



## **Centra Gas Manitoba Inc. Purchase of Swan Valley Gas Corporation from SaskEnergy Incorporated**

### **Frequently Asked Questions and Bill Comparisons**

Centra Gas Manitoba Inc. (“Centra Gas”) and Swan Valley Gas Corporation (“Swan Valley Gas”) have entered into an agreement, pending regulatory approval, for the sale of Swan Valley Gas assets to Centra Gas. Centra Gas is a wholly owned subsidiary of Manitoba Hydro. Swan Valley Gas is a wholly owned subsidiary of SaskEnergy Incorporated (“SaskEnergy”).

Under the proposed sale, Swan Valley Gas’ natural gas distribution mains and related services will be transferred to Centra Gas, a wholly owned subsidiary of Manitoba Hydro. Manitoba Hydro will assume the responsibility for provision of natural gas to Swan Valley Gas customers. The proposed sale is subject to approval by the Manitoba Public Utilities Board (MPUB). Consent of the local municipalities is also required, as part of the MPUB review process.

Swan Valley Gas has been proud to serve the people and businesses of the Swan Valley area, and we look forward to working with Manitoba Hydro to facilitate a smooth transition. Swan Valley Gas, as an independent utility outside of SaskEnergy’s Saskatchewan customer base, would have been unable to offer competitive rates on a go forward basis due to significant changes in industrial customer demand in the Swan River area. As part of Manitoba Hydro, customers will benefit from being a part of a much larger customer base. Manitoba Hydro is a major distributor of natural gas in Manitoba, serving over 267,000 natural gas customers in nearly 100 communities.

#### **When will the sale be final?**

The transaction requires approval from the Manitoba Public Utilities Board (MPUB), which also requires the consent of local municipalities as part of the review process. Swan Valley Gas and Centra Gas have filed their applications to the MPUB for the required approvals. The applications can be found at: <http://www.pub.gov.mb.ca/appl-current.html>. Customers will be notified of the outcome of the review process.

#### **Why is Swan Valley Gas making this change?**

Swan Valley Gas’s major industrial customer was the Louisiana Pacific (“LP”) oriented strand board plant near Minitonas. The LP plant was the “anchor” customer, as its need for natural gas provided the industrial load which allowed Swan Valley Gas to be able to offer service to homes and other businesses in the region.



The LP plant has changed its manufacturing process and no longer requires natural gas service. As this customer provided more than 70 per cent of the revenue to Swan Valley Gas, the utility could no longer operate as a small independent utility and needs to be part of a larger customer rate base.

### **Why couldn't SaskEnergy take Swan Valley Gas Customers into its Saskatchewan rate base?**

Swan Valley Gas is a subsidiary of SaskEnergy and was established and registered for the purpose of operating the independent gas utility in Manitoba. Swan Valley Gas has been regulated by the Manitoba Public Utilities Board since its inception in 2000. SaskEnergy is registered and licensed to carry out its business activities in the Province of Saskatchewan, and not the jurisdiction of the Province of Manitoba.

### **How will this change impact the natural gas rates I now pay with Swan Valley Gas Customers?**

If this sale is approved by the MPUB, Swan Valley Gas customers will then pay existing natural gas rates charged by Manitoba Hydro, Centra Gas' parent company. Centra Gas is applying to the MPUB for a temporary surcharge of \$0.03/m<sup>3</sup> to end after 48 months. This charge will cover the costs of the acquisition.

### **How do my current rates compare to Manitoba Hydro rates?**

Even with the proposed temporary surcharge, it is expected that most customers will have a total bill that will be lower than what it is now.

Please see the bill comparison which shows projected annual natural gas costs for various rate classes. The comparison is based on a typical customer's annual usage, and your savings will depend on how much natural gas you consume.

### **What are the current rates charged by Manitoba Hydro?**

Manitoba Hydro natural gas rates can be found on their website at [http://www.hydro.mb.ca/regulatory\\_affairs/energy\\_rates](http://www.hydro.mb.ca/regulatory_affairs/energy_rates). Manitoba Hydro's current overall rates are lower than the overall rates currently charged by Swan Valley Gas.

### **Are there other benefits to becoming a Manitoba Hydro customer?**

Manitoba Hydro has indicated that all former Swan Valley Gas customers will be eligible for all natural gas programs, including Power Smart programs for natural gas, Equalized Payment Plan (EPP), and other initiatives offered from time to time by Manitoba Hydro.



