calculated from January 21, 2017 until the day the Public Utilities Board receives Centra’s General Rate Application that is prepared in accordance with applicable Board directives.
4. This Interim Order shall be in effect until confirmed or otherwise dealt with by a further Order of the Board.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board’s Rules of Practice and Procedure (Rules). The Board’s Rules may be viewed on the Board’s website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).



CENTRA GAS MANITOBA INC.  
FIRM SALES AND DELIVERY SERVICES  
RATES SCHEDULES (BASE RATES ONLY - NO RIDERS)

1	<b>Territory:</b>	Entire natural gas service area of Company, including all zones				
2						
3	<b>Availability:</b>					
4	SGC:	For gas supplied through one domestic-sized meter.				
5	LGC:	For gas delivered through one meter at annual volumes less than 680,000 m <sup>3</sup>				
6	HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m <sup>3</sup>				
7	CO-OP:	For gas delivered to natural gas distribution cooperatives				
8	MLC:	For gas delivered through one meter to customers served from the Transmission system				
9	Special Contract:	For gas delivered under the terms of a Special Contract with the Company				
10	Power Station:	For gas delivered under the terms of a Special Contract with the Company				
11						
12	<b>Rates:</b>	<u>Distribution to Customers</u>				
		<u>Transportation</u>				<u>Supplemental</u>
		<u>to</u>			<u>Primary Gas</u>	<u>Gas</u>
		<u>Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Supply</u>	<u>Supply</u> <sup>1</sup>
13						
14	<b>Basic Monthly Charge: (\$/month)</b>					
15	Small General Class (SGC)	N/A	\$14.00	N/A	N/A	N/A
16	Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A
17	High Volume Firm (HVF)	N/A	\$1,118.31	\$1,118.31	N/A	N/A
18	Cooperative (CO-OP)	N/A	\$274.06	\$274.06	N/A	N/A
19	Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
20	Special Contract	N/A	N/A	\$117,914.17	N/A	N/A
21	Power Station	N/A	N/A	\$8,026.07	N/A	N/A
22						
23	<b>Monthly Demand Charge (\$/m<sup>3</sup>/month)</b>					
24	High Volume Firm Class (HVF)	\$0.3074	\$0.1503	\$0.1503	N/A	N/A
25	Cooperative (CO-OP)	\$0.4681	\$0.1298	\$0.1298	N/A	N/A
26	Main Line Class (MLC)	\$0.5456	\$0.1576	\$0.1576	N/A	N/A
27	Special Contract	N/A	N/A	N/A	N/A	N/A
28	Power Station	N/A	N/A	\$0.0048	N/A	N/A
29						
30	<b>Commodity Volumetric Charge: (\$/m<sup>3</sup>)</b>					
31	Small General Class (SGC)	\$0.0538	\$0.0866	N/A	\$0.1001	\$0.1559
32	Large General Class (LGC)	\$0.0516	\$0.0357	N/A	\$0.1001	\$0.1559
33	High Volume Firm (HVF)	\$0.0196	\$0.0073	\$0.0073	\$0.1001	\$0.1559
34	Cooperative (CO-OP)	\$0.0057	\$0.0001	\$0.0001	\$0.1001	\$0.1559
35	Main Line Class (MLC)	\$0.0060	\$0.0012	\$0.0012	\$0.1001	\$0.1559
36	Special Contract	N/A	N/A	\$0.0001	N/A	N/A
37	Power Station	N/A	N/A	\$0.0083	N/A	N/A
38						
39	<sup>1</sup> Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
40						
41	<b>Minimum Monthly Bill:</b>	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
42						
43	<b>Effective:</b>	Rates to be charged for all billings based on gas consumed on and after Aug 1, 2017.				

CENTRA GAS MANITOBA INC.  
 INTERRUPTIBLE SALES AND DELIVERY SERVICES  
 RATE SCHEDULES (BASE RATES ONLY - NO RIDERS)

1	<b>Territory:</b>	Entire natural gas service area of Company, including all zones.				
2						
3	<b>Availability:</b>	For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000m <sup>3</sup> and who contracts for such service for a minimum of one year, or who received Interruptible Service continuously since December 31, 1996. Service under this rate shall be limited to the extent that the Company considers it has available natural gas supplies and/or capacity to provide delivery service.				
4						
5	<b>Rates:</b>	<u>Distribution to Customers</u>				
6		<u>Transportation to Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply<sup>1</sup></u>
7						
8	<b>Basic Monthly Charge: (\$/month)</b>					
9	Interruptible Service	N/A	\$1,042.72	\$1,042.72	N/A	N/A
10	Mainline Interruptible (with firm delivery)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
11						
12	<b>Monthly Demand Charge (\$/m3/month)</b>					
13	Interruptible Service	\$0.1429	\$0.0772	\$0.0772	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.2199	\$0.1576	\$0.1576	N/A	N/A
15						
16	<b>Commodity Volumetric Charge: (\$/m3)</b>					
17	Interruptible Service	\$0.0115	\$0.0066	\$0.0066	\$0.1001	\$0.1560
18	Mainline Interruptible (with firm delivery)	\$0.0061	\$0.0012	\$0.0012	\$0.1001	\$0.1560
19						
20	<b>Alternate Supply Service:</b>	Negotiated				
21	Gas Supply (Interruptible Sales and Mainline Interruptible)	Cost of Gas				
22	Delivery - Interruptible Class	\$0.0092				
23	Delivery - Mainline Interruptible Class	\$0.0064				
24						
25	<sup>1</sup> Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
26						
27	<b>Minimum Monthly Bill:</b>	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
28						
29	<b>Effective:</b>	Rates to be charged for all billings based on gas consumed on and after Aug 1, 2017.				

