

MANITOBA

Order No. 66/11

THE PUBLIC UTILITIES BOARD ACT

May 2, 2011

Before: Graham Lane, CA, Chairman
Len Evans, LL.D., Member
Monica Girouard, Member

**REVISED CENTRA GAS MANITOBA INC. RATES
EFFECTIVE MAY 1, 2011**

1.0 Introduction

Centra, which is a subsidiary of Manitoba Hydro (MH), is Manitoba's largest natural gas distributor, and its rates and charges are subject to the approval of the Public Utilities Board pursuant to provisions of *The Public Utilities Board Act*.

This Order combines the effects of a regularly scheduled quarterly interim Primary Gas rate change with rate changes arising from the public review of Centra's 2011/12 Cost of Gas Application.

2.0 Overview

Centra's Cost of Gas Application sought amendments to non-Primary Gas rates (Supplemental Gas, Transportation, and Distribution rates). Concurrently, Centra applied to amend its Primary Gas rate for those customers who receive Centra's quarterly-priced Primary Gas supply.

By Order 65/11, the Board provided directions to Centra pertaining to both Primary Gas and non-Primary Gas rates and costs. This Order reflects those directions in both rates and annualized bill impacts.

Understanding Centra rates

The five components of Centra's natural gas billings to customers are i) Primary Gas, ii) Supplemental Gas, iii) Transportation (to Centra), iv) Distribution (to Customers), and v) Basic Monthly Charge (BMC).

Supplemental Gas, Transportation, and a portion of the Distribution rate are impacted by Centra's Cost of Gas Application and are referred to collectively as non-Primary Gas rates. The majority of the Distribution rate and the BMC are referred to as non-gas rates. Non-Primary Gas and non-gas rates affect all customers (not including those customers who arrange their own Transportation of gas) while the revised Primary Gas rates affect only those customers who purchase their Primary Gas from Centra under its default supply, not those purchasing Primary Gas under contract from retail marketers

or from Centra's Fixed Rate Primary Gas Service. A more detailed description of Centra's rates and customer classes is provided in Order 65/11.

3.0 Board Findings

Approval of Applications

The Board approves Centra's filing of interim Primary and non-Primary natural gas rates effective May 1, 2011, as attached.

Centra's proposed rate changes properly reflect:

- a) Interim Primary Gas rates that incorporate current market and projected future commodity prices, deferral balances, and hedged positions calculated consistent with the Board-approved Rate Setting Methodology on a quarterly basis;
- b) A revision to the forecast of non-Primary Gas costs for the 2010/11 Gas Year incorporating the interim TransCanada Pipeline Limited (TCPL) Mainline tolls as approved by the National Energy Board effective March 1, 2011; and
- c) A revision to the forecast of non-Primary Gas costs for the 2010/11 Gas Year in respect of the CAD/USD currency exchange rate, using the actual exchange rates to date.

Summary of Findings from Order 65/11

In Order 65/11, which gives the Board's decisions relating to Centra's 2011/12 Cost of Gas Application, the Board also approved the 2009/10 Gas Year gas costs and Purchased Gas Variance Account balances, those balances driving the rate riders which come into effect with this Order on May 1, 2011. The Board approved on a final basis previous interim Primary Gas orders 147/09, 4/10, and 81/10, and also approved Primary and non-Primary Gas rate order 46/10 on a final basis.

The Board also provided additional direction on the following matters:

- That Centra amend the process for replacing its U.S. storage and transportation assets which are due to expire March 31, 2013, by including an information request process, the opportunity for stakeholders to submit their positions, and an oral public hearing;
- That Centra, in the near future, review its rate design that currently consists of Primary Gas, Supplemental Gas, Transportation (to Centra), Distribution (to Customers), and the Basic Monthly Charge with a view to potentially simplifying the rate structure;
- For the disclosure of Centra's confidential Primary Gas supply contract with ConocoPhillips, as first directed in Order 55/10, to CAC/MSOS, an intervener in Centra's COG proceedings;
- That Centra be permitted to unwind or otherwise close off any hedge positions related to Centra's Fixed Rate Primary Gas Service that are not subscribed by customers;
- Approval of Centra's revised methodology for determining the normal weather degree days heating, which is used in the determination of the Natural Gas Volume Forecast; and
- Approval of Centra's proposed change to the Terms and Conditions of Service to restrict the eligibility of Transportation Service customers to those new customers to this class, that consume more the 200 GJ/day of gas. Transportation Service customers arrange their own gas supplies to Centra's city gates, which is distinct from Centra's system supply and Western Transportation Service where Centra arranges for the transportation of gas from Empress, Alberta to Manitoba.

Previously, Centra's request for a change to its Furnace Replacement Program was addressed in Order 56/11, which continues the Program in its current form by providing

qualifying lower-income homeowners with a high-efficiency furnace for \$19/month for five years, with the expected monthly savings being greater than the \$19/month cost.

