## The thinking

## **News** Release

July 27, 2009

By Board Order 116/09, the Public Utilities Board (Board) approves Centra Gas Manitoba Inc.'s (Centra) revised natural gas rates, effective August 1, 2009. The rate changes to both Primary gas and non-gas rates combine to result in a projected increase of 2.4% in the annual bill of a typical residential consumer purchasing Primary gas from Centra (\$26 a year). Even with the overall bill increase, consumers may expect to incur annual natural gas bills in the same range as in 2006, three years ago.

Included in the overall changes, the Primary gas rate is to increase by 1.75% to \$0.2494/m³ (as compared to the current Primary gas rate of \$0.2451/m³). For a typical residential consumer purchasing Primary gas from Centra other than by a fixed price and term contract, the projected impact on their annual bill for the commodity itself, and not including additional impacts from changes to non-Primary gas rates, is a 1.1% increase.

Primary gas rates will next be reviewed, and likely amended, as of November 1, 2009. The next revision of non-primary gas rates will likely take place in 2010, and rates and other matters reviewed at the recent General Rate Application hearing will be addressed in a second Board Order, to be issued by this fall.

The effect of this Order on customers purchasing Primary natural gas through fixed price and term contracts (either from a private gas marketer or from Centra) will be less, as Primary gas rates for such customers are established by contract not through quarterly changes.

Customers are continued to be encouraged to avail themselves of the Manitoba Hydro's energy efficiency programs, which include special programs for low-income customers, and the federal government's current tax credit offering.

Petroleum prices including natural gas remain volatile, and current natural gas prices remain considerably lower than expected. Given current global economic conditions, i.e. recession, and Centra's hedging and storage programs, the Board does not foresee significant rate changes in the immediate future.

A copy of the Order, which contains significant additional information, may be reviewed on the Board's website www.pub.gov.mb.ca, or be obtained through the Board's Office.

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