

MANITOBA) **Order No. 54/12**
)
THE PUBLIC UTILITIES BOARD ACT) **April 27, 2012**

BEFORE: Régis Gosselin, MBA, CGA, Chair
Leonard Evans LLD, Member
Monica Girouard CGA, Member

**CENTRA GAS MANITOBA INC.: PRIMARY
GAS RATE AND REMOVAL OF NON-PRIMARY
GAS RATE RIDERS, EFFECTIVE MAY 1, 2012**

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1.0 Summary

By this Order the Public Utilities Board (Board) approves, on an interim *ex parte* basis, a decrease of 20% to Centra Gas Manitoba Inc.'s (Centra) Primary Gas billed rate as of May 1, 2012. The Primary Gas billed rate will decrease from \$0.1105/m³ to \$0.088/m³. In addition, the Board approves the removal of rate riders from the Transportation (to Centra) and Distribution (to Customers) rates.

The Primary Gas rate decrease, on its own, is expected to result in a decrease of \$54 per year (approximately 6.9%) for the "typical" residential customer receiving quarterly-priced Primary Gas from Centra. Larger volume customers receiving quarterly-priced Primary Gas from Centra may expect an annualized bill decrease ranging from 7.8% to 17.9% (depending on volumes consumed).

Removal of the Transportation and Distribution rate riders will cause a range of bill impacts that vary with each customer class. Residential customer rates will decrease by 1.3% to 2% on an annualized basis with the removal of these rate riders. Larger volume customers may expect changes to their annualized bills ranging from a 3% decrease to an increase of 15.5%.

Combined, the Primary Gas rate decrease, along with the removal of the Transportation and Distribution rate riders, will result in an overall decrease of \$67 per year (approximately 8.6%) for the typical residential customer. Larger volume customers receiving quarterly-priced Primary Gas from Centra may expect an annualized bill decrease ranging from 2.1% to 14.4% (depending on volumes consumed).

Customers purchasing Primary Gas on fixed rate contracts (from either private marketers or Centra) will only be impacted by the removal of the rate riders. The Primary Gas component of their bills is established by contract.

Factors Driving Rates

While oil prices have remained high over the past quarter, natural gas prices have declined even further below their already depressed levels. Since the commodity collapse that began in the third quarter of 2008, oil prices have rebounded and remained high while natural gas prices have remained depressed.

One of the primary reasons for the continued decreases in price for natural gas is the identification of new domestic natural gas supplies, particularly arising from the development and promise of economically available shale gas. Recoverable shale gas resource has been expanding due to improvements in recovery technologies, and the development of shale gas resources in North America has been classified by many as a “game changer” for the North American natural gas market. Currently, shale gas accounts for about 16% of U.S. and Canadian natural gas supply, and this segment of the overall natural gas supply continues to grow.

Other reasons for the recent decreases in natural gas prices include the slow recovery of the economy, particularly in the Industrial Sector in the United States (which are large consumers of natural gas), as well as the warm winter which has pushed natural gas storage levels in North America to seasonal record levels.

Despite the additional natural gas resources (from shale gas development) and lower than expected demand due to the slow recovery of large industry, future prices for natural gas remain subject to uncertainty.

Improved economic growth in North America and increased use of natural gas in electricity generation, coupled with depletion of gas in storage, could result in natural gas prices rising. As well, government environmental policies may also impact prices, should such policies favour the development of a clean energy standard including a carbon cap-and-trade program or the placing of a price on carbon emissions which would drive additional use of natural gas in electricity generation in lieu of coal. Compared to coal, natural gas emits much lower emissions, and natural gas could be a preferred fuel choice under such a policy environment. There is also uncertainty concerning possible negative environmental impacts resulting from shale gas development technologies, and this could result in limitations in the development of the shale resources.

In general, most natural gas current price projections are not predicting significant increases in natural gas prices in the near future. In fact, natural gas prices remain subject to downward pressure from steady if not increased production levels of natural gas (with continued development of shale gas resources), and with significant gas in storage.

The chart below reflects the 12 month futures price strip for natural gas taken on April 2, 2012 and used in the calculation of May 1, 2012 Primary Gas rates, in comparison to the futures strip

price from January 3, 2012. As can be seen from the chart, the futures prices have decreased considerably.

