

MANITOBA) **Order No. 50/08**
)
THE PUBLIC UTILITIES BOARD ACT) **April 24, 2008**

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

**CENTRA GAS MANITOBA INC.: PRIMARY
GAS RATES, EFFECTIVE MAY 1, 2008**

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves an *ex parte* application by Centra Gas Manitoba Inc.'s (Centra) and will authorize increases to natural gas rates as of May 1, 2008. The typical residential customer receiving primary gas from Centra may expect to experience an overall annual increase in natural gas bills of 7.4%, or approximately \$90 per year. Further increases are currently expected for the next three quarterly rate settings.

On an interim basis, primary gas rates will increase by 10.7%, from \$0.2785m³ to \$0.3084m³. New primary gas rates affect only customers receiving primary gas from Centra, and will remain in effect until August 1, 2008, when the next scheduled quarterly primary gas rate review and update will take place. Customers purchasing primary gas from brokers are not affected by Centra primary gas rate changes, and continue to be billed primary gas rates as established by contract.

Concurrent with the primary gas rate increases, overall gas rates will increase for all customers by 1%, this to implement the Board's rate direction arising out of Centra's last General Rate Application proceeding (GRA), as set out in Order 99/07. Combined, the rate changes will result in a typical residential customer receiving primary gas from Centra and consuming an average 2,590 cubic metres of natural gas per year expecting an overall annual bill increase of \$90. Larger volume customers also provided primary gas by Centra may expect their annual natural gas bills to increase in the range of 7.4% to 9.9%.

Natural gas commodity prices are rising, driven in large part by escalating oil prices now at historic high levels. Centra does not mark-up its commodity costs, they are passed through to its customers at cost.

With the primary gas rate increases of May 1, 2008, only natural gas customers with high efficiency furnaces can expect annual space heating bills lower than what would have been expected if their homes were heated by electricity. With no current indication of a fall-off in commodity prices to come, and with a reasonable expectation of further future gas rate increases, Centra space-heating customers now relying on conventional or mid-efficiency furnaces should consider upgrading. MH offers incentives to all residential customers with special programs for low-income households, including a furnace replacement initiative.

And, with electricity prices largely based on Manitoba Hydro's (MH) costs, subsidized by export sales and subject to uniform regulated grid-service rates, compared to the market-driven prices of natural gas, new home construction should consider electricity for space and water heating.

The rates set herein are lower than would have been expected given current market prices for the natural gas commodity. Centra's natural gas storage facilities and recent hedging experience has mitigated the commodity price increase and allowed for the rates, which are established in accordance with the Board-approved Rate Setting Methodology (RSM), an agreed upon process that furthers the objective of least-cost regulation through the deferral of a public review of quarterly amendments to the Board's annual Cost of Gas hearing.

2.0 Introduction

Centra is a subsidiary of MH and is Manitoba's largest natural gas distributor. Centra's rates are subject to the approval of the Board pursuant to provisions of *The Public Utilities Board Act*.

The five components of natural gas billings to Centra's customers are:

- Primary Gas Rates (system gas from Centra – the subject of this Order, or purchased gas from brokers);
- Supplemental Gas Rates (applying to all Centra's customers, whether provided primary gas by Centra or through brokers);
- Transportation (to Centra) Rates (applicable in varying degrees to all customers);
- Distribution (to Customer) Rates (applicable to all customers); and
- Basic Monthly Charge (BMC) (applicable to all customers).

Centra's primary gas rates are subject to amendment quarterly, on February 1, May 1, August 1, and November 1 of each year. These regularly scheduled quarterly primary gas rate reviews occur in accordance with the Board-approved RSM, which is formula-driven and relies on established accounting and rate setting conventions.

Non-primary gas components of Centra's rates, for all customers including those receiving natural gas from brokers, are also periodically reviewed and approved by the Board. These non-primary gas

reviews occur either through the annual Cost of Gas hearing, which also finalizes interim quarterly primary gas rate changes, or in the context of a GRA.

Natural gas prices have been on the upswing. Colder than normal winter weather in North America and increased demand and caused an unusually large draw from natural gas storage. More importantly, oil prices have surged higher affecting natural gas prices, which are influenced by oil prices, the prices for both commodities set on the market. Currently, further natural gas commodity price increases are expected to occur; if this occurs, primary gas rates will rise further as well.