### **How will any outstanding surpluses or arrears be dealt with by Swan Valley Gas?**

If the sale to Manitoba Hydro receives regulatory approval, Swan Valley Gas will issue you a final bill along with a self-addressed envelope to facilitate easy payment. If your account is in a surplus situation, a refund cheque will be included in your final bill.

### **How much is this transaction worth to SaskEnergy?**

Under the terms of the sale of Swan Valley Gas assets Swan Valley Gas will receive \$200,000.

### **Will SaskEnergy continue to be involved with customers in the Swan Valley area?**

SaskEnergy, under contract to Manitoba Hydro, will only provide safety and emergency response services to Manitoba Hydro customers in the Swan Valley area, through its offices in Kamsack and Canora. Manitoba Hydro will provide all other services.

### **What phone number do I call for customer inquiries, emergencies or if I want to request a line locate during this transition period?**

You can continue to contact Swan Valley Gas during this period at 1-800-667-1516.

### **How can I get more information?**

Once the application is filed with the MPUB if you would like a copy of our application, please call Swan Valley Gas at 1-800-667-1516.

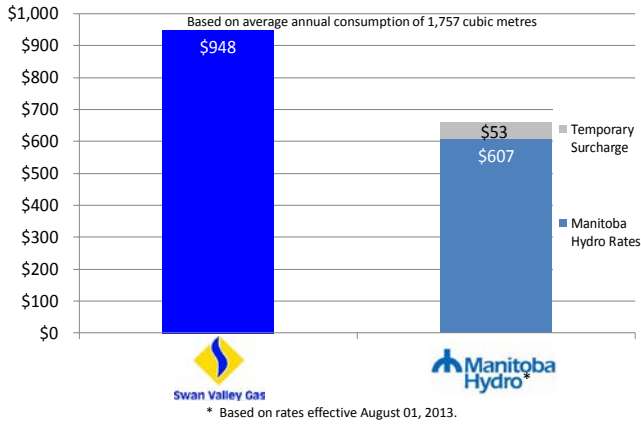
As a customer, you have the right to make your views known to the Manitoba Public Utilities Board. Anyone wishing to do so should provide their comments in writing to the Manitoba Public Utilities Board. The Manitoba Public Utilities Board can be contacted as follows:

Manitoba Public Utilities Board	Phone:	(204) 945-2638
400 – 330 Portage Avenue	or Toll Free:	1-866-854-3698
Winnipeg, Manitoba	Fax:	(204) 945-2643
R3C 0C4	Email:	publicutilities@gov.mb.ca

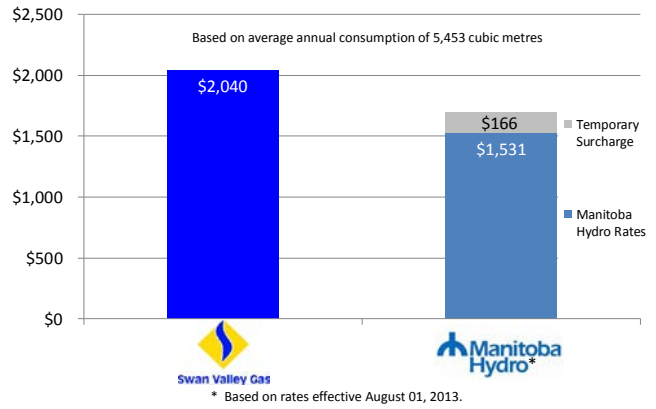
**A copy of the Swan Valley Gas application and corresponding Centra Gas Application can be found on the Manitoba Public Utilities Board website at: <http://www.pub.gov.mb.ca/appl-current.html>.**

## Comparison of Annual Natural Gas Costs

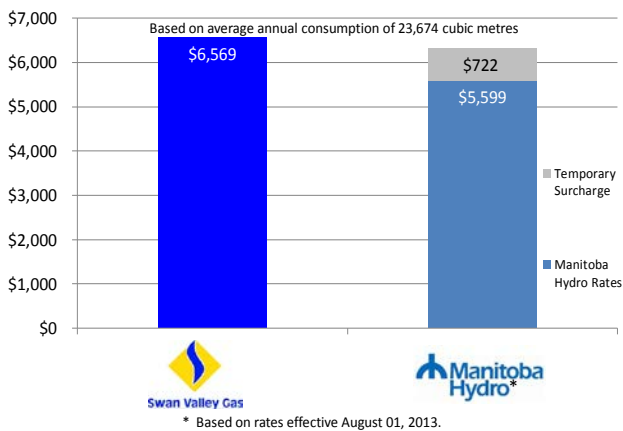
### Residential



### Commercial



### General Service



### Institutional