**CENTRA GAS MANITOBA INC.**  
**FIRM SALES AND DELIVERY SERVICES**  
**RATE SCHEDULES (BASE RATES PLUS RIDERS)**

1	<b>Territory:</b>	Entire natural gas service area of Company, including all zones.					
2							
3	<b>Availability:</b>						
4	SGC:	For gas supplied through one domestic-sized meter.					
5	LGC:	For gas delivered through one meter at annual volumes less than 680,000 m <sup>3</sup> .					
6	HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m <sup>3</sup> .					
7	Co-op:	For gas delivered to natural gas distribution cooperatives.					
8	MLC:	For gas delivered through one meter to consumers served from the Transmission system.					
9	Special Contract:	For gas delivered under the terms of a Special Contract with the Company.					
10	Power Station:	For gas delivered under the terms of a Special Contract with the Company.					
11							
12	<b>Rates:</b>	<b>Distribution to Customers</b>					
		<b>Transportation</b>				<b>Primary</b>	<b>Supplemental</b>
		<b>to</b>				<b>Gas</b>	<b>Gas</b>
		<b>Centra</b>	<b>Sales Service</b>	<b>T-Service</b>		<b>Supply</b>	<b>Supply<sup>1</sup></b>
13							
14							
15	<b>Basic Monthly Charge: (\$/month)</b>						
16	Small General Class (SGC)	N/A	\$14.00	N/A		N/A	N/A
17	Large General Class (LGC)	N/A	\$77.00	\$77.00		N/A	N/A
18	High Volume Firm Class (HVF)	N/A	\$1,118.31	\$1,118.31		N/A	N/A
19	Cooperative (Co-op)	N/A	\$274.06	\$274.06		N/A	N/A
20	Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33		N/A	N/A
21	Special Contract	N/A	N/A	\$117,914.17		N/A	N/A
22	Power Station	N/A	N/A	\$8,026.07		N/A	N/A
23							
24	<b>Monthly Demand Charge (\$/m<sup>3</sup>/month)</b>						
25	High Volume Firm Class (HVF)	\$0.3074	\$0.1503	\$0.1503		N/A	N/A
26	Cooperative (Co-op)	\$0.4681	\$0.1298	\$0.1298		N/A	N/A
27	Main Line Class (MLC) (Firm)	\$0.5456	\$0.1576	\$0.1576		N/A	N/A
28	Special Contract	N/A	N/A	N/A		N/A	N/A
29	Power Station	N/A	N/A	\$0.0048		N/A	N/A
30							
31	<b>Commodity Volumetric Charge: (\$/m<sup>3</sup>)</b>						
32	Small General Class (SGC)	\$0.0538	\$0.0866	N/A		\$0.0921	\$0.1559
33	Large General Class (LGC)	\$0.0516	\$0.0357	N/A		\$0.0921	\$0.1559
34	High Volume Firm Class (HVF)	\$0.0196	\$0.0073	\$0.0073		\$0.0921	\$0.1559
35	Cooperative (Co-op)	\$0.0057	\$0.0001	\$0.0001		\$0.0921	\$0.1559
36	Main Line Class (MLC) (Firm)	\$0.0060	\$0.0012	\$0.0012		\$0.0921	\$0.1559
37	Special Contract	N/A	N/A	\$0.0001		N/A	N/A
38	Power Station	N/A	N/A	\$0.0083		N/A	N/A
39							
40	<sup>1</sup> Supplemental Gas is mandatory for all Sales and Western T-Service Customers.						
41							
42							
43							
44							
45	<b>Minimum Monthly Bill:</b>	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.					
46							
47	<b>Effective:</b>	Rates to be charged for all billings based on gas consumed on and after Aug 1, 2017.					

**CENTRA GAS MANITOBA INC.  
 INTERRUPTIBLE SALES AND DELIVERY SERVICES  
 RATE SCHEDULES (BASE RATES PLUS RIDERS)**

1	<b>Territory:</b>	Entire natural gas service area of Company, including all zones.				
2						
3	<b>Availability:</b>	For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000m <sup>3</sup> and who contracts for such service for a minimum of one year, or who received Interruptible Service continuously since December 31, 1996. Service under this rate shall be limited to the extent that the Company considers it has available natural gas supplies and/or capacity to provide delivery service.				
4						
5	<b>Rates:</b>	<u>Distribution to Customers</u>				
6		<u>Transportation to</u>			<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply<sup>1</sup></u>
7		<u>Centra</u>	<u>Sales Service</u>	<u>T-Service</u>		
8	<b>Basic Monthly Charge: (\$/month)</b>					
9	Interruptible Service	N/A	\$1,042.72	\$1,042.72	N/A	N/A
10	Mainline Interruptible (with firm delivery)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
11						
12	<b>Monthly Demand Charge (\$/m<sup>3</sup>/month)</b>					
13	Interruptible Service	\$0.1429	\$0.0772	\$0.0772	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.2199	\$0.1576	\$0.1576	N/A	N/A
15						
16	<b>Commodity Volumetric Charge: (\$/m<sup>3</sup>)</b>					
17	Interruptible Service	\$0.0115	\$0.0066	\$0.0066	\$0.0921	\$0.1560
19	Mainline Interruptible (with firm delivery)	\$0.0061	\$0.0012	\$0.0012	\$0.0921	\$0.1560
20						
21	<b>Alternate Supply Service:</b>			Negotiated		
22	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
23	Delivery Service - Interruptible Class			\$0.0092		
24	Delivery Service - Mainline Interruptible Class			\$0.0064		
25						
26	<sup>1</sup> Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
27						
28	<b>Minimum Monthly Bill:</b>	Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate.				
29						
30	<b>Effective:</b>	Rates to be charged for all billings based on gas consumed on and after Aug 1, 2017.				