Centra engages in commodity price hedging activities, undertaken pursuant to Board-approved policy implemented to reduce rate volatility. In 2007, a wider price band was established for Centra's hedging approach, and is expected to reduce the magnitude of both hedging gains and losses while still providing customers protection from severe price spikes. In the last ten years, there have been two periods of significant price spikes, the Enron-induced price spike of the early 2000s and the record price spike that followed hurricanes Katrina and Rita in the summer of 2005.

Centra incurred additional primary gas costs due to hedging of approximately \$42.6 million for its fiscal year ended March 31, 2008. Most of these costs relate to the previous narrower price bands of the hedging policy before the changes of 2007 (narrow band hedging was replaced with the wider band starting with hedges placed from January 2007, the wider band hedges affect cost of gas from November 2007). Reflected in the May 1, 2008 primary rate changes is a projected reduction in natural gas costs of approximately \$11.9 million for fiscal 2008/09; actual results are expected to vary.

Natural gas commodity costs (primary gas) represent approximately 63% of a system gas customer's bill, i.e. customers receiving primary natural gas from Centra rather than from a broker. The following table illustrates changes in natural gas commodity prices and prospective overall bills for the average residential customer purchasing primary gas from Centra, over the nine years since MH acquired Centra:

Date	Primary Gas Commodity Cost	% change in Primary Gas Cost	Projected Average Annual Bill, including Primary Gas Costs	% Change in the Total Projected Annual Bill
December 1, 1999	\$3.003/GJ	Base	\$ 758	Base
August 1, 2000	5.187/GJ	72.7%	878	15.8%
November 1, 2000	5.894/GJ	13.6%	975	11.1%
February 1, 2001	9.251/GJ	57.0%	1,225	25.6%
June 1, 2001	6.429/GJ	(30.5%)	1,299	6.1%
August 1, 2001	4.614/GJ	(28.2%)	1,095	(15.7%)
November 1, 2001	4.168/GJ	(9.7%)	1,020	(6.9%)
February 1, 2002	4.028/GJ	(3.4%)	999	(2.0%)
May 1, 2002	5.094/GJ	26.5%	1,088	8.9%
August 1, 2002	4.759/GJ	(6.6%)	1,022	(6.0%)
November 1, 2002	5.024/GJ	5.6%	1,041	1.8%
February 1, 2003	5.860/GJ	16.6%	1,155	11.0%
May 1, 2003	5.928/GJ	1.2%	1,149	(0.5%)
August 1, 2003	5.857/GJ	(1.2%)	1,091	(5.1%)
November 1, 2003	6.003/GJ	2.5%	1,110	1.8%
February 1, 2004	6.148/GJ	2.4%	1,121	1.0%
May 1, 2004	6.413/GJ	4.3%	1,153	2.8%
August 1, 2004	6.683/GJ	4.2%	1,179	2.3%
November 1, 2004	7.032/GJ	5.2%	1,152	(2.3%)
February 1, 2005	6.637/GJ	(5.6%)	1,121	(2.7%)
May 1, 2005	7.855/GJ	18.4%	1,243	10.9%
August 1, 2005	7.957/GJ	1.3%	1,276	2.7%
November 1, 2005	9.314/GJ	17.1%	1,356	6.3%
February 1, 2006	9.162/GJ	(1.6%)	1,359	0.2%
May 1, 2006	9.205/GJ	0.5%	1,369	0.7%
August 1, 2006	8.818/GJ	(4.2%)	1,273	(7.0%)
November 1, 2006	7.941/GJ	(9.9%)	1,261	(1.1%)
February 1, 2007	7.661/GJ	(3.5%)	1,261	0%
May 1, 2007	8.040/GJ	4.9%	1,318	4.5%
August 1, 2007	7.457/GJ	(7.3%)	1,255	(5.1%)
November 1, 2007	7.070/GJ	(5.2%)	1,214	(3.4%)
February 1, 2008	7.314/GJ	3.4%	1,228	1.2%
May 1, 2008	8.308/GJ	13.6%	1,318	7.3%

