MANITOBA	**Order No. 13/05**
THE PUBLIC UTILITIES BOARD ACT	**January 21, 2005**

Before: Graham F. J. Lane, C.A., Chairman
Monica Girouard, C.G.A., Member
Mario J. Santos, B.A., LL.B., Member

AN APPLICATION BY CENTRA GAS MANITOBA INC. FOR INTERIM EX-PARTE APPROVAL OF SUPPLEMENTAL GAS, TRANSPORTATION (TO CENTRA), AND DISTRIBUTION (TO CUSTOMERS) RATES TO BE EFFECTIVE FEBRUARY 1, 2005.

1.0 Introduction

Centra Gas Manitoba Inc.'s ("Centra") applied for interim ex-parte approval of a 2.5% increase in overall annual revenue requirement. The increase would be effective February 1, 2005, concurrent with rate decreases arising out of quarterly primary gas Order 12/05 also issued on today's date. Combined, the directives of the two Orders would reduce the billed rate for Centra customers using system gas. Both Orders and the interim rate adjustment provided therein, and Centra's support for its applications, including a General Rate Application ("GRA") filed by Centra on January 10, 2005, will be the subject of a spring 2005 GRA involving Intervenors and a public hearing. A public notice of the upcoming GRA will be issued in due course.

Centra is the largest distributor of natural gas in Manitoba. The Corporation is a wholly-owned subsidiary of Manitoba Hydro ("MH"), which acquired Centra in 1999. As of March 31, 2004, Centra had assets of $546 million, long-term debt of $254 million, and shareholder's equity of $148 million. As the funds MH required to acquire Centra were borrowed, and since one-time income tax expenses were incurred by Centra in its transition to non-taxable (income) status and MH incurred costs related to the acquisition, additional expenses arose out of the acquisition.

The additional costs incurred by MH and Centra with respect to Centra's acquisition are to be and are being amortized and met by savings achieved by both utilities through operating changes achieved through synergies and operating efficiencies. In short, neither the electricity customers of MH nor the customers of Centra are intended to suffer financially as a result of the amalgamation.

Centra's revenues, earned to meet the costs of natural gas acquisition, transportation and distribution, aggregated $491 million in fiscal 2003/04. A net loss of $8 million after corporate allocations to MH was reported in Centra's 2004 annual audited financial statements. In accordance with generally accepted accounting principles, Centra's financial position and results are consolidated within MH annual statements, which are publicly available.

The prices charged ("rates") for sales of natural gas are subject to the review and approval of the Board, pursuant to the provisions of The Public Utilities Board Act. In its applications for rates, Centra seeks to recover its costs from its customers. These costs fall into three main categories: gas commodity, transportation, and distribution including corporate allocations from MH.

Gas commodity costs include Primary Gas and Non-Primary Gas. The Board sets Primary Gas rates on a quarterly basis, Non-Primary Gas on an annual basis. Transportation and Distribution rates are normally established following a GRA by Centra, such applications are filed on a periodic basis. Corporate allocations against Centra by MH are to be reviewed at the spring 2005 GRA.

Commodity rates account for the vast majority of Centra's costs and billings ($375 million of Centra's $502 million of expenditures in fiscal year 2003/04 represented commodity costs). The Corporation's commodity rates are set to only recover its commodity costs; in short, Centra does not mark-up its commodity costs. Primary Gas commodity rates are levied on customers purchasing natural gas directly from Centra. Natural gas brokers also purchase primary gas, this for a significant number of residential, commercial and industrial customers. Centra provides the distribution network to deliver broker arranged gas. Supplemental Gas, Transportation and Distribution rates affect all customers served by Centra's distribution system.

Prior to this Order, the Board last amended Supplemental Gas, Transportation and Distribution rates effective November 1, 2004.

The rates then established were based on a 2004/05 fiscal test-year period that included estimated non-Primary Gas costs from November 1, 2004 to October 31, 2005. No increase was sought or approved for distribution costs at that time other than for unaccounted for gas, the application and the directives resulting therefrom related solely to commodity and related costs.

