

**MANITOBA** ) **Order No. 89/12**  
)  
**THE PUBLIC UTILITIES BOARD ACT** ) **July 19, 2012**

**BEFORE:** Régis Gosselin, MBA, CGA, Chair  
Leonard Evans, LLD, Member  
Monica Girouard CGA, Member  
Raymond Lafond, CA, Member

**CENTRA GAS MANITOBA INC.: PRIMARY  
GAS RATES EFFECTIVE AUGUST 1, 2012**

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## 1.0 Summary

By this Order the Public Utilities Board (Board) approves, on an interim *ex parte* basis, an increase of 9.9% to Centra Gas Manitoba Inc.'s (Centra) Primary Gas billed rate as of August 1, 2012. The Primary Gas billed rate will increase from \$0.0880/m<sup>3</sup> to \$0.0967/m<sup>3</sup>. No other components of Centra's rates are changed by this Order.

The Primary Gas rate increase is expected to result in an increase of \$21 per year (approximately 2.9%) 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 increase ranging from 3.3% to 7.1% (depending on volumes consumed). This is the first increase in Centra's quarterly-set Primary Gas rate since February 1, 2011.

Customers purchasing Primary Gas on fixed rate contracts (from either private marketers or Centra) will not be affected by the change in the Primary Gas rate. The Primary Gas component of their bills is established by contract.

### *Factors Driving Rates*

Natural gas prices have increased since the last quarterly rate application. Since the third quarter of 2008, natural gas prices have decreased considerably and have remained low. Spot gas prices decreased throughout the 2011/12 winter period. Recently, the futures prices as of July 2 have increased slightly over the futures prices from the April 2012 period when the last adjustment was made to Centra's quarterly Primary Gas rate.

One of the primary reasons for the continued low natural gas prices is the identification of new domestic natural gas supplies, particularly arising from the development and promise of economically available shale gas. Recoverable shale gas resources have been expanding due to improvements in recovery technologies. 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.

Other reasons for the continued low natural gas prices include the slow recovery of the economy, particularly in the United States, as well as the recent 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 increase natural gas prices. 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 current natural gas price projections are not predicting significant increases in natural gas prices during the near future. In fact, natural gas prices are under 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 July 2, 2012 and used in the calculation of August 1, 2012 Primary Gas rates, in comparison to the futures strip prices from January 3 and April 2, 2012. As can be seen from the chart, when compared to the January strip futures prices, prices for the April strip have decreased considerably; this was when Centra's Primary Gas rate was last set. Since then, futures prices for later months in the strip have increased.

**AECO Price\$/GJ (Canadian)**

	Aug/12	Sep/12	Oct/12	Nov/12	Dec/12	Jan/13	Feb/13	Mar/13	Apr/13	May/13	Jun/13	Jul/13
Jan Strip	2.738	2.763	2.840	3.023	3.238	3.315	-	-	-	-	-	-
Apr Strip	1.905	1.958	2.043	2.325	2.725	2.828	2.83	2.805	2.78	-	-	-
Jul Strip	2.2075	2.575	2.365	2.6625	2.905	2.9925	2.995	2.995	2.945	2.9525	2.9575	2.995

In addition to the futures prices, Centra's August 1, 2012 Primary Gas rate has been influenced by:

- a) Gas purchased at prices considerably higher than current market prices in the summer of 2011 and stored by Centra. Gas is purchased and stored in the summer when prices are usually lower; gas storage volumes are then drawn down through the winter months when usage is higher, and the prices paid for gas in storage usually mitigate the higher prices paid in the winter;
- b) The Primary Gas rate rider charging consumers for past differences between actual natural gas costs and the forecasted costs reflected in prior rates. Purchased Gas Variance Accounts (PGVA) record variances between projected and actual costs of natural gas, for reflection in rates at the next quarterly rate setting. The estimated Primary Gas rate riders as of August 1, 2012 reflects approximately \$26.5 million owing to customers; and
- c) The Board-approved Rate Setting Methodology (RSM), a process agreed to by interveners representing customer groups and Centra, and approved by the Board.

