

Table of Contents

	Page
1.0 EXECUTIVE SUMMARY.....	3
2.0 INTRODUCTION.....	4
3.0 APPLICATION.....	5
4.0 BOARD FINDINGS.....	5
5.0 IT IS THEREFORE ORDERED THAT:.....	6
 Schedule "A".....	 7

1.0 EXECUTIVE SUMMARY

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, revised commodity rates for the propane and transportation component of Stittco Utilities Man Ltd.'s (Stittco) customer rates (effective for propane consumed on or after May 1, 2010).

The revised rate structure compared to the rates of the prior three quarters is provided below:

	Aug 1/09	Nov 1/09	Feb 1/10	May 1/10
Basic Monthly Charge	\$10.00/mo	\$10.00/mo	\$10.00/mo	\$10.00/mo
	per m ³	per m ³	per m ³	per m ³
Commodity Costs Recovery	\$0.8120	\$1.1292	\$1.6990	\$1.2592
Delivery charge				
First 100 m3	0.9696	0.9696	0.9696	0.9696
Next 400 m3	0.8648	0.8648	0.8648	0.8648
Next 1000 m3	0.8183	0.8183	0.8183	0.8183
Next 2500 m3	0.6630	0.6630	0.6630	0.6630
Over 4000 m3	0.5087	0.5087	0.5087	0.5087

Commodity costs recovery (rates) will represent approximately two-thirds of the average residential bill (actual bills vary with consumption, and consumption varies by weather experience, heating efficiency, blends of energy sources, and individual households practices).

The new commodity costs recovery rate represents an overall decrease of approximately 26% from the rates approved, also on an interim basis, for May 1, 2010 (Order 9/10), and is expected

to decrease the "average" total residential bill by approximately 17.3%.

The decrease is attributable to decreases in February and March in the cost of purchasing propane and transporting it to Thompson, this due to reduced market prices for propane.

The quarterly rate setting (QRS) process for the commodity segment of Stittco's bills was established by Board Orders 141/08 and 45/09, which may be viewed on the Board's website.

2.0 INTRODUCTION

The commodity-based segment of Stittco's overall propane rates is amended quarterly, in accordance with the QRS process.

Commodity costs, including transportation to Thompson, are passed on to customers with no mark-up. Variances are tracked in a Purchased Propane Variance Account (PPVA), and either refunded to or collected from customers in subsequent rate settings. Regular adjustments to commodity prices help to minimize balances in this account. This also helps to buffer large swings in commodity charges.

Rates established by the QRS are set on an interim ex parte basis, subject to satisfactory information being filed by Stittco with the Board, and with the quarterly interim rates reviewed and confirmed annually through a public process (either by way of a paper-driven or oral hearing).

The approach reflects the reality that the commodity rate is driven by commodity price changes that are outside the control of Stittco, and the *ex parte* process reduces regulatory costs, saving customers money, while providing an updated price signal to consumers (allowing for consumers to upgrade the heating efficiency of their properties, etc.).

3.0 APPLICATION

Stittco filed an application on April 13, 2010 seeking a decrease in commodity rates from the current rate of \$1.6990 to \$1.2592 per cubic meter, this to reflect Stittco's forecast of a propane commodity price of \$334.00 per cubic meter (which included delivery costs to Thompson).

4.0 BOARD FINDINGS

The commodity recovery rate sought by Stittco reflects projected commodity and transportation to Thompson costs and, thus, is fair and reasonable.

The Board will accept Stittco's proposal and direct that a lower commodity rate be effective for consumption on or after May 1, 2010.

The Board continues to recommend that customers seek ways to upgrade the heating efficiency of their premises, so as to reduce consumption and bills. The Board notes that the cost of heating an average residential dwelling by propane is more than twice the average cost of heating by electricity.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure (Rules). The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

5.0 IT IS THEREFORE ORDERED THAT:

Stittco Utilities Man Ltd.'s rates be amended on an interim *ex parte* basis as per the attached Schedule "A" effective for consumption on or after May 1, 2010.

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"HOLLIS M. SINGH"

Acting Secretary

Certified a true copy of Order No.
45/10 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"
GENERAL SERVICE RATE STRUCTURE
EFFECTIVE FOR CONSUMPTION ON OR AFTER MAY 1, 2010

Basic Monthly Charge	\$10.00/month
	per m ³ /mo
Commodity Costs Recovery	\$1.2592
Delivery Charge:	
First 100 m3	0.9696
Next 400 m3	0.8648
Next 1000 m3	0.8183
Next 2500 m3	0.6630
Over 4000 m3	0.5087