

MANITOBA) **Order No. 52/08**
)
THE PUBLIC UTILITIES BOARD ACT) **April 29, 2008**

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

**CENTRA GAS MANITOBA INC.
AN ORDER OF THE BOARD:**

**APPROVING A NEW FRANCHISE AGREEMENT WITH
THE RURAL MUNICIPALITY OF RUSSELL**

1.0 Executive Summary

By this Order, The Public Utilities Board (Board) approves on an interim ex-parte basis Centra Gas Manitoba Inc.'s (Centra) new franchise agreement with the Rural Municipality of Russell (RM).

2.0 The Application

On January 18, 2008, Centra applied to the Board for approval of a new franchise agreement to replace the existing 1965 franchise agreement between Centra and the RM.

The new agreement is in conformance with the new generic form of franchise agreement approved by the Board in 1994. The new agreement provides for a term of thirty (30) years, requires Centra to provide seven days notice of its intention to break up streets (repair and/or install), and frees the RM of liability in connection to damage as a result of repairs or alterations to the RM's public works.

In its application, Centra noted that while service was extended to a canola crushing plant in Harrowby in 1982, it was unable to find a Board enabling amendment to the 1965 Franchise Agreement. Centra's application will rectify that omission as well as to extend the areas covered by the franchise to include an expansion to accommodate a potential customer. The new franchise agreement includes all the areas covered by the existing 1965 Agreement, as well as the following additional Sections:

- Section 33-20-29-W, where the canola crushing plant is located;
- Section 28-20-29-W, where Harrowby is located;
- Sections 29 and 32-20-29 W, located immediately west of Harrowby and the plant; and
- Sections 25, 27, 28, 34-20-29-W, and Section 30-20-28 W, where the pipeline to serve the plant at Harrowby is located.

The Rural Municipality of Russell's By-Law No. 1245, which authorized the RM to enter into the franchise agreement with Centra, was given first reading on December 11, 2007.

3.0 Board Findings

The application was filed in a manner consistent with the Board's requirements for franchise agreements, as approved by Board Order 109/94, and the Board

will approve the application on an interim ex parte basis, to be confirmed as final at a later date.

4.0 IT IS THEREFORE ORDERED THAT:

1. The new Franchise Agreement between Centra Gas Manitoba Inc. and the Rural Municipality of Russell, attached as Appendix "A" to this Order, BE AND IS HEREBY APPROVED, on an interim ex-parte basis.
2. This interim Order will remain in full effect until confirmed or otherwise by a subsequent Order of the Board.

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"HOLLIS SINGH"

Acting Secretary

Certified a true copy of Order No. 52/08
issued by The Public Utilities Board

Acting Secretary

THE RURAL MUNICIPALITY OF RUSSELL

BY-LAW NO. 1215

BEING A BY-LAW of the Rural Municipality of Russell (the "Municipality"), in Manitoba, authorizing the Municipality to enter into a new franchise agreement with Centra Gas Manitoba Inc. ("Centra") that will replace the existing franchise agreement dated June 8, 1965, for the continued supply of natural gas to portions of the Municipality.

WHEREAS the Municipality entered into a franchise agreement dated June 8, 1965 (hereinafter called the "Existing Franchise Agreement") with Inter-City Gas Utilities Ltd. granting to the company the franchise to supply natural gas to the Municipality and its inhabitants within the areas set forth in the Existing Franchise Agreement:

- All of Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36, in Township 19, Range 28 WPM;
- All of Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36, in Township 20, Range 28, WPM;
- All of Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36, in Township 21, Range 28, WPM;

AND WHEREAS By-Law # 844 of the Municipality authorizing the Municipality to enter into the Existing Franchise Agreement was approved by the Public Utilities Board of Manitoba by Order no. 169/65;

AND WHEREAS natural gas service was extended to Harrowby in 1982, and through inadvertence an amendment to the Existing Franchise Agreement was not obtained although the parties have carried on their respective rights, responsibilities and liabilities as if under the provisions of the Existing Franchise Agreement within the portions of the Municipality:

- All of Section 30, Township 20, Range 28, WPM;
- All of Sections 25, 26, 27, 28, 29, 32, 33, 34, in Township 20, Range 29, WPM;

AND WHEREAS Centra is the corporate successor of Inter-City Gas Utilities Ltd.;

AND WHEREAS the Public Utilities Board of Manitoba approved a new generic form of the franchise agreement to standardize franchise agreements throughout the Province of Manitoba by Order 109/94;

AND WHEREAS Section 232(1)(1) of The Municipal Act provides that a Council may pass by-laws for municipal purposes respecting public utilities.

AND WHEREAS Section 250(2) of The Municipal Act provides that a municipality may for municipal purposes:

- (c) acquire, establish, maintain and operate services, facilities and utilities; and
- (d) enter into agreements with another party regarding anything the municipality has the power to do within the municipality;

AND WHEREAS it is deemed expedient and in the public interest that the Municipality enter into a new franchise agreement with Centra in the form approved by the Public Utilities Board by Order 109/94 (hereinafter called the "Franchise Agreement") for the continued supply natural gas to the following portions of the Municipality;

- All of Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36, in Township 19, Range 28 WPM;
- All of Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, in Township 20, Range 28, WPM;
- All of Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36, in Township 21, Range 28, WPM;
- All of Sections 25, 26, 27, 28, 29, 32, 33, 34, in Township 20, Range 29, WPM.

NOW THEREFORE the Council of the Municipality in regular session assembled enacts as follows:

1. That the Municipality enter into a Franchise Agreement with Centra, in the form attached as Schedule "A" to this By-Law, for the purpose of granting a franchise to supply natural gas to portions of the Municipality.
2. That the Reeve and Chief Administrative Officer of the Municipality shall be authorized to execute said Franchise Agreement with Centra, on behalf of the Rural Municipality of Russell.
3. That this By-Law shall, after being read a first time by the Council be submitted to or receive the authorization or approval of the Public Utilities Board of Manitoba;
4. That Centra be authorized to represent the Rural Municipality of Russell to apply to the Public Utilities Board of Manitoba for approval of this Franchise Agreement;
5. That this By-Law shall not take effect until it has received approval of the Public Utilities Board of Manitoba and third reading;

6. That upon ratification, and execution of the Franchise Agreement with Centra attached as Schedule "A" to this By-Law, the Franchise Agreement will hereby terminate the Existing Franchise Agreement dated June 8, 1965.

DONE AND PASSED by the Council of the Rural Municipality of Russell, in Manitoba, in regular session assembled this _____ day of _____, 2007.

REEVE

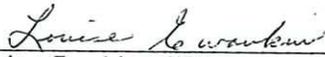
CHIEF ADMINISTRATIVE OFFICER

Read a first time this 11th day of December, 2007.

Read a second time this _____ day of _____, 2007.

Read a third time this _____ day of _____, 2007.

CERTIFIED to be a true and correct copy of By-law No. 1245 which was given first reading on December 11, 2007. Dated at the Town of Russell, in the Province of Manitoba, this 11th day of December, A.D., 2007.



Louise Ewankiw, CMMA
Chief Administrative Officer