

MANITOBA) **Order No. 20/11**
)
THE PUBLIC UTILITIES BOARD ACT) **January 25, 2011**

BEFORE: Graham Lane, CA, Chairman
Leonard Evans, LLD, Member
Monica Girouard, CGA, Member

**CENTRA GAS MANITOBA INC.: PRIMARY
GAS RATES, EFFECTIVE FEBRUARY 1, 2011**

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1.0 Summary

By this Order, the Public Utilities Board (Board) approves on an *ex parte* interim basis a relatively small increase of 5.4% to primary natural gas rates as of February 1, 2011. Centra Gas Manitoba Inc.'s (Centra) Primary Gas rate will increase from \$0.1600/m³ to \$0.1687/m³.

This increase in the primary gas rate, when combined with other bill elements, is the equivalent of an annual additional cost of \$18 (or approximately 2.0%) for the “typical” residential customer receiving quarterly-priced Primary Gas from Centra. Larger volume customers receiving quarterly-priced Primary Gas by Centra can expect an increase in the range of 2.2% to 3.4% (depending on volumes consumed).

Customers purchasing Primary Gas on fixed price contracts (from either private marketers or Centra) will not be affected as the Primary Gas component of their bills is established by contract. Further, Supplemental gas, Transportation and Distribution rates, which affect all customers, are also not affected by this Order.

Factors Driving Rates

Natural gas supplies have increased, and natural gas in storage is currently about 5.8% higher than the five-year average for this time of year – storage levels represent a decrease of approximately 2.6% since the last quarterly application (when rates were established as of November 1, 2010).

This relatively modest increase follows five consecutive quarters of declining Primary Gas rates. Wholesale natural gas prices have trended higher, coinciding with winter season and, compared with last year, colder weather conditions in North America. Natural gas price futures have also increased slightly, this due in part to forecasts of continuing cold weather and improving economic conditions.

Despite the potentially short-term increase in natural gas prices, natural gas inventories are expected to remain at or near record high levels during the most of 2011. Natural gas prices remain subject to downward pressure from both high levels of gas in storage and steady

production levels of natural gas (with continued discovery of and production from shale gas reserves in the U.S. and Canada).

AECO Price\$/GJ (Canadian)

Feb/11	Mar/11	Apr/11	May/11	June/11	July/11	Aug/11	Sept/11	Oct/11	Nov/11	Dec/11	Jan/12
3.9308	3.9475	3.8775	3.8625	3.8700	3.9025	3.9350	3.9675	4.0550	4.2575	4.4575	4.4750

As well, February 1, 2011 Primary Gas rates have been influenced by:

- a) Gas purchased at prices lower than current market prices and stored within Centra's natural gas storage facilities; these volumes to be drawn down through the winter months (lower prices paid for gas in storage is a contributing factor to lower gas rates).
- b) Hedges placed by Centra in April and July 2010 (hedging of Primary Gas has ceased) increased gas costs over what would be the case in the complete absence of hedging by \$1.49 million.
- c) Primary Gas rate riders 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 January 31, 2011 reflects approximately \$6.0 million owing to Centra.
- d) 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 cost 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, a subsidiary of Manitoba Hydro (MH), 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 (system gas from Centra – the subject of this Order, or gas purchased for fixed-price contract customers);
- Supplemental Gas Rates (applying to all Centra's customers, whether provided Primary Gas by Centra or through fixed-price contracts);
- Transportation (to Centra) Rates (applicable in varying degrees to all 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 February 1, May 1, August 1, and November 1 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 from 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).

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. Changes in quarterly-priced rates will still be moderated by: a) the cost of gas in storage, b) the quarterly pricing methodology and, c) for customers on the equal monthly payment plan, fixed bills based on estimated consumption and rates.

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

On July 23, 2010, Centra filed an application with the Board for a Review and Vary of Order 170/09, seeking a variance to allow Centra to hedge up to 50% of eligible volumes going forward. Board Order 93/10, issued September 14, 2010, denied Centra's Application to review and vary Order 170/09. It is the Board's view that the Fixed Rate Primary Gas Supply (FRPGS) program offered by Centra, in combination with the fixed price offerings of a private marketer, provides customers with an appropriate option to fix their rate for primary gas for one, three or five years. The Board expects Centra to ensure that its customers have the ability to participate in the FRPGS option, should they so choose.

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. Centra is currently owed approximately \$6.0 million from its customers; this is included in the calculation of the primary gas billed rate.

