

MANITOBA | **Order No. 119/01**
THE PUBLIC UTILITIES BOARD ACT | **July 27, 2001**

Before: G. D. Forrest, Chairman
M. Girouard, Member
M. Santos, Member

**AN APPLICATION BY CENTRA GAS MANITOBA INC. FOR AN
ORDER APPROVING INTERIM PRIMARY GAS SALES RATES TO
BE EFFECTIVE FOR ALL GAS CONSUMED ON AND AFTER
AUGUST 1, 2001**

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Executive Summary

Primary Gas represents approximately 90% of the annual natural gas commodity used by consumers. Consumers have a choice whether to purchase their Primary Gas through a natural gas aggregator, broker, or marketer (“ABM”) or through Centra. This application affects those consumers who purchase their Primary Gas from Centra.

Centra does not produce its own Primary Gas. On behalf of those customers who choose Centra to supply their Primary Gas, Centra buys Primary Gas from Alberta producers at market prices. Centra passes the price it pays for Primary Gas directly to its customers with no mark-up.

The market prices paid by Centra for Primary Gas are subject to fluctuations that result from supply and demand forces in the unregulated commodity market. Manitoba consumers who purchase their Primary Gas through Centra have experienced significant price increases in the past year. The market price for natural gas has declined through the spring and early summer of 2001.

Application

On June 27, 2001 Centra filed an application with the Board requesting approval of a new Primary Gas billed rate which would result in an annualized reduction of approximately 6.9%, or \$102/year, for a typical residential consumer. The annualized decrease for the LGS customers and the higher volume customers would range from 7.0% to 9.4%. The billed rate was calculated on the June 1, 2001 average price of gas as forecast for the next 12 months and would result in a primary billed rate of \$0.2218/cubic metre.

Updated Application

On July 24, 2001, as required by the Board, Centra updated its application using a current forward price of gas as of July 19, 2001. The updated information reflects the 12-month forward strip at \$4.517/Gj which is lower than the June 1st strip of \$5.877/Gj included in

the initial Application. Therefore, the Primary Gas billed rate would be \$0.1776/cubic metre instead of \$0.2218/cubic metre.

Rate Impact

The Board has accepted Centra's revised application and has ordered Centra to reduce its Primary Gas rates by 15.9%, which results in a decrease of \$233 on an annualized basis for a typical residential consumer, as opposed to the 6.9% or \$102 annualized decrease included in the original application. The range of bill decreases for the LGS and higher volume customer will now change to 16.1% - 21.6% compared to the 7.0% - 9.4% as contained in the original application.

Future Rate Changes

There is no certainty as to whether natural gas prices will continue to fall or rise. As it has this past year, Centra will apply for new Primary Gas rates quarterly, with the next rate change expected November 1, 2001.

Consumers are reminded of their options in mitigating rate impacts, including:

- Enrolling in the Equal Payment Plan Program ("Budget Plan") by Centra to spread the bill payments for high winter usage over the summer months;
- Investigating other competitive suppliers of natural gas; and
- Evaluating options that reduce energy consumption.

Sommaire

Le gaz primaire représente environ 90 % du gaz naturel consommé annuellement par les abonnés. Ces derniers peuvent choisir d'acheter leur gaz primaire auprès d'un revendeur, d'un courtier, d'un distributeur ou de Centra. La présente requête touche les abonnés qui achètent du gaz primaire auprès de Centra.

Centra ne produit pas son propre gaz primaire. Au nom des abonnés qui la choisissent comme fournisseur, Centra achète du gaz primaire auprès de producteurs albertains aux prix du marché. Elle facture le prix qu'elle paie pour le gaz primaire directement à ses clients, sans majoration de prix.

Les prix du marché payés par Centra pour le gaz primaire sont assujettis aux fluctuations du marché qu'entraînent les forces de l'offre et de la demande dans un marché non réglementé. Les abonnés manitobains qui achètent leur gaz primaire auprès de Centra ont été touchés par des hausses de prix importantes au cours de la dernière année. Le prix du marché pour le gaz naturel a baissé au cours du printemps et au début de l'été 2001.

Requête

Le 27 juin 2001, Centra a déposé une requête auprès de la Régie pour demander l'approbation d'un nouveau tarif facturé de gaz primaire, qui représenterait une diminution annualisée d'environ 6,9 % (ou 102 \$ par année) pour l'abonné particulier. Dans le cas des grandes entreprises et des abonnés à plus grande consommation, la diminution annualisée varierait de 7 % à 9,4 %. Le tarif facturé a été calculé en fonction du prix moyen du gaz prévu au 1^{er} juin 2001 pour les 12 prochains mois, ce qui entraînerait un tarif primaire facturé de 0,2218 \$ le mètre cube.