- Note 1: With the quarter beginning May 1, 2005, and as applied retroactively, the estimated annual consumption for a typical residential customer has been reduced from 3,201 cubic meters to 2,802 cubic meters and, as of August 2007, further to 2,590, to reflect the estimated effects arising from homeowner efforts to reduce natural gas consumption.
- Note 2: November 1, 2005 and February 1, 2006 rates were affected by the deferral of one-half of an otherwise sharp rate increase pursuant to the RSM. In February 2006, when commodity prices had fallen, the RSM was restored.
- Note 3: Residential customers receiving primary gas from brokers rather than from Centra would not have the same cost and bill experience as Centra's customers. Primary gas costs of broker customers is in accordance with the contract with the broker, generally fixed for three to five year at rates different than those charged by Centra.
- Note 3: The above table incorporates changes approved by the Board for both non-Primary Gas and Primary Gas from 1999 through to May 1, 2008.
- Note 4: The Board's RSM considers factors other than natural gas commodity prices, these including the cost of gas in storage and hedging results. Accordingly, the volatility in primary gas rates experienced by Centra's primary gas customers is reduced as overall rates also take into account operating, amortization, administrative and financial costs.

3.0 Primary Gas Rates

BACKGROUND, PRIMARY GAS BASE AND BILLED RATES

The following table reports the composite elements of recent primary gas rate amendments:

Component	Costs and Rates February 1/07	Costs and Rates May 1/07	Costs and Rates August 1/07	Costs and Rates November 1/07	Costs and Rates February 1, 2008	Costs and Proposed Rates May 1, 2008
Date of Forward Price Strip	January 2, 2007	April 20, 2007	July 2, 2007	October 1, 2007	January 2, 2008	April 1, 2008
¹ 12 Month Forward Price	\$7.095/GJ	\$8.243/GJ	\$7.182/GJ	\$6.491/GJ	\$7.221/GJ	\$8.999/GJ
² Costs (gains) resulting from Hedging	\$0.768/GJ	\$0.080/GJ	\$0.412/GJ	\$0.707/GJ	\$0.278/GJ	(\$0.321/GJ)
⁴ Forecast Gas Supply Price	\$7.863/GJ	\$8.323	\$7.594	\$7.198	\$7.499	\$8.678/GJ
³ Cost of Gas drawn from Storage	\$6.722/GJ	\$6.722/GJ	\$6.722/GJ	\$6.380/GJ	\$6.319/GJ	\$6.319/GJ
Weighted Gas, Cost (mix of Gas Supply & Storage Gas costs)	\$7.661/GJ	\$8.040/GJ	\$7.457/GJ	\$7.070/GJ	\$7.314/GJ	\$8.308/GJ
Rate per Cubic Metre	\$0.2896	\$0.3039	\$0.2819	\$0.2672	\$0.2765	\$0.3140
⁵ Base Primary Rate, adding Fuel and Overhead cost component	\$0.2961	\$0.3111	\$0.28723	\$0.2722	\$0.2819	\$0.3204
Plus (Less) PGVA Rider	(\$0.003/m ³) Residential, and (\$0.016m ³) Other	\$0.0023	\$0.0018	\$0.0009	(\$0.0034)	(\$0.0120)
Total Billed Rate	\$0.2932/m ³ Residential, and \$0.2790m ³ Other	\$0.3134/m ³	\$0.2891/m ³	\$0.2731/m ³	\$0.2785/m ³	\$0.3084/ m ³

Notes:

1. Primary gas rate increase factors in 100% of the increase between the current 12-month forward price for Western Canadian natural gas commodity supplies for the period May 1, 2008 to April, 2009 from the price as of April 1, 2008;
2. Forecast on hedges placed for the next twelve months are accounted for with the projected gains or losses from hedging.
3. The cost of gas drawn from storage for supply to primary gas customers is accounted for, reflecting the actual cost of gas in storage withdrawn (withdrawals commence November 1), and blended in on a weighted basis to arrive at a weighted gas cost;
4. Forecasted volumes of primary gas represented by the costs are used to determine the cost/ 1,000 m³, which is then increased to account for other costs. Rate changes by means of rate riders are established to adjust for Primary Gas PGVA balances accumulated and, projected to, April 30, over a 12-month period beginning May 1.
5. At May 1, 2008, Fuel costs of \$0.005 and overhead costs components of \$0.0016 per m³.

Rate riders either recover or repay, from or to customers, balances developing through differences that arise between billed rates and actual rates, with interest. The total accumulation of differences forecast for the Primary Gas Purchase Gas Variance Account (PGVA) to April 30, 2008 is \$13.7 million owing to customers, to be refunded to customers through a rider over the next twelve months.

