

Order No. 44/22

**CENTRA GAS MANITOBA INC.:
PRIMARY GAS RATE APPLICATION, EFFECTIVE MAY 1, 2022**

April 27, 2022

BEFORE: Larry Ring, Q.C., Panel Chair
Marilyn Kapitany, B.Sc.(Hon), M.Sc., Member
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 current Primary Gas rate to \$0.2055/m³ effective February 1, 2022. The current rate is \$0.1343/m³ for Primary Gas consumed on or after February 1, 2022. The Primary Gas rate is increasing effective May 1, 2022 due to an increase in the market price of natural gas. For a typical residential customer, the effect of the Primary Gas rate change is an annual bill increase of 20.5% (or \$150 per year).

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

Primary Gas is a pass-through cost for Centra, meaning that Centra charges customers only what Centra pays for Primary Gas and does not make a profit on its sale. The costs of Primary Gas are predominantly determined by the market price of natural gas in Western Canada. The forecast of Western Canadian market prices has increased, which is the major factor for the increased Primary Gas rate. There are several factors affecting the market prices. For example, North American natural gas prices have risen since the last quarter as a result of strong demand for North American liquefied natural gas exports and colder-than-normal conditions during the late 2021/22 winter heating season and early spring, both of which have contributed to large reductions in natural gas storage inventories in North America. Centra anticipates that heightened energy market factors (e.g. weather, production levels, and strong demand for liquefied natural gas exports from North America) as well as ongoing geopolitical uncertainty through the 2022/23 winter will continue to affect market prices.

Primary Gas rates are reviewed quarterly. The next quarterly rate adjustment will be for Primary Gas consumed on or after August 1, 2022.

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*.

The five components of natural gas rates billed to Centra's customers are:

- 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.

Centra's Primary Gas rate is subject to quarterly amendment (February 1, May 1, August 1, and November 1). These regularly scheduled quarterly Primary Gas rate reviews occur in accordance with the Board-approved Rate Setting Methodology, which is formula-driven and relies on established accounting and rate setting conventions. Quarterly Primary Gas 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 Primary Gas rates are conducted at periodic Cost of Gas or General Rate Application hearings.

Non-Primary Gas components (Supplemental Gas, Transportation, Distribution, and the Basic Monthly Charge) of Centra's rates, for all customers including those receiving natural gas through fixed-rate contracts, are also periodically reviewed and approved by the Board. These non-Primary Gas rate reviews occur either through periodic Cost of Gas hearings, which also provides for the finalization of past interim quarterly Primary Gas rate changes, or in the context of a General Rate Application.

Order 6/22, dated January 25, 2022, is the most recent Order setting Centra's Primary Gas rate. 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 Application for Primary Gas Rate

On April 18, 2022, Centra applied to the Board for approval of the Primary Gas rate effective May 1, 2022. The Application was filed in accordance with the Board-approved Rate Setting Methodology. The Rate Setting Methodology determines a Primary Gas rate based on the forecast of natural gas prices and includes several factors that reflect the costs Centra incurs in providing Primary Gas to its customers.

Centra's Primary Gas 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 April 4, 2022 and used in the calculation of the proposed May 1, 2022 Primary Gas rate. The futures strip prices for October 2021 and January 2022 from previous quarterly rate applications are also shown in Table 1. As can be seen from the table, and compared to the January futures prices, the April AECO futures prices have increased by 75% or more for the months of May to October 2022.

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

(\$/GJ)	May/22	Jun/22	Jul/22	Aug/22	Sep/22	Oct/22	Nov/22	Dec/22	Jan/23	Feb/23	Mar/23	Apr/23
Oct Strip	3.4767	3.4162	3.3802	3.3663	3.2568	3.5842						
Jan Strip	2.9073	2.9825	2.9927	2.8332	2.8689	2.9838	3.2632	3.5172	3.6227			
Apr Strip	5.0874	5.3798	5.4375	5.2152	5.3030	5.2476	5.6834	5.9066	5.9941	6.0212	5.3623	3.8943

Centra provided additional information with respect to the increase in gas market prices. Specifically, Centra advises that North American natural gas prices have risen during the recent half of the 2021/22 winter heating season due to much colder temperatures

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.

experienced through early spring, which resulted in large reductions of natural gas storage inventories in Canada and the U.S. As such, there is a strong demand for natural gas to refill storage, as well as ongoing strong demand for North American liquefied natural gas (LNG) exports. In addition, upward pressure on forward prices through the 2022/23 winter has resulted from heightened energy market and geopolitical uncertainty (Russia-Ukraine conflict).

