

Order No. 114/22

**CENTRA GAS MANITOBA INC.:
GAS COMMODITY RATE APPLICATION, EFFECTIVE NOVEMBER 1, 2022
AND
COST OF SERVICE METHODOLOGY REVIEW COMPLIANCE FILING**

October 25, 2022

**BEFORE: Marilyn Kapitany, B.Sc.(Hon), M.Sc., Panel Chair
Susan Nemec, FCPA, FCA, Member
Michael Watson, Member**

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Schedule of Rates – Appendix “A”

1.0 Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, Centra Gas Manitoba Inc.'s (Centra) application to increase the Gas Commodity rate to \$0.2396/m³ effective November 1, 2022. The current rate is \$0.1977/m³ for gas consumed on or after August 1, 2022. The Gas Commodity rate is increasing effective November 1, 2022 due to an increase in the market price of natural gas. For a typical residential customer, the effect of the Gas Commodity rate change is an annual bill increase of 11.5% (or \$100 per year).

The Board finds that it is in the public interest to maintain certain specific information in Centra's Application in confidence.

In Order 131/21, dated December 2, 2021, the Board approved a simplification of Centra's natural gas rate structure effective November 1, 2022. Specifically, the Board approved the replacement of both the existing Primary Gas rate and Supplemental Gas rate with a single Gas Commodity rate on November 1, 2022. As well, the Board approved changes to Centra's customer bill presentation, whereby the existing Transportation (to Centra) rate and Distribution (to Customer) rate will be replaced with a single Delivery rate on gas bills effective November 1, 2022. The Basic Monthly Charge remains unchanged.

The Board finds that the proposed Gas Commodity rate increase for November 1, 2022 is predominantly the result of increases in the market price of natural gas and not the result of the rate restructuring changes approved in Order 131/21.

Gas Commodity is a pass-through cost for Centra, meaning that Centra charges customers only what Centra pays for Gas Commodity and does not make a profit on its sale. The costs of Gas Commodity are predominantly determined by the market price of natural gas in Western Canada.

Gas Commodity rates will be reviewed quarterly. The next quarterly rate adjustment will be for Gas Commodity consumed on or after February 1, 2023.

In Order 109/22, dated October 12, 2022, the Board also approved, among other things, the elimination of Centra's Co-Op customer class as well as an interim rate measure for the Special Contract class and affecting the Power Station class starting November 1, 2022.

In this order, the Board approves rate schedules taking effect on November 1, 2022 that reflect the above changes. As well, the Board approves Centra's revised Schedule of Sales and Transportation Services and Rates (also known as Centra's Terms & Conditions of Service), which also reflect the above changes.

2.0 Introduction

Centra is a wholly-owned subsidiary of Manitoba Hydro. Centra's quarterly rates are subject to the approval of the Board pursuant to provisions of *The Public Utilities Board Act*.

For a number of years, Centra's existing natural gas billing rate structure has consisted of the following five rate components:

- Primary Gas – gas that is sourced by Centra under its Western Canadian gas supply contract, which is priced quarterly by Centra, or gas purchased by consumers from either Centra or independent gas marketers and brokers under contracts, usually for a fixed rate and a fixed term;
- Supplemental Gas - gas that is required to meet the needs of Centra's customers during periods of peak load or other seasonal requirements. Supplemental Gas is applicable to the majority of customers, whether they purchase quarterly-priced Primary Gas from Centra or fixed-rate gas through contracts;
- Transportation (to Centra) - is the cost of transporting natural gas to Manitoba, including charges for pipelines not owned by Centra and the cost of gas storage facilities, and is applicable to the majority of Centra's customers;
- Distribution (to Customer) – is the cost of delivering natural gas to a customer's home or business, including the cost of facilities and pipelines owned by Centra, as well as the operation and maintenance costs for the distribution system and a small cost component related to unaccounted-for gas;

- Basic Monthly Charge - is the cost related to customer service including meter reading and billing, as well as the cost of the service line and the meter.

On December 2, 2021, the Board issued Order 131/21 approving Centra's revised natural gas rate structure effective November 1, 2022. Specifically, the Board approved the replacement of both the Primary Gas rate and Supplemental Gas rate with a single Gas Commodity rate. As well, the Board approved changes to Centra's customer bill presentation and to Centra's rate schedules, whereby the Transportation (to Centra) rate and the Distribution (to Customer) rate will be replaced with a single Delivery rate. The Basic Monthly Charge remains unchanged.

Along with the approval of Centra's revised rate structure, Order 131/21 also approved:

- Centra's planned phase-out of the Supplemental Gas Purchased Gas Variance Account (PGVA) on October 31, 2022,
- the phase-out of the Primary Gas PGVA and the rolling of the Primary Gas PGVA balance at October 31, 2022 into a new Gas Commodity PGVA,
- the creation and use of a Commodity Cost Balancing Deferral account, starting November 1, 2022, to track the differences between the costs of AECO sourced gas and the costs of non-AECO sourced gas, and
- the amendment of the current Rate-Setting Methodology to include a Commodity Cost Balancing Deferral rate rider, which would be adjusted quarterly and applied to Centra's Delivery rate.

