M A N I T O B A	)	**Order No. 148/09**
	)	
THE PUBLIC UTILITIES BOARD ACT	)	**October 29, 2009**

BEFORE: Graham F. J. Lane, B.A., C.A., Chairman
Leonard Evans, LLD, Member
Monica Girouard, CGA, Member

AN APPLICATION BY SWAN VALLEY GAS CORPORATION FOR:

1) **APPROVAL OF THE 2009 COMMERCIAL AGREEMENT BETWEEN SWAN VALLEY GAS CORPORATION AND LOUISIANA PACIFIC CANADA LTD.;**
2) **APPROVAL OF COMMODITY AND DELIVERY RATES EFFECTIVE NOVEMBER 1, 2009; AND**
3) **APPROVAL FOR REVISED TERMS AND CONDITIONS OF SERVICE.**

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INTRODUCTION

By this Order, the Public Utilities Board (Board) approves:

a) a Commercial Agreement between Swan Valley Gas Corporation (SVGC) and Louisiana-Pacific Canada Ltd. (LP), for 2009;

b) revised commodity and delivery rates for SVGC for all customers effective November 1, 2009;

c) increases in the Basic Monthly charge (from $15 a month to $20 a month for residential, $26 to $35 for commercial, $26 to $34.50 for general service and $26.69 to $29.75 for institutional customers);

d) revised Terms and Conditions of Service; and

e) SVGC’s request to no longer be required to engage an external audit of SVGC (SVGC will be audited as a component of SaskEnergy’s annual consolidated financial statements).

As a result of this Order, the average annual homeowner bill is projected to decrease by $101, or 8.9%. Annual commodity costs are expected to decrease by $259, while the delivery rate increases will drive annual bills up by $158, resulting in a net decrease of $101 in the projected average annual residential bill.

APPLICATION

On August 25, 2009, SVGC filed a rate application with the Board seeking approval of:

1) a one year Agreement between SVGC and LP (Agreement), to cover the year ending December 31, 2009;

2) decreased gas consumption rates, revised Purchase Gas Variance Account (PGVA) riders, and increased delivery charges for each customer class, to be effective for all natural gas consumed on or after November 1, 2009; and

3) revised Terms and Conditions of Service.

The application proposed overall rate decreases ranging from 8.9% for the residential class to 33.2% for the institutional class. In addition, on August 21, 2009, SVGC requested the removal of the Board's requirement for a stand-alone annual external financial audit for SVGC.

SVGC was required to provide a Board approved notice by mail to each of its customers inviting customers to view the application and ask questions of the Board and/or SVGC (no enquiries were received).

LOUISIANA-PACIFIC CANADA LTD. (LP)

LP is an oriented strand board manufacturer located near Minitonas and is the largest natural gas customer within the Swan Valley Gas franchise area. In the past, LP was responsible for about 70% of total delivery revenues for SVGC. LP primarily uses natural gas to run Regenerative Thermal Oxidizers (RTO) units. These units are installed on LP's wastestacks, which purify emissions by re-burning any particulate matter.

On January 7, 2009, LP advised SVGC that they had submitted a proposal relative to emission reductions to Manitoba Conservation, and that they had received interim approval to shut in the RTO units and discontinue the use of natural gas, which they did on January 7, 2009.

LP now has an application before Manitoba Conservation to obtain permanent approval.

LP was obligated to SVGC for the cost of transportation of LP gas on Many Islands Pipe Lines (MIPL) which SVGC had contracted for on behalf of LP. That obligation is being met to December 31, 2009, and amounted to $329,143. SVGC will no longer contract this capacity and so will not require this revenue from LP in 2010. The remaining customers will be responsible for the remaining MIPL charges to be billed through their commodity rates.

In 2008 and prior years, delivery revenue from LP was in excess of $300,000 annually and represented around 70% of SVGC revenue from delivery service. A commercial agreement between SVGC and LP was executed on March 2, 2009, effective January 1, 2009 to December 31, 2009, whereby LP will pay $329,143 MIPL’s costs for 2009. In addition, a monthly access fee to SVGC will generate approximately $53,000 delivery revenue in 2009, resulting in a forecasted net loss of $126,000 for SVGC.