AECO Price\$/GJ (Canadian)

	May/12	Jun/12	Jul/12	Aug/12	Sep/12	Oct/12	Nov/12	Dec/12	Jan/13	Feb/13	Mar/13	Apr/13
Jan Strip	2.658	2.655	2.695	2.738	2.763	2.840	3.023	3.238	3.315	-	-	-
Apr Strip	1.675	1.763	1.833	1.905	1.958	2.043	2.325	2.725	2.828	2.83	2.805	2.78

In addition to the futures prices, Centra’s May 1, 2012 Primary Gas rates have been influenced by:

- a) Gas purchased at prices higher than current market prices in the summer of 2011 and stored within Centra’s natural gas storage facilities. Storage volumes are drawn down through the winter months, and higher prices paid for gas in storage mitigate the decline in the Primary Gas rate;
- b) The Primary Gas rate rider charging consumers for past differences between actual natural gas costs and the forecasted costs reflected in prior rates. The estimated Primary Gas rate rider as of May 1, 2012 reflects approximately \$25.1 million owing to customers; and
- c) The Board-approved Rate Setting Methodology (RSM), a process agreed to by interveners representing customer groups and Centra (administered by Manitoba Hydro), and approved by the Board. The process involves Purchased Gas Variance Accounts (PGVA) recording variances between projected and actual costs of natural gas, for reflection in rates at the next quarterly rate setting.

Quarterly Primary Gas rate setting does not involve a public hearing, this recognizing the “mathematically-based” process for the quarterly rate settings and furthering the objective of least-cost regulation through the deferral of a public review of rates to the Board’s annual Cost of Gas hearing.

2.0 Introduction

Centra is a wholly-owned subsidiary of Manitoba Hydro (MH), and is Manitoba's largest natural gas distributor. 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 billings to Centra's customers are:

- Primary Gas Rates (quarterly-priced system gas from Centra – the subject of this Order, or gas purchased for fixed-price contract customers);
- Supplemental Gas Rates (applying to the majority of customers, whether provided quarterly-priced Primary Gas by Centra or through fixed-price contracts);
- Transportation (to Centra) Rates (applicable to the majority of customers);
- Distribution (to Customer) Rates (applicable to all customers); and
- Basic Monthly Charge (BMC) (applicable to all customers).

Centra's Primary Gas rates are subject to amendment quarterly, on the first day of February, May, August, and November of each year. These regularly scheduled quarterly Primary Gas rate reviews occur in accordance with the Board-approved RSM, which is formula-driven and relies on established accounting and rate setting conventions.

Non-Primary Gas components of Centra's rates, for all customers including those receiving natural gas through fixed-price contracts, are also periodically reviewed and approved by the Board. These non-Primary Gas reviews occur either through the annual Cost of Gas hearing, which also provides for the finalization of past interim quarterly Primary Gas rate changes, or in the context of a General Rate Application (GRA). At the present time, Centra has applied for both a change to the Primary Gas rate as well as the removal of non-Primary Gas rate riders, which will result in changes to the non-Primary Gas billed rates.

Board Order 66/11, dated May 2, 2011, is the most recent Board Order arising out of Centra's Cost of Gas review. Order 66/11 approved both Centra's quarterly interim Primary Gas rate as well as rate changes to the Non-Primary Gas components of Centra's rates (Transportation and Distribution rates). Board Order 7/12, dated January 20, 2012, approved the most recent change to Centra's Primary Gas rate.

Historically, Centra hedged a percentage of its Primary Gas purchases, pursuant to a Board-approved policy implemented to reduce rate volatility. That said, the Board, by Order 170/09, directed a phase-out of hedging Primary Gas for “system gas” customers, from 75% of eligible volumes to 0% by August of 2011.

In accordance with Order 170/09, from August 1, 2011 customers purchasing quarterly-priced Primary Gas from Centra will experience rates more reflective of the actual market prices of natural gas. As such, there are no hedge impacts to include in the determination of May 1, 2012 Primary Gas sales rates. Changes in quarterly-priced Primary Gas rates will still be moderated by: a) the cost of gas in storage, and b) the quarterly pricing methodology. Customers desiring additional stability for their gas bills may elect Manitoba Hydro’s equal monthly payment plan (EPP), whereby monthly bills can be fixed based on estimated consumption and rates, or by contracting for Primary Gas under a fixed rate and fixed term from a gas marketer or Centra.