As a result of the rate restructuring approvals in Order 131/21, Centra's customer bills will include the following three natural gas rate components effective November 1, 2022:

- Gas Commodity – is the cost of natural gas that is provided by Centra or independent gas marketers or brokers, and includes baseload or seasonal gas supplies primarily sourced from Western Canada. The Gas Commodity rate is applicable to the majority of customers, whether they purchase

quarterly-priced gas commodity from Centra or independent gas marketers and brokers under contracts, usually for a fixed rate and a fixed term;

- Delivery - is the cost of transporting natural gas to Manitoba (applicable to the majority of Centra's customers) as well as subsequently delivering natural gas to a customer's home or business (applicable to all customers). Such costs include charges for pipelines not owned by Centra, charges to use gas storage facilities, the cost of facilities and pipelines owned by Centra, operation and maintenance costs for Centra's pipeline system, as well as small cost components related to unaccounted-for gas and the differences between the cost of gas commodity acquired in Western Canada compared to other sources, such as the United States;
- Basic Monthly Charge – is a fixed monthly charge that reflects a portion of the costs of being connected to the gas distribution system, as well as customer service and billing costs, and is not related to the volume of gas consumed.

Similar to the Board-approved methodology for the former Primary Gas rate, Centra's Gas Commodity rate is subject to quarterly amendment (February 1, May 1, August 1, and November 1). These regularly scheduled quarterly Gas Commodity rate reviews occur in accordance with the Board-approved Rate Setting Methodology, as revised in this order, which is formula-driven and relies on established accounting and rate setting conventions. Quarterly Gas Commodity rate setting does not involve a public hearing, reflecting the formulaic nature of the Rate Setting Methodology and furthering the objective of least-cost regulation. Public reviews of Gas Commodity rates are conducted at periodic cost of gas or general rate application hearings.

Centra's Delivery rate and Basic Monthly Charge, which apply to all customers including those receiving natural gas through fixed-rate contracts, are also periodically reviewed and approved by the Board. These rate reviews occur either through periodic cost of gas

hearings, which also provide for the finalization of past interim quarterly Gas Commodity rate changes, or in the context of a general rate application.

Order 79/22, dated July 25, 2022, is the most recent Order setting Centra's Primary Gas rate, which will be superseded by the Gas Commodity rate starting November 1, 2022. Order 161/19, which arose from Centra's 2019/20 General Rate Application, approved new Basic Monthly Charges, as well as new Supplemental Gas, Transportation, and Distribution rates. Order 128/20 approved new Supplemental Gas, Transportation, and Distribution rates following the removal of rate riders that were originally approved in Order 161/19. These rate riders were in place for 12 months as intended at the 2019/20 General Rate Application.

3.0 Centra's Gas Commodity Rate Application

Pursuant to the Board's request on May 24, 2022, Centra filed an initial version of its November 1, 2022 Gas Commodity rate application on September 15, 2022. Early submission of Centra's November 1, 2022 Gas Commodity rate application was requested by the Board in order to allow more time to review the quarterly rate setting methodology changes resulting from the rate restructuring decisions of Order 131/21. Per the Board's letter to Centra on May 24, 2022, Centra also stated in its application that it would file an updated version of its application on October 14, 2022 in order to incorporate a more recent gas price strip information in advance of the November 1, 2022 rate implementation date.

Centra's interim *ex parte* application of September 15, 2022 proposed quarterly Gas Commodity rate setting methodology changes related to:

1. The Order 131/21 rate restructuring decisions;
2. Use of the existing Primary Gas overhead rate component of $\$0.95/10^3\text{m}^3$ for the purposes of calculating the Gas Commodity rate effective November 1, 2022;
3. A revised calculation for the cost of gas in storage;
4. A change to Centra's gas load forecast used to calculate the quarterly Gas Commodity rate; and
5. A change in Centra's reference heating value used to calculate the quarterly Gas Commodity rate.

By way of letter on October 7, 2022, the Board informed Centra that its September 15, 2022 application adequately incorporated the rate restructuring decisions of Order 131/21 and provided interim approval of the use of an overhead component of $\$0.95/10^3\text{m}^3$ for the purposes of calculating the Gas Commodity rate effective November 1, 2022. However, the Board denied Centra's proposals to update the existing quarterly rate setting methodology regarding the calculation of the cost of gas in storage, Centra's gas load forecast, and Centra's reference heating value (i.e. items 3 through 5 above).

For these items, the Board found that it is in the public interest for Centra's proposed methodology changes to undergo a public review (e.g. proposals as part of a future general rate application or cost of gas proceeding) prior to the Board making a ruling. Accordingly, the Board directed Centra to maintain the existing quarterly rate setting methodology for items 3 through 5 above in its revised Gas Commodity rate application of October 14, 2022, and to include any further Gas Commodity rate setting methodology change proposals as part of a future general rate application or cost of gas proceeding.

On October 13, 2022, the Board granted Centra's request to extend the updated Gas Commodity rate application filing date to October 17, 2022. Centra's revised application was subsequently received on October 17, 2022, which requested approval of the Gas Commodity rate effective November 1, 2022. The revised application was filed in accordance with the revised Rate Setting Methodology approved in the Board's letter to Centra on October 7, 2022. The Rate Setting Methodology determines a Gas Commodity rate based on the forecast of natural gas prices and includes several factors that reflect the costs Centra incurs in providing Gas Commodity to its customers.

Centra's Gas Commodity rate is partly based on futures prices at AECO, a major gas trading hub in Alberta. Table 1 reflects the 12 month AECO futures price strip¹ for natural gas taken by Centra on October 4, 2022 and used in the calculation of the proposed November 1, 2022 Gas Commodity rate. The futures strip prices for April 2022 and July 2022 from previous quarterly rate applications are also shown in Table 1. As can be seen from the table, and compared to the July futures prices, the October AECO futures prices have generally increased significantly.

¹ A price strip is a gas price forecast for a specific period or "strip" of time based on the market prices of gas as traded on an exchange.

