CENTRA GAS MANITOBA INC.
2019/20 GENERAL RATE APPLICATION

SUPPLEMENT TO THE APPLICATION

INDEX

Schedules

Appendices

Appendix 5.14 – MHEB Quarterly Report for 3rd Quarter of 2018-19

Appendix 7.6 – 2018 Natural Volume Gas Forecast

Appendix 10.1 – Impact of Regulatory Deferral Accounts on Rate Base (Updated)

Appendix 11.1 – Timeline – Base Rates and Riders (Updated)

Completeness Review Attachment 4- Manitoba Hydro Corporate Performance Dashboard (Updated)

CENTRA GAS MANITOBA INC.
2019/20 GENERAL RATE APPLICATION

SUPPLEMENT TO THE APPLICATION

1.0 OVERVIEW

This Supplement to Centra Gas Manitoba Inc.'s ("Centra") November 30, 2018 General Rate Application ("Application" or "GRA") provides an update to financial information following the Manitoba Hydro-Electric Board approval of the 2019/20 budget on February 12, 2019. The CGM18 forecast for 2018/19 and 2019/20 provided in Appendix 3.1 of Centra's Application has been updated to reflect actual financial results to September 30, 2018 for revenue and cost of gas. The updated statements for the 2018/19 Current Outlook and 2019/20 Approved Budget are provided in Appendix 3.6. The supplement also includes changes to select line items on the operating statement, as well as updated planning assumptions for the:

- 2018 Natural Gas Volume Forecast,
- Preliminary update to planned 2019/20 Demand Side Management expenditures and activities,
- December 2018 consensus forecast of interest and U.S. exchange rates, and
- Cost of Gas Forecast based on a futures market price strip date of October 1, 2018.

On February 20, 2019, the Public Utilities Board of Manitoba ("PUB") issued Order 24/19, establishing a timetable for the review of Centra's Application. Based on this timetable, Centra recognizes that an August 1, 2019 implementation of rates will no longer be possible, and as such is hereby amending its Application to request approval to implement rates flowing from this Application effective November 1, 2019, concurrent with the November 1, 2019 Primary Gas rate change.

The forecast of non-Primary gas costs and balances of the non-Primary PGVA accounts have not been updated as part of this Supplement. In accordance with the timetable approved by the PUB in Order 24/19, Centra intends to file a Pre-hearing Update on or before July 24, 2019 providing updated information on actual and forecast gas costs. Centra will provide details of the actual gas costs experienced for the 2017/18 Gas Year, as well as an updated forecast of gas costs for the 2018/19 Gas Year. Recognizing that the timetable approved by the PUB in Order 24/19 does not permit an August 2019 implementation, Centra also intends to amend its Application to request approval of the disposition of its non-Primary Gas deferral account balances for the 2018/19 Gas Year through rate riders, with actual information to the end of April and forecast information to October 31, 2019, as well as updated base rates reflecting the forecast of non-Primary Gas costs for the 2019/20 Gas Year.

The updated forecast of non-Primary Gas costs and balances of the non-Primary PGVA accounts for 2018/19 reflected in the Pre-hearing update will also reflect a recent decision issued by the National Energy Board ("NEB") with respect to the natural gas transportation tolls charged by TransCanada Pipelines Ltd. ("TCPL") on its Canadian Mainline. On December 13, 2018, the NEB issued a decision directing TCPL to dispose of a $1.1 billion balance refundable to shippers in the Mainline's Long Term Adjustment Account accumulated between January 1, 2015 and December 31, 2017. In addition, the NEB ordered TCPL to refund surplus revenue collected from Mainline shippers resulting from the interim tolls charged from January 1, 2018 to January 31, 2019. The resulting lower Mainline tolls will be in effect from February 1, 2019 to December 31, 2020, which will result in a net reduction in Centra's transportation costs of approximately $14.1 million over this period.

As part of this Supplement, Centra is also providing the following information:

- Appendix 3.7 – Regulatory Deferral Accounts Appendix 3.4 Figures (Updated);
- Appendix 3.8 – Manitoba Hydro's Forecast of Key Economic and Financial Indicators for 2018/19 and 2019/20 (Updated);
- Appendix 5.8 – Financial Ratios (Updated);
- Appendix 5.12 - Cost of Service (Updated);
- Appendix 5.13 – Tab 5 Figures (Updated);
- Appendix 5.14 – MHEB Quarterly Report for 3rd Quarter of 2018-19; and,
- Appendix 7.6 – 2018 Natural Volume Gas Forecast.