Requête mise à jour

Le 27 juillet 2001, comme exigé par la Commission, Centra a mis à jour sa requête en utilisant le prix à terme actuel du gaz au 19 juillet 2001. Les nouvelles données indiquent le prix à terme de 4,517 \$ le gigajoule sur 12 mois, un prix qui est inférieur au prix à terme de 5,877 \$ le gigajoule au 1^{er} juin, lequel était utilisé dans la première requête. Le tarif facturé de gaz primaire serait donc de 0,1776 \$ le mètre cube au lieu de 0,2218 \$ le mètre cube.

Répercussions des tarifs

La Commission a accepté la mise à jour faite par Centra et a ordonné à celle-ci de réduire de 15,9 % ses tarifs de gaz primaire, ce qui entraîne une baisse annualisée de 233 \$ pour l'abonné particulier, au lieu de la baisse annualisée de 6,9 % (ou 102 \$) indiquée dans la première requête. Dans le cas des grandes entreprises et des abonnés à plus grande consommation, la diminution de facturation varierait maintenant de 16,1 % à 21,6 %, au lieu de 7 % à 9,4 % comme l'indiquait la première requête.

Changements de tarifs à l'avenir

Nous ne savons pas si les prix du gaz naturel vont continuer de baisser ou d'augmenter. Comme l'année dernière, Centra demandera des nouveaux tarifs de gaz primaire trimestriellement, le prochain changement de tarif étant prévu pour le 1^{er} novembre 2001.

Les abonnés doivent se rappeler des autres possibilités qui s'offrent à eux pour minimiser les répercussions des tarifs. Ils peuvent notamment :

- s'inscrire au Régime de paiements égaux (un plan budgétaire) de Centra pour échelonner jusqu'aux mois d'été le règlement des factures élevées de consommation hivernale de gaz;
- envisager d'autres fournisseurs concurrents de gaz naturel;
- évaluer d'autres solutions pour réduire leur consommation d'énergie.

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1.0 Background

The Manitoba Public Utilities Board (“the Board”) initially approved the Rate Setting Methodology (“RSM”) in Order 55/00, dated April 17, 2000. The RSM stipulated that the Primary Gas component of Centra’s rate structure would be adjusted every gas quarter to reflect 50% of the difference between the updated 12-month forward price for natural gas (weighted for the cost of gas in storage) and the Primary Gas Sales Rate set in the previous quarter. The Board also approved the implementation of a rate rider, in addition to the Primary Gas Base Rate, to dispose of the estimated accumulated Primary Gas Purchase Gas Variance Account (“Primary Gas PGVA”) balance over the next 12 months.

The quarterly Rate Setting Process approved by the Board required Centra to file its application during the first week of the month prior to the commencement of each gas quarter (February 1, May 1, August 1, and November 1) and to provide public notice during the second week of the month. The Board could conduct either a “paper hearing” or hold a public hearing in respect of the application, and was requested to approve the rates prior to the commencement of that gas quarter. The Board last approved Primary Gas sales rates on an interim basis using the RSM in Orders 15/01 and 18/01 to become effective February 1, 2001. In Order 15/01, the Board indicated that it would review the RSM as set out in Order 55/00 to determine its continued appropriateness.

On March 23, 2001, Centra applied for a change in the Primary Gas Rate to become effective on June 1, 2001 rather than at the gas-year quarter of May 1, 2001, to coincide with the rate changes for 2001/02 non-Primary Gas costs which the Board had recently approved in Order 94/01. Centra proposed to continue with the RSM and process as outlined in Order 55/00.

In Order 99/01, dated June 15, 2001, the Board denied Centra's request for a June 1, 2001 Primary Gas rate change because of the relatively minor impact (a decrease of approximately 0.1%) on customers, and the desire to restrict the number of rate changes in a short time period. Therefore current Primary Gas Rates were to remain in effect until July 31, 2001. The Board directed Centra to file an application for a change in Primary Gas rates to become effective August 1, 2001. The Board also ordered a change in the RSM and treatment of the Primary Gas PGVA as follows:

1. Centra was to transfer the February 28, 2001 balance in the Primary Gas PGVA, net of revenues generated by the existing Primary Gas Rate Rider to May 31, 2001, into a separate account to be named the Primary Gas Deferral Account ("PGDA"). The PGDA balance was to be recovered from all customers, except WTS customers as at April 30, 2001, over a 24-month period commencing August 1, 2001 by a Primary Gas Deferral Rider ("PGDR"). New customers and customers returning to Centra supply after April 30, 2001 would be exempt from payment of the PGDR.
2. The RSM was changed so that the Primary Gas Base Rates would reflect 100% of the difference between the cost of gas embedded in current Primary Gas Base Rates and the current 12-month forward price strip.
3. In addition to the Primary Gas Base Rates, Centra was to determine a 12-month Primary Gas Rate Rider, to be effective August 1, 2001 to dispose of the accumulated balance in the Primary Gas PGVA from May 1, 2001 to July 31, 2001, net of revenues generated by the existing Primary Gas Rate Rider from June 1, 2001 to July 31, 2001.