Table 1: AECO Futures Price (Cdn\$/GJ)

(\$/GJ)	Nov/22	Dec/22	Jan/23	Feb/23	Mar/23	Apr/23	May/23	Jun/23	Jul/23	Aug/23	Sep/23	Oct/23
Apr Strip	5.6834	5.9066	5.9941	6.0212	5.3623	3.8943						
Jul Strip	4.8913	5.1397	5.2813	5.2261	4.8917	4.1520	3.9763	3.9535	3.9448			
Oct Strip	5.471	5.933	6.015	5.999	5.331	4.397	4.162	4.210	3.959	3.894	3.874	4.007

Table 2 summarizes Centra's Application for the quarterly Gas Commodity rate effective November 1, 2022. The table also shows historical calculations for the former Primary Gas rates for the last year. In calculating the new Gas Commodity rate, and well as the historical Primary Gas rates, Centra primarily used the Board-approved Rate Setting Methodology with some changes as outlined in the Board's letter to Centra on October 7, 2022.

Table 2: Current and Historical Gas Commodity (formerly Primary Gas) Rate Calculations

	Component	Costs and Proposed Rates Nov 1/21	Costs and Proposed Rates February 1/22	Costs and Proposed Rates May 1/22	Costs and Proposed Rates Aug 1/22	Costs and Proposed Rates Nov 1/22
	Rate Description	Primary Gas	Primary Gas	Primary Gas	Primary Gas	Gas Commodity
1	Date of Forward Price Strip	Oct 4, 2021	Jan 4, 2022	April 4, 2022	July 5, 2022	Oct 4, 2022
2	Weighted Primary Gas Cost (mix of Gas Supply & Storage Gas costs)	\$4.728	\$3.504	\$5.158	\$4.618	N/A
3a	Rate per Cubic Metre	\$0.1787	\$0.1324	\$0.1950	\$0.1746	N/A
3b	Gas Commodity Cost Outlook per Cubic Metre (mix of Gas Supply & Storage Gas costs divided by annual system supply sales)	N/A	N/A	N/A	N/A	\$0.2081
4	Base Gas Commodity Rate, adding the Gas Commodity Overhead cost component per cubic metre ¹	\$0.1820 ²	\$0.1344 ²	\$0.1967 ²	\$0.1760 ²	\$0.2091 ²
5	Plus (Less) Gas Commodity Rate Rider per cubic metre	\$0.0096	(\$0.0001)	\$0.0088	\$0.0217	\$0.0305
6	Total Billed Rate (\$/m ³)	\$0.1916	\$0.1343	\$0.2055	\$0.1977	\$0.2396
7	Commodity Cost Balancing Deferral Rate Rider (\$/m ³)	N/A	N/A	N/A	N/A	\$0.0000 ³

Notes:

1. Prior to November 1, 2022, Centra's Primary Gas rate included compressor fuel costs incurred between the AECO and Empress market hubs. Effective November 1, 2022, pursuant to Order 131/21, these compressor fuel costs are included in Centra's Delivery rate calculations.
2. The Gas Commodity overhead costs are \$0.00095/m³.
3. The Commodity Cost Balancing Deferral account will start tracking the cost difference between AECO and non-AECO gas supplies starting November 1, 2022. Since this account will have a zero balance at its inception on October 31, 2022, the Commodity Cost Balancing Deferral rate rider will be \$0/m³ for November 1, 2022.

The AECO futures market prices, shown above in Table 1, are used to determine the forecasted costs of volumes Centra expects to purchase over each of the next twelve months that flow both directly to Manitoba consumers as well as to gas storage in order

to supplement gas supplies during periods of higher gas consumption². These forecast Gas Commodity costs include the costs of gas sourced from the AECO hub in Western Canada, as well as the forecast costs of non-AECO-sourced gas supplies. The twelve-month forecast Gas Commodity costs are then adjusted for Centra's estimate for unaccounted-for gas and costs related to the Fixed Rate Gas Commodity Service. An adjustment is also applied to account for the expected difference between AECO and non-AECO gas supply costs, which is tracked separately in the Commodity Cost Balancing Deferral account. The resulting Gas Commodity cost twelve-month outlook is then divided by Centra's annual system supply sales volume to obtain the Gas Commodity cost outlook per cubic meter as shown in row 3b of Table 2.

Centra incurs overhead costs in the procurement and administration of Gas Commodity supplies. These overhead costs are added to the Gas Commodity cost outlook rate to determine the Gas Commodity Base Rate, which is shown in row 4 of Table 2.

Centra tracks differences between the previously approved Gas Commodity rate (and its underlying gas costs) and the actual cost of purchases it incurs. The previously approved Gas Commodity rate is based on a forecast of natural gas market prices, and the prices Centra actually pays usually differ from those forecasted. These differences are tracked in a Purchased Gas Variance Account (PGVA). When the actual cost of gas is greater than what was forecasted, a positive balance accrues in the PGVA, which is then collected from customers. When the actual cost of gas is less than what was forecasted, a negative balance accrues in the PGVA and this is refunded to customers. A Gas Commodity rate rider is used to collect from or refund to customers the PGVA balances.

² Due to significant seasonal and daily weather and resulting demand swings in Manitoba, Centra makes use of seasonal gas storage facilities in order to optimize its gas supply portfolio costs and reliability. This includes relying partially on storing gas in the summer months and retrieving it from storage during the winter months.

A Gas Commodity rate rider recovers from or repays to customers the balance in the PGVA, with interest.³ Utilization of the PGVA and rate rider ensures that customers' costs are adjusted so that customers are paying for the actual cost of gas with no mark-up or discount. The Gas Commodity rate rider is determined by dividing the accumulated balance in the PGVA by the volumes Centra forecasts to flow in the upcoming twelve months, and is shown in row 5 of Table 2. If the PGVA balance is not brought to zero with the rate rider, the remaining balance will be included in the calculation of future rate riders.

