CENTRA GAS MANITOBA INC.
TRANSPORTATION & STORAGE PORTFOLIO APPLICATION

CURRENT TRANSPORTATION & STORAGE PORTFOLIO

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Attachments

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6.0 Introduction

This Tab provides a description of Centra's transportation and storage arrangements that were in place on November 1, 2010 at the commencement of the 2010/11 Gas Year. These contractual arrangements were described in Tab 3 in Centra's 2011/12 Cost of Gas Application filed on January 21, 2011. This information is provided in this Application for background information and for purposes of comparison to Centra's new proposed U.S. storage and transportation arrangements.

In 2012, Centra expects to file an Application with the PUB regarding Cost of Gas matters for the 2011/12 Gas Year that commenced November 1, 2011. A discussion of the specific details of the transportation and storage arrangements in place at the commencement of the 2011/12 Gas Year will be included in that future filing. The timing of such an Application has not yet been confirmed.

6.1 Current Transportation and Storage Arrangements (2010/11 Gas Year)

The following sections describe the upstream pipeline and storage arrangements that Centra has utilized to serve its market requirements. While the focus of this Application is on the approval of replacements to the U.S. transportation and storage arrangements, a brief discussion of the TransCanada Mainline arrangements is provided to generally describe the pipeline services that are utilized to deliver gas to, and receive gas from the interconnection with the U.S. pipelines. In this Application, Centra is not seeking any

approvals related to contractual arrangements with TransCanada for service on the Mainline system.

Attachments 1 and 2 to this Tab contain information as to the contracted capacities for summer season and winter season pipeline operations. Please see Attachment 1 for the depiction of summer season operations (from April 1 to October 31) and Attachment 2 for the depiction of winter season operations (from November 1 to March 31).

6.1.1 TransCanada Mainline Transportation

All Primary Gas supplies are transported from Western Canada to Centra's market area by way of service on the TransCanada Mainline. The majority of Centra's customers receive natural gas through meter stations on the Mainline in the MDA while a relatively small numbers of customers situated in the Parkland area are supplied from a meter station that is located in Saskatchewan and is part of the SSDA on the Mainline system.

The November 1, 2010 Mainline DCQs are 135,000 GJ/day for MDA deliveries and 2,200 GJ/day for SSDA deliveries.

The TransCanada Storage STS contract of 54,000 GJ/day of firm transportation from Manitoba to Emerson is used to transport WCSB sourced supply to GLGT and ultimately ANR to fill Michigan storage in advance of the start of each new Gas Year. The contract also provides for firm winter backhaul capacity of 215,614 GJ/day from Emerson to Manitoba.

6.1.2 Great Lakes Gas Transmission Transportation

Centra is contracted for the use of 53,351 GJ/day of Firm Transportation capacity on GLGT from April 1 to October 31 of each Gas Year. This transportation capacity enables Primary Gas, destined for Michigan storage, to be transported from Emerson, Manitoba to Crystal Falls, Michigan where GLGT interconnects with ANR Pipeline. Centra is also contracted for firm winter backhaul capacity of 237,388 GJ/day from the ANR/GLGT interconnect to Emerson.

6.1.3 ANR Pipeline Transportation

There are three transportation components associated with ANR Pipeline. The first is the Firm Transportation from the GLGT Crystal Falls interconnect to ANR Pipeline's storage facilities. This capacity of 52,448 GJ/day is only available during the summer storage injection period to move Primary Gas to storage. During the winter, Centra has Firm Transportation capacity of 208,591 GJ/day from storage to the ANR/GLGT interconnect.

The second component is the full year Firm Transportation Service from Oklahoma. During the winter this is used to deliver natural gas to the Manitoba market. During the summer this capacity is used to assist in refilling gas storage. The daily capacity of this transportation is 7,860 GJ/day.

The third component is summer-only Firm Transportation Service from Louisiana of 22,380 GJ/day that is also used to assist in refilling gas storage as necessary.

