

MANITOBA) **Order No. 96/11**
)
THE PUBLIC UTILITIES BOARD ACT) **July 26, 2011**

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

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

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1.0 Summary

By this Order the Public Utilities Board (Board) approves, on an interim *ex parte* basis, a decrease of 5.2% to Centra Gas Manitoba Inc.'s (Centra) Primary Gas rate as of August 1, 2011. The Primary Gas rate will decrease from \$0.1548/m³ to \$0.1468/m³.

The decrease in the rate, when combined with other bill elements, is expected to result in a decrease of \$16 per year (approximately 1.8%) for the "typical" residential customer receiving quarterly-priced Primary Gas from Centra. Larger volume customers receiving quarterly-priced Primary Gas from Centra may expect an annualized bill decrease ranging from 2.0% to 3.5% (depending on volumes consumed).

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

Furthermore, Supplemental gas, Transportation and Distribution rates, which affect all customers, are also not affected by this Order.

Factors Driving Rates

Despite increased oil prices, natural gas prices remain depressed. Since the commodity collapse that began in the third quarter of 2008, oil prices have generally been climbing (oil prices today are in the range of \$90 to \$100/barrel). Natural gas prices have not followed this trend and have remained low since the onset of the 2008-09 recession.

One of the primary reasons for the continued low price for natural gas is the identification of new domestic natural gas supplies, particularly arising from the development and promise of economically available shale gas. Recoverable shale gas resource has been expanding due to improvements in recovery technologies, and the development of shale gas resources in North America has been classified by many as a "game changer" for the North American natural gas market. Recently, shale gas accounts for about 16% of U.S. and Canadian natural gas supplies, and this segment of overall natural gas supply continues to grow.

Another reason for continued low natural gas prices has been the slow recovery of the economy, particularly in the United States and particularly with respect to industry, which are large consumers of natural gas.

Despite the additional natural gas resources (from shale gas development) and lower than expected demand due to the slow recovery of large industry, future prices for natural gas remain subject to uncertainty.

Improved economic growth in North America and increased use of natural gas in electricity generation could result in natural gas prices rising in the future. Government environmental policies may also impact prices, should such policies favour the development of a clean energy standard including a carbon cap-and-trade program or the placing of a price on carbon emissions. Compared to coal, natural gas emits much lower emissions, and natural gas could be a preferred fuel choice under such a policy environment. (There is also uncertainty concerning possible negative environmental impacts resulting from shale gas development technologies.)

In general, most natural gas price projections, at this time, are not predicting significant increases in natural gas prices in the near future. In fact, natural gas prices remain subject to downward pressure from steady if not increased production levels of natural gas (with continued development of shale gas resources), and with significant gas in storage.

The chart below reflects the 12 month futures price strip for natural gas taken on July 1, 2011 and used in the calculation of Primary Gas rates.

AECO Price\$/GJ (Canadian)

Aug/11	Sept/11	Oct/11	Nov/11	Dec/11	Jan/12	Feb/12	March/12	April/12	May/12	June/12	July/12
3.5348	3.5075	3.5575	3.6500	3.8225	3.8750	3.880	3.8550	3.7500	3.7275	3.7500	3.7550

As well, August 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) 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 July 31, 2011 reflects approximately \$3.2 million owing to customers.
- c) 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 is a wholly-owned subsidiary of Manitoba Hydro (MH), and is Manitoba’s largest natural gas distributor. Centra’s Quarterly rates are subject to the approval of the Board pursuant to provisions of *The Public Utilities Board Act*.

The five components of natural gas billings to Centra’s customers are:

- Primary Gas Rates (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).

Board Order 65/11 dated April 28, 2011 is the most recent Board Order arising out of Centra's Cost of Gas review. Board Order 66/11 dated May 2, 2011 approved both Centra's quarterly interim Primary Gas rate as well as rate changes to the Non-Primary Gas components of Centra's rates.

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. As such, there are no hedge impacts to include in the determination of August 1, 2011 Primary Gas sales rates. Changes in quarterly-priced Primary Gas rates will still be moderated by: a) the cost of gas in storage, b) the quarterly pricing methodology and, c) the availability of Manitoba Hydro's equal monthly payment plan, whereby monthly bills can be fixed 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.

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. The estimated balance in the Primary Gas Variance Account is \$3.2 million owing to customers. This is included in the calculated Primary Gas billed rate.