In fact, since MH acquired Centra on July 30, 1999, and prior to this interim ex-parte application, the Corporation has sought a general increase for non-gas costs (distribution costs – i.e. the costs of operating the utility) only once. With respect to that application, the Board approved a general rate increase of 0.4%, effective April 1, 2003 (Board Orders 118/03 and 125/03). This interim ex-parte application was Centra's second application seeking a general rate increase with respect to non-gas costs, since the acquisition by MH over five years ago.

In this Order, the Board approves Centra's interim ex-parte application for a general 2.5% increase on account of non-gas costs, effective February 1, 2005. The allocation to Centra's customer classes will be, and on an interim basis prior to the upcoming spring 2005 GRA hearing, as follows:

Customer Class	**Annual Bill Impacts**
SGS	2.5% to 2.7%
LGS	1.4% to 1.7%
HVF	0.7% to 1.3%
Co-op	2.1%
Mainline	0.4% to 0.8%
Special Contract	8.9%
Power Stations	4.9%
Interruptible	0.4% to 0.8%

Centra projects the average annual increase for a typical residential consumer arising out of the general rate increase of 2.5% for non-gas costs to be 2.8%, or $32. Again, this is a forecast for an interim rate increase, and the rate increase will be subject to the spring 2005 GRA.

Considering the February 1, 2005 Primary Gas Rate adjustment approved by the Board in Order 12/05, released simultaneously with this Order, on a combined basis with this Order's approval of a general 2.5% increase in overall revenue requirement, the annual bill increase or (decrease) for customers classes as of February 1, 2005, and on an interim basis, are estimated to be:

Customer Class	**Annual Bill Impacts**
SGS	(2.7%) to (2.9%)
LGS	(3.9%) to (4.8%)
HVF	(5.3%) to(6.4%)
Co-op	(3.8%)
Mainline	(6.0%) to (6.9%)
Special Contract	8.9%
Power Stations	4.9%
Interruptible	(5.8%) to (6.5%)

The average annual decrease for the typical residential consumer arising out of the combination of the directives of Order 12/05 and this Order is forecast by Centra to be approximately 2.8%, or $36. However, increases will occur for Special Contract and Power Stations classes, and all customers purchasing natural gas through brokers. This is due to fact that not all classes or customers will participate in the decreases provided by means of Order 12/05.

2.0 Application

As indicated, on December 9, 2004, Centra applied to the Board for an Interim Ex -Parte Order pursuant to The Public Utilities Board Act. Centra sought approval of Supplemental Gas, Transportation (to Centra), and Distribution (to Customers) rates to be charged by Centra for the sale of gas and the provision of transportation and distribution services in the franchise areas served by Centra. Upon approval by the Board, the rates will be effective on an interim basis with respect to all gas consumed on and after February 1, 2005.

Centra's stated that the rates requested were based on a 2.5% increase in overall revenue requirement, to generate approximately $3 million in incremental revenue for the balance of its 2004/05 fiscal year, and $12 million in incremental revenue for and from the 2005/06 fiscal year.

Centra experienced net losses of $2 million and $8 million in 2002/03 and 2003/04, respectively. Without the requested 2.5% revenue increase, Centra projected further net losses of $8 million and $10 million in 2004/05 and 2005/06, respectively. The increase, as granted herein, is expected to reduce Centra's 2004/05 anticipated net loss to $5 million, and result in a net income of $2 million in 2005/06.

On January 10, 2005 Centra filed a GRA. The January 10th application seeks rates reflecting a 2.5% increase in overall revenue requirement effective February 1, 2005. Centra also sought a further 2.5% increase in overall revenue requirement, effective May 1, 2006.

The proposed increases were projected by Centra to generate total incremental revenues of $3 million in 2004/05, $12 million in 2005/06, and $25 million in and from fiscal 2006/07.

Centra's March 31, 2004 financial statements report a retained earnings balance of $27 million. Without any rate increase, Centra projected its retained earnings would decline, resulting in a projected $8 million accumulated deficit by March 31, 2007. Contrarily, if the proposed February 1, 2005 and May 1, 2006 increases are approved, with the February 1, 2005 increases remaining in place following the spring 2005 GRA, Centra projected $35 million of retained earnings at March 31, 2007.