Table 2 summarizes Centra's Application for the quarterly Primary Gas rate effective May 1, 2022. The table shows Primary Gas rate calculations for the last year. In calculating Primary Gas rates, Centra used the Board-approved Rate Setting Methodology.

Table 2: Current and Historical Primary Gas Rate Calculations

	Component	Costs and Proposed Rates May 1/21	Costs and Proposed Rates Aug 1/21	Costs and Proposed Rates Nov 1/21	Costs and Proposed Rates February 1/22	Costs and Proposed Rates May 1/22
1	Date of Forward Price Strip	April 5, 2021	July 2, 2021	Oct 4, 2021	Jan 4, 2022	April 4, 2022
2	Weighted Primary Gas Cost (mix of Gas Supply & Storage Gas costs)	\$2.650	\$3.295	\$4.728	\$3.504	\$5.158
3	Rate per Cubic Metre	\$0.1002	\$0.1245	\$0.1787	\$0.1324	\$0.1950
4	Base Primary Rate, adding Fuel and Overhead cost component per cubic metre	\$0.1025	\$0.1272 ¹	\$0.1820	\$0.1344 ¹	\$0.1967 ¹
5	Plus (Less) Rate Rider per cubic metre	\$0.002	\$0.0051	\$0.0096	(\$0.0001)	\$0.0088
6	Total Billed Rate (\$/m ³)	\$0.1045	\$0.1323	\$0.1916	\$0.1343	\$0.2055

Notes:

1. Compressor fuel costs are \$0.00070/m³ and overhead costs are \$0.00095/m³.

AECO futures market prices, shown above in Table 1, are weighted according to the forecasted volumes Centra expects to purchase each month that flow directly to Manitoba consumers. This weighted price includes the costs to deliver the gas from the AECO hub to Centra's receipt point at Empress, Alberta. The 12 Month Forward Price is then

weighted for the average cost of gas volumes that Centra withdraws from its storage facility, and is shown in row 2 of Table 2 as the Weighted Primary Gas Cost (mix of Gas Supply & Storage Gas costs).² The Weighted Primary Gas Cost per gigajoule is then converted to units of dollars per cubic metre (\$/m³) and is shown in row 3 of Table 2.

Centra incurs compressor fuel costs, which relate to fuel used by pipeline compressors in order to transport gas from Alberta to Manitoba. Centra also incurs overhead costs in the procurement and administration of Primary Gas supplies. The compressor fuel costs and overhead costs are added to the Weighted Primary Gas Cost to determine the Primary Gas Base Rate, which is shown in row 4 of Table 2.

Centra tracks differences between the previously approved Primary Gas rate (and its underlying gas costs) and the actual cost of purchases it incurs. The previously approved Primary Gas 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 Primary Gas rate rider is used to account for these differences between forecasted and actual costs of Primary Gas.

A Primary Gas 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

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.