Primary Gas Rates also reflect the cost of gas withdrawn from storage, that gas having a cost of \$6.319/GJ, which was the average cost of gas in storage as at October 31, 2007 together with fuel and gas overhead costs. When natural gas withdrawn from storage has an average cost below that of current purchase costs, customers benefit through lower than current market rates.

Through the combination of factors as set out above, Centra's calculations derived May 1, 2008 primary gas billed rates of \$0.3084/m³ for all customers.

Although primary gas rates will now be higher through July 31, 2008, summer weather conditions, will cause the increases to be visible to non space heat users only.

The combined annualized bill impacts effective May 1, 2008 of both the change in the Primary Gas rates and the implementation of the non-gas costs arising out of the 2008/09 General Rate Application on the various customer classes are as follows:

Customer Class	Combined Impact
SGS	7.3% - 7.5%
LGS	7.5% - 9.0%
High Volume Firm	8.3% - 9.3%
Mainline	8.9% - 9.5%
Interruptible	9.0% - 9.9%

The projected annualized net bill impact for a typical residential customer, based on average annual consumption of 2,590 m³ is approximately \$90.

4.0 Outstanding Positions, Hedging

As previously indicated, Centra enters into financial future contracts, “hedges”, for the purpose of reducing primary gas rate volatility. Other factors reducing rate volatility include the equal monthly payment plan, heating efficiency improvements, living style adjustments (adjusting the thermostat), and the Board’s RSM.

Centra’s hedging activities from 2001 until natural gas commodity prices plunged in 2006, the falloff in prices followed the price spike that developed subsequent to summer 2005 hurricanes Katrina and Rita, resulted in overall reductions to both gas costs and customer rates. Since then, however, and except for the most recent quarter when commodity prices rose sharply once again, the results of hedging have increased overall gas costs.

The overall cost for Western Canadian natural gas reflected in Centra’s rates for those customers receiving primary gas from Centra is impacted by the terms of Centra’s gas purchase contract with its commodity supplier, Nexen, Centra’s hedging, future prices and the cost of gas in storage.

Hedging is undertaken independent of actual gas purchases, those always at then-current market prices. The addition to gas costs resulting from the hedging of fiscal 2007/08 is forecast at \$42.6 million, though actual results will not be known until the term of the hedges have expired. Actual results are dependent upon commodity market price changes and/or any special actions undertaken to unwind or build on current positions, though no such actions are expected.

The current situation with respect to hedges now outstanding is:

- On July 31 & August 1, 2007, two tranches of price hedges of 50% of eligible volumes each were placed covering the months May 2008 through July 2008. The upper strike prices on the instruments purchased range between \$8.245/GJ and \$8.445/GJ, with the corresponding lower strike prices ranging between \$6.315/GJ and \$6.570/GJ.
- On October 16 & 23, 2007, two tranches of price hedges of 50% of eligible volumes were placed covering the months August 2008 through October 2008. The upper strike prices on the

instruments purchased range between \$7.205/GJ and \$7.595/GJ, and the corresponding lower strike prices range between \$5.560/GJ and \$5.930/GJ.

- On January 8 & 30, 2008, two tranches of price hedges of 50% of eligible volumes each were placed covering the months November 2008 through January 2009. The upper strike prices on the instruments purchased range from \$8.455/GJ to \$9.000/GJ, with the lower strike prices ranging from \$6.620/GJ to \$7.210/GJ.

5.0 Board Findings

Approval

As Centra's proposal to increase interim rates properly reflects the Board-approved RSM, the Board will approve Centra's proposal to increase interim primary natural gas rates for customers receiving primary gas from Centra, concurrent with the implementation of a general rate increase of 1% as previously directed by Order 99/07.

As previously indicated, while primary gas rate changes affect only those customers receiving system gas (primary gas) from Centra, the implementation of the 1% GRA-based increase will affect all customers, whether supplied primary gas by Centra or not.

The next review of primary gas rates will take place as of August 1, 2008.

Notification

Centra is to advise its primary gas customers of the change in primary gas rates through its newsletter, *Energy Matters*.

Commentary

Natural gas commodity prices have increased dramatically since MH acquired Centra in 1999.

In December 1999, the natural gas commodity price was \$3.00/GJ (approximately 11 cents per cubic metre). Since then, the price has risen more or less steadily, with spikes followed by price fall-offs associated with both the Enron-induced market panic of 2001 and the hurricanes of 2005. The price increase since 1999, roughly three-fold, would have been much worse if the Canadian dollar had remained at 67 cents U.S., its average value in 1999.