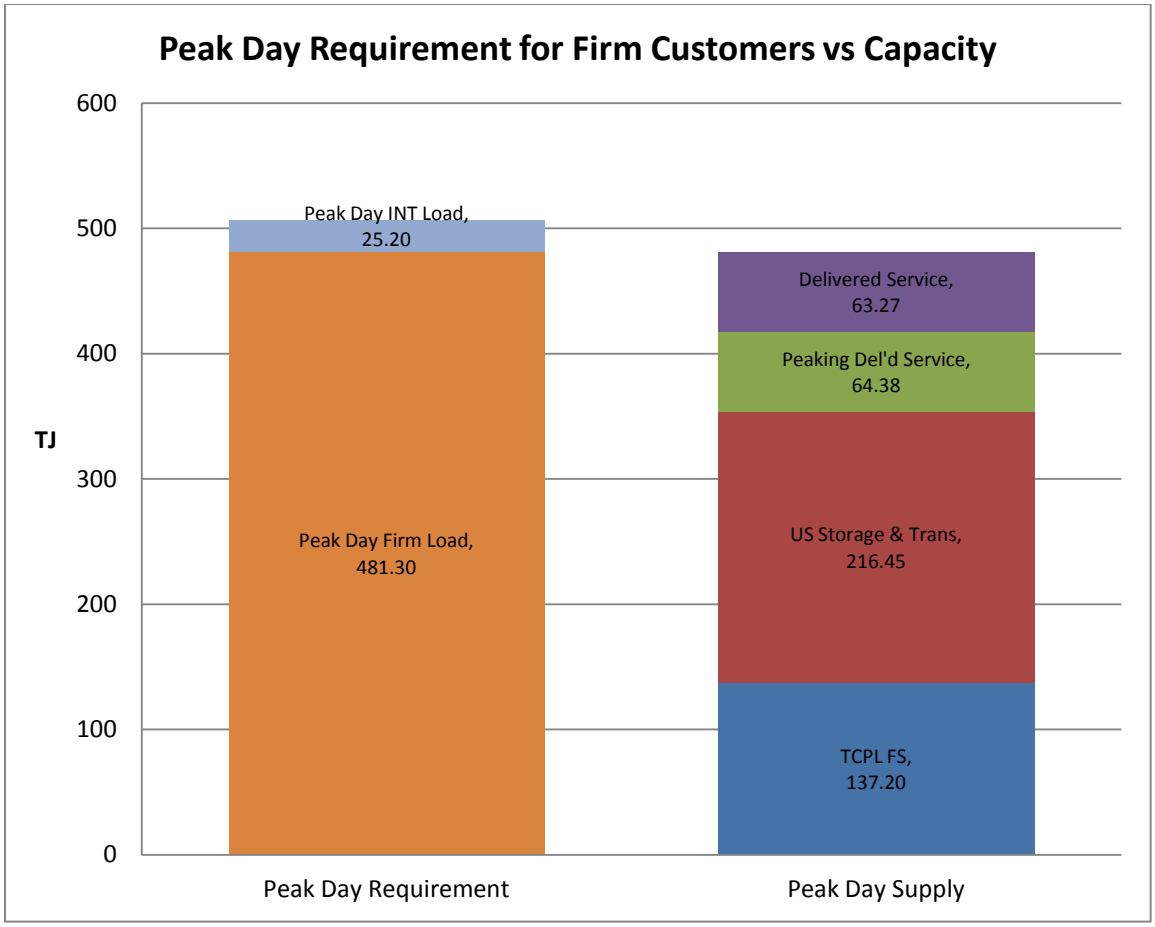
6.1.4 ANR Storage

Centra leases gas storage capacity in Michigan from ANR Pipeline. Storage injections and withdrawals are facilitated through the Mainline, GLGT and ANR Pipeline transportation components described above. This storage is used to improve Centra's transportation load factor from Western Canada and reduce the unutilized demand charges associated with the use of transportation capacity at a low system load factor. Centra's forecast transportation load factor from Western Canada for the 2010/11 Gas Year was approximately 81.4%, compared to a forecast sales load factor of approximately 32%.

This storage provides a maximum winter deliverability of 208,591 GJ/day, net of pipeline compressor fuel. The contracted seasonal storage capacity is 15,509,323 GJ, and the maximum summer daily injection capacity is 88,625 GJ/day.

6.2 Peak Day Requirements

A major consideration in planning the operation of the natural gas supply, transportation and storage assets is the requirement to serve all of Centra's firm sales customers (both system supplied and WTS supplied customers) on the coldest day that has been experienced in a winter heating season. For the 2010/11 Gas Year, the peak day requirements were forecast to be 481,300 GJ for all firm customers and 25,200 GJ for Interruptible Class customers. The sources of supply that were forecast to be utilized to meet the firm peak day requirement are shown in the chart below. The combination of storage withdrawals (208,951 GJ/day) and Oklahoma supply (7,860 GJ/day) are designed to provide approximately 45% of the peak day supply requirement.



6.3 Annual Costs for U.S. Transportation and Storage

The costs associated with the U.S. transportation and storage arrangements consist of fixed contractual and variable transportation and storage costs. The fixed costs of the current U.S. storage and transportation are approximately $17 million USD annually and the variable costs are approximately $1 million USD annually.