- Completeness Review Attachment 4- Manitoba Hydro Corporate Performance Dashboard (Updated)

2.0 2018/19 UPDATED FINANCIAL OUTLOOK

As shown in Figure 1 below, Centra is projecting annual net income of $4.4 million in the 2018/19 Current Outlook compared to net income of $3.3 million in the 2018/19 CGM18 forecast filed on November 30, 2018. The 2018/19 Current Outlook incorporates actual financial results to September 30, 2018 for revenue and cost of gas and an updated volume forecast. In addition, the Current Outlook incorporates expected changes to other line items on the operating statement.

Figure 1: 2018/19 Current Outlook compared to the 2018/19 CGM18 forecast

GAS OPERATIONS
PROJECTED OPERATING STATEMENT
(In Thousands of Dollars)

	Current Outlook	CGM18	Increase / (Decrease)
For the year ended March 31		2019	
REVENUES			
Domestic Revenue			
Cost of Gas	193.1	158.7	34.4
Non-Gas Costs	153.1	152.2	0.9
Furnace Replacement Program Funding	(3.8)	(3.8)	-
Late Payment Charges and Broker Revenue	0.7	0.5	0.1
	343.0	307.6	35.4
additional revenue requirement**	-	-	-
	343.0	307.6	35.4
Weighted Average Cost of Gas Sold *	193.1	158.7	34.4
Gross Margin	150.0	148.9	1.1
Other	1.8	1.7	0.1
	151.8	150.6	1.2
EXPENSES			
Operating and Administrative	63.3	63.3	-
Finance Expense	21.5	21.7	(0.2)
Depreciation and Amortization	24.1	24.1	-
Capital and Other Taxes	16.6	16.9	(0.3)
Other Expenses	12.1	12.1	0.1
Corporate Allocation	12.0	12.0	-
	149.6	150.0	(0.4)
Net Income before Net Movement in Regulatory Deferral	2.2	0.6	1.6
Net Movement in Regulatory Deferral *	2.2	2.6	(0.4)
Net Income	4.4	3.3	1.2

* The adjusted gross margin reflects the cost of gas charged to customer through rates (WACOG). The PGVA has been reclassified to the gross margin from net movement for rate setting purposes.

**** Additional Revenue Requirement**		
Percent Increase	0.00%	0.00%
Cumulative Percent Increase	0.00%	0.00%

The increase in net income of $1.2 million in the 2018/19 Current Outlook compared to the 2018/19 CGM18 forecast filed on November 30, 2018 is primarily due to the higher gross margin as well as, lower capital and other taxes and finance expense.

The increase in gross margin of $1.1 million is primarily a result of favourable weather impacts to September 2018 as well as a change in the load volume forecast for the remainder of year. The increase in domestic revenue of $35.4 million is primarily a result of higher cost of gas of $34.4 million and higher natural gas volumes. Revenue from non-gas costs increased by $0.9 million primarily on account of favourable weather impacts and the change in load volume forecast.

The decrease in capital and other taxes of $0.3 million is primarily a result of decreased property tax due to recent assessments that evaluated Centra properties at a lower value.

The decrease in finance expense of $0.2 million is primarily due to the growth in the PGVA balance refundable to customers and therefore less short term debt requirements.

The increase in other expenses of $0.1 million is primarily a result of increased consulting fees for tax review partially offset by the reduction in regulatory costs due to a delay of planned expenditures. The decrease in regulatory costs is offset in net movement in regulatory deferrals.

3.0 2019/20 APPROVED BUDGET

The 2019/20 Approved Budget was prepared and approved by the MHEB for approval in advance of the PUB issuing Order 24/19 on February 20, 2019. At the time the updated forecast was prepared, Centra continued to assume an August 1, 2019 implementation of rates flowing from this Application. As such, in the 2019/20 Approved Budget, consistent with the original filing, Centra continues to assume that the Furnace Replacement Program will generate approximately $0.5 million to July 31, 2019, as shown in Figure 2 (below) and Appendix 3.3 as originally filed. If the Furnace Replacement Program were to continue to be funded until October 31, 2019, assuming implementation of rates flowing from this Application on November 1, 2019, this would provide additional funding of approximately $0.4 million. Centra expects that this additional funding would have a negligible impact on its projected level of net income in 2019/20.

