

MANITOBA) **Order No. 81/10**
)
THE PUBLIC UTILITIES BOARD ACT) **July 28, 2010**

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

**CENTRA GAS MANITOBA INC.: PRIMARY
GAS RATES, EFFECTIVE AUGUST 1, 2010**

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1.0 Summary

By this Order, the Public Utilities Board (Board) approves, on an *ex parte* interim basis, a decrease to primary natural gas rates as of August 1, 2010. As a result, Centra's Primary Gas rate will decrease from \$0.1844/m³ to \$0.1810/m³.

If the new rates were to remain in place for a year, and weather and other non-rate factors (such as household heating settings and the efficiency of property furnaces and insulation levels) remained as before, the "typical" residential customer receiving quarterly-priced Primary Gas from Centra would expect to experience an overall annual, and small, decrease in their natural gas bills of \$8, or 0.8%. Larger volume customers also provided quarterly-priced Primary Gas by Centra would expect a decrease in the range of 0.9% to 1.4%.

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

Factors Driving Rates

Since July 2008 both oil and natural gas commodity prices have fallen sharply, and, despite a partial recovery of oil prices, natural gas prices remain quite low. Global economic growth remains marginal if not elusive in many parts of the world. Combined with increased supplies of natural gas from shale gas production and, related to the economic slow-down, a reduction in the consumption of natural gas for industrial and power generation uses, natural gas prices fell to levels neither experienced in a decade nor since the deregulation of natural gas, this before a recent partial recovery.

Currently, the commodity price for natural gas is trading at levels about 25% higher than the very low levels of this time last year. Currently, world supplies of natural gas (assisted by LNG – liquefied natural gas - supplies and new shale gas production) are in abundance. In North America, natural gas storage levels are slightly below the very high storage levels of this time last year but are still significantly above the five-year average for this time of year. In addition,

the appreciation of the Canadian dollar compared with the levels experienced at the depth of the global credit crisis has further depressed Canadian natural gas market prices.

The current expectation is that natural gas commodity prices will remain “relatively” stable and “low” over the next twelve months. (August 1, 2010 Primary Gas rates are based in part on forecast market prices for the next twelve months).

Primary Gas rates established by this Order reflect, in part, the AECO futures price strip of July 15, 2010.

AECO Price\$/GJ (Canadian)

Aug/10	Sep/10	Oct/10	Nov/10	Dec/10	Jan/11	Feb/11	Mar/11	Apr/11	May/11	Jun/11	Jul/11
3.5267	3.6025	3.77	4.185	4.465	4.55	4.54	4.525	4.3325	4.32	4.35	4.405

As well, August 1, 2010 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, to be drawn down through the winter months (the low prices paid for storage gas is a factor “driving” rates lower);
- b) Hedges placed by Centra during the period October 2009 to July 2010, increasing gas prices (and affecting rates) by \$13.7 million in aggregate;
- c) Primary Gas rate riders that charge consumers for past differences between actual natural gas costs and the forecasted costs reflected in prior rates, which, for August 1, will refund \$1.4 million in aggregate to customers; and
- 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, that involves Purchased Gas Variance Accounts (PGVA) recording variances between the projected and actual cost of natural gas, for reflection in 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 to further 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 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 (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).

Centra continues to hedge a percentage of its Primary Gas purchases, pursuant to a Board-approved policy implemented to reduce rate volatility. In 2007, a wider price band was established for Centra's hedging, and this wider band reduces the magnitude of both hedging gains and losses while still providing customers protection from severe price spikes. And, as hedges undertaken post July 2008 have largely taken place in a "falling" market, customers have been likely to experience rate reductions due to the lower prices reflected in hedges that took place later in the year (which were also affected by the wider spread).

That said, the Board, by Order 170/09, varied Centra's policy on hedging. Centra has been directed to phase-out its hedging of 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 are to incur rates more reflective of the actual market prices of natural gas, those prices moderated by gas in storage, the quarterly pricing methodology and, for customers on the equal monthly payment plan, fixed bills.