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); this is the natural gas purchased from Western Canada;

- Supplemental Gas Rates (applying to the majority of customers, whether provided quarterly-priced Primary Gas by Centra or through fixed-price contracts); this is natural gas purchased to ensure supply is available when demand is higher than normal);
- Transportation (to Centra) Rates (applicable to the majority of customers); this is the cost of transporting natural gas to Manitoba, including pipeline charges and the cost of gas storage facilities;
- Distribution (to Customer) Rates (applicable to all customers); this is the cost of delivering natural gas to a customer's home or business, including the cost of pipe and facilities, as well as the operation and maintenance costs for the distribution system and a small cost component related to unaccounted-for gas; and
- Basic Monthly Charge (BMC) (applicable to all customers); it includes a portion of the distribution costs.

Centra's Primary Gas rate is 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).

Board Order 66/11, dated May 2, 2011, is the most recent Order arising out of Centra's 2011/12 Cost of Gas review. Order 66/11 approved Centra's quarterly interim Primary Gas rate, as well as changes to the Non-Primary Gas components of Centra's rates (Transportation and Distribution rates) last approved in Order 46/10. Board Order 54/12, dated April 27, 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. By Order 170/09, the Board directed a phase-out of hedging Primary Gas for system gas (those receiving Centra's quarterly priced Primary Gas) customers, from 75% of eligible volumes to 0% by August of 2011. Since August 1, 2011 customers purchasing quarterly-priced Primary Gas from Centra have experienced rates more reflective of the actual market prices of natural gas. Changes in quarterly-priced Primary Gas rates will still be impacted by: a) the cost of gas in storage, b) the quarterly RSM and c) the use of a PGVA. 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.

### **3.0 Background**

The following table illustrates changes in natural gas commodity prices and prospective overall bills since August 1, 2000, from the perspective of the average residential customer purchasing quarterly-priced Primary Gas from Centra:

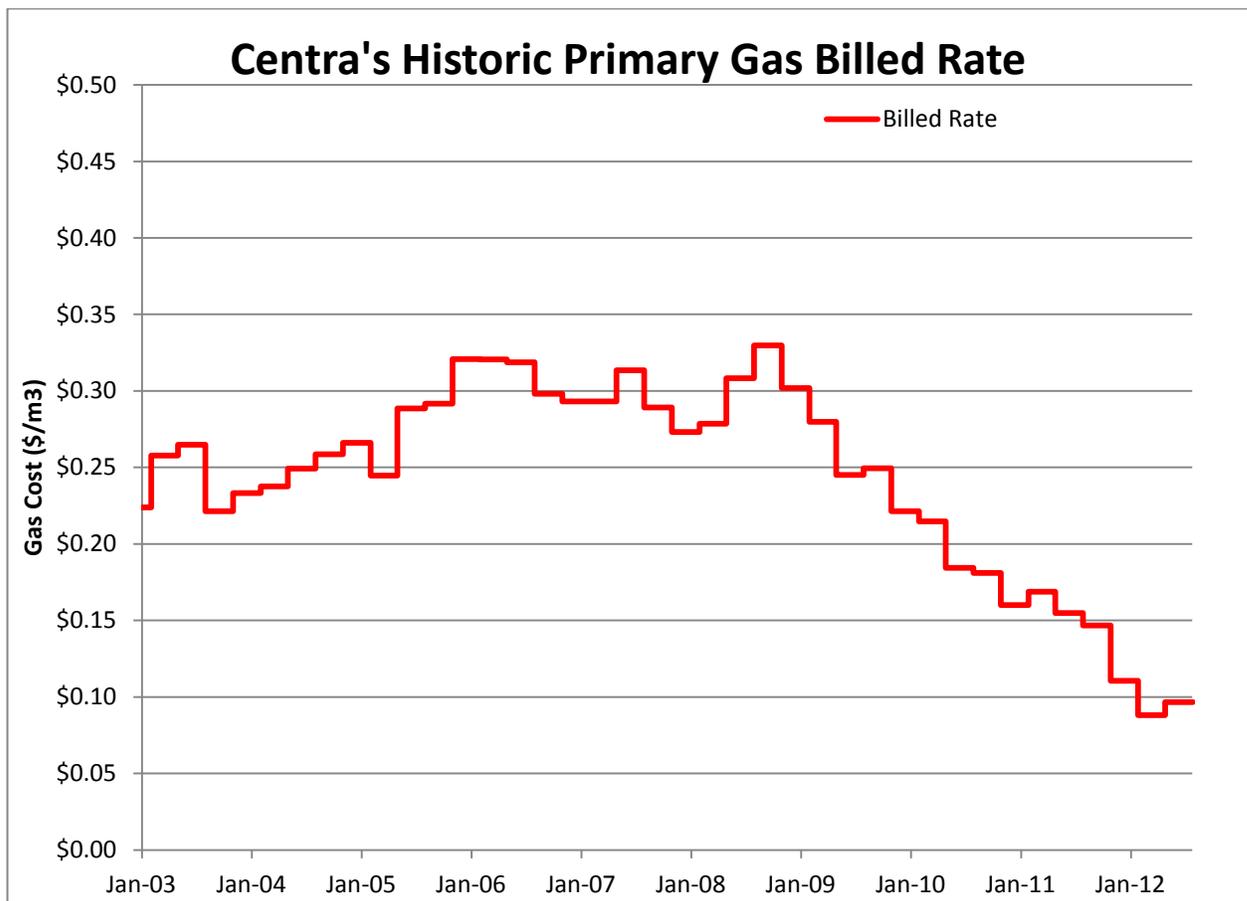
### Historical Primary Gas Costs and Projected Bill Impacts