3.0 Background

The following table illustrates changes in natural gas commodity prices and prospective overall bills since August 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-Aug-07	7.457/GJ	-7%	\$1180	(1.8%)
1-Nov-07	7.070/GJ	-5%	\$1139	(3.5%)
1-Feb-08	7.314/GJ	3%	\$1153	1.2%
1-May-08	8.308/GJ	14%	\$1238	7.4%
1-Aug-08	9.473/GJ	14%	\$1309	5.8%
1-Nov-08	7.945/GJ	-16%	\$1239	(5.4%)
1-Feb-09	7.852/GJ	-1%	\$1183	(4.5%)
1-May-09	7.041/GJ	-10%	\$1095	(7.5%)
1-Aug-09	6.628/GJ	-6%	\$1122	2.5%
1-Nov-09	5.566/GJ	-16.0%	\$1051	(6.3%)
1-Feb-10	5.500/GJ	1.2%	\$1035	(1.6%)
1-May-10	4.864/GJ	-12%	\$ 962	(6.1%)
1-Aug-10	4.740/GJ	-3%	\$ 954	(0.8%)
1-Nov-10	4.166/GJ	-12%	\$ 912	(5.3)
1-Feb-11	4.245/GJ	2%	\$ 930	2%
1-May-11	4.105/GJ	-3.3	\$ 882	(3.1%)
1-Aug-11	3.903/GJ	-4.9	\$ 865	(1.8%)

Notes

1. The average annual bill above is based on the estimated annual consumption of a typical residential customer of 2,465 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 August 1, 2007 through to August 1, 2011.
4. The Board's RSM considers factors other than natural gas commodity prices including the cost of gas in storage and historical hedging results. Accordingly, the volatility in Primary Gas rates experienced by Centra's Primary Gas customers is reduced as overall rates also take into account operating, amortization, administrative and financial costs.

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 August 1/10	Costs and Proposed Rates Nov 1/10	Costs and Proposed Rates Feb 1/11	Costs and Proposed Rates May 1/11	Costs and Proposed Rates August 1/11
Date of Forward Price Strip	July 15, 2010	October 15, 2010	January 4, 2011	April 1, 2011	July 1, 2011
¹ 12 Month Forward Price	\$4.480/GJ	\$3.671	\$4.294	\$4.145	\$3.919
² Costs (gains) resulting from Hedging	\$0.3924GJ	\$0.5695	\$0.0428	\$0.02	\$0.000
Forecast Gas Supply Price	\$4.8719/GJ	\$4.240	\$4.337	\$4.165	\$3.919
³ Cost of Gas drawn from Storage	\$4.177/GJ	\$3.851	\$3.852	\$3.852	\$3.852
Weighted Gas, Cost (mix of Gas Supply & Storage Gas costs)	\$4.740/GJ	\$4.166	\$4.245	\$4.105	\$3.903
Rate per Cubic Metre	\$0.1792	\$0.1575	\$0.1604	\$0.1552	\$0.1475
⁴ Base Primary Rate, adding Fuel and Overhead cost component per cubic metre	\$0.1823	\$0.1603	\$0.1634	\$0.1582	\$0.15014
⁵ Plus (Less) PGVA Rider per cubic metre	(\$0.0013)	(\$0.0003)	\$0.0053	(\$0.0034)	\$0.0033
Total Billed Rate	\$0.1810	\$0.1600	\$0.1687	\$0.1548	\$0.1468

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, 2011 to July 31, 2012 from the price as of July 1, 2011.
2. Board Order 170/09 directed a phase-out of hedging Primary Gas by August of 2011.
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, 2011, compressor 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 \$0.0033/m³ (reflecting an estimated balance, to July 31, 2011 of approximately \$3.2 million owing to customers), will be applied to the Primary Gas Rate. This rate rider is expected to refund \$3.2 million to customers, assuming normal volumes of gas consumed over the period August 1, 2011 to July 31, 2012. 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 purchased gas prices resulted in a cost of \$3.852/GJ for the Primary Gas in storage as of October 31, 2010.

4.0 Outstanding Positions, Hedging

Board 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, there is to be no hedging for the quarterly-priced Primary Gas. Accordingly, there are no hedge impacts to include in the determination of August 1, 2011 Primary Gas Sales rates.

5.0 Customer Impact

The annualized bill impacts effective August 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 Decrease
SGS	1.4% - 2.1%
LGS	2.0% - 2.7%
High Volume Firm	2.6% - 3.3%
Mainline	2.9% - 3.5%
Interruptible	2.8% - 3.4%

The projected annualized net bill impact for a typical residential customer, based on average annual consumption of 2,465 m³ of Primary Gas is a decrease of \$16 (or 1.8%), from May 1, 2011 rates.

6.0 Board Findings

Approval

As Centra's July 15, 2011 Application to decrease interim Primary Gas rates properly reflects the Board-approved RSM, the Board will approve Centra's proposal for a decrease 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 November 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 August 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 P.Eng."

Acting Secretary

Certified a true copy of Order No. 96/11
issued by The Public Utilities Board

Acting Secretary

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

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				Supplemental
		to			Primary Gas	Gas
		Centra	Sales Service	T-Service	Supply	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	\$135,424.74	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	\$0.1501	\$0.1344
32	Large General Class (LGC)	\$0.0451	\$0.0362	\$0.0362	\$0.1501	\$0.1344
33	High Volume Firm (HVF)	\$0.0201	\$0.0081	\$0.0081	\$0.1501	\$0.1344
34	Cooperative (CO-OP)	\$0.0091	\$0.0001	\$0.0001	\$0.1501	\$0.1344
35	Main Line Class (MLC)	\$0.0095	\$0.0015	\$0.0015	\$0.1501	\$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 August 1, 2011.				