As shown in Figure 2 below, Centra is projecting annual net income of $2.9 million in the 2019/20 Approved Budget compared to net income of $2.3 in the 2019/20 CGM18 forecast filed on November 30, 2018. The 2019/20 Approved Budget assumes normal weather and incorporates an updated volume forecast.

Figure 2: 2019/20 Approved Budget compared to the 2019/20 CGM18 forecast

GAS OPERATIONS
PROJECTED OPERATING STATEMENT
(In Thousands of Dollars)

	Approved Budget	**CGM18**	**Increase / (Decrease)**
For the year ended March 31		**2020**	
REVENUES			
Domestic Revenue			
Cost of Gas	173.7	158.4	15.3
Non-Gas Costs *	149.1	149.6	(0.5)
Furnace Replacement Program Funding	(0.5)	(0.5)	-
Late Payment Charges and Broker Revenue	0.6	0.6	-
	322.8	308.1	14.8
additional revenue requirement***	-	-	-
	322.8	308.1	14.8
Weighted Average Cost of Gas Sold **	173.7	158.4	15.3
Gross Margin	149.2	149.7	(0.5)
Other	1.7	1.7	-
	150.9	151.4	(0.5)
EXPENSES			
Operating and Administrative	61.2	61.2	-
Finance Expense	22.6	23.5	(0.9)
Depreciation and Amortization	25.5	25.5	-
Capital and Other Taxes	17.1	17.4	(0.3)
Other Expenses	10.7	12.8	(2.1)
Corporate Allocation	12.0	12.0	-
	149.1	152.4	(3.3)
Net Income before Net Movement in Regulatory Deferral	1.8	(1.0)	2.8
Net Movement in Regulatory Deferral **	1.1	3.3	(2.3)
Net Income	2.9	2.3	0.6

* The Non-Gas Costs reflect the proposed discontinuance of FRP funding and removal of associated costs from rates for the SGS class, effective Aug 1, 2019

** The adjusted gross margin reflects the cost of gas charged to customer through rates (WACOG). The PGVA has been reclassified to the gross margin from net movement for rate setting purposes.

***Additional Revenue Requirement**		
Percent Increase	0.00%	0.00%
Cumulative Percent Increase	0.00%	0.00%

The increase in net income of $0.6 million is primary attributed to a decrease in finance expense and capital and other taxes partially offset by lower gross margin. The 2019/20 Approved Budget utilizes the 2018 Natural Gas Volume Forecast.

The decrease in finance expense of $0.9 million is primarily is due to $20 million less in long-term debt issues as a result of the higher PGVA balance refundable to customers.

The decrease of $0.3 million to capital and other taxes is primarily a result of decreased property tax due to recent assessments that evaluated Centra properties at a lower value.

The decrease in gross margin of $0.5 million is primarily a result of the change in the volume forecast with respect to changes in the number of customers in each class and their associated volumes. The increase in domestic revenue of $14.8 million primarily relates to cost of gas increasing by $15.3 million based on a futures market price strip date of October 1, 2018 (compared to January 12, 2018 forward market strip included in CGM18). As discussed in Section 1.0 above, Centra will update its forecast of non-Primary Gas costs in the Pre-hearing update to be filed in July 2019.

The decrease in other expenses of $2.1 million reflects lower planned Demand Side Management (DSM) expenditures, largely due to adjustments to existing program forecasts based on updated market information and maintaining a status quo approach to DSM pending the transition to Efficiency Manitoba. The decrease was partially offset by an increase in regulatory costs. These are offset in net movement in regulatory deferral.

Centra has updated figures from Tab 5 to reflect the 2018/19 Current Outlook and 2019/20 Approved Budget in Appendix 5.13.

The forecast of total natural gas capital expenditures is unchanged from the original application with the exception of DSM expenditures. Capital expenditures related to planned DSM programing are expected to be lower by $2 million in 2019/20. The 2019/20 DSM plan reflects the continuation of current DSM program offerings with adjustments to existing program forecasts based on updated market information and maintaining a status quo approach to DSM pending the transition to Efficiency Manitoba. Manitoba Hydro is currently in consultations with the Province as required under *The Energy Savings Act* with the 2019/20 DSM plan expected to be finalized in Spring 2019 following final consultations with the Province.