SVGC is seeking approval for this agreement filed in confidence with the Board.

Negotiations are currently in progress for 2010 where SVGC is working towards an agreement that would have LP pay a monthly access (stand by) fee of $10,000 a month for a total annual contribution of $120,000 towards delivery revenue.

DELIVERY REVENUE REQUIREMENTS

The following table outlines SVGC's delivery revenue (distribution) requirements (2003-2008 actuals and forecasted to 2009 and 2010):

TABLE 1

	Actual Results						Forecast Results	
	2003	2004	2005	2006	2007	2008	2009	2010
Cost of Service								
Operating, Maintenance & Administration	$167,546	$84,862	$106,243	$122,994	$164,878	$107,689	$71,999	$50,262
Transportation	323,041	326,148	323,685	386,747	411,993	366,698	329,143	-
Management Fees	62,243	-	41,249	41,194	41,194	41,258	41,331	15,000
Net Amortization	75,724	61,848	69,563	69,643	69,493	69,571	69,699	69,769
Property and Corporate Capital Taxes	34,696	37,902	37,933	74,506	97,925	103,615	104,892	90,000
Finance Charges	143,000	14,093	(19,752)	(19,322)	28,833	34,360	45,937	46,947
Net Income (Loss)	(210,931)	80,111	55,791	189,648	69,859	104,880	(126,998)	61,903
Total	$595,318	$606	$614,712	$865,423	$857,609	$828,071	$536,003	$333,881

Note: **The Actual Net Income (Loss) is based on the accounting results for the delivery service only and does not reflect the regulatory rate of return on equity or commodity activity (gains or losses).*

OPERATING, MAINTENANCE AND ADMINISTRATIVE EXPENSES (OM&A)

SVGC forecasts OM&A expenses will decrease from $107,689 in 2008, to $71,999 in 2009 and $50,262 in 2010. This, due primarily to the following initiatives undertaken by SVGC:

- Terminated the lease for the SVGC building in Swan River. All customer related operations are currently performed out of the SaskEnergy Yorkton office.
- Entered into a meter reading agreement with Manitoba Hydro Utility Services.
- Pending approval by the Board to discontinue the annual external audit of SVGC financial statements, SVGC continues to be audited as part of SaskEnergy's consolidated statements.
- Management time and associated fees allocated to SVGC from SaskEnergy have been reassessed and reduced.
- Management is currently in negotiations with the applicable municipalities in an effort to reduce taxes. Efforts to date have not been successful but management continues to pursue this initiative. Municipal taxes for 2009 are forecast to be approximately $100,000. Every $10,000 reduction in taxes will reduce the required delivery rate increase by 6.4%.

Upon implementation of the cost initiatives, SVGC has a delivery revenue deficiency of $58,020. This translates into a delivery rate increase of an average of 37% for SVGC customers which SVGC is seeking.

MANAGEMENT FEES

Management Fees are forecasted to decline from $41,331 in 2008 and 2009 to $15,000 in 2010. Fixed costs from Human Resources, VP Finance, Corporate Accounting and variable costs per customer are eliminated. Executive and Legal costs are also reduced.

RATE OF RETURN

For the purpose of calculating SVGC’s Rate of Return on its net rate base (basically assets less liabilities), SVGC is assumed to have a debt equity ratio of 65:35, although in actuality all of its capital is equity (there is no debt). The deeming of a 65:35 debt equity ratio is to the benefit of SVGC’s customers, as was SaskEnergy’s decision to convert debt into equity.

Interest rates and allowable shareholder equity returns of 4.22% and (21.66)%, respectively, are established for 2009, with 4.49% and 11.0% for 2010. Combining these rates with the deemed debt equity ratio of 65:35 and the projected rate base results in an overall allowable rate of return of (4.85)% and 6.77% on SVGC’s rate base for 2009 and 2010, respectively. These financial return allowances are disclosed as Finance Charges and Net Income, respectively, in Table 1.