The Board directed the phase-out of hedging because of the recent availability of fixed-price fixed-term Primary Gas contracts from Centra, as well as the continuing availability of such fixed-price contracts from private marketers.

Rate riders also affect customer bills. Rate riders recover or repay, from or to customers, balances developing through differences that arise between billed rates and actual rates, with interest. Utilization of rate riders ensures that the cost of gas is charged to customers with no mark-up or discount. The estimated balance in the Primary Gas Variance Account is \$25.1 million owing to customers, which reduces the Primary Gas billed rate compared to the base rate.

3.0 Background

The following table illustrates changes in natural gas commodity prices and prospective overall bills since August 1, 2007, from the perspective of the average residential customer purchasing Primary Gas from Centra by way of quarterly Primary Gas rates:

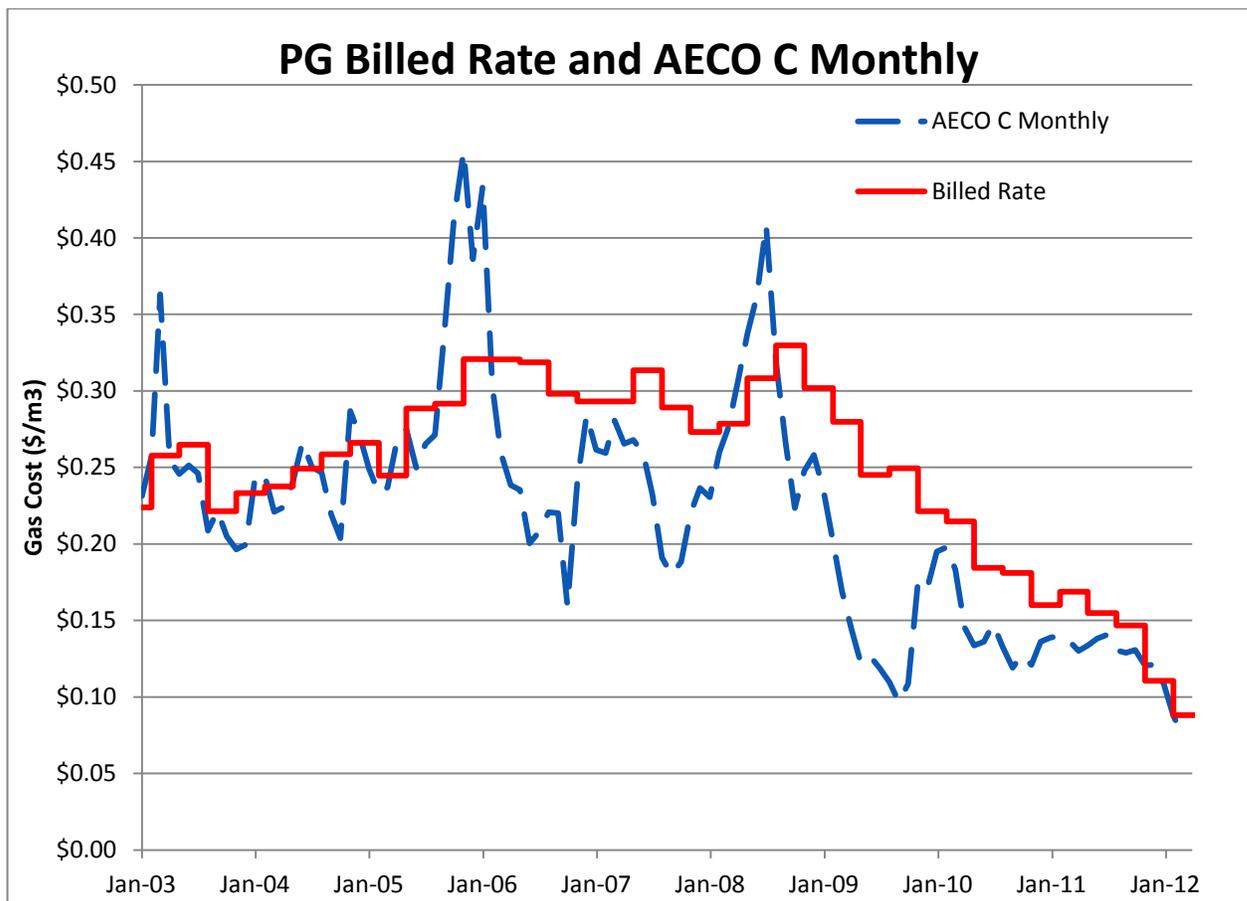
Historical Primary Gas Costs and Bill Impacts