3.0 Background

The following table illustrates changes in natural gas commodity prices and prospective overall bills since February 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	Annual Bill Adjusted to Current Typical Residential Volume	% Change in Total Projected Annual Bill at Current Volumes
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%

Notes

1. The average annual bill above is based on the estimated annual consumption of a typical residential customer of 2,530 cubic metres with 81% from Primary Gas and 19% from Supplemental Gas.
2. Residential customers receiving Primary Gas from marketers and Centra's Fixed Price Service would not have the same cost and bill experience as Centra's Quarterly Service customers. Primary Gas costs of customers on 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 February 1, 2007 through to February 1, 2011.
4. The Board's RSM considers factors other than natural gas commodity prices including the cost of gas in storage and 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 following table reports the composite elements of recent Primary Gas rate amendments:

Historical Primary Gas Costs and Rate Calculations

Component	Costs and Proposed Rates February 1/10	Costs and Proposed Rates May 1/10	Costs and Proposed Rates August 1/10	Costs and Proposed Rates Nov 1/10	Costs and Proposed Rates Feb 1/11
Date of Forward Price Strip	January 4, 2010	April 1, 2010	July 15, 2010	October 15, 2010	January 4, 2011
¹ 12 Month Forward Price	\$5.830/GJ	\$4.610/GJ	\$4.480/GJ	\$3.671	\$4.294
² Costs (gains) resulting from Hedging	\$0.000/GJ	\$0.4148/GJ	\$0.3924GJ	\$0.5695	\$0.0428
Forecast Gas Supply Price	\$5.830/GJ	\$5.025/GJ	\$4.8719/GJ	\$4.240	\$4.337
³ Cost of Gas drawn from Storage	\$4.177/GJ	\$4.177/GJ	\$4.177/GJ	\$3.851	\$3.852
Weighted Gas, Cost (mix of Gas Supply & Storage Gas costs)	\$5.500/GJ	\$4.864/GJ	\$4.740/GJ	\$4.166	\$4.245
Rate per Cubic Metre	\$0.2079	\$0.1838	\$0.1792	\$0.1575	\$0.1604
⁴ Base Primary Rate, adding Fuel and Overhead cost component per cubic metre	\$0.2115	\$0.1869	\$0.1823	\$0.1603	\$0.1634
⁵ Plus (Less) PGVA Rider per cubic metre	\$0.0033	(\$0.0025)	(\$0.0013)	(\$0.0003)	\$0.0053
Total Billed Rate	\$0.2148	\$0.1844	\$0.1810	\$0.1600	\$0.1687

Notes:

1. Primary Gas rate factors in 100% of the increase between the current 12-month forward price for Western Canadian natural gas commodity supplies for the period February 1, 2011 to January 31, 2012 from the price as of January 4, 2011.
2. Forecasts on hedges placed for the next six months are accounted for with the projected gains or losses from hedging.
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 November 1, 2010, fuel costs are \$0.00140 per m³ and overhead cost components are \$0.00164 per 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 \$0.0053/m³ (reflecting an estimated balance, to January 31, 2011 of approximately \$6.0 million owing to Centra), will be applied to customers over the period February 1, 2011 to January 31, 2012. This rate rider is expected to collect \$6.0 million from customers, assuming normal volumes of gas consumed. 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. Lower prices resulted in a cost of \$3.852/GJ for the Primary Gas in storage as of October 31, 2010. Centra injected gas into storage, and the price it paid for this gas throughout the summer injection season determined the cost of this stored gas when it is withdrawn in the upcoming 2010/11 withdrawal season.

4.0 Outstanding Positions, Hedging

Centra, historically, entered into financial future contracts or “hedges” for the purpose of reducing Primary Gas rate volatility. Centra’s hedging activities have previously resulted in increased overall gas costs, as is the case with Centra’s current application wherein it is noted that its hedging activities are projected to result in an increase to both gas costs and customer rates.

The overall cost for Western Canadian natural gas reflected in Centra’s rates for those customers receiving quarterly-priced Primary Gas from Centra is impacted by the terms of Centra’s gas purchase contract with its commodity supplier (ConocoPhillips Canada Marketing & Trading ULC, as of November 1, 2009), Centra’s hedging, future prices, and the cost of gas in storage. Centra entered into a three-year supply contract with its new supplier effective November 1, 2009.

Hedging has been undertaken independent of actual gas purchases. Actual results of the hedges are dependent upon commodity market price changes and/or any special actions undertaken to unwind or build on current positions, though no such actions are expected.

The current situation with respect to hedges now outstanding is:

- On April 21, 2010, price hedges were executed for 50% of eligible volumes for the months February 2011 to April 2011. The upper strike price on the instruments purchased ranged from \$5.2200/GJ to \$5.4100/GJ. Corresponding lower strike prices ranged between \$4.0700/GJ and \$4.2499/GJ.
- On July 6, 2010, price hedges were executed for 25% of eligible volumes for the months May 2011 to July 2011. The upper strike price on the instruments purchased ranged from

\$5.2650/GJ to \$5.3400/GJ. Corresponding lower strike prices ranged between \$4.1100/GJ and \$4.1800/GJ.