DISTRIBUTION SERVICE

The SVGC distribution cost of service is projected to be $536,003 and $333,881 for the years 2009 and 2010, respectively (excluding MIPL and TransGas transportation charges).

Based on the customer load forecast, current delivery rates and current contributions from LP, SVGC can expect to realize revenues totaling $409,005 for 2009 and $275,861 for 2010 from this rate component. The delivery revenue shortfall for 2010 is $58,020 ($333,881 - $275,861) and assumes the successful conclusion of an agreement with LP for revenues of $120,000 for 2010 pursuant to discussions now underway.

SVGC revenue from delivery rates needs to be $333,881 in order for SVCG to earn its approved return on equity in 2010. Consequently, the remaining customers need to provide for the $58,020 shortfall resulting in an average 37.2% delivery rate increase.

The delivery rates for each class of space heating customer consist of two charges as follows:

1. Basic Monthly Charge, which is intended to recover the fixed costs of a customer’s service line, natural gas meter and customer account administration; and

2. Delivery Charge, which is intended to recover the cost to deliver natural gas through the distribution network.

The design of the delivery rates for space heating customers takes into account:

- The required $58,020 increase;

- Fairness of the delivery rates, both between rate classes and within each rate class; and

- Fuel price competition of the proposed commodity and delivery rates combined, compared to propane and heating oil.

In order to generate the additional $58,020 between the rate classes, the class average percentage for each rate class was kept near the overall average increase of 37.2%. The class average impacts range from 37.1% for institutional and up to 37.3% for residential as shown in the following table.

TABLE 2

BILL IMPACT OF DELIVERY COST

Rate Class	Average Annual Usage (m3)	Current Delivery Costs	Proposed Delivery Costs	Increase to Delivery Cost $/year	% Increase	Impact on Bill
Residential	1,852	$ 424	$ 583	$ 158	37.3%	13.8%
Commercial	5,454	$ 620	$ 851	$ 231	37.2%	8.4%
General Service	25,884	$ 1,433	$1,967	$ 534	37.2%	4.8%
Institutional	170,052	$5,592	$7,669	$2,077	37.1%	3.0%

Within each rate class, fairness must consider the balance between the basic monthly charge and the delivery charge. SVGC proposed a combination of changes to basic monthly charges and delivery charges. Much of the revenue shortfall would be generated from the basic monthly charge increases.

The resulting Basic Monthly Charges and proposed delivery rates for space heating customers by volumetric class are summarized and compared to current rates in the following Table. Also shown are the gas consumption charges.

TABLE 3

Rate Change Summary – Delivery and Commodity Rates by Class

Rate Classification	Units	Current Rates	Proposed Rates	Percentage Change
Residential				
Basic Monthly Charge	$/mo.	$15.00	$20.00	33.3%
Delivery Charge	$/m^3	0.132	0.185	40.2%
Gas Consumption Charge	$/m^3	0.388	0.248	-36.1%
Commercial				
Basic Monthly Charge	$/Mo.	$26.69	$35.00	31.1%
Delivery Charge	$/m^3	0.055	0.079	43.6%
Gas Consumption Charge	$/m^3	0.388	0.248	-36.1%
General Service				
Basic Monthly Charge	$/Mo.	$26.69	$34.50	29.3%
Delivery Charge	$/m^3	0.043	0.060	39.5%
Gas Consumption Charge	$/m^3	0.378	0.230	-39.2%
Institutional				
Basic Monthly Charge	$/Mo.	$26.69	$29.75	11.5%
Delivery Charges	$/m^3	0.031	0.043	38.7%
Gas Consumption Charge	$/m^3	0.370	0.224	-39.5%

GAS CONSUMPTION – COST OF GAS

The Gas Consumption Charge proposed in the current application is intended to recover SVGC's cost of gas sold over the period November 1, 2009 to October 31, 2010.

SVGC purchases gas at market prices based upon the AECO daily price index. Included in the price are:

a) a TransGas Energy Pool (TEP) basis differential of $0.08/GJ; and

b) a gas management fee of $0.065/GJ.

SVGC has no storage facilities and purchases gas as needed, each day.