The following table illustrates Centra's actual and forecast net income and retained earnings for the 2002/03 through 2006/07 fiscal year-ends, incorporating the proposed rate increases.

(in $ millions)

	2003 Actual	2004 Actual	2005 Forecast	2006 Forecast	2007 Forecast
Revenue					
At approved Rates	512	491	505	500	501
Additional revenue requirement	-	-	3	12	25
Additional Gas Costs	-	-	-	28	28
Rate Riders	-	4-	(14)	1	-
	512	**491**	**494**	**541**	**554**
Cost of Sales	392	375	373	411	411
Gross Margin	120	116	121	130	143
Other Income	3	3	2	2	2
	123	**119**	**123**	**132**	**145**
Expenses	110	112	113	115	119
Net Income (Before allocations)	13	7	10	17	26
Corporate Allocations	(15)	(15)	(15)	(15)	(15)
Net Income (Loss)	**(2)**	**(8)**	**(5)**	**2**	**11**
Retained Earnings	**35**	**27**	**22**	**24**	**35**

Without any rate increases, Centra projects the following net loss and retained earnings levels:

Net Income (Loss)	**-**	**-**	**(8)**	**(10)**	**(15)**
Retained Earnings	**-**	**-**	**18**	**7**	**(8)**

In this Application, Centra apportioned the requested incremental revenues to its customer classes on the basis of each class' relative proportion of the Board approved 2003/04 revenue requirement, excluding commodity costs for Primary and Supplemental Gas. In taking this approach, Centra did not apply the Board's approved cost allocation methodology. Centra advised that to apply the approved cost allocation methodology would require a significant additional effort, delay the in-force date of its application (thus resulting in increased losses), and, in any case, the differences arising from the use of its proposed interim method were projected to be minor.

Centra viewed its approach for this interim rate increase as appropriate, and consistent with the interim nature of the rate increase. The incremental revenue sought was related to non-gas costs, and by deducting Primary and Supplemental gas cost estimates from each of Centra's customer classes through the cost allocation methodology, Centra's interim approach was, in Centra's view, fairly implemented.

Centra stated that Volume II material for its GRA, the material is to be filed with the Board in advance of the hearing , will allocate the total revenue requirement using the approved detailed cost allocation methodology to arrive at a detailed rate design.

Centra indicated that any differences discovered in rates between the GRA approach and the interim proposed approach would be adjusted in its proposed rates for August 1, 2005. Centra reported that this process would, in effect, "true-up" the interim rates sought in this Application.

The Board reviewed the interim Application; and subsequently requested further information from Centra. Centra responded and the Board held a hearing in the Board's Offices in Winnipeg on January 17, 2005 with Centra in attendance. At that hearing, additional evidence was placed on the record, through the Board's cross-examination of Centra's witnesses. Centra's January 10, 2005 GRA filing was placed on the record for this process.

Additionally, on January 6, 2005 Centra applied for the regular quarterly adjustment of the Primary Gas Rate, also to be effective February 1, 2005; that process resulted in Order 12/05.

3.0 Board Findings

In its deliberations, the Board viewed MH's corporate allocations to Centra as the primary support for this the interim ex-parte application. The Board anticipated corporate allocations between Centra and its parent. In Order 118/03, the Board discussed the source of funds available to MH to fund the acquisition of Centra's shares and integrate the operation. In that Order, the Board stated:

"The Board believes the no-harm principle is paramount, and that both Centra and Hydro ratepayers should, to the extent possible, be held harmless as a result of the decision by Hydro to acquire Centra. The Board also recognizes that since Hydro initiated the transaction, it should bear some risk relative to the transaction, particularly since Hydro's size relative to Centra makes it better able to manage any negative cost implications resulting from the acquisition."

Centra's Application included actual and forecast expenses denoted as corporate allocations, and these allocations have and are projected to impact net income and retained earnings. MH began assessing a $15 million annual corporate charge against Centra in Centra's 2002/03 fiscal year, and Centra has forecast the continuation of that allocation.