Order 170/09, allowed Centra to hedge eligible volumes for November 2010 through to January 2011 to a maximum of 75%. Thereafter, the hedges for volumes for the following three months (i.e. February, March and April 2011) were not to exceed 50% of eligible volumes, and, for the next three months thereafter (i.e. May, June and July 2011), hedges are not to exceed 25% of eligible volumes. Commencing with the gas month of August 2011, and following, there is to be no hedging for the quarterly-priced Primary Gas.

Eligible volumes for hedging purposes over the period are the volumes Centra forecast it would supply its Primary gas customers in the warmest year on record.

5.0 Customer Impact

The annualized bill impacts effective February 1, 2011 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 Increase
SGS	1.5% - 2.3%
LGS	2.2% - 2.9%
High Volume Firm	2.7% - 3.4%
Mainline	3.0% - 3.4%
Interruptible	2.6% - 3.0%

The projected annualized net bill impact for a typical residential customer, based on average annual consumption of 2,530 m³ of primary gas is an increase of \$18 (or 2.0%), up from November 1, 2010 rates.

6.0 Board Findings

Approval

As Centra's January 13, 2011 Application to increase interim rates properly reflects the Board-approved RSM, the Board will approve Centra's proposal for an increase in Primary Gas rates.

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 Primary Gas rates will take place as of May 1, 2011.

Notification

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

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.

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 February 1, 2011, 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

“GRAHAM LANE, CA”
Chairman

“KURT SIMONSEN”
Acting Secretary

Certified a true copy of Order No. 20/11
issued by The Public Utilities Board

Acting Secretary

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

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

Availability:

SGC: For gas supplied through one domestic-sized meter.
LGC: For gas delivered through one meter at annual volumes less than 680,000 m³
HVF: For gas delivered through one meter at annual volumes greater than 680,000 m³
CO-OP: For gas delivered to natural gas distribution cooperatives
MLC: For gas delivered through one meter to customers served from the Transmission system
Special Contract: For gas delivered under the terms of a Special Contract with the Company
Power Station: For gas delivered under the terms of a Special Contract with the Company

Rates:

	Distribution to Customers				
	Transportation to Centra	Sales Service	T-Service	Primary Gas Supply	Supplemental Gas Supply¹
Basic Monthly Charge: (\$/month)					
Small General Class (SGC)	N/A	\$14.00	N/A	N/A	N/A
Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A
High Volume Firm (HVF)	N/A	\$1,118.31	\$1,118.31	N/A	N/A
Cooperative (CO-OP)	N/A	\$274.06	\$274.06	N/A	N/A
Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
Special Contract	N/A	N/A	\$135,336.14	N/A	N/A
Power Station	N/A	N/A	\$11,565.60	N/A	N/A
Monthly Demand Charge (\$/m3/month)					
High Volume Firm Class (HVF)	\$0.2250	\$0.1504	\$0.1504	N/A	N/A
Cooperative (CO-OP)	\$0.3320	\$0.1298	\$0.1298	N/A	N/A
Main Line Class (MLC)	\$0.4060	\$0.1579	\$0.1579	N/A	N/A
Special Contract	N/A	N/A	N/A	N/A	N/A
Power Station	N/A	N/A	\$0.0283	N/A	N/A
Commodity Volumetric Charge: (\$/m3)					
Small General Class (SGC)	\$0.0409	\$0.0874	N/A	\$0.1634	\$0.1827
Large General Class (LGC)	\$0.0397	\$0.0367	\$0.0367	\$0.1634	\$0.1827
High Volume Firm (HVF)	\$0.0167	\$0.0086	\$0.0086	\$0.1634	\$0.1827
Cooperative (CO-OP)	\$0.0063	\$0.0001	\$0.0001	\$0.1634	\$0.1827
Main Line Class (MLC)	\$0.0067	\$0.0021	\$0.0021	\$0.1634	\$0.1827
Special Contract	N/A	N/A	\$0.0002	N/A	N/A
Power Station	N/A	N/A	\$0.0163	N/A	N/A

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

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

Effective: Rates to be charged for all billings based on gas consumed on and after February 1, 2011.

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

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

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.