AECO natural gas commodity prices utilized for the development of the approved rates were the average closing AECO forward prices as of August 12, 2009.

NATURAL GAS PRICE HEDGING

SVGC’s Board-approved policy involves the use of financial derivatives to hedge a portion of winter volume requirements. A fixed-price hedge is to be executed between May 1 and September 30 of each year, for the upcoming winter. The “triggering” of the swap is at the discretion of the Manager of Gas, who would take into account the following:

i) Current market price in relation to historical prices (a price below the short-term mean would constitute strong support for execution of a swap).

ii) Current fundamentals of supply/demand including current storage inventory levels.

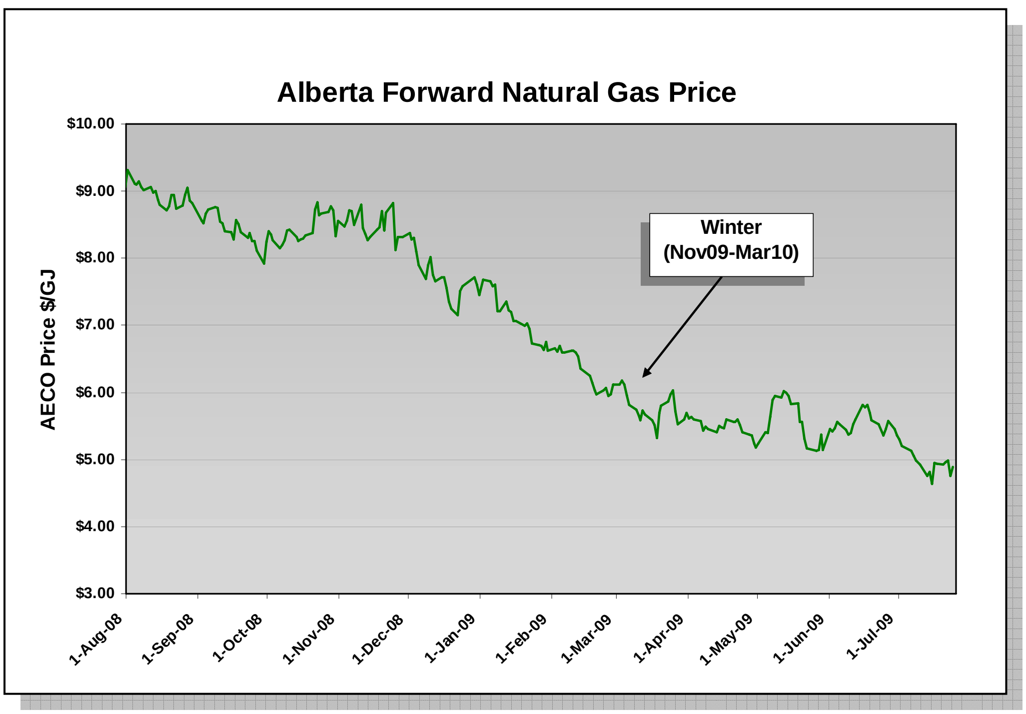
iii) Analyst forecast for natural gas prices.

iv) Time of year; the swap would be executed at a point in time between May 01 and September 30.

v) If none of the above considerations have triggered the execution of a swap by September 30, regardless of price, a swap would be executed.

The volume of purchases hedged would be 200 to 250 GJ/day for the winter period November 01 to March 31, and will account for about 60% of winter purchases.

As illustrated below, natural gas prices have continued to decline throughout the past year, driven by the global economic downturn. Over the past year, the average AECO price for the upcoming winter season (November 2009 – March 2010) is $6.98/GJ, down from a high of $9.32/GJ.



Given the recent further declines in natural gas market prices, SVGC executed a fixed price swap at $4.98/GJ on July 10, 2009. The volume hedged was 200 GJ/day for the winter period November 2009 to March 2010, accounting for 62% of the forecasted winter purchases.