The Gas Commodity rate rider is combined with the Gas Commodity Base Rate to arrive at the Gas Commodity Billed Rate, as shown in row 6 of Table 2, and this is the rate that Centra uses to calculate the bills of its system supply customers.

The forecasted PGVA balance for October 31, 2022 will be collected from customers by way of a rate rider of \$0.0305/m³ resulting in a Gas Commodity Billed Rate of \$0.2396/m³ as shown in row 6 of Table 2.

As the cost of AECO-sourced gas and the cost of non-AECO sourced gas will differ, and since the Gas Commodity rate is based on Centra's AECO forward prices, the Commodity Cost Balancing Deferral account is used to track the differences between these two supply costs. This deferral account allows for the determination of a rate rider that will ensure customers pay only the exact cost of gas commodity purchased by Centra. The Commodity Cost Balancing Deferral rate rider is determined by dividing the accumulated balance in the Commodity Cost Balancing Deferral account by the volumes Centra forecasts to flow in the upcoming twelve months, and is shown in row 7 of Table 2. The resulting rate rider is then added to Centra's approved Delivery rates for Sales Service customers⁴. The Commodity Cost Balancing Deferral rate rider is added to Centra's

³ Interest is determined based on Centra's actual cost of borrowing, which reflects the carrying cost, to Centra, of the PGVA balance.

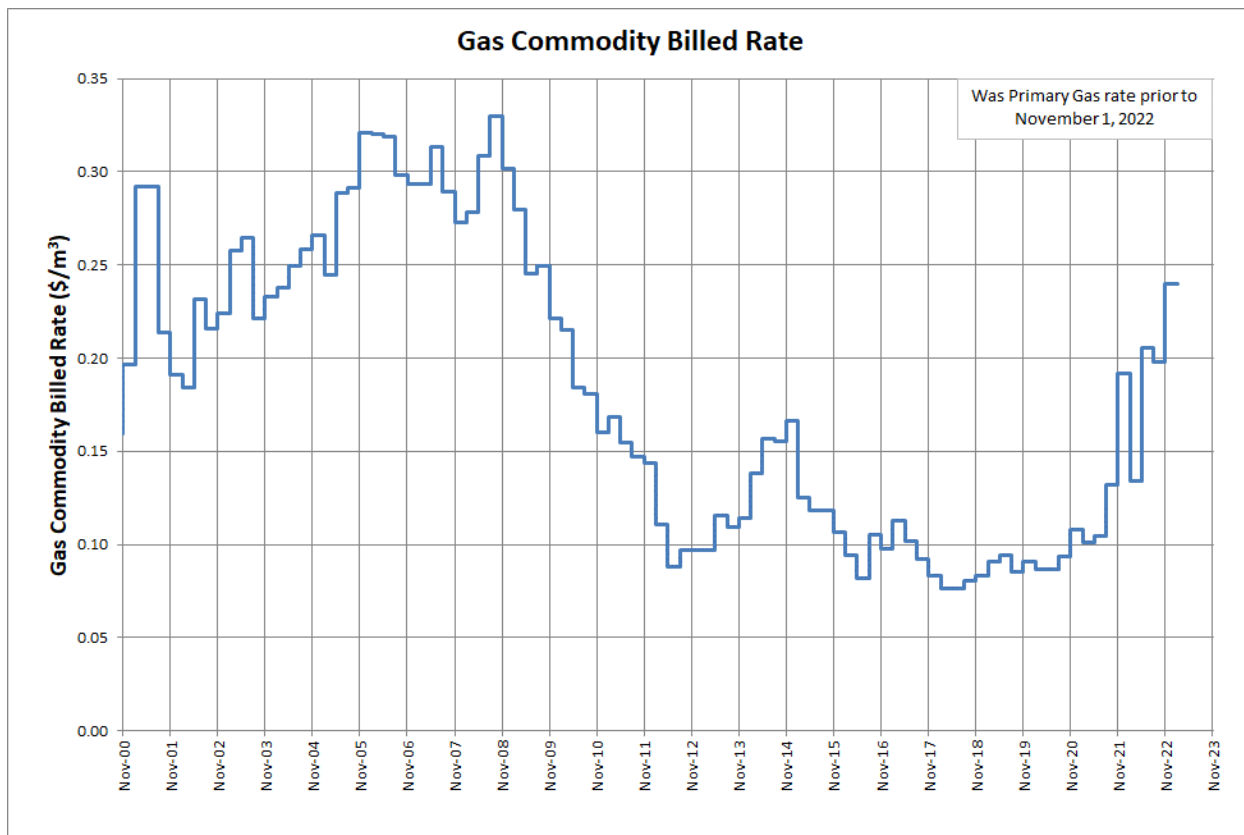
⁴ Sales Service customers are those for which Centra arranges for the delivery of gas to the customer. Such customers include system supply customers paying a variable Gas Commodity rate as well as Fixed Rate Gas Commodity Service or Western Transportation Service customers paying fixed Gas Commodity rates through either Centra or gas marketers and brokers. Sales Service differs from Transportation Service where customers arrange for their own supply and delivery of gas to Centra's system.

Delivery rates, as opposed to the Gas Commodity rate, because Centra provides non-AECO supplies to all of its Sales Service customers. Applying the Commodity Cost Balancing Deferral to the Delivery rates, instead of the Gas Commodity rate, maintains the fixed Gas Commodity rate for Western Transportation Service customers who have fixed rate contracts.

Since the Commodity Cost Balancing Deferral account will be newly created on November 1, 2022 (per Order 131/22), its balance on October 31, 2022 will result in a \$0/m³ rate rider as shown in row 7 of Table 2. Centra's Sales Service Delivery rates will therefore remain unchanged on November 1, 2022.