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

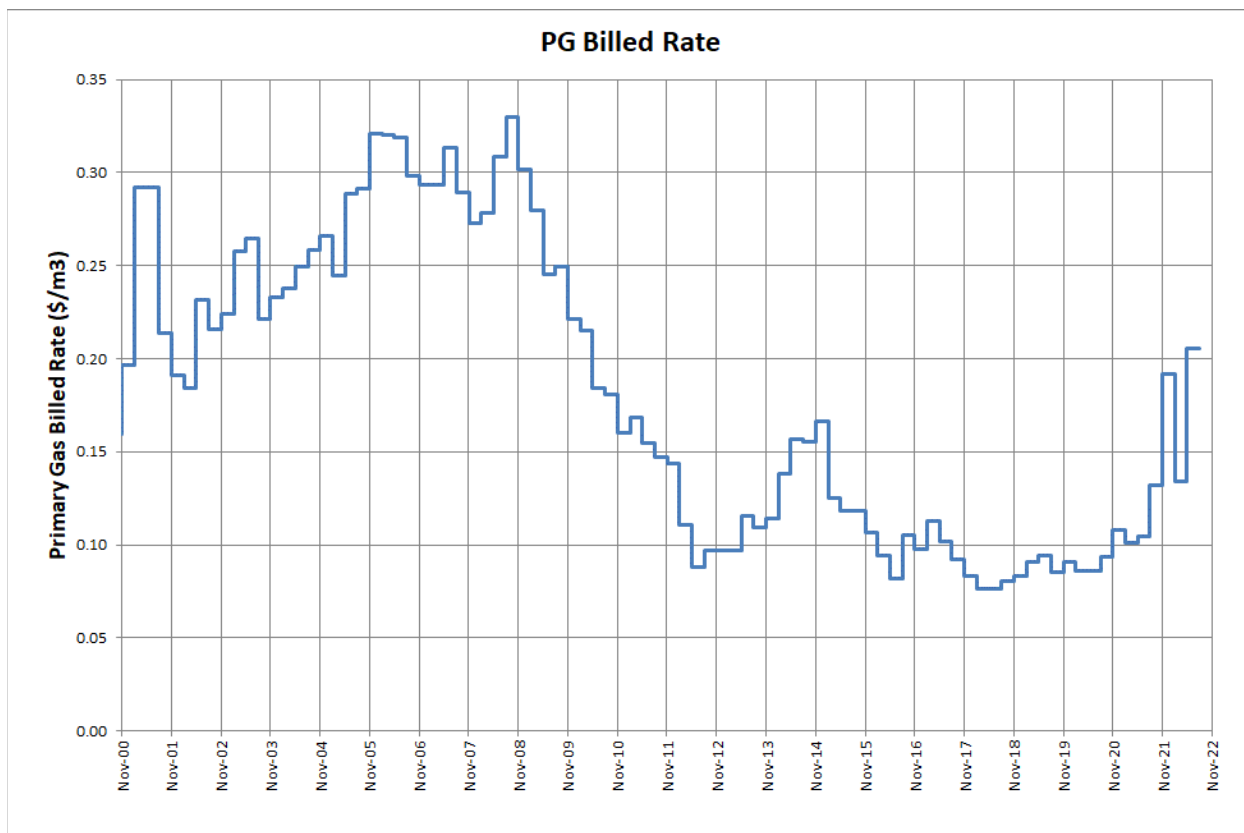
discount. The Primary Gas rate rider is determined by dividing the accumulated balance in the PGVA by the volumes Centra forecasts to flow in the upcoming twelve months, and is shown in row 5 of Table 2. If the PGVA balance is not brought to zero with the rate rider, the remaining balance will be included in the calculation of future rate riders.

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

The forecasted PGVA balance for April 30, 2022 will be collected from customers by way of a rate rider of \$0.0088/m³ resulting in a Primary Gas Billed Rate of \$0.2055/m³ as shown in row 6 of Table 2.

As part of its Application to the Board, Centra submitted that the public disclosure of parts of its Primary Gas cost forecast and Primary Gas 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 Primary Gas Billed Rate from November 1, 2000 up to and including the proposed May 1, 2022 rate. As can be seen in the chart, the proposed Primary Gas rate is one of the largest single increases in the Primary Gas rate since February 2001. However, the proposed Primary Gas rate is still below the rates from the decade prior to 2010.