Date	Primary Gas Commodity Cost	% change in Primary Gas Cost	Projected Annual Bill	% Change in Projected Annual Bill
1-Dec-99	3.003/GJ	Base	\$758	Base
1-Aug-00	5.187/GJ	73%	\$878	15.5%
1-Nov-00	5.894/GJ	14%	\$975	10.8%
1-Feb-01	9.251/GJ	57%	\$1225	25.2%
1-Jun-01	6.429/GJ	-31%	\$1299	6.0%
1-Aug-01	4.614/GJ	-28%	\$1095	-15.5%
1-Nov-01	4.168/GJ	-10%	\$1020	-6.7%
1-Feb-02	4.028/GJ	-3%	\$999	-2.0%
1-May-02	5.094/GJ	27%	\$1088	8.8%
1-Aug-02	4.759/GJ	-7%	\$1022	-6.0%
1-Nov-02	5.024/GJ	6%	\$1041	1.8%
1-Feb-03	5.860/GJ	17%	\$1155	10.8%
1-May-03	5.928/GJ	1%	\$1149	-0.5%
1-Aug-03	5.857/GJ	-1%	\$1091	-5.0%
1-Nov-03	6.003/GJ	3%	\$1110	1.7%
1-Feb-04	6.148/GJ	2%	\$1121	1.0%
1-May-04	6.413/GJ	4%	\$1153	2.8%
1-Aug-04	6.683/GJ	4%	\$1179	2.2%
1-Nov-04	7.032/GJ	5%	\$1152	-2.3%
1-Feb-05	6.637/GJ	-6%	\$1121	-2.7%
1-May-05	7.855/GJ	18%	\$1243	10.7%
1-Aug-05	7.957/GJ	1%	\$1164	2.6%
1-Nov-05	9.314/GJ	17%	\$1236	6.2%
1-Feb-06	9.162/GJ	-2%	\$1239	0.2%
1-May-06	9.205/GJ	1%	\$1248	0.7%
1-Aug-06	8.818/GJ	-4%	\$1163	(6.8%)
1-Nov-06	7.941/GJ	-10%	\$1150	(1.1%)
1-Feb-07	7.661/GJ	-4%	\$1150	0.0%
1-May-07	8.040/GJ	5%	\$1202	4.5%
1-Aug-07	7.457/GJ	-7%	\$1180	(1.8%)
1-Nov-07	7.070/GJ	-5%	\$1139	(3.5%)
1-Feb-08	7.314/GJ	3%	\$1153	1.2%
1-May-08	8.308/GJ	14%	\$1238	7.4%
1-Aug-08	9.473/GJ	14%	\$1309	5.8%
1-Nov-08	7.945/GJ	-16%	\$1239	(5.4%)
1-Feb-09	7.852/GJ	-1%	\$1183	(4.5%)
1-May-09	7.041/GJ	-10%	\$1095	(7.5%)
1-Aug-09	6.628/GJ	-6%	\$1122	2.5%
1-Nov-09	5.566/GJ	-16.0%	\$1051	(6.3%)
1-Feb-10	5.500/GJ	1.2%	\$1035	(1.6%)
1-May-10	4.864/GJ	-12%	\$ 962	(6.1%)
1-Aug-10	4.740/GJ	-3%	\$ 954	(0.8%)
1-Nov-10	4.166/GJ	-12%	\$ 912	(5.3)
1-Feb-11	4.245/GJ	2%	\$ 930	2%
1-May-11	4.105/GJ	-3.3%	\$ 882	(3.1%)
1-Aug-11	3.903/GJ	-4.9%	\$ 865	(1.8%)
1-Nov-11	3.755/GJ	-3.8%	\$ 863	(0.9%)
1-Feb-12	3.166/GJ	-15.7%	\$ 784	(9.2%)
1-May-12	2.850/GJ	-10%	\$ 730	(6.9%)