Rates:

	Transportation to Centra	Distribution to Customers		Primary Gas Supply	Supplemental Gas Supply ¹
		Sales Service	T-Service		
Basic Monthly Charge: (\$/month)					
Interruptible Service	N/A	\$1,042.72	\$1,042.72	N/A	N/A
Mainline Interruptible (with firm delivery)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
Monthly Demand Charge (\$/m3/month)					
Interruptible Service	\$0.1032	\$0.0772	\$0.0772	N/A	N/A
Mainline Interruptible (with firm delivery)	\$0.1588	\$0.1579	\$0.1579	N/A	N/A
Commodity Volumetric Charge: (\$/m3)					
Interruptible Service	\$0.0109	\$0.0059	\$0.0059	\$0.1634	\$0.1870
Mainline Interruptible (with firm delivery)	\$0.0070	\$0.0021	\$0.0021	\$0.1634	\$0.1870
Alternate Supply Service:					
Gas Supply (Interruptible Sales and Mainline Interruptible)			Negotiated Cost of Gas		
Delivery - Interruptible Class			\$0.0084		
Delivery - Mainline Interruptible Class			\$0.0073		

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

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

Effective: Rates to be charged for all billings based on gas consumed on and after February 1, 2011.

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

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

Availability:

SGC: For gas supplied through one domestic-sized meter.
LGC: For gas delivered through one meter at annual volumes less than 680,000 m³.
HVF: For gas delivered through one meter at annual volumes greater than 680,000 m³.
Co-op: For gas delivered to natural gas distribution cooperatives.
MLC: For gas delivered through one meter to consumers served from the Transmission system.
Special Contract: For gas delivered under the terms of a Special Contract with the Company.
Power Station: For gas delivered under the terms of a Special Contract with the Company.

Rates:

	Distribution to Customers				
	Transportation to Centra	Sales Service	T-Service	Primary Gas Supply	Supplemental Gas Supply¹
Basic Monthly Charge: (\$/month)					
Small General Class (SGC)	N/A	\$14.00	N/A	N/A	N/A
Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A
High Volume Firm Class (HVF)	N/A	\$1,118.31	\$1,118.31	N/A	N/A
Cooperative (Co-op)	N/A	\$274.06	\$274.06	N/A	N/A
Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
Special Contract	N/A	N/A	\$135,336.14	N/A	N/A
Power Station	N/A	N/A	\$11,565.60	N/A	N/A
Monthly Demand Charge (\$/m³/month)					
High Volume Firm Class (HVF)	\$0.2763	\$0.1513	\$0.1513	N/A	N/A
Cooperative (Co-op)	\$0.3320	\$0.1298	\$0.1298	N/A	N/A
Main Line Class (MLC) (Firm)	\$0.3681	\$0.1591	\$0.1591	N/A	N/A
Special Contract	N/A	N/A	N/A	N/A	N/A
Power Station	N/A	N/A	\$0.0286	N/A	N/A
Commodity Volumetric Charge: (\$/m³)					
Small General Class (SGC)	\$0.0397	\$0.0899	N/A	\$0.1687	\$0.1827
Large General Class (LGC)	\$0.0388	\$0.0391	\$0.0374	\$0.1687	\$0.1827
High Volume Firm Class (HVF)	\$0.0159	\$0.0116	\$0.0099	\$0.1687	\$0.1827
Cooperative (Co-op)	\$0.0063	\$0.0001	\$0.0001	\$0.1687	\$0.1827
Main Line Class (MLC) (Firm)	\$0.0138	\$0.0048	\$0.0031	\$0.1687	\$0.1827
Special Contract	N/A	N/A	\$0.0002	N/A	N/A
Power Station	N/A	N/A	\$0.0163	N/A	N/A
Power Station refund			-\$0.0267		

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

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

Effective: Rates to be charged for all billings based on gas consumed on and after February 1, 2011.

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

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

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.

Rates:	Transportation to Centra	Distribution to Customers		Primary Gas Supply	Supplemental Gas Supply¹
		Sales Service	T-Service		
Basic Monthly Charge: (\$/month)					
Interruptible Service	N/A	\$1,042.72	\$1,042.72	N/A	N/A
Mainline Interruptible (with firm delivery)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
Monthly Demand Charge (\$/m³/month)					
Interruptible Service	\$0.1271	\$0.0777	\$0.0777	N/A	N/A
Mainline Interruptible (with firm delivery)	\$0.1827	\$0.1591	\$0.1591	N/A	N/A
Commodity Volumetric Charge: (\$/m³)					
Interruptible Service	\$0.0139	\$0.0056	\$0.0078	\$0.1687	\$0.1870
Mainline Interruptible (with firm delivery)	\$0.0100	\$0.0048	\$0.0031	\$0.1687	\$0.1870
Alternate Supply Service:					
Gas Supply (Interruptible Sales and Mainline Interruptible)			Negotiated Cost of Gas		
Delivery Service - Interruptible Class			\$0.0104		
Delivery Service - Mainline Interruptible Class			\$0.0083		

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

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

Effective: Rates to be charged for all billings based on gas consumed on and after February 1, 2011.