TRANSPORTATION

TransGas and MIPL transport SVGC’s natural gas supplies from the Saskatchewan market, TEP, across the border to SVGC’s local delivery system. The following Table shows the total transportation costs and the cost allocation by customer class per GJ of gas consumed:

TABLE 4

Commodity Transportation Cost Allocation								
Customer Class	Frcst Volume (GJs)	Load Factor	Daily Demand Volume (GJs)	% of Daily Demand	TGL Costs	MIPL Costs	TGL Cost Allocation per GJ	MIPL Cost Allocation per GJ
Residential	9,786	25%	107	18%	$ 6,059	$ 10,744	$ 0.619	$ 1.098
Commercial	12,765	25%	140	24%	$ 7,904	$ 14,015	$ 0.619	$ 1.098
General Service	28,462	35%	223	37%	$12,588	$ 22,321	$ 0.442	$ 0.784
Institutional	18,164	40%	124	21%	$ 7,029	$ 12,464	$ 0.387	$ 0.686
	69,711		594		$33,581	$ 59,544		

The decline in throughput caused by the decontracting of LP had minimal impact on the MIPL rate charged to SVGC customers. The revenue requirement shortfall caused by the decontracting of LP will be recovered from the entire MIPL customer base, on all MIPL lines.

PURCHASE GAS VARIANCE ACCOUNT (PGVA)

SVGC’s PGVA was in a deficit position of $395,304 as of October 31, 2005. The PGVA rate rider was increased from $0.955/GJ to $1.035/GJ, effective February 1, 2006, resulting in the elimination of the PGVA balance. Based on the average of AECO forward closing prices for August 12, 2009, the PGVA balance for October 31, 2009 is estimated to be $18,170 owing to customers. In this application SVGC is proposing a PGVA refund of $0.252/GJ.

To summarize, with respect to gas consumption charges, SVGC is seeking approval for:

1) current cost of gas at TEP to be $5.178/GJ, a decrease from $7.854/GJ amended to reflect falling commodity prices;
2) TransGas and MIPL transportation charges as embedded in the Gas Consumption Charge by customer class and as allocated in Table 4;
3) including a PGVA rate rider refund of $0.263/GJ, effective November 1, 2009;
4) commodity rate changes to be effective as of November 1, 2009; and
5) new rates to be maintained until a subsequent application and Board determination.

The components of the gas consumption charges as applied for by SVGC are shown in the following Table:

TABLE 5

Cost Components of Commodity Charge

	Commodity Cost at TEP	TGL Transport	MIPL Transport	PGVA Rider Refund	Total Commodity Charge	Gas Consumption Charge
		($ per Gigajoules)				(cents/m^3)
Residential	$5.178	$0.619	$1.098	$(0.263)	$6.632	24.8
Commercial	$5.178	$0.619	$1.098	$(0.263)	$6.632	24.8
General Service	$5.178	$0.442	$0.784	$(0.263)	$6.142	23.0
Institutional	$5.178	$0.387	$0.686	$(0.263)	$5.989	22.4

ANNUALIZED BILL IMPACTS

The resulting bill impact of commodity cost charges are as shown below:

TABLE 6

Bill Impact of Commodity Costs

Rate Class	Average Annual Usage (m3)	Current Commodity Costs	Proposed Commodity Costs	Decrease to Commodity Costs $/year	% Decrease	Impact on Bill
Residential	1,852	$ 719	$ 459	($259)	-36.10%	-8.90%
Commercial	5,454	$ 2,116	$ 1,353	($764)	-36.10%	-19.50%
General Service	25,884	$ 9,784	$ 5,953	($3,831)	-39.20%	-29.40%
Institutional	170,052	$62,919	$38,092	($24,828)	-39.50%	-33.20%

The total impact of Commodity cost decreases and Delivery cost increases on the various customer classes is shown in the table below.