The peak price was reached in December 2005, at about \$15/GJ, a price tempered as to customer rates by Centra's hedging program, the RSM and a Board Order deferring a portion of increased commodity costs to a subsequent date (the latter for residential customers). Following the 2005 peak, natural gas prices plummeted to a low approaching that of 1999 prices in the summer of 2006, only then to rebound to today's current price level of \$8.30/GJ.

This Order reflects Centra's current commodity cost of \$8.30/GJ (31 cents/m³), a cost tempered by the results of hedging and the drawing down of gas storage at lower costs. As well, customers will benefit from a rider in place that is refunding past over-collections from customers. Of concern, however, is the expected market price out 12 months; which, as of April 1, 2008, was \$9/GJ (34 cents/m³), suggesting further rate increases to come.

Given Manitoba's cold winter weather, space-heating costs are of great significance to consumers. And, with this Order, as of May 1, 2008 the typical residential customer with a high efficiency furnace may anticipate annual space heating costs within 5% of the expected cost of space heat by electricity. For those customers, the "savings" from space heating by natural gas rather than electricity will be the narrowest ever.

That said, for customers heating by way of a conventional low-efficiency furnace, or even a mid-efficiency furnace, with the May 1 natural gas rate increase the expected annual costs for these customers will be, again for the first time, more than it would have been if their residences were heated by electricity. And, as to water heating, this gas rate increase will make heating water with gas more expensive than by electricity.

The majority of customers do not have a high efficiency gas furnace, and some still have furnaces that have been converted from oil to gas, these converted furnaces have efficiency rating to below 50%. Customers with mid or conventional natural gas furnaces, and, in particular converted oil furnaces, should consider investing in a high efficiency furnace, Builders of new homes should consider space heating by electricity.

Natural gas prices are market driven, Centra does not mark-up its commodity costs, and follow oil prices, which have recently hit all-time highs of over \$115/barrel. In contrast, electricity rates are based on MH's costs and are subsidized by electricity exports and regulated by the Public Utilities Board. Natural gas commodity prices are expected to fluctuate, sometimes widely, while electricity rates have historically been adjusted less frequently and with lower rates of increase.

Since 1999, while natural gas commodity prices have risen three-fold, electricity rates have increased by less than 10%. While there can be no assurance as to future price and rate differentials between electricity and gas, electricity prices can be expected to be more controlled and far less volatile.

6.0 It Is Therefore Ordered That:

1. The Schedules of Rates attached to this Order as Appendix “A”, effective for all gas consumed on and after May 1, 2008, BE AND ARE HEREBY APPROVED on an interim basis;
2. This Interim Order shall be in effect until confirmed or otherwise dealt with, by a further Order of the Board.

THE PUBLIC UTILITIES BOARD

“GRAHAM LANE, CA”
Chairman

“H. M. SINGH”
Acting Secretary

Certified a true copy of Order No. 50/08
issued by The Public Utilities Board

Acting Secretary

CENTRA GAS MANITOBA INC.
Appendix A - Schedule of Sales and Transportation Services and Rates
Proposed Gas Rates Effective May 1, 2008

