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SWAN VALLEY GAS CORPORATION
Application for Approval of Sale of
Swan Valley Gas Corporation Assets to Centra Gas Manitoba Inc.
Notice of Application

November 12, 2013

APPLICANT: SWAN VALLEY GAS CORPORATION

APPLICATION: Proposed Sale of the Assets of Swan Valley Gas Corporation to Centra Gas Manitoba Inc.

The Public Utilities Board (the "Board") has been advised that Swan Valley Gas Corporation ("SVGC") and Centra Gas Manitoba Inc. ("Centra") have entered into an Asset Purchase Agreement as of July 31, 2013, for the sale of the assets of SVGC to Centra, subject to the approval of the Board.

SVGC has applied to the Board, for an Order pursuant to *The Public Utilities Board Act*, for the following:

1. Authorization and approval of the sale of the assets of SVGC to Centra; and
2. Approval of the assignment of the franchise agreements with the Rural Municipality ("RM") of Swan River, the RM of Minitonas, the Town of Swan River, the Town of Minitonas, and the Village of Benito to Centra.

Centra has also made an application to the Board (in support of SVGC's application) for an Order pursuant to *The Public Utilities Board Act*, for the following:

1. Authorization and approval of the merger and consolidation of the assets of SVGC with the assets of Centra;
2. Approval of an acquisition surcharge to be applied to customer's natural gas bills in the SVGC service territory, for a period of 48 months commencing with the first billing cycle upon closing of the transaction, to recover the purchase price paid by Centra for the assets of SVGC; and,
3. Approval of the assignment of the franchise agreements with the RM of Swan River, the RM of Minitonas, the Town of Swan River, the Town of Minitonas, and the Village of Benito to Centra.

The Asset Purchase Agreement provides for Centra to acquire all of the assets of SVGC for a purchase price of \$1 plus four annual payments of \$50,000. If the proposed transaction is approved, it is Centra's intention to consolidate the assets of SVGC with the assets of Centra. SVGC's customers will become customers of Centra and will pay the same natural gas rates as Centra's other customers in their respective customer classes. An additional volumetric charge is proposed to be temporarily applied to natural gas bills to customers located in the SVGC service territory, for a period of 48 months from the date of the close of the sale, to recover the purchase price paid by Centra.

BILL IMPACTS:

The following table depicts the expected average natural gas annualized bill impacts for each customer class:

<u>Customer Class</u>	<u>Average Annualized Bill Impact</u>
Residential	-30%
Commercial	-17%
General Service	-4%
Institutional Service	-3%

Current Centra natural gas rates can be found on Manitoba Hydro's website at:

http://www.hydro.mb.ca/regulatory_affairs/energy_rates/natural_gas/current_rates.shtml

Current Swan Valley Gas rates can be found on the Board's website at:

http://www.pub.gov.mb.ca/pdf/swan/108_10.pdf

PARTICULARS OF FILING:

SVGC and Centra filed their applications and supporting material on November 1 and November 4, 2013. For full particulars, interested parties can examine SVGC's and Centra's applications, and supporting materials at SaskEnergy's head office or the Board's head office. Copies of this Application can be obtained by interested parties from:

Swan Valley Gas Corporation
 Attention: Ms. M.P. Wappel
 1000 - 1777 Victoria Avenue
 Regina SK S4P 4K5
 Telephone: (306) 777-9415
 (collect calls accepted)
 Email: mwappel@saskenergy.com

The Public Utilities Board
 Attention: Secretary of the Board
 400 - 330 Portage Avenue
 Winnipeg MB R3C 0C4
 Telephone: 204-945-2638
 Toll Free: 1-866-854-3698
 Email: publicutilities@gov.mb.ca

Centra Gas Manitoba Inc.
Attention: Ms. Helga D. Van Iderstine
Aikins, MacAulay & Thorvaldson LLP
30th Floor - 360 Main Street
Winnipeg MB R3C 4G1
Telephone: 204-957-4679
(collect calls accepted)
Email: hdv@aikins.com

Electronic versions of both applications are available at:
<http://www.pub.gov.mb.ca/appl-current.html>

A copy of SVGC's frequently asked questions and bill comparisons is available at:
<http://www.pub.gov.mb.ca/notice.html>

**PUBLIC REVIEW
PROCESS:**

SVGC proposes that the public review process for this Application be conducted by way of a written hearing process without an oral hearing. The Board will establish a schedule as may be required for the orderly exchange of information and will determine whether an oral hearing will be included in the public review process.

PARTICIPATION:

Those seeking Intervener status should notify the Board of their intention by applying to the Board Secretary before November 29, 2013. Interveners may be entitled to financial assistance, and the Board's Rules of Practice and Procedure (Rules) provide the related guidelines, which can be seen at the Board's website www.pub.gov.mb.ca or obtained on request to the Board, by either emailing (publicutilities@gov.mb.ca), writing or calling the Board Secretary (204-945-2638 or 1-866-854-3698, toll free). Parties wishing to submit a brief or to express comments during the public review process should also contact the Board Secretary.

Any person who has a concern regarding the sale of SVGC to Centra should either write to the Board at:

Public Utilities Board
400 - 330 Portage Avenue
Winnipeg MB R3C 0C4

or send an email to publicutilities@gov.mb.ca on or before December 13, 2013.

The Board will then determine to proceed with a public hearing or a paper review process.

VARIATION:

Upon any application to it, the Board may make an Order granting the whole or part only of the Application or may grant such further or other relief in addition to or in substitution for that applied for, as fully and in all respects as if the application had been for such partial, or further or other relief.

DATED this 12th day of November, 2013.

“Original signed by”

H. M. Singh
Secretary
The Public Utilities Board