2.0 The Application

On June 27, 2001, Centra applied to the Board for approval of interim sales rates to be effective August 1, 2001 and to remain in effect until further Order of the Board. Centra requested that, pursuant to Order 99/01, 100% of the difference between the updated 12-month forward price for natural gas (weighted for the cost of gas in storage) and the Primary Gas Rate set in the previous quarter be used to establish the February 1, 2001 Primary Gas Rate.

Centra also requested the Board to approve a rate rider to dispose of the July 31, 2001 Primary Gas PGVA over the next 12 months normalized volumes. This rate rider would apply to all Centra's system supply and Buy/Sell customers as at August 1, 2001.

Additionally, Centra requested Board approval for the implementation of a PGDR to dispose of the PGDA balance as at July 31, 2001 over a 24-month period commencing August 1, 2001. The PGDR would apply to all customers, with the exception of WTS customers of record as at April 30, 2001, new customers after that date, and WTS customers who returned to system supply after April 30, 2001.

A public notice outlining this application was published between July 7 and July 13, 2001. The notice invited all interested parties to make comments respecting this application to the Board by July 20, 2001.

3.0 Impact on Rates

The dramatic increase in Centra's Primary Gas costs during 2000 was due to demand being greater than available supply because of a long period of constrained production and unusually high demand as a result of a strong North American economy. These factors, coupled with colder than normal weather in November and December, resulted in a peak gas price in excess of \$13.00/Gj in January 2001. Following this peak, the price decreased abruptly because of the early end to the 2000/01-winter season. Prices continued to decline during this spring and early summer, given the market's expectation of additional significant supply as a result of a large increase in drilling activity, combined with a decreased demand due to a faltering American economy.

The 12-month forward price for Centra's Western Canadian supply as at June 1, 2000 is \$5.684/Gj. This 12-month forward price strip reflects all aspects of Centra's renegotiated gas supply contractual arrangements with TransCanada Energy Services ("TCE"). The unit cost for Primary storage gas of \$5.116/Gj is the historical cost of storage for the 2000/01-withdrawal season. Centra has placed price hedges in the form of caps for one third of minimum weather purchase volumes under the TCE Contract for Western Canadian supply volume for each month from July 2001 to May 2002. The hedging costs are \$7,307,100 for system supply, and \$2,185,640 for Buy/Sell volumes for a total of \$9,492,740. This represents a cost of \$0.193/Gj for all Western Canadian Supply.

The proposed Primary Gas price, adjusted to incorporate hedging costs, is \$5.877/Gj, and when weighted for the historical cost of storage gas is \$5.753/Gj (\$0.2175/cubic metre), which is \$1.065/Gj lower than the \$6.818/Gj weighted Primary Gas price currently embedded in rates. After applying the 100% factor, as directed in Order 99/01, and adding fuel costs of \$0.0048/cubic metre, and gas overhead costs of \$0.0005/cubic metre,

the proposed Primary Gas Base Rate is \$0.2228/cubic metre. This figure is \$0.0352/cubic metre lower than the current base rate of \$0.2580/cubic metre.

Pursuant to Order 99/01, the Primary Gas PGVA balance at April 30, 2001 of \$103,403,875, net of carrying costs to July 31, 2001, was transferred to the PGDA. Centra has requested approval of a PGDR of \$0.0363/cubic metre, to recover the estimated balance in the PGDA over a 24-month period, commencing August 1, 2001. Centra calculated the unit rider of \$0.0363/cubic metre by reducing the 24-month normalized volumes by the estimated volumes pertaining to WTS customer of record on April 30, 2001 and by new rural expansion customers.

In addition to the Primary Gas Base Rate decrease related to the cost of Western Canadian gas, Centra requested approval of the imposition of a rate rider to refund the estimated Primary Gas PGVA balance at July 31, 2001. This balance, net of June and July revenues generated by the existing Primary Gas Rate Rider is estimated to be \$1,532,287, owing to Centra's customers. Centra calculated the unit rate rider of \$0.0010, based on the next 12 month Primary Gas normalized volumes adjusted to reflect volumes estimated to be supplied by WTS customers as at August 1, 2001. Thus, the proposed August 1, 2001 billed Primary Gas Rate requested by Centra is \$0.2218/cubic metre.