The Board directed the phase-out of hedging because of the recent availability of fixed term and priced Primary Gas from Centra, as well as the continuing availability of such contracts from private marketers. Most recently, Centra filed an application with the Board for a review of Order 170/09; with Centra seeking a variance to the order to allow Centra to hedge up to 50% of eligible volumes going forward. The Board has yet to rule on this application.

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 repaying the accumulated difference to customers.

Currently, natural gas commodity costs represent less than 50% of a customer's bill for a customer receiving primary natural gas under Centra's Quarterly rates.

3.0 Background

The following table illustrates changes in natural gas commodity prices and prospective overall bills since August 1, 2006, 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-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%)

Notes

1. The average annual bill above is based on the estimated annual consumption of a typical customer of 2,530 cubic metres. On August 1, 2009 typical annual consumption, previously estimated at 2,590 cubic metres, was reduced to 2,530 cubic metres to reflect the effects of customer conservation efforts.
2. Residential customers receiving Primary Gas from marketers and Centra's Fixed Price Service rather than from Centra 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 August 1, 2006 through to August 1, 2010.
4. The Board's RSM considers factors other than natural gas commodity prices, these 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 Aug 1/09	Costs and Proposed Rates Nov 1/09	Costs and Proposed Rates February 1/10	Costs and Proposed Rates May 1/10	Costs and Proposed Rates August 1/10
Date of Forward Price Strip	July 2, 2009	October 15, 2009	January 4, 2010	April 1, 2010	July 15, 2010
¹ 12 Month Forward Price	\$5.105/GJ	\$5.456/GJ	\$5.830/GJ	\$4.610/GJ	\$4.480/GJ
² Costs (gains) resulting from Hedging	\$1.098/GJ	\$0.465/GJ	\$0.000/GJ	\$0.4148/GJ	\$0.3924GJ
Forecast Gas Supply Price	\$6.203/GJ	\$5.921/GJ	\$5.830/GJ	\$5.025/GJ	\$4.8719/GJ
³ Cost of Gas drawn from Storage	\$8.333/GJ	\$4.142/GJ	\$4.177/GJ	\$4.177/GJ	\$4.177/GJ
Weighted Gas, Cost (mix of Gas Supply & Storage Gas costs)	\$6.628/GJ	\$5.566/GJ	\$5.500/GJ	\$4.864/GJ	\$4.740/GJ
Rate per Cubic Metre	\$0.2505	\$0.2104	\$0.2079	\$0.1838	\$0.1792
⁴ Base Primary Rate, adding Fuel and Overhead cost component per cubic metre	\$0.2539	\$0.2139	\$0.2115	\$0.1869	\$0.1823
⁵ Plus (Less) PGVA Rider per cubic metre	(\$0.0045)	\$0.0074	\$0.0033	(\$0.0025)	(\$0.0013)
Total Billed Rate	\$0.2494	\$0.2213	\$0.2148	\$0.1844	\$0.1810

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, 2010 to July 31, 2011 from the price as of July 15, 2010.
2. Forecasts on hedges placed for the next twelve 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 August 1, 2010, fuel costs are \$0.00150 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 \$0.0013/m³ (reflecting an estimated balance, to July 31, 2010, of \$1.4 million owing to customers), will be applied to customers over the period August 1, 2010 to July 31, 2011. This rate rider, if left in place over the period August 1, 2010 to July 31, 2011, and with normal volumes of gas being consumed, will refund \$1.4 million to customers. 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 have resulted in a cost of \$4.177/GJ for the 2009/10 “withdrawal” season, which began November 1, 2009 and ended April 30, 2010. This is a decrease from \$8.33/GJ, that being the average cost of gas in storage during the 2008/09 “withdrawal” season. Centra is currently injecting gas into storage, and the price it pays for this gas throughout the current summer injection season will determine the cost of this gas when it is withdrawn in the upcoming 2010/11 withdrawal season.

4.0 Outstanding Positions, Hedging

As previously indicated, Centra enters into financial future contracts, “hedges”, for the purpose of reducing Primary Gas rate volatility. Other factors reducing bill volatility include the equal monthly payment plan, heating efficiency improvements, living style adjustments (adjusting the thermostat), and the Board’s RSM.