3.1 2019/20 Interest Rates & Exchange Rates

Figure 4 below compares the interest rate and exchange rate assumptions underpinning the 2019/20 Approved Budget and 2019/20 CGM18 Budget filed on November 30, 2018.

Figure 3: Comparison of Interest Rates & Exchange Rates

	2019/20 Approved Budget (Winter 2018)	**2019/20 CGM18 (Summer 2018)**
Short Term Interest Rate*	2.20%	2.15%
Long Term Interest Rate* 20 Year Weighted Average Term to Maturity (WATM)	3.80%	3.90%
U.S. – Cdn Exchange Rate	1.30	1.26

*Not including the 1% Provincial Guarantee Fee

While forecast interest rates are largely unchanged, Figure 4 shows a weakening of the Canadian dollar since the summer of 2018.

3.2 Revenue Requirement

Figure 3.1 in the original Application shows a comparison of the Net Income reflected in CGM18 under the cost of service methodology with Net Income determined under the rate base rate of return methodology ("RBROR"). Figure 5 below has been updated for the 2018/19 Current Outlook and 2019/20 Approved Budget, as well as corresponding updates to the assumptions underlying the Rate Base Rate of Return methodology. The Net Income under the RBROR is a calculated value based on the revenue requirement Surplus/(Shortfall) between the two methodologies and the net income under the cost of service methodology.

Figure 5: Updated Revenue Requirement/ Net Income Comparison

In Millions	2018/19 Current Outlook		2019/20 Approved Budget	
Approach	**Revenue Requirement**	**Net Income**	**Revenue Requirement**	**Net Income**
Cost of Service (A)	346.2	4.4	322.7	2.9
Rate Base Rate of Return (8.30% ROE) (B)	347.6	5.8	325.8	6.0
Surplus (Shortfall)	**(1.4)**	**(1.4)**	**(3.1)**	**(3.1)**

(A) COS revenue requirement - Figure 1 - Appendix 5.12 (Update)
COS net income - Figure 5.2, Appendix 5.13 - Tab 5 Schedules (Update)

(B) RBROR revenue requirement - Schedule 6.0.0 (Update)
RBROR net income is a calculated net income

Centra has updated the following Tab 6 schedules to reflect the updated outlook/forecast assumptions for 2018/19 and 2019/20:

- Schedule 6.0.0 Summary of Rate based Rate of Return;
- Schedule 6.5.7 and 6.5.8- Regulated Deferrals Continuity Schedules;
- Schedule 6.7.7 and 6.7.8- Working Capital Allowance Schedules;
- Schedule 6.8.7 and 6.8.8- Overall Rate of Return Schedules;
- Schedule 6.9.7 and 6.9.8- Average Debt Financing Schedules; and,
- Schedule 6.10.7 and 6.10.8- Return on Rate Base Schedules.

4.0 COST ALLOCATION AND RATE DESIGN

Centra has updated its 2019/20 Cost Allocation Study to reflect updates to:

- Revenue Requirement for the 2019/20 Test Year that were outlined in Section 3.0;
- Working capital allowance included in Rate Base outlined in updated Schedule 6.7.8; and,
- Load forecast reflecting 2018 Natural Gas Volume Forecast (filed as Appendix 7.6).

The result of the update is that the total Revenue Requirement for cost allocation purposes of $325.8 million has been allocated to the various rate classes. This is compared with a total Revenue Requirement for cost allocation purposes of $326.3 million that was reflected in Centra's GRA filed on November 30, 2018. The difference of approximately $0.5 million represents a decrease in non-gas costs for the 2019/20 test year from $149.0 million in Centra's initial filing to $148.5 million in this update. The decrease in non-gas costs reflects the changes to Depreciation & Amortization, Other Expenses, Other Income, Capital & Other Taxes, Finance Expense, and Net Income. The details of these changes are outlined in Section 3.0.

The figure below reconciles the updated 2019/20 Cost of Service components included in Figure of Appendix 5.12 (Update), to the Cost of Service components included in the 2019/20 Cost Allocation Study (Schedule 10.1.0) as initially filed, as well as to the 2019/20 Cost Allocation Study (Schedule 10.1.0) reflecting this update.