Notes

1. The average annual bill above is based on the estimated annual consumption of a typical residential customer of 2,465 cubic metres with 97% from Primary Gas and 3% from Supplemental Gas.
2. Residential customers receiving Primary Gas from marketers and Centra's Fixed Rate Primary Gas Service would not have the same cost and bill experience as Centra's Quarterly Service customers. Primary Gas costs for customers on fixed rate contracts are in accordance with the contract with the supplier, generally fixed for one to five years at rates different than those charged by Centra as per the above quarterly rates.
3. The above table incorporates changes approved by the Board for both non-Primary Gas and Primary Gas from August 1, 2007 through to May 1, 2012.
4. The Board's RSM considers factors other than natural gas commodity prices including the cost of gas in storage and historical hedging results. Accordingly, the volatility in Primary Gas rates experienced by Centra's Primary Gas customers is reduced as overall rates also take into account operating, amortization, administrative and financial costs.

The information in the above table is graphically shown in the following chart.



The following table reports the composite elements of recent Primary Gas rate amendments:

Historical Primary Gas Costs and Rate Calculations

Component	Costs and Proposed Rates May 1/11	Costs and Proposed Rates Aug 1/11	Costs and Proposed Rates Nov 1/11	Costs and Proposed Rates Feb 1/12	Costs and Proposed Rates May 1/12
Date of Forward Price Strip	April 1, 2011	July 1, 2011	October 3, 2011	January 3, 2011	April 2, 2011
¹ 12 Month Forward Price per GJ	\$4.145	\$3.919	\$3.760	\$3.045	\$2.654
² Costs (gains) resulting from Hedging	\$0.02	\$0.000	\$0.00	\$0.00	\$0.00
Forecast Gas Supply Price	\$4.165	\$3.919	\$3.760	\$3.045	\$2.654
³ Cost of Gas drawn from Storage	\$3.852	\$3.852	\$3.735	\$3.675	\$3.675
Weighted Gas, Cost (mix of Gas Supply & Storage Gas costs)	\$4.105	\$3.903	\$3.755	\$3.166	\$2.850
Rate per Cubic Metre	\$0.1552	\$0.1475	\$0.1419	\$0.1197	\$0.1077
⁴ Base Primary Rate, adding Fuel and Overhead cost component per cubic metre	\$0.1582	\$0.15014	\$0.14424	\$0.1218	\$0.1098
⁵ Plus (Less) PGVA Rider per cubic metre	(\$0.0034)	\$0.0033	\$0.0006	\$0.0113	\$0.0218
Total Billed Rate	\$0.1548	\$0.1468	\$0.1436	\$0.1105	\$0.088

Notes:

1. Primary Gas rate increase factors in 100% of the increase between the current 12-month forward price for Western Canadian natural gas commodity supplies for the period May 1, 2012 to April 30, 2013 from the price as of April 2, 2012.
2. Board Order 170/09 directed a phase-out of hedging Primary Gas by August of 2011.
3. The cost of gas drawn from storage for supply to Primary Gas customers is accounted for, reflecting the actual cost of gas in storage (withdrawals commence November 1), and blended in on a weighted basis to arrive at a weighted gas cost.
4. At May 1, 2012, compressor fuel costs are \$0.0005/m³ and overhead cost components are \$0.00164/m³.
5. Rate changes by means of rate riders are established to collect or refund from customers any accumulated Primary Gas PGVA balances over the next 12 month period.

A Primary Gas rate rider of \$0.0218/m³, reflecting an estimated balance, to April 30, 2012 of approximately \$25.1 million owing to customers, will be applied to the Primary Gas Rate. This rate rider is expected to refund \$25.1 million to customers, assuming normal volumes of gas consumed over the period May 1, 2012 to April 30, 2013. Any under-refunded or over-refunded balances will be included in the calculation of future rate riders.

Primary Gas rates also reflect the cost of gas withdrawn from storage. Slightly higher gas prices experienced during the 2011 storage refill season than are forecasted for the coming year resulted in a cost of \$3.675/GJ for the Primary Gas in storage as of October 31, 2011.

4.0 Customer Impact

The annualized bill impacts effective May 1, 2012 of the change in the Primary Gas rates arising out of this Application on the various customer classes are as follows:

Customer Class	Annualized Rate Decrease
SGS	5.2 – 8.2%
LGS	7.8 – 10.9%
High Volume Firm	10.3 – 14%
Mainline	12 – 14.8%
Interruptible	14 – 17.9%

The projected annualized net bill impact for a typical residential customer, based on average annual consumption of 2,465 m³ of Primary Gas is a decrease of \$54 (or 6.9%), from February 1, 2012 rates.