ATTACHMENT 1
May 1, 2008
Page 1 of 4

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

1	Territory:	Entire natural gas service area of Company, including all zones.				
2						
3	Availability:					
4	SGC:	For gas supplied through one domestic-sized meter.				
5	LGC:	For gas delivered through one meter at annual volumes less than 680,000 m ³ .				
6	HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m ³ .				
7	Co-op:	For gas delivered to natural gas distribution cooperatives.				
8	MLC:	For gas delivered through one meter to consumers served from the Transmission system.				
9	Special Contract:	For gas delivered under the terms of a Special Contract with the Company.				
10	Power Station:	For gas delivered under the terms of a Special Contract with the Company.				
11						
12	Rates:	Distribution to Customers				
		Transportation to			Primary Gas Supply	Supplemental Gas Supply¹
13		Centra	Sales Service	T-Service		
14		<hr/>				
15	Basic Monthly Charge: (\$/month)					
16	Small General Class (SGC)	N/A	\$13.00	N/A	N/A	N/A
17	Large General Class (LGC)	N/A	\$70.00	\$70.00	N/A	N/A
18	High Volume Firm Class (HVF)	N/A	\$1,040.53	\$1,040.53	N/A	N/A
19	Cooperative (Co-op)	N/A	\$300.23	\$300.23	N/A	N/A
20	Main Line Class (MLC)	N/A	\$1,495.21	\$1,495.21	N/A	N/A
21	Special Contract	N/A	N/A	\$129,231.70	N/A	N/A
22	Power Station	N/A	N/A	\$12,683.06	N/A	N/A
23						
24	Monthly Demand Charge (\$/m³/month)					
25	High Volume Firm Class (HVF)	\$0.1915	\$0.1531	\$0.1531	N/A	N/A
26	Cooperative (Co-op)	\$0.3039	\$0.1316	\$0.1316	N/A	N/A
27	Main Line Class (MLC)	\$0.3667	\$0.1742	\$0.1742	N/A	N/A
28	Special Contract	N/A	N/A	N/A	N/A	N/A
29	Power Stations	N/A	N/A	\$0.0153	N/A	N/A
30						
31	Volumetric Charge: (\$/m³)					
32	Small General Class (SGC)	\$0.0379	\$0.0885	N/A	\$0.3204	\$0.2686
33	Large General Class (LGC)	\$0.0374	\$0.0379	\$0.0379	\$0.3204	\$0.2686
34	High Volume Firm Class (HVF)	\$0.0169	\$0.0094	\$0.0094	\$0.3204	\$0.2686
35	Cooperative (Co-op)	\$0.0082	\$0.0001	\$0.0001	\$0.3204	\$0.2686
36	Main Line Class (MLC)	\$0.0084	\$0.0030	\$0.0030	\$0.3204	\$0.2686
37	Special Contract	N/A	N/A	\$0.0004	N/A	N/A
38	Power Station	N/A	N/A	\$0.0527	N/A	N/A
39						
40	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
41						
42	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
43						
44	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2008.				

CENTRA GAS MANITOBA INC.
Appendix A - Schedule of Sales and Transportation Services and Rates
Proposed Gas Rates Effective May 1, 2008

ATTACHMENT 1
May 1, 2008
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CENTRA GAS MANITOBA INC.
INTERRUPTIBLE SALES AND DELIVERY SERVICES
RATE SCHEDULES (BASE RATES ONLY - NO RIDERS)

1	Territory:	Entire natural gas service area of Company, including all zones.				
2						
3	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.				
4						
5	Rates:					
6		<u>Distribution to Customers</u>				
		<u>Transportation to Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply¹</u>
7						
8	Basic Monthly Charge: (\$/month)					
9	Interruptible Service	N/A	\$1,028.85	\$1,028.85	N/A	N/A
10	Mainline Interruptible (with firm delivery)	N/A	\$1,495.21	\$1,495.21	N/A	N/A
11						
12	Monthly Demand Charge (\$/m³/month)					
13	Interruptible Service	\$0.0984	\$0.0861	\$0.0861	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.1514	\$0.1742	\$0.1742	N/A	N/A
15						
16	Commodity Volumetric Charge: (\$/m³)					
17	Interruptible Service	\$0.0127	\$0.0071	\$0.0071	\$0.3204	\$0.2686
18	Mainline Interruptible (with firm delivery)	\$0.0090	\$0.0030	\$0.0030	\$0.3204	\$0.2686
19						
20	Alternate Supply Service:			Negotiated		
21	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22	Delivery Service - Interruptible Class			\$0.0099		
23	Delivery Service - Mainline Interruptible Class			\$0.0087		
24						
25	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
26						
27	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
28						
29	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2008.				

Approved by Board Order:
 Effective from: May 1, 2008
 Date Implemented: May 1, 2008

Supersedes Board Order: 06/08
 Supersedes: February 1, 2008 Rates

CENTRA GAS MANITOBA INC.
Appendix A - Schedule of Sales and Transportation Services and Rates
Proposed Gas Rates Effective May 1, 2008

ATTACHMENT 1
May 1, 2008
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CENTRA GAS MANITOBA INC.
FIRM SALES AND DELIVERY SERVICES
RATE SCHEDULES (BASE RATES PLUS RIDERS)