TABLE 7

Commodity and Delivery Components of Annualize (Decrease)/Increase

Rate Classification		Annual Usage m3	Change Due to Commodity $/Year	Change Due to Commodity %	Change Due to Delivery $/Year	Change Due to Delivery %	Total Change $/Year	Percentage Change %
Residential	Average	1,852	(259)	(22.7)%	158	13.8%	(101)	(8.9)%
	Small	1,000	(140)	(20.0)%	113	16.1%	(27)	(3.9)%
	Large	4,000	(560)	(24.8)%	272	12.0%	(288)	(12.7)%
Commercial	Average	5,454	(764)	(27.9)%	231	8.4%	(533)	(19.5)%
	Small	3,000	(420)	(25.5)%	172	10.4%	(248)	(15.1)%
	Large	8,000	(1,120)	(29.0)%	292	7.6%	(828)	(21.4)%
General Ser	Average	25,884	(3,831)	(34.2)%	534	4.8%	(3,297)	(29.4)%
	Small	20,000	(2,960)	(33.9)%	434	5.0%	(2,526)	(28.9)%
	Large	70,000	(10,360)	(34.8)%	1,284	4.3%	(9,076)	(30.5)%
Institutional	Average	170,052	(24,828)	(36.2)%	2,077	3.0%	(22,750)	(33.2)%

REVISIONS TO TERMS AND CONDITIONS OF SERVICE

SVGC is seeking approval from the Board to revise its Terms and Conditions of Service with an implementation date of January 1, 2010.

The proposed document is reflective of both the structure and fees charged by SaskEnergy in its Terms and Conditions of Service and is intended to update the service practices and operating procedures from the originally approved Terms and Conditions approved at the commencement of the franchise.

The parent company provides support in the area of customer service and operations and so the content is similar to SaskEnergy Inc. Adjustments have been made to reflect applicable Manitoba legislation. The document includes a new Section 7 which provides the conditions under which SVGC serves rental properties as well as updated versions of various policies.

BOARD FINDINGS

The Board will approve SVGC's requests, and rate decreases ranging from 8.9% to 33.2% which are to occur.

SVGC has very limited abilities to manage gas prices because of its very small annual volumes. One transaction of one type may be executed, and only for a portion of the winter volumes, and only if the opportunity reasonably presents itself.

The Board notes that SVGC did hedge its annual volumes as prices were low. As a result, customers are sheltered if prices increase for the period November 1, 2009 to March 31, 2010. The volumes hedged are 200 GJ to 250 GJ/day, representing almost half normalized consumption volumes.

The Board notes the change in the PGVA balance from record highs of $400,000 to a nominal amount of $18,000 owing to customers which amount is to be refunded by way of a rate rider.

Previously unanticipated large increases in natural gas commodity prices made it difficult for the Utility to achieve the initially forecasted customer and volume levels. The Board hopes that lower commodity prices will change this and encourages SVGC to continue marketing to all customers in the franchise area.

With regards to delivery rates, the Board notes the difficulties arising from the decision of LP to no longer use gas in its RTO’s. At the time of the granting of this franchise the participation of LP was a key ingredient for the success of the project and the required infrastructure was built to serve the plant. The Board encourages SVGC and LP to continue working to arrive at a reasonable solution to a changing business environment.

The Board notes and commends the efforts of SVGC and SaskEnergy to contain operating and administrative costs. The Board encourages both companies to continue in their efforts, particularly given the uncertain circumstances with LP and the small number of customers among whom OM&A costs are shared.

The Board will approve the 2009 Delivery and Transportation Commercial Agreement between SVGC and LP and encourages both parties to continue to work to support the viability of the franchise.

The Board will also approve the Terms and Conditions of Service effective January 1, 2010. In doing so the Board notes that to the extent possible, the Terms and Conditions are standardized with the parent company, SaskEnergy, and that adjustments have been made to ensure that it is subject to applicable Manitoba legislation, as appropriate. The Board also commends SVGC for the innovative ideas included in Section 7 which deal with the landlord/rental property process that provides the conditions under which SVGC serves rental property.

The Board notes that the Utility has been, with the approval of the Board, regulated on a least cost regulatory model since its inception. The regulatory model recognizes SVGC's small customer base and the consequent need for regulatory cost efficacy; regulatory costs are a factor in the determination of customer rates.

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.

IT IS THEREFORE ORDERED THAT:

1. The Delivery and Transportation Commercial Agreement between SVGC and LP, for the year 2009 BE AND IS HEREBY APPROVED.