4.0 Customer Impact

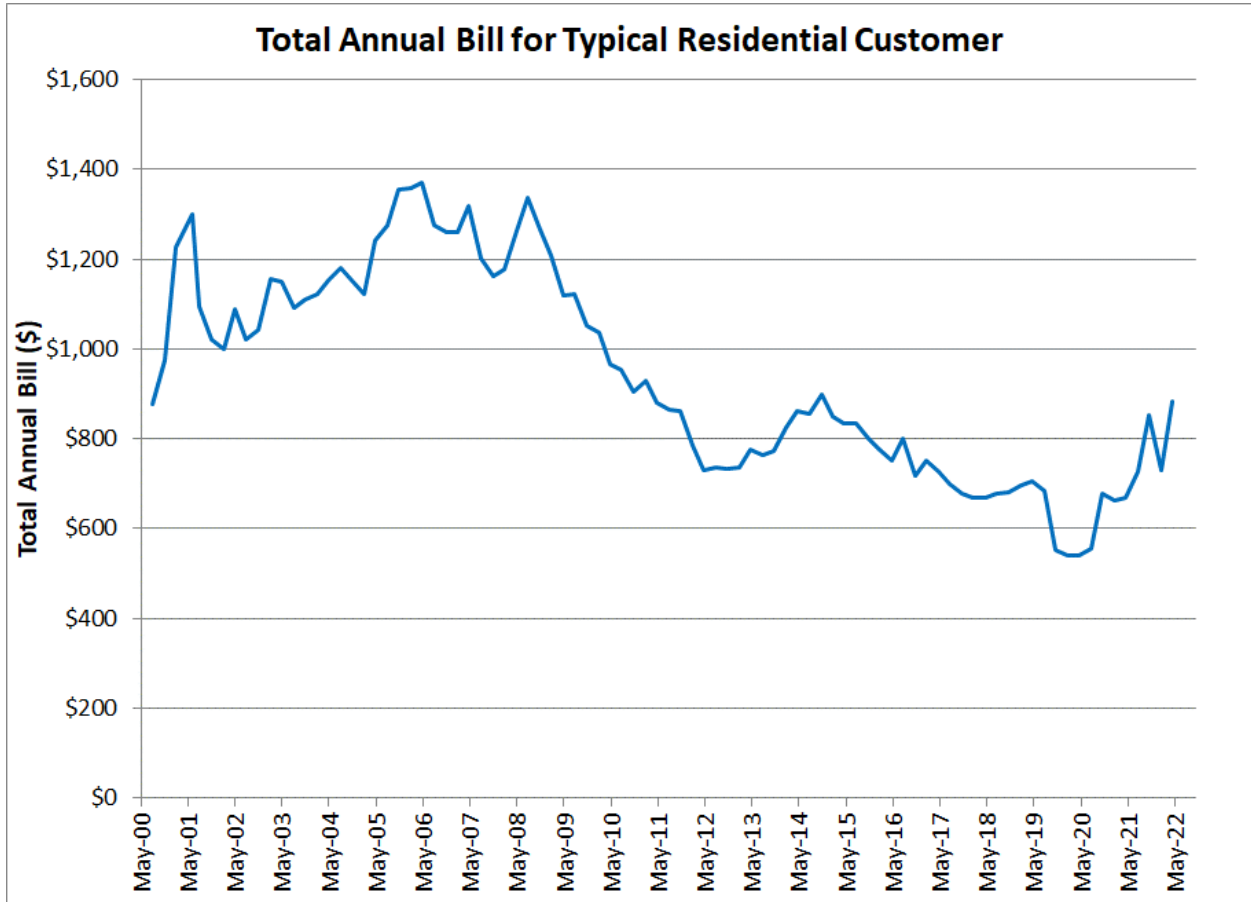
The annualized bill impacts effective May 1, 2022 on the various customer classes resulting from the change in the Primary Gas rate are as follows:

Customer Class	Annualized Bill Change (Illustrative)
Small General Service	16.0% – 25.2%
Large General Service	22.4% – 30.5%
High Volume Firm	29.3% – 37.8%
Mainline	35.1% – 40.7%
Interruptible	32.5% – 39.2%

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 \$150 per year or 20.5% from February 1, 2022 rates.

While the impacts for all rate classes are significant, the bill impacts for the other classes are greater than for the Small General Service class because Primary Gas makes up a larger proportion of the bill for these customer classes.

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



5.0 Board Findings

The Board considers the information filed by Centra on April 18, 2022, and certified by Centra as accurate and correct, to be Centra's evidence in support of its interim *ex parte* Application.

Approval

After consideration of Centra's Rule 13 Motion for confidentiality of specific information in Centra's Primary Gas 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.

As Centra's Application and supporting evidence of April 18, 2022 properly reflect the Board-approved Rate Setting Methodology, the Board approves Centra's Application to amend the Primary Gas rate. The Primary Gas rate will increase to \$0.2055/m³ effective May 1, 2022.

Primary Gas rate changes affect only those customers receiving quarterly-priced Primary Gas from Centra. Customers on fixed-price contracts with either gas marketers or Centra are not affected. The next review of the Primary Gas rate will take place as of August 1, 2022.

The Board acknowledges that this change in the Primary Gas rate is substantial and may result in difficulty for some customers in paying their bills, and not just for residential customers. While a substantially similar increase was approved in November 2021 (per Order 117/21), it has been many years since a Primary Gas rate increase caused such sizeable bill impacts for Centra's customers. Despite the May 1, 2022 increase, the Primary Gas rate remains below the Primary Gas rates from the decade prior to 2010. Likewise, customer bills are below the level of bills prior to 2010. The Board expects

Centra to continue to work with customers who are struggling to pay their energy bills, such as with payment arrangements or enrollment in the Equal Payment Plan.