It is the Board's opinion that the absence of corporate allocations in Centra's fiscal years 1999/2000 (Centra's first under MH's ownership), 2000/01 and 2001/02, provided for the development of Centra's retained earnings as of March 31, 2004. Yet, but for corporate allocations, Centra would have had a positive net income in 2002/03 and 2003/04 and for the projected fiscal years from 2004/05 to 2006/07.

However, without the requested rate increases sought in this ex-parte application and in the GRA recently filed, and with the corporate allocations continuing, Centra projected net losses of $8 million, $10 million and $15 million from fiscal 2005 to fiscal 2007.

Under that scenario, Centra's projected retained earnings would decrease from a projected March 31, 2005 accumulated surplus of $18 million to a deficit of $8 million at March 31, 2007.

The Board understands and appreciates the rationale for the corporate allocations to be reasonable assurance that MH's electricity customers do not bear costs related to MH's acquisition of Centra (Order 118/03: "no-harm principle is paramount"*)*. This said, the Board notes that the allocation has yet to be tested in a GRA process, and expects the allocations to be tested at the upcoming GRA.

For the principle of "no harm" to be honoured, Centra and MH will have to be/continue to be successful in the efforts to achieve synergy savings and higher productivity. The Board acknowledges that ensuring "no harm" to either electricity or natural gas customers may become easier in time, with the eventual full amortization of the income tax deferral and integration costs. Also, payments on the principal of the funds borrowed by MH to acquire Centra are expected to eventually retire that initial debt.

The Board considered Centra's projections for non-gas expenses (operating and administrative, finance, depreciation and amortization), and this through to and including fiscal 2014/15. The Board notes only relatively modest annual expenditure increases are forecast; once again, these projections also will be tested through a GRA process.

In considering these projected expenses, the Board notes the encouragement the Board has given Centra to enhance its DSM (energy efficiency) measures, and acknowledges that costs accompany effort.

The Board looks forward to further reports on DSM plans at the spring GRA, and particular to receiving Centra's plans with respect to the situation of low-income customers.

The Board also compared the increase in the Winnipeg Consumer Price Index from the month before the date of Centra's acquisition by MH to the present day, and the general increases granted and proposed to be granted with respect to non-gas costs. It finds the two benchmarks roughly comparable. The CPI has increased approximately 12.4%, the additional revenue requirement provided to Centra by Board Order with approval of this interim ex-parte application and taking into account the 0.4% increase granted in 2003 is slightly below the increase in CPI.

The Board notes that Centra's financial statements and projections currently indicate operating losses for each year from 2002/03 and 2006/07, in the absence of the requested interim increase. The approval of this interim ex-parte application will provide interim financial relief for the current fiscal year. It is generally accepted that a financially healthy utility is in the public interest. The Board has been consistent in its support of a 75:25 debt:equity ratio for MH, and Centra is part of the MH consolidation.

As indicated, Centra was acquired by MH through debt, and Centra's current retained earnings balance arose in the absence of corporate allocations by MH against Centra in the early years following the acquisition. In short, as matters now stand and from an overall economic perspective, Centra operations are funded solely or virtually all by debt. To transition to a more acceptable debt:equity ratio will take many years, and can only done by rates and levies on Centra's customers to avoid burdening MH's electricity customers with gas-related costs.

The Board notes Centra's GRA includes a proposed 2.5% general rate increase to be effective May 1, 2006. Based on Centra's projections, it is by means of that increase, assuming it is granted, that Centra would begin to develop retained earnings even after corporate allocations are levied.

The Board notes that currently Centra has no formal financial targets. Financial targets should be established for a debt:equity ratio, interest coverage and capital coverage, similar to the targets established for MH overall and its electricity operations.

While the Board understands the complexities involved in setting such targets, and that other work pressures abound with MH, the Board expects Centra in subsequent filings related to the GRA currently before the Board to present its evidence on what, if any, financial targets are appropriate for Centra, recognizing that it is now a wholly owned subsidiary of Hydro.

The Board is interested in and anticipates a significant discussion with Centra at the spring 2005 GRA, towards understanding Centra's long-term plans with respect to building equity without unduly burdening current and future gas customers. The Board notes from Centra's GRA filing that on a rate base, allowable rate of return basis, it may be possible for Centra to achieve such an objective.