Date	Primary Gas Commodity Cost	% change in Primary Gas Cost	Projected Annual Bill	% Change in Projected Annual Bill
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%	\$ 717	(8.6%)
1-Aug-12	3.114/GJ	9.3%	\$737	2.9%

Notes

1. The average annual bill shown 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 will not have the same cost and bill experience as customers receiving quarterly-priced Primary Gas from Centra. Primary Gas costs for customers on fixed rate contracts are in accordance with the contract with the supplier, generally for one to five years.
3. The above table incorporates changes approved by the Board for both non-Primary Gas and Primary Gas from August 1, 2000 through to August 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.

Centra's historical Primary Gas billed rate is 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 Aug 1/11	Costs and Proposed Rates Nov 1/11	Costs and Proposed Rates Feb 1/12	Costs and Proposed Rates May 1/12	Costs and Proposed Rates August 1/12
Date of Forward Price Strip	July 1, 2011	October 3, 2011	January 3, 2012	April 2, 2012	July 2, 2012
<sup>1</sup> 12 Month Forward Price per GJ	\$3.919	\$3.760	\$3.045	\$2.654	\$2.981
<sup>2</sup> Cost of Gas drawn from Storage	\$3.852	\$3.735	\$3.675	\$3.675	\$3.675
Weighted Gas, Cost (mix of Gas Supply & Storage Gas costs)	\$3.903	\$3.755	\$3.166	\$2.850	\$3.114
Rate per cubic metre	\$0.1475	\$0.1419	\$0.1197	\$0.1077	\$0.1177
<sup>3</sup> Base Primary Rate, adding Fuel and Overhead cost component per cubic metre	\$0.15014	\$0.14424	\$0.1218	\$0.1098	\$0.1198
<sup>4</sup> Plus (Less) PGVA Rider per cubic metre	(\$0.0033)	(\$0.0006)	(\$0.0113)	(\$0.0218)	(\$0.0231)
Total Billed Rate	\$0.1468	\$0.1436	\$0.1105	\$0.088	\$0.0967

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 August 1, 2012 to July 31, 2013 from the price as of July 2, 2012.
2. 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.
3. At August 1, 2012, compressor fuel costs are \$0.0005/m<sup>3</sup> and overhead cost components are \$0.00164/m<sup>3</sup>.
4. 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.

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. A Primary Gas rate rider of \$0.0231/m<sup>3</sup>, reflecting an estimated balance to July 31, 2012 of approximately \$26.5 million owing to customers, will be applied to the Primary Gas rate. This rate rider is expected to refund the \$26.5 million owing to customers over the next twelve months, assuming normal volumes of gas consumed over the period August 1, 2012 to July 31, 2013. Any under-refunded or over-refunded balances will be included in the calculation of future rate riders.