Notification

Centra must advise its customers of the change in the Primary Gas rate.

6.0 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 May 1, 2022, BE AND ARE HEREBY APPROVED on an interim basis.
2. Centra's Rule 13 Motion for confidentiality of specific information in its Primary Gas Application BE AND IS HEREBY APPROVED.
3. 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

"Larry Ring, Q.C."

Panel Chair

"Rachel McMillin, B.Sc."

Associate Secretary

Certified a true copy of Order No. 44/22
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	CO-OP:	For gas delivered to natural gas distribution cooperatives				
8	MLC:	For gas delivered through one meter to customers served from the Transmission system				
9	Special Contract:	For gas delivered under the terms of a Special Contract with the Company				
10	Power Station:	For gas delivered under the terms of a Special Contract with the Company				
11						
12	Rates:					
		<u>Distribution to Customers</u>				
		<u>Transportation to</u>			<u>Primary Gas</u>	<u>Supplemental Gas</u>
		<u>Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Supply</u>	<u>Supply¹</u>
13						
14	Basic Monthly Charge: (\$/month)					
15	Small General Class (SGC)	N/A	\$14.00	N/A	N/A	N/A
16	Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A
17	High Volume Firm (HVF)	N/A	\$1,017.72	\$1,017.72	N/A	N/A
18	Cooperative (CO-OP)	N/A	\$221.87	\$221.87	N/A	N/A
19	Main Line Class (MLC)	N/A	\$1,082.93	\$1,082.93	N/A	N/A
20	Special Contract	N/A	N/A	\$187,692.71	N/A	N/A
21	Power Station	N/A	N/A	\$6,307.49	N/A	N/A
22						
23	Monthly Demand Charge (\$/m³/month)					
24	High Volume Firm Class (HVF)	\$0.2657	\$0.1799	\$0.1799	N/A	N/A
25	Cooperative (CO-OP)	\$0.4237	\$0.1614	\$0.1614	N/A	N/A
26	Main Line Class (MLC)	\$0.3802	\$0.2260	\$0.2260	N/A	N/A
27	Special Contract	N/A	N/A	N/A	N/A	N/A
28	Power Station	N/A	N/A	\$0.0036	N/A	N/A
29						
30	Commodity Volumetric Charge: (\$/m³)					
31	Small General Class (SGC)	\$0.0452	\$0.0744	N/A	\$0.1967	\$0.1384
32	Large General Class (LGC)	\$0.0437	\$0.0427	N/A	\$0.1967	\$0.1384
33	High Volume Firm (HVF)	\$0.0141	\$0.0099	\$0.0099	\$0.1967	\$0.1384
34	Cooperative (CO-OP)	\$0.0025	\$0.0001	\$0.0001	\$0.1967	\$0.1384
35	Main Line Class (MLC)	\$0.0027	\$0.0016	\$0.0016	\$0.1967	\$0.1384
36	Special Contract	N/A	N/A	\$0.0001	N/A	N/A
37	Power Station	N/A	N/A	\$0.0205	N/A	N/A
38						
39		¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.				
40						
41	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
42						
43	Effective:	Rates to be charged for all billings based on gas consumed on and after May 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>Distribution to Customers</u>				
		<u>Transportation to</u>			<u>Primary</u>	<u>Supplemental</u>
		<u>Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Gas Supply</u>	<u>Gas Supply¹</u>
10						
11	Basic Monthly Charge: (\$/month)					
12	Interruptible Service	N/A	\$1,042.25	\$1,042.25	N/A	N/A
13	Mainline Interruptible (with firm delivery)	N/A	\$1,082.93	\$1,082.93	N/A	N/A
14						
15	Monthly Demand Charge (\$/m³/month)					
16	Interruptible Service	\$0.1344	\$0.0870	\$0.0870	N/A	N/A
17	Mainline Interruptible (with firm delivery)	\$0.2068	\$0.2260	\$0.2260	N/A	N/A
18						
19	Commodity Volumetric Charge: (\$/m³)					
20	Interruptible Service	\$0.0077	\$0.0067	\$0.0067	\$0.1967	\$0.1392
21	Mainline Interruptible (with firm delivery)	\$0.0028	\$0.0016	\$0.0016	\$0.1967	\$0.1392