1	Territory:	Entire natural gas service area of Company, including all zones.				
2						
3	Availability:					
4	SGC:	For gas supplied through one domestic-sized meter.				
5	LGC:	For gas delivered through one meter at annual volumes less than 680,000 m ³ .				
6	HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m ³ .				
7	Co-op:	For gas delivered to natural gas distribution cooperatives.				
8	MLC:	For gas delivered through one meter to consumers served from the Transmission system.				
9	Special Contract:	For gas delivered under the terms of a Special Contract with the Company.				
10	Power Station:	For gas delivered under the terms of a Special Contract with the Company.				
11						
12	Rates:	<u>Distribution to Customers</u>				
		Transportation to			Primary Gas Supply	Supplemental Gas Supply ¹
		Centra	Sales Service	T-Service		
13						
14						
15	Basic Monthly Charge: (\$/month)					
16	Small General Class (SGC)	N/A	\$13.00	N/A	N/A	N/A
17	Large General Class (LGC)	N/A	\$70.00	\$70.00	N/A	N/A
18	High Volume Firm Class (HVF)	N/A	\$1,040.53	\$1,040.53	N/A	N/A
19	Cooperative (Co-op)	N/A	\$300.23	\$300.23	N/A	N/A
20	Main Line Class (MLC)	N/A	\$1,495.21	\$1,495.21	N/A	N/A
21	Special Contract	N/A	N/A	\$129,231.70	N/A	N/A
22	Power Station	N/A	N/A	\$12,683.06	N/A	N/A
23						
24	Monthly Demand Charge (\$/m³/month)					
25	High Volume Firm Class (HVF)	\$0.2650	\$0.1534	\$0.1534	N/A	N/A
26	Cooperative (Co-op)	\$0.3039	\$0.1316	\$0.1316	N/A	N/A
27	Main Line Class (MLC) (Firm)	\$0.3664	\$0.1745	\$0.1745	N/A	N/A
28	Special Contract	N/A	N/A	N/A	N/A	N/A
29	Power Station	N/A	N/A	\$0.0173	N/A	N/A
30						
31	Commodity Volumetric Charge: (\$/m³)					
32	Small General Class (SGC)	\$0.0333	\$0.0862	N/A	\$0.3084	\$0.2686
33	Large General Class (LGC)	\$0.0332	\$0.0355	\$0.0357	\$0.3084	\$0.2686
34	High Volume Firm Class (HVF)	\$0.0120	\$0.0071	\$0.0073	\$0.3084	\$0.2686
35	Cooperative (Co-op)	\$0.0082	\$0.0001	\$0.0001	\$0.3084	\$0.2686
36	Main Line Class (MLC) (Firm)	\$0.0084	\$0.0017	\$0.0019	\$0.3084	\$0.2686
37	Special Contract	N/A	N/A	\$0.0004	N/A	N/A
38	Power Station	N/A	N/A	\$0.0586	N/A	N/A
39						
40	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
41						
42	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
43						
44	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2008.				

Approved by Board Order:
 Effective from: May 1, 2008
 Date Implemented: May 1, 2008

Supersedes Board Order: 06/08
 Supersedes: February 1, 2008 Rates

CENTRA GAS MANITOBA INC.
 Appendix A - Schedule of Sales and Transportation Services and Rates
 Proposed Gas Rates Effective May 1, 2008

ATTACHMENT 1
 May 1, 2008
 Page 4 of 4

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

1	Territory:	Entire natural gas service area of Company, including all zones.				
2						
3	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.				
4						
5	Rates:					
6			<u>Distribution to Customers</u>			
		Transportation to Centra	Sales Service	T-Service	Primary Gas Supply	Supplemental Gas Supply ¹
7						
8	Basic Monthly Charge: (\$/month)					
9	Interruptible Service	N/A	\$1,028.85	\$1,028.85	N/A	N/A
10	Mainline Interruptible (with firm delivery)	N/A	\$1,495.21	\$1,495.21	N/A	N/A
11						
12	Monthly Demand Charge (\$/m³/month)					
13	Interruptible Service	\$0.1427	\$0.0863	\$0.0863	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.2195	\$0.1745	\$0.1745	N/A	N/A
15						
16	Commodity Volumetric Charge: (\$/m³)					
17	Interruptible Service	\$0.0108	\$0.0045	\$0.0047	\$0.3084	\$0.2696
18	Mainline Interruptible (with firm delivery)	\$0.0060	\$0.0017	\$0.0019	\$0.3084	\$0.2696
19						
20	Alternate Supply Service:			Negotiated		
21	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22	Delivery Service - Interruptible Class			\$0.0074		
23	Delivery Service - Mainline Interruptible Class			\$0.0087		
24						
25	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
26						
27	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
28						
29	Effective:	Rates to be charged for all billings based on gas consumed on and after May 1, 2008.				

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