Figure 6: Cost of Service vs. Cost Allocation Reconciliation
2019/20 test Year ($000s)

	2019/20 TY March 22, 2019 Update Cost of Service	2019/20 TY November 30, 2018 GRA Cost Allocation	2019/20 TY March 22, 2019 Update Cost Allocation
Cost of Gas ***	173,667	177,265	177,265
Other Income*	(2,366)	(1,028)	(1,190)
Operating & Administrative	60,550	60,550	60,550
Depreciation & Amortization *	33,480	32,371	32,350
Capital & Other Taxes	20,312	20,600	20,312
Finance Expense	21,603	22,229	21,603
Other Expenses**	46	-	-
Corporate Allocation	12,000	12,000	12,000
Furnace Replacement Program	545	-	-
Net Income (Loss)	2,894	2,318	2,894
Total Cost of Service	322,730	326,305	325,784

2019/20 Total Cost of Service (Appendix 5.12)	322,730
Less 2019/20 Fiscal Year Cost of Gas	(173,667)
Add 2019/20 Gas Year Cost of Gas	177,265
Furnace Replacement Program	(545)
2019/20 Costs Allocation (Sch. 10.1.0)	325,784

*In Centra's Cost Allocation Study the Amortization of Customer Contributions in the amount of $1,130 is grouped with Depreciation and Amortization. For financial statements purposes the Amortization of Customer Contribution is included in Other Income.

**For Centra's Cost Allocation Study the Other Expenses have been netted with Other Income.

***For Centra's Cost Allocation Study the Cost of Gas remain unchanged from the November 30, 2019 filing.

The figure below provides an updated summary of the allocation of these costs to the various rate classes compared to the GRA filed on November 30, 2018.

Figure 7: Cost of Service Allocation by Customer Class ($000s)

	2019/20 TY November 30, 2018 GRA	2019/20 TY March 22, 2019 Update	Increase/ (Decrease)
SGS	135,565	134,975	(590)
LGS	56,859	57,157	297
High Volume Firm	13,882	13,752	(130)
Co-op	20	20	(0)
Mainline	2,225	2,282	58
Special Contract	[redacted]	[redacted]	[redacted]
Power Stations	[redacted]	[redacted]	[redacted]
Interruptible	1,728	1,651	(77)
Primary Gas*	[redacted]	[redacted]	[redacted]
Supplemental Firm	[redacted]	[redacted]	[redacted]
Supplemental Interruptible	[redacted]	[redacted]	[redacted]
Fixed Rate Primary Gas	78	66	(12)
Total Cost of Service	326,305	325,784	(521)

1e

The figure below compares the allocation of the 2019/20 proposed non-gas costs of $148.5 million to the various rate classes to non-gas costs of $149.0 million from the original filing.

Figure 8: Comparison of Non-Gas Costs by Customer Class ($000s)

	2019/20 TY November 30, 2018 GRA	2019/20 TY March 22, 2019 Update	Increase/ (Decrease)
SGS	103,098	102,633	(465)
LGS	32,357	32,456	99
High Volume Firm	6,919	6,824	(95)
Co-op	8	8	(0)
Mainline	2,000	2,058	58
Special Contract	2,282	2,247	(35)
Power Stations	167	158	(9)
Interruptible	810	770	(41)
Primary Gas*	1,195	1,176	(19)
Supplemental Firm	162	159	(3)
Supplemental Interruptible	10	10	(0)
Fixed Rate Primary Gas	32	21	(10)
Total Non-Gas Costs of Service	149,040	148,519	(521)

As reflected in the Figure 8 above, non-gas costs decreased approximately $0.5 million relative to Centra's GRA filed on November 30, 2018. All classes with the exception of LGS and Mainline customer classes experience a decrease in their allocated portion of non-gas costs compared to Centra's original filing.

The increase in non-gas costs allocated to the LGS and Mainline customer classes compared to the original filing is the result of changes in the load characteristic of these classes flowing from the 2018 Natural Gas Volume Forecast. Primarily, the change in the Peak and Average allocator(s) has increased the allocation of costs for the LGS and Mainline customer classes.

Further, the non-gas costs to be included in the Primary Gas base rate will also slightly change as a result of this update. Centra is requesting approval of a new updated Primary Gas Overhead Rate (non-gas component) of \$0.91/103m^3 (Schedule 10.1.2, lines 47 and 49) compared to \$0.94/103m^3 from original filing included in the GRA filed on November 30, 2018.

The non-gas cost components within the Supplemental Gas rates have also been updated. The Firm Supplemental gas overhead component is proposed to be \$1.60/103m^3 and the Interruptible Supplemental gas overhead component is proposed to be \$1.59/103m^3. Figure 9 provides the calculation of overhead rates for Supplemental Gas.

