



## News Release

September 14, 2010

By Board Order 93/10, the Public Utilities Board (PUB) confirms direction provided earlier to Centra Gas Manitoba Inc. (Centra), by way of Order 170/09, to phase out hedging natural gas prices for its quarterly set Primary gas program by November 1, 2011.

PUB found insufficient merit to Centra's primary argument for reconsideration, an argument based on the desire of some large commercial and industrial customers for Centra to continue to hedge. PUB previously suggested that Centra develop a fixed term and price Primary gas contract product as an alternative for larger volume commercial and industrial customers concerned with the volatility gas rates.

In its decision, PUB notes that Centra's hedging experience has not always produced beneficial results for consumers. PUB also notes that any Centra customer wanting a fixed price Primary gas supply can contract for a fixed term from a private broker (Centra already offers such contracts to residential customers).

Natural gas commodity prices have been very volatile over the past decade. While the commodity's price range has been fairly stable and low for more than a year, there is no certainty that volatility and large price increases will not reoccur. For this reason, PUB has determined it will revisit the hedging issue periodically to ensure that the decision to phase-out hedging for the quarterly set price product remains appropriate.

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

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