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 Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
29						
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 May 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	CO-OP:	For gas delivered through one meter at annual volumes greater than 680,000 m ³				
8	MLC:	For gas delivered through one meter to customers served from the Transmission system				
9	Special Contract:	For gas delivered under the terms of a Special Contract with the Company				
10	Power Station:	For gas delivered under the terms of a Special Contract with the Company				
11						
12	Rates:	<u>Distribution to Customers</u>				
		<u>Transportation</u>			<u>Primary</u>	<u>Supplemental</u>
		<u>to</u>		<u>T-Service</u>	<u>Gas</u>	<u>Gas</u>
		<u>Centra</u>	<u>Sales Service</u>		<u>Supply</u>	<u>Supply</u> ¹
13						
14	Basic Monthly Charge: (\$/month)					
15	Small General Class (SGC)	N/A	\$14.00	N/A	N/A	N/A
16	Large General Class (LGC)	N/A	\$77.00	\$77.00	N/A	N/A
17	High Volume Firm (HVF)	N/A	\$1,017.72	\$1,017.72	N/A	N/A
18	Cooperative (CO-OP)	N/A	\$221.87	\$221.87	N/A	N/A
19	Main Line Class (MLC)	N/A	\$1,082.93	\$1,082.93	N/A	N/A
20	Special Contract	N/A	N/A	\$187,692.71	N/A	N/A
21	Power Station	N/A	N/A	\$6,307.49	N/A	N/A
22						
23	Monthly Demand Charge (\$/m³/month)					
24	High Volume Firm Class (HVF)	\$0.2657	\$0.1799	\$0.1799	N/A	N/A
25	Cooperative (CO-OP)	\$0.4237	\$0.1614	\$0.1614	N/A	N/A
26	Main Line Class (MLC)	\$0.3802	\$0.2260	\$0.2260	N/A	N/A
27	Special Contract	N/A	N/A	N/A	N/A	N/A
28	Power Station	N/A	N/A	\$0.0036	N/A	N/A
29						
30	Commodity Volumetric Charge: (\$/m³)					
31	Small General Class (SGC) ²	\$0.0452	\$0.0744	N/A	\$0.2055	\$0.1384
32	Large General Class (LGC)	\$0.0437	\$0.0427	N/A	\$0.2055	\$0.1384
33	High Volume Firm (HVF)	\$0.0141	\$0.0099	\$0.0099	\$0.2055	\$0.1384
34	Cooperative (CO-OP)	\$0.0025	\$0.0001	\$0.0001	\$0.2055	\$0.1384
35	Main Line Class (MLC)	\$0.0027	\$0.0016	\$0.0016	\$0.2055	\$0.1384
36	Special Contract	N/A	N/A	\$0.0001	N/A	N/A
37	Power Station	N/A	N/A	\$0.0205	N/A	N/A
38						
39	¹ Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
40						
41						
42						
43	Minimum Monthly Bill:	Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.				
44						
45	Effective:	Rates to be charged for all billings based on gas consumed on and after May 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:					
6			<u>Distribution to Customers</u>			
7		<u>Transportation to Centra</u>	<u>Sales Service</u>	<u>T-Service</u>	<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply¹</u>
8	Basic Monthly Charge: (\$/month)					
9	Interruptible Service	N/A	\$1,042.25	\$1,042.25	N/A	N/A
10	Mainline Interruptible (with firm delivery)	N/A	\$1,082.93	\$1,082.93	N/A	N/A
11						
12	Monthly Demand Charge (\$/m³/month)					
13	Interruptible Service	\$0.1344	\$0.0870	\$0.0870	N/A	N/A
14	Mainline Interruptible (with firm delivery)	\$0.2068	\$0.2260	\$0.2260	N/A	N/A
15						
16	Commodity Volumetric Charge: (\$/m³)					
17	Interruptible Service	\$0.0077	\$0.0067	\$0.0067	\$0.2055	\$0.1392
18	Mainline Interruptible (with firm delivery)	\$0.0028	\$0.0016	\$0.0016	\$0.2055	\$0.1392
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 Supplemental Gas is mandatory for all Sales and Western T-Service Customers.					
26						
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