As indicated, Centra has not applied the approved cost allocation methodology to the $12 million annual incremental revenue request, nor has it performed a detailed rate design. The Board is of the view the interim approach used by Centra is reasonable.

This method pro-rates the incremental revenue on the basis of each customer class share of the approved 2003/04 cost of service, less commodity gas costs, is acceptable in this circumstance.

Centra would not have been able to file a detailed cost allocation or rate design in time for February 1, 2005 rates, based on the date of the filing of this interim Application. The Board understands that Centra and MH develop their long-term net income forecasts ("IFF") in the late fall of each year; in this case, Centra's was updated in late October 2004. Before an application can be brought, it is necessary to complete the update of the IFF.

It would have been preferable to have this interim ex-parte application before the Board earlier, or to have had the general rate increase proposal tested in a public GRA process. . That being said, the Board accepts Centra's advice that it was not possible to achieve this and still be able to combine the change with a quarterly primary gas application and bring about financial relief in the current fiscal year.. The first opportunity to combine rate impacts and bring about financial relief for Centra in the current fiscal year, was the February 1, 2005 primary gas application, as was done.

The Board notes Centra has committed to file a detailed cost allocation and rate design in Volume II of the upcoming GRA. Rates flowing from the GRA will, to some extent, be different than these interim rates for which approval is being requested. Thus, these interim rates will only remain in effect until July 31, 2005, at which time Centra's GRA will have been thoroughly reviewed. August 1, 2005 rates will include any Board required changes, including a true-up related to these interim rates.

Another major factor in the Board's deliberations with respect to the interim ex-parte application relates to the pursuit of restricting consumer rate volatility. The Board notes that approving this interim Application will result in a reduction in rate volatility.

In the absence of dealing with the interim ex-parte application for a general rate increase, the February 1, 2005 Primary Gas Rate adjustment would have resulted in most consumers having materially lower annual bills. Such a rate reduction followed by a potentially large increase in August 2005, when the GRA will have been completed and the positive rate riders expired, would send an inappropriate price signal to consumers.

Taking all of these matters into consideration, the Board determined it was appropriate to approve this interim ex-parte application. Proceeding in this way will mitigate Centra's financial losses in the current fiscal year, rate volatility and potential rate shock. Accordingly, the Board will approve Centra's Application on an interim ex-parte basis. As indicated, the matters will be further considered at the upcoming GRA.

When the February 1, 2005 Primary Gas Rate adjustment requested by Centra and approved by the Board in Order 12/05 is considered in conjunction with this interim rate request, the annual bill impacts (decreases) on customers classes are estimated to be:

Customer Class	**Annual Bill Impacts**
SGS	(2.7%) to (2.9%)
LGS	(3.9%) to (4.8%)
HVF	(5.3%) to(6.4%)
Co-op	(3.8%)
Mainline	(6.0%) to (6.9%)
Special Contract	8.9%
Power Stations	4.9%
Interruptible	(5.8%) to (6.5%)

The average annual decrease for the typical residential consumer as a result of this application, combined with the decreases arising for Primary Gas Rates, will be approximately 2.8%, or $36. However, increases will occur for Special Contract and Power Stations classes, and all customers purchasing natural gas through brokers. This is due to fact that not all classes or customers will participate in the decreases provided by means of Order 12/05.

As stated, Centra filed a GRA on January10, 2005, and the Board expects it will be heard in the spring of 2005.

4.0 It Is Therefore Ordered That:

1. The Schedule of Rates attached as Appendix “A” to this Order, to be effective for all gas consumed on and after February 1, 2005 BE AND IS HEREBY APPROVED.

2. This Interim Order shall be in full force and effect until confirmed or otherwise dealt with by a future Order of the Board.

The Public Utilities Board

Chairman

Acting Secretary

THE PUBLIC UTILITIES BOARD

“Graham F. J. Lane, C.A.”
Chairman

“Hollis Singh”
Acting Secretary

Certified a true copy of
Board Order 13/05 issued by
The Public Utilities Board

Acting Secretary

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

Territory: Entire natural gas service area of Company, including all zones.