Bill Impacts

The table below lists the combined bill impacts (of both the Primary Gas rate change and the Non-Primary Gas rate changes) for Centra's various customer classes, on an annualized basis.

Bill Impacts – Rate Changes for May 1, 2011

Class	Annual (Decrease)	Percentage (Decrease)
Small General Service (includes residential)	(\$12) – (\$131)	(2.5%) – (3.7%)
Large General Service	(\$126) – (\$7,547)	(3.4%) – (4.4%)
High Volume Firm	(\$16,587) – (\$298,679)	(7.2%) – (10.8%)
Mainline	(\$63,982) – (\$1,079,367)	(9.3%) – (12.3%)
Interruptible	(\$39,510) – (\$684,075)	(19.7%) – (23.7%)

Note: Includes Primary Gas and non-Primary Gas rate changes

A typical residential customer that consumes 2465 m³ of natural gas each year can expect their bill to decrease by \$29 per year, or 3.1%.

Notification

Centra is to advise its customers of rate changes arising out of this Order through a bill insert, by media release, and through its website, each of which to provide a reference to the Board's website. Centra customers are also referred to MH's website and press release for further rate information and, as well, information on measures to mitigate bill volatility.

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.

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			Primary Gas Supply	Supplemental Gas Supply¹
13			Sales Service	T-Service		
14	Basic Monthly Charge: (\$/month)					
15	Small General Class (SGC)	N/A	\$14.00	N/A	N/A	N/A
16	Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A
17	High Volume Firm (HVF)	N/A	\$1,118.31	\$1,118.31	N/A	N/A
18	Cooperative (CO-OP)	N/A	\$274.06	\$274.06	N/A	N/A
19	Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
20	Special Contract	N/A	N/A	\$135,424.74	N/A	N/A
21	Power Station	N/A	N/A	\$11,565.60	N/A	N/A
22						
23	Monthly Demand Charge (\$/m³/month)					
24	High Volume Firm Class (HVF)	\$0.2408	\$0.1504	\$0.1504	N/A	N/A
25	Cooperative (CO-OP)	\$0.3606	\$0.1298	\$0.1298	N/A	N/A
26	Main Line Class (MLC)	\$0.4209	\$0.1580	\$0.1580	N/A	N/A
27	Special Contract	N/A	N/A	N/A	N/A	N/A
28	Power Station	N/A	N/A	\$0.0280	N/A	N/A
29						
30	Commodity Volumetric Charge: (\$/m³)					
31	Small General Class (SGC)	\$0.0462	\$0.0869	N/A	\$0.1582	\$0.1344
32	Large General Class (LGC)	\$0.0451	\$0.0362	\$0.0362	\$0.1582	\$0.1344
33	High Volume Firm (HVF)	\$0.0201	\$0.0081	\$0.0081	\$0.1582	\$0.1344
34	Cooperative (CO-OP)	\$0.0091	\$0.0001	\$0.0001	\$0.1582	\$0.1344
35	Main Line Class (MLC)	\$0.0095	\$0.0015	\$0.0015	\$0.1582	\$0.1344
36	Special Contract	N/A	N/A	\$0.0002	N/A	N/A
37	Power Station	N/A	N/A	\$0.0165	N/A	N/A
38						
39	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
40						
41	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
42						
43	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2011.				
44						

Approved by Board Order:
Effective from: May 1, 2011
Date Implemented: May 1, 2011

Supersedes Board Order: 20/11
Supersedes: February 1, 2011 Rates

CENTRA GAS MANITOBA INC.
INTERRUPTIBLE 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:	For any consumer at one location whose annual natural gas requirements equal or				
4		exceed 680,000 m ³ and who contracts for such service for a minimum of one year, or				
5		who received Interruptible Service continuously since December 31, 1996. Service				
6		under this rate shall be limited to the extent that the Company considers it has available				
7		natural gas supplies and/or capacity to provide delivery service.				
8						
9	Rates:		<u>Distribution to Customers</u>			
		<u>Transportation</u>			<u>Primary Gas</u>	<u>Supplemental</u>
		<u>to</u>			<u>Supply</u>	<u>Gas</u>
		<u>Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Supply</u>	<u>Supply</u> ¹
10						
11	Basic Monthly Charge: (\$/month)					
12	Interruptible Service	N/A	\$1,042.72	\$1,042.72	N/A	N/A
13	Mainline Interruptible (with firm delivery)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
14						
15	Monthly Demand Charge (\$/m³/month)					
16	Interruptible Service	\$0.1127	\$0.0772	\$0.0772	N/A	N/A
17	Mainline Interruptible (with firm delivery)	\$0.1734	\$0.1580	\$0.1580	N/A	N/A
18						
19	Commodity Volumetric Charge: (\$/m³)					
20	Interruptible Service	\$0.0139	\$0.0051	\$0.0051	\$0.1582	\$0.1293
21	Mainline Interruptible (with firm delivery)	\$0.0097	\$0.0015	\$0.0015	\$0.1582	\$0.1293
22						
23	Alternate Supply Service:			Negotiated		
24	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
25	Delivery - Interruptible Class			\$0.0076		
26	Delivery - Mainline Interruptible Class			\$0.0067		
27						
28	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
29						
30	Minimum Monthly Bill:	Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate.				
31						
32	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2011.				
33						