Figure 9: Calculation of Supplemental Gas Overhead Rate

	2019/20 November 30, 2018 Filing	2019/20 March 22, 2019 Update	
Firm Supplemental OH rate			
Non-gas allocated ($)	161,539	158,980	
Volumes (10^3m^3)	[redacted]	[redacted]	
Rate/10^3m^3	[redacted]	[redacted]	1d
rate/m^3	[redacted]	[redacted]	
INT Supplemental OH rate			
Non-gas allocated ($)	10,397	10,232	
Volumes (10^3m^3)	[redacted]	[redacted]	
Rate/10^3m^3	[redacted]	[redacted]	1d
rate/m^3	[redacted]	[redacted]	

Centra has also updated its Fixed Rate Primary Gas Service ("FRPGS") Program Cost Rate ("PCR"). The revised PCR is $37.67/103m^3 (Schedule 10.1.2, line 49), which is lower than the $55.12/103m^3 included in the GRA filed on November 30, 2018 but slightly higher than the $31.37/$10^3m^3$ currently approved by the PUB. The decrease compared to the initial filing results primarily from a reduction in program administration costs forecasted for this service for the 2019/20 test year.

The non-Primary gas costs and balances of the non-Primary PGVA accounts have not been updated as part of this filing. Centra plans to update its Cost Allocation Study to reflect a more current estimate of non-Primary gas costs for the 2019/20 gas year and balances in the non-Primary PGVA accounts as part of the Pre-Hearing update in July 2019. Although, the non-Primary Gas costs remain unchanged in this filing, the allocation of these costs between customer classes have changed as a result of changes in volumes, load factor and peak day requirements flowing from the 2018 Natural Gas Volume Forecast.

Figure 10 below provides a summary of the allocation of non-Primary gas costs to the various customer rate classes compared to the original filing.

Figure 10: Comparison of Non-Primary Gas Costs by customer classes ($000s)

	November 30, 2018 GRA 2019/20	March 22, 2019 Update 2019/20	Increase/ (Decrease)
SGS	32,468	32,343	(125)
LGS	24,502	24,701	198
High Volume Firm	6,963	6,927	(35)
Co-op	12	12	(0)
Mainline	225	224	(1)
Special Contract	71	71	(0)
Power Stations	82	82	(0)
Interruptible	918	881	(36)
Supplemental Firm	13,236	13,236	-
Supplemental Interruptible	852	852	-
Total Non-Primary Gas Costs	79,329	79,329	(0)

Schedules 11.3.0 a), b), c) and d) to Tab 11 remain unchanged from the GRA filed on November 30, 2018. These schedules summarize the allocation of the non-Primary Gas PGVA and gas deferral accounts as of October 31, 2018 (with carrying costs to July 31, 2019) to various customer classes and continue to show a net refund to customers of approximately $6.4 million. The calculation of the proposed rate riders provided in the Schedule 11.3.1 has been updated to reflect changes to billing units flowing from the 2018 Natural Gas Volume Forecast.

5.0 CUSTOMER BILL IMPACTS

The following figures summarize the annual bill impacts, in both dollar and percentage terms, of the proposed November1, 2019 sales rates that result from this update. The annual bill comparisons are relative to the February 1, 2019 rates approved in Order 16/19. Comparisons for the T-Service customers reflect delivery service only. The impact resulting from changes to the Primary Gas overhead component has not been reflected in the figures below or the Schedule 11.1.0. This impact will be incorporated in the November 1, 2019 Primary Gas Application.

The annual consumption of a typical residential customer has been revised to 2,218 m^3 from 2,246 m^3 in the GRA filed on November 30, 2018 , for consistency with the average usage forecast for a Residential system supply customer reflected in Centra's 2018 Natural Gas Volume Forecast (filed as Appendix 7.6).

The bill impacts for most customer classes flowing from this update result in a slightly higher annual bill decrease (or slightly lower bill increase) compared to Centra's initial filing with the exception of SGS class.

The bill impacts are a result of both cost changes and changes in the level of volumes. [redacted] compared to the Centra's initial filing for SGS class. 1d

The annualized bill impact resulting from base rate changes proposed for November 1, 2019 for the typical residential customer is a decrease of approximately 4.3% or $29 per year compared to February 1, 2019 base rates. The change in the billed rates results in a decrease for the typical residential customer of approximately 5.5% or $38 per year compared to February 1, 2019 billed rates. Please refer to the Schedule 11.1.0 for details of the annual bill impacts.