As part of its Application to the Board, Centra submitted that the public disclosure of parts of its Gas Commodity cost forecast and Gas Commodity PGVA balances could result in undue financial loss to Centra and its ratepayers, and undermine Centra's negotiating position for commodity, transportation, and storage services. This is as a result of the unlimited discretion afforded to TransCanada Pipelines Limited in establishing short-term firm and interruptible transportation tolls on the Canadian Mainline. Consequently, Centra filed a motion with the Board, pursuant to Rule 13 of the Board's Rules of Practice and Procedure, to receive certain specific information in Centra's Application in confidence.

The following chart graphically shows the Gas Commodity Billed Rate from November 1, 2000 up to and including the proposed November 1, 2022 rate.



4.0 Centra's Cost of Service Methodology Review Compliance Filing

On October 12, 2022, the Board issued Order 109/22 in regards to the review of Centra's cost of service methodology. Among other things, the Board approved the elimination of Centra's Co-Op customer class as well as cost of service study methodology changes resulting from the rate restructuring decisions of Order 131/21, which are to take effect on November 1, 2022⁵. Additionally, the Board approved an interim rate measure for the Special Contract class and affecting the Power Station class starting November 1, 2022. Specifically, Directive 7 of Order 109/22 states:

7. An interim rate measure for the Special Contract class and affecting the Power Station class BE AND HEREBY IS APPROVED as follows:

- a) Effective November 1, 2022, the non-gas portion of the Special Contract class rates shall revert to the rates in effect for that class before November 1, 2019;*
- b) The resulting revenue deficiency from reverting the Special Contract rates, in comparison to the non-gas rates approved in Order 161/19, shall be charged to the Power Station class through revised non-gas rates effective November 1, 2022; and*
- c) The interim rate measure expires, and the non-gas portion of the Special Contract class rates shall revert back to the rates approved in Order 161/19, on November 1, 2023, unless the Board orders otherwise.*

Pursuant to Directive 8 of Order 109/22, Centra filed updated rate schedules with its Gas Commodity rate application on October 17, 2022 that reflected the elimination of the Co-Op class and the interim rate measure approved in Directive 7 of Order 109/22.

Pursuant to Directive 10 of Order 109/22, Centra's application of October 17, 2022 also included a revised version of its Schedule of Sales and Transportation Services and

⁵ Reference Directives 5 and 6 Order 109/22.

Rates (also known as Centra's Terms & Conditions of Service). The proposed updates to Centra's Terms & Conditions of Service incorporated changes related to the elimination of the Co-Op customer class, to the rate restructuring changes approved in Order 131/21, as well as other minor clerical changes deemed applicable.

5.0 Customer Impact

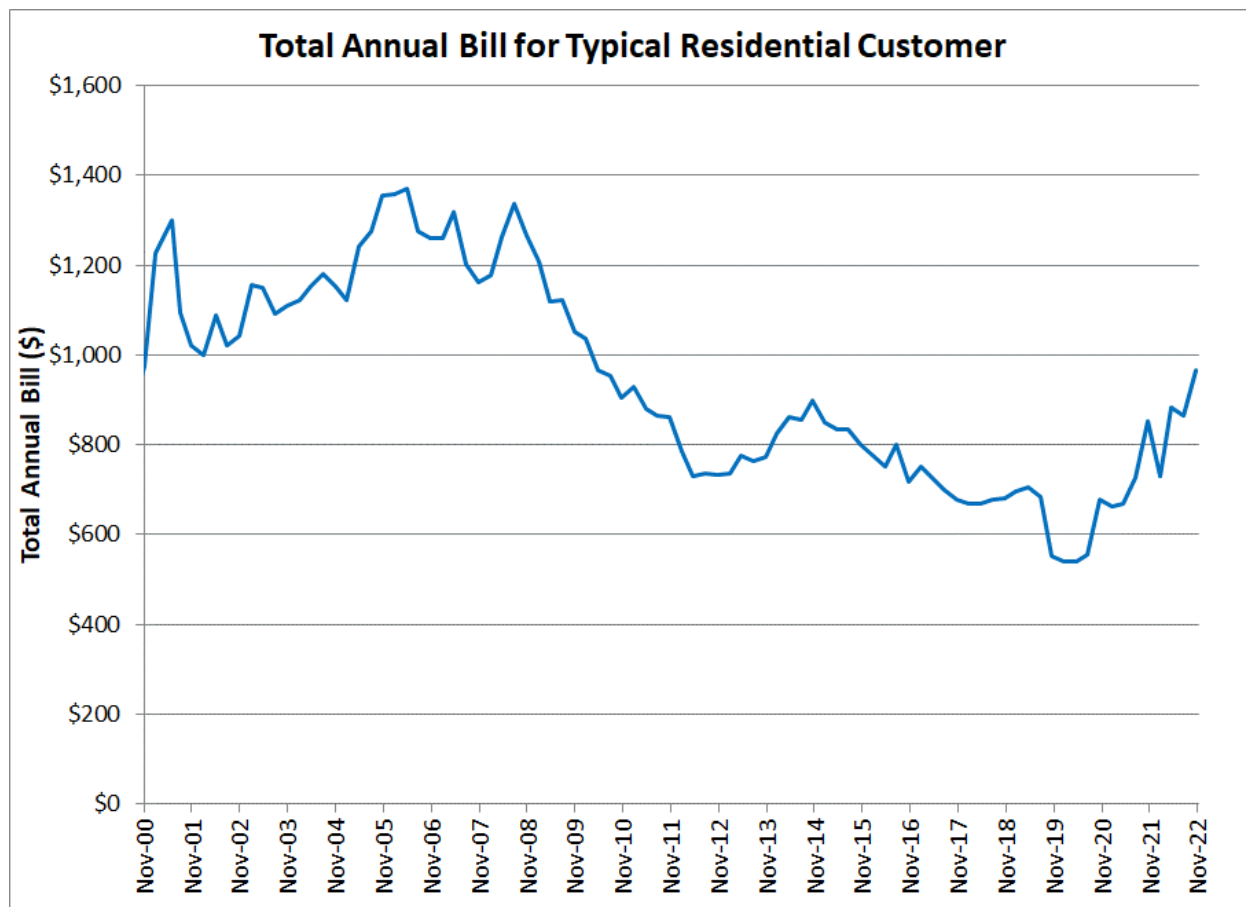
The annualized bill impacts effective November 1, 2022 on the various customer classes resulting from the change in the Gas Commodity rate are as follows:

Customer Class	Annualized Bill Change (Illustrative)
Small General Service	9.3% – 13.6%
Large General Service	12.4% – 15.9%
High Volume Firm	15.4% – 18.8%
Mainline	17.7% – 19.8%
Interruptible	19.7% – 22.7%

The projected annualized bill impact for a typical residential customer, based on average annual consumption of 2,218 m³ of gas, is an increase of \$100 per year or 11.5% from August 1, 2022 rates. This is predominantly a result of the increase in the market price of natural gas and not a result of the rate restructuring changes approved in Order 131/21.

The annual bill impact of the interim rate measure approved in Directive 7 of Order 109/22 results in a decrease of approximately \$838,000 for the Special Contract class and an equivalent increase for the Power Station class.

A graph of the historical annual bill for typical residential customers as a result of all of Centra's rate changes is shown below:



6.0 Board Findings

The Board considers the information filed by Centra on September 15 and October 17, 2022, and certified by Centra as accurate and correct, to be Centra's evidence in support of its interim *ex parte* Application.

Centra's Gas Commodity Rate Application

The Board finds that Centra's Application and supporting evidence of October 17, 2022 properly reflect the Board-approved Rate Setting Methodology as well as the expected rate restructuring changes outlined Order 131/21 and the Board's letter to Centra on October 7, 2022. The Board therefore approves Centra's revised Rate Setting Methodology, which includes the use of a Gas Commodity overhead rate of \$0.95/10³m³ effective November 1, 2022.

As a consequence of the Board's decisions in Orders 131/21 and 109/22, the Board notes that the disposition of the remaining balance in the Supplemental Gas PGVA on October 31, 2022 and the issue of an updated Gas Commodity overhead rate still need to be addressed by Centra. The Board expects that these matters will be addressed as part of a future cost of gas proceeding or general rate application in accordance with past practice.

The Board further finds that the proposed Gas Commodity rate increase for November 1, 2022 is predominantly the result of increases in the market price of natural gas and not the result of the rate restructuring changes approved in Order 131/21. The elimination of Supplemental Gas and the inclusion of those gas volumes in the calculation of the Gas Commodity rate cause the Gas Commodity rate to differ slightly from what would have been the Primary Gas rate for November 1, 2022. However, the Board estimates that only a small percentage of the estimated 11.5% bill impact for typical residential customers is related to the rate restructuring changes. Consequently, the Board approves Centra's Application to amend the Gas Commodity rate. The Gas Commodity rate will increase to \$0.2396/m³ effective November 1, 2022. Centra must

advise its customers of the change in the Gas Commodity rate. In addition, Centra shall inform its customers of the rate restructuring and bill presentation changes taking effect on November 1, 2022.

After consideration of Centra's Rule 13 Motion for confidentiality of specific information in Centra's Gas Commodity Application, the Board finds that it is in the public interest to maintain that specific information in confidence. The Board is of the opinion that disclosure of the information could reasonably be expected to result in undue financial loss or gain to Centra and its customers who are directly or indirectly affected by the Application, or would have a significant negative impact on Centra's competitive position.

Gas Commodity rate changes affect only those customers receiving quarterly-priced Gas Commodity from Centra. Customers on fixed-price contracts with either gas marketers or Centra are not affected. The next review of the Gas Commodity rate will take place as of February 1, 2023.

Centra's Cost of Service Methodology Review Compliance Filing

The Board finds that Centra's updated rate schedules included in its application of October 17, 2022 properly reflect the elimination of the Co-Op class and the interim rate measure for the Special Contract class, which affects the Power Station class per Directive 7 of Order 109/22. The Board therefore approves these rate schedules on an interim basis and finds Directive 8 of Order 109/22 to be complete. However, the Board notes that in accordance with Directive 7.c of Order 109/22, the interim rate measure for the Special Contract class (affecting the Power Station class) expires on November 1, 2023 unless the Board orders otherwise.

Furthermore, the Board finds that Centra's updated Terms & Conditions of Service properly reflect both the elimination of the Co-Op customer class (as directed in Order 109/22) and the rate restructuring changes directed in Order 131/21. The Board therefore approves Centra's updated Terms and Conditions of Service and finds Directive 10 of Order 109/22 to be complete.

7.0 IT IS THEREFORE ORDERED THAT:

1. The Schedules of Rates attached to this Order as Appendix "A", effective for all gas consumed on and after November 1, 2022, and reflective of the Board direction in Order 109/22 and an updated forecast of Gas Commodity costs, **BE AND ARE HEREBY APPROVED** on an interim basis.
2. Centra's Rule 13 Motion for confidentiality of specific information in its Gas Commodity Application **BE AND IS HEREBY APPROVED**.
3. Centra's proposed changes to the Schedule of Sales and Transportation Services and Rates, filed in response to Order 109/22, **BE AND ARE HEREBY APPROVED**.
4. Centra is to inform customers in all rate classes of the change in the Gas Commodity rate as well as the rate restructuring and bill presentation changes taking effect on November 1, 2022.
5. This Interim Order shall be in effect until confirmed or otherwise dealt with by a further Order of the Board.