Centra’s hedging activities have previously resulted in increased overall gas costs, and in Centra’s current application, 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 is undertaken independent of actual gas purchases, such purchases always at then-current market prices. 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 October 2, 2009, price hedges were executed for 37.5% of eligible volumes for the months of August 2010 to October 2010. The upper strike price on the instruments purchased ranged from \$6.3950/GJ and \$6.7050/GJ. Corresponding lower strike prices ranged between \$4.9475/GJ and \$5.3400/GJ.
- On October 27, 2009, price hedges were executed for 37.5% of eligible volumes for the months of August 2010 to October 2010. The upper strike price on the instruments purchased ranged from \$6.3050/GJ and \$6.5350/GJ. Corresponding lower strike prices ranged between \$4.8700/GJ and \$5.1690/GJ. At the conclusion of the two October hedging sessions, 75% of the eligible volumes for the August 2010 to October 2010 period were hedged.
- On January 8, 2010, price hedges for 37.5% of eligible volumes were placed covering the months November 2010 through January 2011. The upper strike prices on the instruments purchased range from \$6.6250/GJ to \$7.2150/GJ. The lower strike prices ranged from \$5.2500/GJ to \$5.5600/GJ.
- On January 13, 2010, price hedges for 37.5% of eligible volumes were placed covering the months November 2010 through January 2011. The upper strike prices on the instruments purchased range from \$6.600/GJ to \$7.2250/GJ. The lower strike prices ranged from \$5.2100/GJ to \$5.5600/GJ. At the conclusion of the two January hedging sessions, 75% of the eligible volumes for the November 2010 to January 2011 period were hedged.
- On April 21, 2010, price hedges for 50% of eligible volumes were placed covering the months February 2011 through April 2011. The upper strike prices on the instruments purchased range from \$5.2200/GJ to \$5.4100/GJ. The lower strike prices ranged from \$4.0700/GJ to \$4.2499/GJ.
- On July 6, 2010, price hedges were executed for 25% of eligible volumes for the months of May 2011 through July 2011. The upper strike prices on the instruments purchased ranged

between \$5.2650/GJ and \$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) are 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 are the volumes Centra forecasts it would supply in the event of the warmest year on record.

5.0 Customer Impact

The new Primary Gas rate is the lowest on record since the late 1990's. This rate decrease, albeit modest, continues the recent trend of declining rates. As of the issue date of this Order, there were no indications of an imminent material change in natural gas commodity prices, and a consumer may now expect pricing of Primary Gas close to the level now set as of August 1 through the full 2010/11 winter.

The annualized bill impacts effective August 1, 2010 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 Impact using July 15, strip prices
SGS	(0.7)% - (1.0)%
LGS	(0.9)% - (1.2)%
High Volume Firm	(1.1)% - (1.4)%
Mainline	(1.2)% - (1.4)%
Interruptible	(0.9)% - (1.1)%

The projected annualized net bill impact for a typical residential customer, based on average annual consumption of 2,530 m³, is a decrease of \$8 (0.8%) from May 1, 2010 rates.

6.0 Board Findings

Approval

As Centra's July 22, 2010 Application to decrease interim rates properly reflects the Board-approved RSM, the Board will approve Centra's proposal for reduced Primary Gas rates.

Again, 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 November 1, 2010.

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 August 1, 2010, 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

"G. GAUDREAU, CMA"
Secretary

Certified a true copy of Order No. 81/10
issued by The Public Utilities Board

Secretary

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:					
		Distribution to Customers				
		Transportation to Centra	Sales Service	T-Service	Primary Gas Supply	Supplemental Gas Supply¹
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	\$135,336.14	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)	\$0.2250	\$0.1504	\$0.1504	N/A	N/A
25	Cooperative (CO-OP)	\$0.3320	\$0.1298	\$0.1298	N/A	N/A
26	Main Line Class (MLC)	\$0.4060	\$0.1579	\$0.1579	N/A	N/A
27	Special Contract	N/A	N/A	N/A	N/A	N/A
28	Power Station	N/A	N/A	\$0.0283	N/A	N/A
29						
30	Commodity Volumetric Charge: (\$/m³)					
31	Small General Class (SGC)	\$0.0409	\$0.0874	N/A	\$0.1823	\$0.1827
32	Large General Class (LGC)	\$0.0397	\$0.0367	\$0.0367	\$0.1823	\$0.1827
33	High Volume Firm (HVF)	\$0.0167	\$0.0086	\$0.0086	\$0.1823	\$0.1827
34	Cooperative (CO-OP)	\$0.0063	\$0.0001	\$0.0001	\$0.1823	\$0.1827
35	Main Line Class (MLC)	\$0.0067	\$0.0021	\$0.0021	\$0.1823	\$0.1827
36	Special Contract	N/A	N/A	\$0.0002	N/A	N/A
37	Power Station	N/A	N/A	\$0.0163	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 August 1, 2010.				

