

CENTRA GAS MANITOBA INC.

TRANSPORTATION AND STORAGE PORTFOLIO APPLICATION

**RESPONSE TO INFORMATION REQUESTS OF
JUST ENERGY (MANITOBA) L.P.**

JEMPLP/CENTRA 1

Reference: Transcript Page 119 Line 18

If there is a predominance of US Supply, that means that what customers are going to see is their supplemental consumption billing percentage shifting away from predominately primary gas to considerably more supplemental gas.

(a) What cost impact would this change have on customers that are on system supply?
Please explain in detail.

(b) What cost impact would this change have on customers that are on direct purchase (WTS)? Please explain in detail.

Response to parts (a) and (b):

Centra's current rate design considers U.S. gas purchases to be Supplemental Gas. An increase in the level of U.S. gas purchases in place of corresponding purchases of Western Canadian supply would result in a reduction in the percentage of a customers' annual consumption to be billed as Primary Gas and an increase in the percentage to be billed as Supplemental Gas.

The cost impact on customers will depend upon the degree to which the billing percentage between Primary Gas and Supplemental Gas is adjusted, and the differential between the

1 Primary Gas rate and the Supplemental Gas rate that is being billed. This is the case
2 regardless whether the customer is on Centra's Quarterly Primary Gas Rate, Centra's
3 Fixed Rate Primary Gas Service, or on a contract rate through a gas marketer.
4

5 **(c) Please list any additional impacts that this would have on System gas customers**
6 **and Direct Purchase customers? Please provide a complete explanation.**
7

8 Under Centra's current commodity rate design structure, as well as the current design of
9 the WTS, an increase in Supplemental Gas purchases relative to Primary Gas purchases
10 would have the effect of reducing the percentage of customers' annual commodity
11 consumption billed as Primary Gas and increasing the percentage billed as Supplemental
12 Gas.

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JEMPLP/CENTRA 2

Reference: Transcript Page 120 Line 6

Centra stated at the Technical Conference that the next set of issues after the preferred portfolio that needs to be addressed and that it intends to address will be with regards to commodity rate design and the implications or any possible adjustments to Western Transportation Service (“WTS”).

(a) When does Centra anticipate it will address the issue of commodity rate design and any possible adjustments to the WTS?

Please see the response to PUB/Centra 18(b).

(b) What type of forum does Centra propose to address these issue in?

This has not yet been determined.

(c) Will the existing WTS shippers be involved in the process if any changes are to occur to the existing WTS process?

Yes.