2. SVGC's request to decrease the gas consumption component and increase the delivery components of the sales rates charged by SVGC effective November 1, 2009, BE AND IS HEREBY APPROVED.

3. SVGC's request to refund approximately $18,000 of the PGVA by way of a rate rider of $0.263/GJ effective November 1, 2009, BE AND IS HEREBY APPROVED.

4. The Rate Schedule attached as Appendix "A" reflecting the above changes BE AND IS HEREBY APPROVED.

5. SVGC is no longer required to audit SVGC as a stand-alone entity, and is to be audited as part of SaskEnergy Incorporated – the consolidated entity.

6. The Terms and Conditions of Service, to be effective January 1, 2010 BE AND IS HEREBY APPROVED.

Fees payable upon this Order - $2,000.00.

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, C.A."
Chairman

"H. M. SINGH"
Acting Secretary

Certified a true copy of Order No. 148/09 issued by The Public Utilities Board

Acting Secretary

Appendix A
Swan Valley Gas Corporation

Monthly Natural Gas Rates
November 1, 2009

For customers who purchase their natural gas and delivery service from Swan Valley Gas:

Rate Class (Code)	Applicable To	Monthly Natural Gas Rates: Basic Monthly Charge ($)	Delivery Charge ($/m^3)	Gas Consumption Charge ($/m^3)	2000 to 2010 Project Price Customer Contribution* ($)
Residential:					
Residential (M01, M11, M21)	Residence, Cottage, Farm up to 10,000 m^3/yr	20.00	0.185	0.248	861.00
Commercial:					
Commercial (M02)	0 to 10,000 m^3/yr	35.00	0.079	0.248	997.50
General Service (M03)	10,001 to 100,000 m^3/yr	34.50	0.060	0.230	7,350.00
Institutional (M04)	100,001 to 1,000,000 m^3/yr	29.75	0.043	0.224	16,012.50

*Includes GST

Minimum Bill: **Basic Monthly Charge**

Taxation: **Any taxes, levies or surcharges which may be lawfully imposed by or at the request of any municipal, provincial, or federal authority will be charged to the customer as required.**

For Contract Industrial Service:
See next page

Monthly Natural Gas Rates
November 1, 2009

For industrial customers who contract for delivery service from Swan Valley Gas, but who purchase their natural gas from a supplier other than Swan Valley Gas:

		Monthly Delivery Rates		
Rate Class	**Applicable To**	**Basic Monthly Charge ($)**	**Delivery Charge ($/m^3)**	**Demand Charge ($/m^3/Day)**
Industrial:				
Delivery Service	**100 % firm and Over 1,000,000 m^3/yr**	**250.00**	**N/A**	**0.351**
Minimum Bill:	**Basic Monthly Charge plus Demand Charge plus Apportionment of upstream transportation requirements**			
Interruptible Service	**Interruptible (In conjunction with Delivery Service contract)**	**250.00**	**0.015**	**N/A**
Minimum Bill:	**Basic Monthly Charge plus Delivery Charge plus Apportionment of interruptible upstream transportation requirements**			

All terms and conditions of service and rates are defined in and contained in a contract.

Taxation: **Any taxes, levies or surcharges which may be lawfully imposed by or at the request of any municipal, provincial, or federal authority will be charged to the customer as required.**

Monthly Natural Gas Rates
February 1, 2009

For Louisiana Pacific Canada Ltd. who contracts for delivery service from Swan Valley Gas, but who purchases their natural gas from a supplier other than Swan Valley Gas:

Contract Rate

Minimum Bill	**Access fee of $30,000 per month.**
Delivery Service	**A daily fee of $840 for each day gas is consumed, for a period of 14 days or less. In the event gas is consumed for greater than 14 days, in a month, a monthly fee of $25,351 will replace the daily fee.**

All terms and conditions of service and rates are defined in and contained in a contract.

Taxation: **Any taxes, levies or surcharges which may be lawfully imposed by or at the request of any municipal, provincial, or federal authority will be charged to the customer as required.**