5.0 Board Findings

Approval

As Centra's April 13, 2012 Application to decrease the interim Primary Gas rate properly reflects the Board-approved RSM, the Board will approve Centra's proposal for a decrease in the Primary Gas rate.

Primary Gas rate changes affect only customers receiving quarterly-priced system gas (Primary Gas) from Centra. Customers on fixed-price contracts with either gas marketers or Centra are not affected.

On May 2, 2011, in its Order 66/11, the Board approved Transportation and Distribution rate riders to be in effect for 12 months. As this 12 month period has expired, the Board approves the removal of these rate riders from customer rates. The Transportation and Distribution billed rates are thus equal to the base rates.

The next review of Primary Gas rates will take place as of August 1, 2012. Centra will apply for new Transportation and Distribution rates and rate riders at a future date.

Notification

Centra is to advise its customers of the change in Primary Gas rates and the removal of the non-Primary Gas rate riders.

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.pub.gov.mb.ca.

6.0 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 May 1, 2012, BE AND ARE HEREBY APPROVED on an interim basis.
2. This Interim Order shall be in effect until confirmed or otherwise dealt with, by a further Order of the Board.

THE PUBLIC UTILITIES BOARD

“RÉGIS GOSSELIN, MBA, CGA”
Chair

“HOLLIS SINGH”
Secretary

Certified a true copy of Order No. 54/12
issued by The Public Utilities Board

Secretary

Appendix "A"

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

1	Territory:	Entire natural gas service area of Company, including all zones				
2						
3	Availability:					
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 ³				
6	HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m ³				
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	Rates:	<u>Distribution to Customers</u>				
		<u>Transportation</u>			<u>Primary Gas</u>	<u>Supplemental</u>
		<u>to</u>			<u>Supply</u>	<u>Gas</u>
		<u>Centra</u>	<u>Sales Service</u>	<u>T-Service</u>		<u>Supply</u> ¹
13						
14	Basic Monthly Charge: (\$/month)					
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	\$135,424.74	N/A	N/A
21	Power Station	N/A	N/A	\$11,565.60	N/A	N/A
22						
23	Monthly Demand Charge (\$/m3/month)					
24	High Volume Firm Class (HVF)	\$0.2408	\$0.1504	\$0.1504	N/A	N/A
25	Cooperative (CO-OP)	\$0.3606	\$0.1298	\$0.1298	N/A	N/A
26	Main Line Class (MLC)	\$0.4209	\$0.1580	\$0.1580	N/A	N/A
27	Special Contract	N/A	N/A	N/A	N/A	N/A
28	Power Station	N/A	N/A	\$0.0280	N/A	N/A
29						
30	Commodity Volumetric Charge: (\$/m3)					
31	Small General Class (SGC)	\$0.0462	\$0.0869	N/A	\$0.1098	\$0.1344
32	Large General Class (LGC)	\$0.0451	\$0.0362	\$0.0362	\$0.1098	\$0.1344
33	High Volume Firm (HVF)	\$0.0201	\$0.0081	\$0.0081	\$0.1098	\$0.1344
34	Cooperative (CO-OP)	\$0.0091	\$0.0001	\$0.0001	\$0.1098	\$0.1344
35	Main Line Class (MLC)	\$0.0095	\$0.0015	\$0.0015	\$0.1098	\$0.1344
36	Special Contract	N/A	N/A	\$0.0002	N/A	N/A
37	Power Station	N/A	N/A	\$0.0165	N/A	N/A
38						
39	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
40						
41	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
42						
43	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2012.				

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

1 **Territory:** Entire natural gas service area of Company, including all zones.

2
 3 **Availability:** For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000m³ 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 **Rates:**

	<u>Distribution to Customers</u>				
	<u>Transportation to Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply¹</u>
7					
8 Basic Monthly Charge: (\$/month)					
9 Interruptible Service		\$1,042.72	\$1,042.72	N/A	N/A
10 Mainline Interruptible (with firm delivery)		\$2,353.33	\$2,353.33	N/A	N/A
11					
12 Monthly Demand Charge (\$/m3/month)					
13 Interruptible Service	\$0.1127	\$0.0772	\$0.0772	N/A	N/A
14 Mainline Interruptible (with firm delivery)	\$0.1734	\$0.1580	\$0.1580	N/A	N/A
15					
16 Commodity Volumetric Charge: (\$/m3)					
17 Interruptible Service	\$0.0139	\$0.0051	\$0.0051	\$0.1098	\$0.1293
18 Mainline Interruptible (with firm delivery)	\$0.0097	\$0.0015	\$0.0015	\$0.1098	\$0.1293
19					
20 Alternate Supply Service:			Negotiated		
21 Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22 Delivery - Interruptible Class			\$0.0076		
23 Delivery - Mainline Interruptible Class			\$0.0067		
24					

25 ¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.

