

**CENTRA GAS MANITOBA INC.  
2013/14 GENERAL RATE APPLICATION**

**CENTRA'S GAS SUPPLY, TRANSPORTATION AND STORAGE PORTFOLIO  
AND RELATED COSTS**

**CAPACITY MANAGEMENT TRANSACTIONS**

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1 **Capacity Release**

2 This type of capacity management transaction is the temporary use of Centra's transport  
3 capacity by a counterparty. This can take place through an outright assignment of the  
4 capacity (pipeline release), or through a transaction where Centra agrees to transport  
5 another party's gas to a predetermined point for a fee (diversion, which includes the sale  
6 of transportation by virtue of credits earned using the FT-RAM service attribute on the  
7 TCPL Mainline). All revenue in excess of incremental costs are booked as capacity  
8 management revenue and reduce fixed transportation costs.

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10 **Exchanges**

11 A physical exchange of natural gas is another type of capacity management transaction.  
12 These transactions provide for the delivery of natural gas to the Manitoba market by a  
13 counterparty, in exchange for the same volume delivered by Centra to the counterparty  
14 at a mutually agreed upon transaction point. The value of exchanges depends on basis  
15 differentials at the time of the transaction. One example is a storage exchange which is  
16 done in lieu of transporting the equivalent volume from storage to the Manitoba market,  
17 and is limited to the amount that would normally be transported by Centra on a particular  
18 day. In some circumstances, the volume delivered to the counterparty may be less than  
19 the volume received by Centra on a particular day, requiring repayment of the imbalance

- 1 at some point in the future. These imbalances may allow Centra to avoid the cost of a
- 2 traditional peaking service.
- 3
- 4 Centra may enter into transactions that are variations or combinations of what is
- 5 described above.