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

Supersedes Board Order: 66/11
Supersedes: May 1, 2011 Rates

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	\$0.1127	\$0.0772	\$0.0772	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.1734	\$0.1580	\$0.1580	N/A	N/A
15						
16	Commodity Volumetric Charge: (\$/m3)					
17	Interruptible Service	\$0.0139	\$0.0051	\$0.0051	\$0.1501	\$0.1293
18	Mainline Interruptible (with firm delivery)	\$0.0097	\$0.0015	\$0.0015	\$0.1501	\$0.1293
19						
20	Alternate Supply Service:			Negotiated		
21	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22	Delivery - Interruptible Class			\$0.0076		
23	Delivery - Mainline Interruptible Class			\$0.0067		
24						
25	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
26						
27	Minimum Monthly Bill:	Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate.				
28						
29	Effective:	Rates to be charged for all billings based on gas consumed on and after August 1, 2011.				

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				Primary Gas	Supplemental Gas
		to			Supply		Supply¹
		Centra	Sales Service	T-Service			
13							
14							
15	Basic Monthly Charge: (\$/month)						
16	Small General Class (SGC)	N/A	\$14.00	N/A		N/A	N/A
17	Large General Class (LGC)	N/A	\$77.00	\$77.00		N/A	N/A
18	High Volume Firm Class (HVF)	N/A	\$1,118.31	\$1,118.31		N/A	N/A
19	Cooperative (Co-op)	N/A	\$274.06	\$274.06		N/A	N/A
20	Main Line Class (MLC)	N/A	\$2,353.33	\$2,353.33		N/A	N/A
21	Special Contract	N/A	N/A	\$135,424.74		N/A	N/A
22	Power Station	N/A	N/A	\$11,565.60		N/A	N/A
23							
24	Monthly Demand Charge (\$/m³/month)						
25	High Volume Firm Class (HVF)	\$0.3248	\$0.1506	\$0.1506		N/A	N/A
26	Cooperative (Co-op)	\$0.3606	\$0.1298	\$0.1298		N/A	N/A
27	Main Line Class (MLC) (Firm)	\$0.4666	\$0.1581	\$0.1581		N/A	N/A
28	Special Contract	N/A	N/A	N/A		N/A	N/A
29	Power Station	N/A	N/A	\$0.0278		N/A	N/A
30							
31	Commodity Volumetric Charge: (\$/m³)						
32	Small General Class (SGC)	\$0.0536	\$0.0849	N/A	\$0.1468	\$0.1344	
33	Large General Class (LGC)	\$0.0531	\$0.0342	\$0.0344	\$0.1468	\$0.1344	
34	High Volume Firm Class (HVF)	\$0.0160	\$0.0062	\$0.0064	\$0.1468	\$0.1344	
35	Cooperative (Co-op)	\$0.0091	\$0.0001	\$0.0001	\$0.1468	\$0.1344	
36	Main Line Class (MLC) (Firm)	\$0.0090	\$0.0015	\$0.0015	\$0.1468	\$0.1344	
37	Main Line Class (MLC) Refund		-\$0.0020	-\$0.0018			
38	Special Contract	N/A	N/A	\$0.0002	N/A	N/A	
39	Power Station	N/A	N/A	\$0.0144	N/A	N/A	
40							
41							
42	Minimum Monthly Bill:	Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate.					
43							
44	Effective:	Rates to be charged for all billings based on gas consumed on and after August 1, 2011.					

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

Supersedes Board Order: 66/11
Supersedes: May 1, 2011 Rates

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</u>			<u>Primary Gas</u>	<u>Supplemental Gas</u>
		<u>Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Supply</u>	<u>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	\$0.1480	\$0.0774	\$0.0774	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.2087	\$0.1581	\$0.1581	N/A	N/A
15						
16	Commodity Volumetric Charge: (\$/m³)					
17	Interruptible Service	\$0.0110	\$0.0051	\$0.0030	\$0.1468	\$0.1293
18	Interruptible Service Refund		-\$0.0174			
19	Mainline Interruptible (with firm delivery)	\$0.0068	\$0.0015	\$0.0015	\$0.1468	\$0.1293
20						
21	Alternate Supply Service:					
22	Gas Supply (Interruptible Sales and Mainline Interruptible)				Negotiated	
23	Delivery Service - Interruptible Class				Cost of Gas	
24	Delivery Service - Mainline Interruptible Class				\$0.0055	
25					\$0.0067	
26						
27	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
28	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
29						
30	Effective:	Rates to be charged for all billings based on gas consumed on and after August 1, 2011.				