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CENTRA GAS MANITOBA INC.
FIRM SALES AND DELIVERY SERVICES
RATES 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 to natural gas distribution cooperatives					
7	CO-OP:	For gas delivered through one meter at annual volumes greater than 680,000 m ³					
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	N/A
16	Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A	N/A
17	High Volume Firm (HVF)	N/A	\$1,118.31	\$1,118.31	N/A	N/A	N/A
18	Cooperative (CO-OP)	N/A	\$274.06	\$274.06	N/A	N/A	N/A
19	Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33	N/A	N/A	N/A
20	Special Contract	N/A	N/A	\$135,424.74	N/A	N/A	N/A
21	Power Station	N/A	N/A	\$11,565.60	N/A	N/A	N/A
22							
23	Monthly Demand Charge (\$/m³/month)						
24	High Volume Firm Class (HVF)	\$0.3248	\$0.1506	\$0.1506	N/A	N/A	N/A
25	Cooperative (CO-OP)	\$0.3606	\$0.1298	\$0.1298	N/A	N/A	N/A
26	Main Line Class (MLC)	\$0.4666	\$0.1581	\$0.1581	N/A	N/A	N/A
27	Special Contract	N/A	N/A	N/A	N/A	N/A	N/A
28	Power Station	N/A	N/A	\$0.0278	N/A	N/A	N/A
29							
30	Commodity Volumetric Charge: (\$/m³)						
31	Small General Class (SGC)	\$0.0536	\$0.0849	N/A	\$0.1548	\$0.1344	
32	Large General Class (LGC)	\$0.0531	\$0.0342	\$0.0344	\$0.1548	\$0.1344	
33	High Volume Firm (HVF)	\$0.0160	\$0.0062	\$0.0064	\$0.1548	\$0.1344	
34	Cooperative (CO-OP)	\$0.0091	\$0.0001	\$0.0001	\$0.1548	\$0.1344	
35	Main Line Class (MLC)	\$0.0090	\$0.0015	\$0.0015	\$0.1548	\$0.1344	
36	Main Line Class (MLC) Refund		-\$0.0020	-\$0.0018			
37	Special Contract	N/A	N/A	\$0.0002	N/A	N/A	
38	Power Station	N/A	N/A	\$0.0144	N/A	N/A	
39							
40							
41							
42		¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
43							
44	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.					
45							
46	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2011.					

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

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3	Availability:	For any consumer at one location whose annual natural gas requirements equal or				
4		exceed 680,000 m ³ and who contracts for such service for a minimum of one year, or				
5		who received Interruptible Service continuously since December 31, 1996. Service				
6		under this rate shall be limited to the extent that the Company considers it has available				
7		natural gas supplies and/or capacity to provide delivery service.				
8						
9	Rates:					
		<u>Distribution to Customers</u>				
		<u>Transportation</u>			<u>Primary Gas</u>	<u>Supplemental</u>
		<u>to</u>		<u>T-Service</u>	<u>Supply</u>	<u>Gas</u>
		<u>Centra</u>	<u>Sales Service</u>			<u>Supply</u> ¹
10						
11	Basic Monthly Charge: (\$/month)					
12	Interruptible Service	N/A	\$1,042.72	\$1,042.72	N/A	N/A
13	Mainline Interruptible (with firm delivery)	N/A	\$2,353.33	\$2,353.33	N/A	N/A
14						
15	Monthly Demand Charge (\$/m³/month)					
16	Interruptible Service	\$0.1480	\$0.0774	\$0.0774	N/A	N/A
17	Mainline Interruptible (with firm delivery)	\$0.2087	\$0.1581	\$0.1581	N/A	N/A
18						
19	Commodity Volumetric Charge: (\$/m³)					
20	Interruptible Service	\$0.0110	\$0.0051	\$0.0030	\$0.1548	\$0.1293
21	Interruptible Service Refund		-\$0.0174			
22	Mainline Interruptible (with firm delivery)	\$0.0068	\$0.0015	\$0.0015	\$0.1548	\$0.1293
23						
24	Alternate Supply Service:			Negotiated		
25	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
26	Delivery - Interruptible Class			\$0.0055		
27	Delivery - Mainline Interruptible Class			\$0.0067		
28						
29	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
30						
31	Minimum Monthly Bill:	Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate.				
32						
33	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2011.				
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