The Primary Gas rate also reflects 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 August 1, 2012 of the change in the Primary Gas rate arising out of this Application on the various customer classes are as follows:

<b>Customer Class</b>	<b>Annualized Rate Increase</b>
SGS	2.2% – 3.5%
LGS	3.3% – 4.9%
High Volume Firm	4.5% – 6.2%
Mainline	5.3% – 6.6%
Interruptible	5.7% – 7.1%

The projected annualized bill impact arising from the Primary Gas rate change for a typical residential customer, based on average annual consumption of 2,465 m<sup>3</sup> of gas is an increase of \$21 (or 2.9%), from May 1, 2012 rates.

#### **5.0 Board Findings**

##### *Approval*

As Centra's July 13, 2012 Application properly reflects the Board-approved RSM, the Board will approve Centra's Application for an increase 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. The next review of the Primary Gas rate will take place as of November 1, 2012.

*Notification*

Centra is to advise its customers of the change in the Primary Gas rate.

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](http://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 August 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

"KURT SIMONSEN, P.ENG."  
Acting Secretary

Certified a true copy of Order No. 89/12  
issued by The Public Utilities Board

\_\_\_\_\_  
Acting Secretary

**APPENDIX "A" TO BOARD ORDER NO. 89/12**

**CENTRA GAS MANITOBA INC.**  
**Appendix A - Schedule of Sales and Transportation Services and Rates**  
**Approved Rates Effective August 1, 2012**

**ATTACHMENT 1**  
**August 1, 2012**  
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**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>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<sup>1</sup></u>
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	\$135,424.74	N/A	N/A
21	Power Station	N/A	N/A	\$11,565.60	N/A	N/A
22						
23	<b>Monthly Demand Charge (\$/m3/month)</b>					
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	<b>Commodity Volumetric Charge: (\$/m3)</b>					
31	Small General Class (SGC)	\$0.0462	\$0.0869	N/A	\$0.1198	\$0.1344
32	Large General Class (LGC)	\$0.0451	\$0.0362	\$0.0362	\$0.1198	\$0.1344
33	High Volume Firm (HVF)	\$0.0201	\$0.0081	\$0.0081	\$0.1198	\$0.1344
34	Cooperative (CO-OP)	\$0.0091	\$0.0001	\$0.0001	\$0.1198	\$0.1344
35	Main Line Class (MLC)	\$0.0095	\$0.0015	\$0.0015	\$0.1198	\$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		<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 August 1, 2012.				

**Approved by Board Order: 89/12**  
**Effective from: August 1, 2012**  
**Date Implemented: August 1, 2012**

**Supersedes Board Order: 54/12**  
**Supersedes: May 1, 2012 Rates**

**APPENDIX "A" TO BOARD ORDER NO. 89/12**

**CENTRA GAS MANITOBA INC.**

**Appendix A - Schedule of Sales and Transportation Services and Rates  
Approved Rates Effective August 1, 2012**

**ATTACHMENT 1**

**August 1, 2012  
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**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>						
6		<u>Distribution to Customers</u>					
		<u>Transportation</u>				<u>Primary</u>	<u>Supplemental</u>
		<u>to</u>			<u>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>	
7		<hr/>					
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	\$0.1127	\$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	<b>Commodity Volumetric Charge: (\$/m3)</b>						
17	Interruptible Service	\$0.0139	\$0.0051	\$0.0051	\$0.1198	\$0.1293	
18	Mainline Interruptible (with firm delivery)	\$0.0097	\$0.0015	\$0.0015	\$0.1198	\$0.1293	
19							
20	<b>Alternate Supply Service:</b>						
21	Gas Supply (Interruptible Sales and Mainline Interruptible)				Negotiated		
22	Delivery - Interruptible Class				Cost of Gas		
23	Delivery - Mainline Interruptible Class				\$0.0076		
24					\$0.0067		
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 August 1, 2012.					