26 **Minimum Monthly Bill:** Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

27
 28 **Effective:** Rates to be charged for all billings based on gas consumed on and after May 1, 2012.
 29

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

1	Territory:	Entire natural gas service area of Company, including all zones.
2		
3	Availability:	
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 ³ .
6	HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m ³ .
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	Rates:	<u>Distribution to Customers</u>						
		<u>Transportation</u>			<u>Primary</u>	<u>Gas</u>		<u>Supplemental</u>
		<u>to</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Supply</u>			<u>Gas</u>
		<u>Centra</u>						<u>Supply</u> ¹
13								
14								
15	Basic Monthly Charge: (\$/month)							
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	\$135,424.74		N/A		N/A
22	Power Station	N/A	N/A	\$11,565.60		N/A		N/A
23								
24	Monthly Demand Charge (\$/m³/month)							
25	High Volume Firm Class (HVF)	\$0.2408	\$0.1504	\$0.1504		N/A		N/A
26	Cooperative (Co-op)	\$0.3606	\$0.1298	\$0.1298		N/A		N/A
27	Main Line Class (MLC) (Firm)	\$0.4209	\$0.1580	\$0.1580		N/A		N/A
28	Special Contract	N/A	N/A	N/A		N/A		N/A
29	Power Station	N/A	N/A	\$0.0280		N/A		N/A
30								
31	Commodity Volumetric Charge: (\$/m³)							
32	Small General Class (SGC)	\$0.0462	\$0.0869	N/A		\$0.0880		\$0.1344
33	Large General Class (LGC)	\$0.0451	\$0.0362	\$0.0362		\$0.0880		\$0.1344
34	High Volume Firm Class (HVF)	\$0.0201	\$0.0081	\$0.0081		\$0.0880		\$0.1344
35	Cooperative (Co-op)	\$0.0091	\$0.0001	\$0.0001		\$0.0880		\$0.1344
36	Main Line Class (MLC) (Firm)	\$0.0095	\$0.0015	\$0.0015		\$0.0880		\$0.1344
37	Special Contract	N/A	N/A	\$0.0002		N/A		N/A
38	Power Station	N/A	N/A	\$0.0165		N/A		N/A

39 ¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.

40

41 **Minimum Monthly Bill:** Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

42

43 **Effective:** Rates to be charged for all billings based on gas consumed on and after May 1, 2012.

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

1 **Territory:** Entire natural gas service area of Company, including all zones.

2

3 **Availability:** For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000m³ 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 **Rates:**

6

Transportation to Centra	Distribution to Customers		Primary Gas Supply	Supplemental Gas Supply ¹
	Sales Service	T-Service		

7

8 **Basic Monthly Charge: (\$/month)**

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 **Monthly Demand Charge (\$/m³/month)**

13 Interruptible Service \$0.1127 \$0.0772 \$0.0772 N/A N/A

14 Mainline Interruptible (with firm delivery) \$0.1734 \$0.1580 \$0.1580 N/A N/A

15

16 **Commodity Volumetric Charge: (\$/m³)**

17 Interruptible Service \$0.0139 \$0.0051 \$0.0051 \$0.0880 \$0.1293

18 Mainline Interruptible (with firm delivery) \$0.0097 \$0.0015 \$0.0015 \$0.0880 \$0.1293

19

20 **Alternate Supply Service:**

21 Gas Supply (Interruptible Sales and Mainline Interruptible) Negotiated

22 Delivery Service - Interruptible Class Cost of Gas

23 Delivery Service - Mainline Interruptible Class \$0.0076

24

25 ¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.

26

27 **Minimum Monthly Bill:** Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate.

28

29 **Effective:** Rates to be charged for all billings based on gas consumed on and after May 1, 2012.