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. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Marilyn Kapitany, B.Sc.(Hon), M.Sc."
Panel Chair

"Rachel McMillin, B.Sc."
Associate Secretary

Certified a true copy of Order No. 114/22
issued by The Public Utilities Board


Associate Secretary

CENTRA GAS MANITOBA INC.
FIRM SALES AND DELIVERY SERVICES
RATES SCHEDULES (BASE RATES ONLY - NO RIDERS)

1	Territory:	Entire natural gas service area of Company, including all zones				
2						
3	Availability:					
4	SGC:	For gas supplied through one domestic-sized meter.				
5	LGC:	For gas delivered through one meter at annual volumes less than 680,000 m ³				
6	HVF:	For gas delivered through one meter at annual volumes greater than 680,000 m ³				
7	MLC:	For gas delivered through one meter to customers served from the Transmission system				
8	Special Contract:	For gas delivered under the terms of a Special Contract with the Company				
9	Power Station:	For gas delivered under the terms of a Special Contract with the Company				
10						
11	Rates:		Sales Service			T-Service
			Transportation to Centra	Distribution to Customer	Delivery¹⁾	Distribution to Customer (Delivery²⁾
12	Gas Commodity		1	2	1+2	
13	Basic Monthly Charge: (\$/month)					
14	Small General Class (SGC)	N/A	N/A	\$14.00	N/A	N/A
15	Large General Class (LGC)	N/A	N/A	\$77.00	N/A	N/A
16	High Volume Firm (HVF)	N/A	N/A	\$1,017.72	N/A	\$1,017.72
17	Main Line Class (MLC)	N/A	N/A	\$1,082.93	N/A	\$1,082.93
18	Special Contract	N/A	N/A	N/A	N/A	\$117,847.09
19	Power Station	N/A	N/A	N/A	N/A	\$76,153.11
20						
21	Monthly Demand Charge (\$/m³/month)					
22	High Volume Firm Class (HVF)	N/A	\$0.2657	\$0.1799	\$0.4456	\$0.1799
23	Main Line Class (MLC)	N/A	\$0.3802	\$0.2260	\$0.6062	\$0.2260
24	Special Contract	N/A	N/A	N/A	N/A	N/A
25	Power Station	N/A	N/A	N/A	N/A	\$0.0036
26						
27	Commodity Volumetric Charge: (\$/m³)					
28	Small General Class (SGC)	\$0.2091	\$0.0452	\$0.0744	\$0.1196	N/A
29	Large General Class (LGC)	\$0.2091	\$0.0437	\$0.0427	\$0.0864	N/A
30	High Volume Firm (HVF)	\$0.2091	\$0.0141	\$0.0099	\$0.0240	\$0.0099
31	Main Line Class (MLC)	\$0.2091	\$0.0027	\$0.0016	\$0.0043	\$0.0016
32	Special Contract	N/A	N/A	N/A	N/A	\$0.0001
33	Power Station	N/A	N/A	N/A	N/A	\$0.0205
34						
35	¹ Delivery Rate (Sales Service) represents combined Transportation to Centra and Distribution to Customers Rates					
36	² Delivery Rate (T-Service) equals to Distribution Rate					
37						
38	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
39						
40	Effective:	Rates to be charged for all billings based on gas consumed on and after Nov 1, 2022				

CENTRA GAS MANITOBA INC.
INTERRUPTIBLE SALES AND DELIVERY SERVICES
RATES SCHEDULES (BASE RATES ONLY - NO RIDERS)

1	Territory:	Entire natural gas service area of Company, including all zones				
2						
3	Availability:	For any consumer at one location whose annual natural gas requirements equal or exceed 680,000 m ³ and who contracts for such service for a minimum of one year, or who received Interruptible Service continuously since December 31, 1996. Service under this rate shall be limited to the extent that the Company considers it has available natural gas supplies and/or capacity to provide delivery service.				
4						
5						
6						
7						
8						
9	Rates:		<u>Sales Service</u>			<u>T-Service</u>
			Transportation to Centra	Distribution to Customer	Delivery ¹	Distribution to Customer (Delivery ²)
10		<u>Gas Commodity</u>	<u>1</u>	<u>2</u>	<u>1+2</u>	
11	Basic Monthly Charge: (\$/month)					
12	Interruptible Service	N/A	N/A	\$1,042.25	N/A	\$1,042.25
13	Mainline Interruptible (with firm delivery)	N/A	N/A	\$1,082.93	N/A	\$1,082.93
14						
15	Monthly Demand Charge (\$/m³/month)					
16	Interruptible Service	N/A	\$0.1344	\$0.0870	\$0.2214	\$0.0870
17	Mainline Interruptible (with firm delivery)	N/A	\$0.2068	\$0.2260	\$0.4328	\$0.2260
18						
19	Commodity Volumetric Charge: (\$/m³)					
20	Interruptible Service	\$0.2091	\$0.0077	\$0.0067	\$0.0144	\$0.0067
21	Mainline Interruptible (with firm delivery)	\$0.2091	\$0.0028	\$0.0016	\$0.0044	\$0.0016
22						
23	Alternate Supply Service:			Negotiated		
24	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
25	Delivery - Interruptible Class			\$0.0096		
26	Delivery - Mainline Interruptible Class			\$0.0090		
27						
28	¹ Delivery Rate (Sales Service) represents combined Transportation to Centra and Distribution to Customers Rates					
29	² Delivery Rate (T-Service) equals to Distribution Rate					
30	Minimum Monthly Bill:	Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate				
31						
32	Effective:	Rates to be charged for all billings based on gas consumed on and after Nov 1, 2022				