**Approved by Board Order: 89/12  
Effective from: August 1, 2012  
Date Implemented: August 1, 2012**

**Supersedes Board Order: 54/12  
Supersedes: May 1, 2012 Rates**

**APPENDIX "A" TO BOARD ORDER NO. 89/12**

**CENTRA GAS MANITOBA INC.**  
**Appendix A - Schedule of Sales and Transportation Services and Rates**  
**Approved Rates Effective August 1, 2012**

**ATTACHMENT 1**  
**August 1, 2012**  
**Page 3 of 4**

**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<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 **Rates:**

	<u>Distribution to Customers</u>					Supplemental Gas Supply <sup>1</sup>
	Transportation to Centra	Sales Service		T-Service	Primary Gas Supply	
13 <b>Basic Monthly Charge: (\$/month)</b>						
16 Small General Class (SGC)	N/A	\$14.00	N/A	N/A	N/A	N/A
17 Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A	N/A
18 High Volume Firm Class (HVF)	N/A	\$1,118.31	\$1,118.31	N/A	N/A	N/A
19 Cooperative (Co-op)	N/A	\$274.06	\$274.06	N/A	N/A	N/A
20 Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33	N/A	N/A	N/A
21 Special Contract	N/A	N/A	\$135,424.74	N/A	N/A	N/A
22 Power Station	N/A	N/A	\$11,565.60	N/A	N/A	N/A
23						
24 <b>Monthly Demand Charge (\$/m<sup>3</sup>/month)</b>						
25 High Volume Firm Class (HVF)	\$0.2408	\$0.1504	\$0.1504	N/A	N/A	N/A
26 Cooperative (Co-op)	\$0.3606	\$0.1298	\$0.1298	N/A	N/A	N/A
27 Main Line Class (MLC) (Firm)	\$0.4209	\$0.1580	\$0.1580	N/A	N/A	N/A
28 Special Contract	N/A	N/A	N/A	N/A	N/A	N/A
29 Power Station	N/A	N/A	\$0.0280	N/A	N/A	N/A
30						
31 <b>Commodity Volumetric Charge: (\$/m<sup>3</sup>)</b>						
32 Small General Class (SGC)	\$0.0462	\$0.0869	N/A	\$0.0967	\$0.1344	
33 Large General Class (LGC)	\$0.0451	\$0.0362	\$0.0362	\$0.0967	\$0.1344	
34 High Volume Firm Class (HVF)	\$0.0201	\$0.0081	\$0.0081	\$0.0967	\$0.1344	
35 Cooperative (Co-op)	\$0.0091	\$0.0001	\$0.0001	\$0.0967	\$0.1344	
36 Main Line Class (MLC) (Firm)	\$0.0095	\$0.0015	\$0.0015	\$0.0967	\$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 <sup>1</sup> 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 August 1, 2012.

**Approved by Board Order: 89/12**  
**Effective from: August 1, 2012**  
**Date Implemented: August 1, 2012**

**Supersedes Board Order: 54/12**  
**Supersedes: May 1, 2012 Rates**

**APPENDIX "A" TO BOARD ORDER NO. 89/12**

**CENTRA GAS MANITOBA INC.**

**Appendix A - Schedule of Sales and Transportation Services and Rates  
Approved Rates Effective August 1, 2012**

**ATTACHMENT 1  
August 1, 2012  
Page 4 of 4**

**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 Centra</u>			<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply<sup>1</sup></u>
7			<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	\$0.1127	\$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	<b>Commodity Volumetric Charge: (\$/m<sup>3</sup>)</b>					
17	Interruptible Service	\$0.0139	\$0.0051	\$0.0051	\$0.0967	\$0.1293
18	Mainline Interruptible (with firm delivery)	\$0.0097	\$0.0015	\$0.0015	\$0.0967	\$0.1293
19						
20	<b>Alternate Supply Service:</b>			Negotiated		
21	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22	Delivery Service - Interruptible Class			\$0.0076		
23	Delivery Service - Mainline Interruptible Class			\$0.0067		
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 Basic Monthly Charge as described above, plus Demand charges as appropriate.				
28						
29	<b>Effective:</b>	Rates to be charged for all billings based on gas consumed on and after August 1, 2012.				

**Approved by Board Order: 89/12  
Effective from: August 1, 2012  
Date Implemented: August 1, 2012**

**Supersedes Board Order: 54/12  
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