Figure 11 below shows the annual bill impacts, by sales service customer class, of the change in base rates proposed in this update compared to the February 1, 2019 rates (see Schedule 11.1.0, page 2).

Figure 11: Annual Bill Impacts of the Proposed Base Rates for Sales Service Customers by Customer Class

2019/20 Test Year			Annual Impacts Base Rates	
Customer Class	Consumption (10^3M^3)	Load Factor	$ Impact	% Change
SGS	1.0		($13)	-3.3%
	2.2		($29)	-4.3%
	11.3		($146)	-5.3%
LGS	11.3		$31	1.1%
	679.9		$1,849	1.5%
HVF	850	25%	($1,735)	-1.1%
	685	75%	($2,894)	-2.8%
Mainline	41,000	75%	($293,827)	-5.7%
	2,833	75%	($34,517)	-9.0%
Interruptible	850	25%	($3,890)	-3.0%
	14,164	75%	($85,748)	-5.0%

Figure 12 below shows the annual bill impacts for Transportation Service ("T-Service") customers in each of the customer classes for the change in base rates proposed in this Application, compared to the February 1, 2019 rates (see Schedule 11.1.0, page 2).

Figure 12: Annual Bill Impacts of the Proposed Base Rates for T-Service Customers by Customer Class

2019/20 Test Year			Annual Impacts Base Rates	
Customer Class	Consumption (10^3M^3)	Load Factor	$ Impact	% Change
HVF (T-Service)	2,600	75%	$9,523	19.2%
	17,600	75%	$72,091	28.0%
Mainline (T-Service)	14,000	75%	$35,176	24.7%
	44,000	40%	$271,812	41.6%
Special Contract	[redacted]			
Power Stations				

2d

The annual bill impacts of the proposed billed rates for the sales service customer classes are summarized in the Figure 13 below (the details of which are provided on page 1 of Schedule 11.1.0).

Figure 13: Annual Bill Impacts of the Proposed Billed Rates for Sales Service Customers by Customer Class

2019/20 Test Year			Annual Impacts Billed Rates	
Customer Class	Consumption (10^3M^3)	Load Factor	$ Impact	% Change
SGS	1.0		($17)	-4.3%
	2.2		($38)	-5.5%
	11.3		($195)	-6.9%
LGS	11.3		($3)	-0.1%
	679.9		($179)	-0.1%
HVF	850	25%	($265)	-0.2%
	12,600	75%	($244,965)	-13.6%
Mainline	41,000	75%	($736,052)	-13.4%
	2,833	40%	($96,264)	-19.9%
Interruptible	850	25%	($5,125)	-3.7%
	14,164	75%	($258,266)	-14.2%

Figure 14 summarizes the annual bill impacts of the proposed billed rates for the T-Service customer classes (the details of which are provided on page 1 of Schedule 11.1.0).

Figure 14: Annual Bill Impacts of the Proposed Billed Rates for T-Service Customers by Customer Class

2019/20 Test Year			Annual Impacts Billed Rates	
Customer Class	Consumption (10^3M^3)	Load Factor	$ Impact	% Change
HVF (T-Service)	2,600	75%	$9,385	19.0%
	17,600	75%	$71,156	27.6%
Mainline (T-Service)	14,000	75%	$24,313	17.1%
	44,000	40%	$238,350	36.5%
Special Contract	[redacted]			
Power Stations				

2d

6.0 PROPOSED RATE SCHEDULES

Centra has also updated Schedules 11.2.0 and 11.2.1 to reflect changes flowing from this update. Schedule 11.2.0 reflects the approved February 1, 2019 rates flowing from Order 16/19. Schedule 11.2.1 provides the proposed November 1, 2019 rates with the exception of Primary Gas rate which is expected to be updated as part of Centra's Primary Gas Application that will be filed with PUB in October 2019 for rates effective November 1, 2019. On July 24, 2019, as part of Centra's Pre-Hearing update of non-Primary gas costs, Schedule 11.2.1 will be updated again, to reflect a more current estimate of non-Primary gas costs for the 2019/20 gas year and non-Primary gas PGVA accounts balances (with carrying costs to October 31, 2019).