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 680,000m ³ 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>				
6		<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	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	\$0.1032	\$0.0772	\$0.0772	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.1588	\$0.1579	\$0.1579	N/A	N/A
15						
16	Commodity Volumetric Charge: (\$/m³)					
17	Interruptible Service	\$0.0109	\$0.0059	\$0.0059	\$0.1823	\$0.1870
18	Mainline Interruptible (with firm delivery)	\$0.0070	\$0.0021	\$0.0021	\$0.1823	\$0.1870
19						
20	Alternate Supply Service:			Negotiated		
21	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22	Delivery Service - Interruptible Class			\$0.0084		
23	Delivery Service - Mainline Interruptible Class			\$0.0073		
24						
25	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
26						
27	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
28						
29	Effective:	Rates to be charged for all billings based on gas consumed on and after August 1, 2010.				

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:**

Distribution to Customers

	Transportation to Centra	Sales Service	T-Service	Primary Gas Supply	Supplemental Gas Supply ¹
13					
14					
15	Basic Monthly Charge: (\$/month)				
16		N/A	\$14.00	N/A	N/A
17		N/A	\$77.00	N/A	N/A
18		N/A	\$1,118.31	N/A	N/A
19		N/A	\$274.06	N/A	N/A
20		N/A	\$2,353.33	N/A	N/A
21		N/A	N/A	N/A	N/A
22		N/A	\$135,336.14	N/A	N/A
23		N/A	\$11,565.60	N/A	N/A
24	Monthly Demand Charge (\$/m³/month)				
25	\$0.2763	\$0.1513	\$0.1513	N/A	N/A
26	\$0.3320	\$0.1298	\$0.1298	N/A	N/A
27	\$0.3681	\$0.1591	\$0.1591	N/A	N/A
28	N/A	N/A	N/A	N/A	N/A
29	N/A	N/A	\$0.0286	N/A	N/A
30					
31	Commodity Volumetric Charge: (\$/m³)				
32	\$0.0397	\$0.0899	N/A	\$0.1810	\$0.1827
33	\$0.0388	\$0.0391	\$0.0374	\$0.1810	\$0.1827
34	\$0.0159	\$0.0116	\$0.0099	\$0.1810	\$0.1827
35	\$0.0063	\$0.0001	\$0.0001	\$0.1810	\$0.1827
36	\$0.0138	\$0.0048	\$0.0031	\$0.1810	\$0.1827
37	N/A	N/A	\$0.0002	N/A	N/A
38	N/A	N/A	\$0.0163	N/A	N/A
39			-\$0.0267		

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

41

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

43

44 **Effective:** Rates to be charged for all billings based on gas consumed on and after August 1, 2010.

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 680,000m ³ 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			<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	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	\$0.1271	\$0.0777	\$0.0777	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.1827	\$0.1591	\$0.1591	N/A	N/A
15						
16	Commodity Volumetric Charge: (\$/m³)					
17	Interruptible Service	\$0.0139	\$0.0056	\$0.0078	\$0.1810	\$0.1870
18	Mainline Interruptible (with firm delivery)	\$0.0100	\$0.0048	\$0.0031	\$0.1810	\$0.1870
19						
20	Alternate Supply Service:			Negotiated		
21	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22	Delivery Service - Interruptible Class			\$0.0104		
23	Delivery Service - Mainline Interruptible Class			\$0.0083		
24						
25	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
26						
27	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
28						
29	Effective:	Rates to be charged for all billings based on gas consumed on and after August 1, 2010.				