Availability:

SGC:	For gas supplied through one domestic-sized meter.
LGC:	For gas delivered through one meter at annual volumes less than 680,000 m^3.
HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m^3.
Co-op:	For gas delivered to natual gas distribution cooperatives.
MLC:	For gas delivered through one meter to consumers served from the Transmission system.
Special Contract:	For gas delivered under the terms of a Special Contract with the Company.
Power Station:	For gas delivered under the terms of a Special Contract with the Company.

Rates:

		Distribution to Customers			
	Transportation to Centra	**Sales Service**	**T-Service**	**Primary Gas Supply**	**Supplemental Gas Supply[1]**
Basic Monthly Charge: ($/month)					
Small General Class (SGC)	N/A	$10.00	N/A	N/A	N/A
Large General Class (LGC)	N/A	$70.00	$70.00	N/A	N/A
High Volume Firm Class (HVF)	N/A	$681.00	$681.00	N/A	N/A
Cooperative (Co-op)	N/A	$254.01	$254.01	N/A	N/A
Main Line Class (MLC)	N/A	$1,360.87	$1,360.87	N/A	N/A
Special Contract	N/A	N/A	$102,599.00	N/A	N/A
Power Station	N/A	N/A	$11,912.92	N/A	N/A
Monthly Demand Charge ($/$m^3$ /month)					
High Volume Firm Class (HVF)	$0.2443	$0.1898	$0.1898	N/A	N/A
Cooperative (Co-op)	$0.6751	$0.1746	$0.1746	N/A	N/A
Main Line Class (MLC)	$0.4456	$0.1465	$0.1465	N/A	N/A
Special Contract	N/A	N/A	N/A	N/A	N/A
Power Stations	N/A	N/A	$0.0381	N/A	N/A
Volumetric Charge: ($/$m^3$)					
Small General Class (SGC)	$0.0445	$0.0810	N/A	$0.2563	$0.2861
Large General Class (LGC)	$0.0435	$0.0321	$0.0321	$0.2563	$0.2861
High Volume Firm Class (HVF)	$0.0192	$0.0088	$0.0088	$0.2563	$0.2861
Cooperative (Co-op)	$0.0087	$0.0001	$0.0001	$0.2563	$0.2861
Main Line Class (MLC)	$0.0072	$0.0030	$0.0030	$0.2563	$0.2861
Special Contract	N/A	N/A	$0.0003	N/A	N/A
Power Station	N/A	N/A	$0.0028	N/A	N/A

[1]Supplemental Gas is mandatory for all Customers except T-Service.

Minimum Monthly Bill: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

Effective: Rates to be charged for all billings based on gas consumed on and after February 1, 2005.

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

Territory: Entire natural gas service area of Company, including all zones.

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.

Rates:

		Distribution to Customers			
	Transportation to Centra	**Sales Service**	**T-Service**	**Primary Gas Supply**	**Supplemental Gas Supply[1]**
Basic Monthly Charge: ($/month)					
Interruptible Service	N/A	$861.06	$861.06	N/A	N/A
Mainline Interruptible (with firm delivery)	N/A	$1,360.87	$1,360.87	N/A	N/A
Monthly Demand Charge ($/$m^3$ /month)					
Interruptible Service	$0.1127	$0.0945	$0.0945	N/A	N/A
Mainline Interruptible (with firm delivery)	$0.1734	$0.1465	$0.1465	N/A	N/A
Commodity Volumetric Charge: ($/$m^3$)					
Interruptible Service	$0.0118	$0.0059	$0.0059	$0.2563	$0.2462
Mainline Interruptible (with firm delivery)	$0.0077	$0.0030	$0.0030	$0.2563	$0.2462
Alternate Supply Service:			Negotiated		
Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
Delivery Service - Interruptible Class			$0.0080		
Delivery Service - Mainline Interruptible Class			$0.0068		

[1]Supplemental Gas is mandatory for all Customers except T-Service.

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CENTRA GAS MANITOBA INC.
FIRM SALES AND DELIVERY SERVICES
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SGC:	For gas supplied through one domestic-sized meter.
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Co-op:	For gas delivered to natual gas distribution cooperatives.
MLC:	For gas delivered through one meter to consumers served from the Transmission system.
Special Contract:	For gas delivered under the terms of a Special Contract with the Company.
Power Station:	For gas delivered under the terms of a Special Contract with the Company.