CENTRA GAS MANITOBA INC.
FIRM SALES AND DELIVERY SERVICES
RATES SCHEDULES (BASE RATES PLUS RIDERS)

1	Territory:	Entire natural gas service area of Company, including all zones				
2						
3	Availability:					
4	SGC:	For gas supplied through one domestic-sized meter.				
5	LGC:	For gas delivered through one meter at annual volumes less than 680,000 m ³				
6	HVF:	For gas delivered to natural gas distribution cooperatives				
7	MLC:	For gas delivered through one meter to customers served from the Transmission system				
8	Special Contract:	For gas delivered under the terms of a Special Contract with the Company				
9	Power Station:	For gas delivered under the terms of a Special Contract with the Company				
10						
11	Rates:		<u>Sales Service</u>			<u>T-Service</u>
			<u>Transportation to Centra</u>	<u>Distribution to Customer</u>	<u>Delivery¹⁾</u>	<u>Distribution to Customer (Delivery²⁾</u>
12		<u>Gas Commodity</u>	<u>1</u>	<u>2</u>	<u>1+2</u>	
13	Basic Monthly Charge: (\$/month)					
14	Small General Class (SGC)	N/A	N/A	\$14.00	N/A	N/A
15	Large General Class (LGC)	N/A	N/A	\$77.00	N/A	N/A
16	High Volume Firm (HVF)	N/A	N/A	\$1,017.72	N/A	\$1,017.72
17	Main Line Class (MLC)	N/A	N/A	\$1,082.93	N/A	\$1,082.93
18	Special Contract	N/A	N/A	N/A	N/A	\$117,847.09
19	Power Station	N/A	N/A	N/A	N/A	\$76,153.11
20						
21	Monthly Demand Charge (\$/m³/month)					
22	High Volume Firm Class (HVF)	N/A	\$0.2657	\$0.1799	\$0.4456	\$0.1799
23	Main Line Class (MLC)	N/A	\$0.3802	\$0.2260	\$0.6062	\$0.2260
24	Special Contract	N/A	N/A	N/A	N/A	N/A
25	Power Station	N/A	N/A	N/A	N/A	\$0.0036
26						
27	Commodity Volumetric Charge: (\$/m³)					
28	Small General Class (SGC) ²	\$0.2396	\$0.0452	\$0.0744	\$0.1196	N/A
29	Large General Class (LGC)	\$0.2396	\$0.0437	\$0.0427	\$0.0864	N/A
30	High Volume Firm (HVF)	\$0.2396	\$0.0141	\$0.0099	\$0.0240	\$0.0099
31	Main Line Class (MLC)	\$0.2396	\$0.0027	\$0.0016	\$0.0043	\$0.0016
32	Special Contract	N/A	N/A	N/A	N/A	\$0.0001
33	Power Station	N/A	N/A	N/A	N/A	\$0.0205
34						
35	¹ Delivery Rate (Sales Service) represents combined Transportation to Centra and Distribution to Customers Rates					
36	² Delivery Rate (T-Service) equals to Distribution Rate					
37						
38						
39	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
40						
41	Effective:	Rates to be charged for all billings based on gas consumed on and after Nov 1, 2022				

CENTRA GAS MANITOBA INC.
INTERRUPTIBLE SALES AND DELIVERY SERVICES
RATE SCHEDULES (BASE RATES PLUS RIDERS)

1	Territory:	Entire natural gas service area of Company, including all zones.				
2						
3	Availability:	For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000m ³ and who contracts for such service for a minimum of one year, or who received Interruptible Service continuously since December 31, 1996. Service under this rate shall be limited to the extent that the Company considers it has available natural gas supplies and/or capacity to provide delivery service.				
4						
5	Rates:		<u>Sales Service</u>			<u>T-Service</u>
6			<u>Transportation to Centra</u>	<u>Distribution to Customer</u>	<u>Delivery¹</u>	<u>Distribution to Customer (Delivery²)</u>
7		<u>Gas Commodity</u>	<u>1</u>	<u>2</u>	<u>1+2</u>	
8	Basic Monthly Charge: (\$/month)					
9	Interruptible Service	N/A	N/A	\$1,042.25	N/A	\$1,042.25
10	Mainline Interruptible (with firm delivery)	N/A	N/A	\$1,082.93	N/A	\$1,082.93
11						
12	Monthly Demand Charge (\$/m³/month)					
13	Interruptible Service	N/A	\$0.1344	\$0.0870	\$0.2214	\$0.0870
14	Mainline Interruptible (with firm delivery)	N/A	\$0.2068	\$0.2260	\$0.4328	\$0.2260
15						
16	Commodity Volumetric Charge: (\$/m³)					
17	Interruptible Service	\$0.2396	\$0.0077	\$0.0067	\$0.0144	\$0.0067
18	Mainline Interruptible (with firm delivery)	\$0.2396	\$0.0028	\$0.0016	\$0.0044	\$0.0016
19						
20	Alternate Supply Service:			Negotiated		
21	Gas Supply (Interruptible Sales and Mainline Interruptible)			Cost of Gas		
22	Delivery - Interruptible Class			\$0.0096		
23	Delivery - Mainline Interruptible Class			\$0.0090		
24						
25	¹ Delivery Rate (Sales Service) represents combined Transportation to Centra and Distribution to Customers Rates					
26	² Delivery Rate (T-Service) equals to Distribution Rate					
27						
28	Minimum Monthly Bill:	Equal to Basic Monthly Charge as described above, plus Demand charges as appropriate.				
29						
30	Effective:	Rates to be charged for all billings based on gas consumed on and after Nov 1, 2022				