Rates:

		Distribution to Customers			
	Transportation to Centra	**Sales Service**	**T-Service**	**Primary Gas Supply**	**Supplemental Gas Supply**[1]
Basic Monthly Charge: ($/month)					
Small General Class (SGC)	N/A	$10.00	N/A	N/A	N/A
Large General Class (LGC)	N/A	$70.00	$70.00	N/A	N/A
High Volume Firm Class (HVF)	N/A	$681.00	$681.00	N/A	N/A
Cooperative (Co-op)	N/A	$254.01	$254.01	N/A	N/A
Main Line Class (MLC)	N/A	$1,360.87	$1,360.87	N/A	N/A
Special Contract	N/A	N/A	$102,599.00	N/A	N/A
Power Station	N/A	N/A	$11,912.92	N/A	N/A
Monthly Demand Charge ($/m^3 /month)					
High Volume Firm Class (HVF)	$0.2803	$0.1903	$0.1903	N/A	N/A
Cooperative (Co-op)	$0.6751	$0.1746	$0.1746	N/A	N/A
Main Line Class (MLC) (Firm)	$0.2975	$0.1462	$0.1462	N/A	N/A
Special Contract	N/A	N/A	N/A	N/A	N/A
Power Station	N/A	N/A	$0.0373	N/A	N/A
Commodity Volumetric Charge: ($/m^3)					
Small General Class (SGC)	$0.0373	$0.0746	N/A	$0.2447	$0.2861
Large General Class (LGC)	$0.0389	$0.0256	$0.0327	$0.2447	$0.2861
High Volume Firm Class (HVF)	$0.0073	$0.0019	$0.0090	$0.2447	$0.2861
Cooperative (Co-op)	$0.0087	$0.0001	$0.0001	$0.2447	$0.2861
Main Line Class (MLC) (Firm)	$0.0071	$0.0032	$0.0032	$0.2447	$0.2861
Main Line Class (MLC) (Firm)	N/A	N/A	N/A	($0.0070)	($0.0070) [2]
Special Contract	N/A	N/A	$0.0003	N/A	N/A
Power Station	N/A	N/A	$0.0028	N/A	N/A

[1] Supplemental Gas is mandatory for all Sales and Western T-Service Customers.
[2] Refunded over total annual volumes.

Minimum Monthly Bill: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

Effective: Rates to be charged for all billings based on gas consumed on and after February 1, 2005.

CENTRA GAS MANITOBA INC.
INTERRUPTIBLE SALES AND DELIVERY SERVICES
RATE SCHEDULES (BASE RATES PLUS RIDERS)

Territory: Entire natural gas service area of Company, including all zones.

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.

Rates:

		Distribution to Customers			
	Transportation to Centra	**Sales Service**	**T-Service**	**Primary Gas Supply**	**Supplemental Gas Supply[1]**
Basic Monthly Charge: ($/month)					
Interruptible Service	N/A	$861.06	$861.06	N/A	N/A
Mainline Interruptible (with firm delivery)	N/A	$1,360.87	$1,360.87	N/A	N/A
Monthly Demand Charge ($/m^3 /month)					
Interruptible Service	$0.1433	$0.0948	$0.0948	N/A	N/A
Mainline Interruptible (with firm delivery)	$0.2040	$0.1462	$0.1462	N/A	N/A
Commodity Volumetric Charge: ($/m^3)					
Interruptible Service	$0.0060	$0.0127	$0.0066	$0.2447	$0.2462
Mainline Interruptible (with firm delivery)	$0.0019	$0.0093	$0.0032	$0.2447	$0.2462
Alternate Supply Service:					
Gas Supply (Interruptible Sales and Mainline Interruptible)			Negotiated Cost of Gas		
Delivery Service - Interruptible Class			$0.0087		
Delivery Service - Mainline Interruptible Class			$0.0071		

[1]Supplemental Gas is mandatory for all Customers except T-Service.

Minimum Monthly Bill: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

Effective: Rates to be charged for all billings based on gas consumed on and after February 1, 2005.