The table below details the range of decreases to the annual natural gas bills of different customer classes:

Annualized Range of Customer Bill Impacts – Initial Application

<u>Customer Class</u>	<u>Low</u>	<u>High</u>
SGS	-6.8%	-7.4%
LGS	-7.0%	-8.4%
HVF	-8.3%	-8.8%
Mainline	-8.9%	-9.4%
Interruptible	-7.8%	-8.2%

In a letter dated June 29, 2001, Centra informed the Board that Centra had interpreted Order 99/01 as requiring the filing of a report detailing alternatives to the use of a 12-month forward strip in conjunction with the November 1, 2001 Primary Gas Rate change. The Board informed Centra that the Board had intended the report to be filed in conjunction with this application. However, Centra did not have sufficient time to prepare this report for this application, and requested the Board to grant an extension of time to permit the filing with the November 1, 2001 Primary Gas Rate change application.

Pursuant to Board requirements, Centra filed a revised application reflecting an updated forward price strip on July 24, 2001. The updated price strip for the period from August 1, 2001 to July 31, 2002, based on closing prices at July 19, 2001 was \$4.517/Gj, compared to the \$5.877/Gj contained in the initial Application. Both figures include a 0.193/Gj cost for derivative hedging transactions. Using the 100% inclusion rate would result in a Primary Gas cost embedded in sales rates of \$4.614/Gj, compared to the original request of \$5.753/Gj. Therefore, the Primary Gas billed rate would be \$0.1776/cubic metre as opposed to \$0.2218/cubic metre contained in the initial

Application. Based on the revised strip, the following table details the range of decreases to the annual natural gas bills of different customer classes.

Annualized Range of Customer Bill Impacts – Revised Application

<u>Customer Class</u>	Low	High
SGS	-15.7%	-16.9%
LGS	-15.6%	-18.3%
HVF	-18.0%	-20.3%
Mainline	-20.4%	-21.6%
Interruptible	-18.0%	-18.9%

4.0 Presenters' Positions

4.1 CAC/MSOS

CAC/MSOS stated that they had no objection to the application. However, CAC/MSOS expressed concern that Centra had not complied with the Board directive contained in Order 99/01, to: “file a report with the Board that details alternatives to the use of the 12-month average forward price for Western Canadian supplies, including a proposed recommendation.” CAC/MSOS therefore reserved the right to respond and make known their position subsequent to that report being filed by Centra.

4.2 J. Meyer, Citizen

Mr. Meyer objected to the proposed rate decrease, suggesting that it did not make sense to have a supplemental gas unit rate higher than the Primary Gas Rate. He also voiced his displeasure regarding the bill format, stating that there were 11 charges on his gas bill for June.

4.3 J. Seabrook, Citizen

Mr. Seabrook believes that Centra and Municipal Gas withheld information from consumers by indicating that rates were unlikely to change. Using this information, he entered into a five-year contract with Municipal Gas earlier this year. Now natural gas rates have fallen significantly, but he must pay the higher fixed rate. He stated that Centra should be obligated to provide accurate information and requested that the Board investigate this matter further.

5.0 Board Findings

After reviewing the comments of the public, the Board is of the view that this interim application will be dealt with using a “paper hearing” process. In arriving at this decision, the Board notes that an oral public hearing was held in the spring of 2001 that permitted public participation in the development of the RSM.

Under the terms of its supply contract with TCE, Centra is required to pay the prevailing market price for natural gas as determined by commodity futures exchange indices. This market price had risen to unprecedented levels over the past year, but has now dropped dramatically. The Board wishes to remind customers that, given the recent market price volatility, natural gas prices could again increase this winter.

The Board remains of the view that price transparency is an important requirement in a developing competitive environment. However, greater price transparency may lead to greater bill volatility. The Board again encourages customers to explore possibilities that exist to further mitigate this volatility, such as the use of Centra’s Budget Plan.

Centra's initial Application included a billed rate of \$0.2218/cubic metre and was based on the June 1, 2001 forward price strip of \$5.877/Gj. The Board is of the view that the most recent market information should be utilized to establish rates. The Board will therefore approve the schedule of rates filed by Centra that embed the July 19, 2001 forward price curve of \$4.517/Gj which results in a Primary Gas billed rate of \$0.1776/cubic metre. The Board believes that consumers who have been required to bear increases in the cost of gas created by market forces should also immediately benefit when prices decrease.

As stated in Order 99/01, the Board remains of the view that Centra should investigate alternatives to the use of the 12-month forward price strip for the determination of Centra's future Primary Gas cost. However, the Board wishes to provide Centra with ample time to perform an appropriate analysis. Therefore, the Board will extend the deadline for this analysis to November 1, 2001. The Board would also encourage input from other interested parties in this regard.

The Board is of the view that the estimated volumes used to determine the PGDR are reasonable at this time. However, the Board wishes to remind Centra of the directive in Order 99/01, and letter of clarification dated June 27, 2001 whereby the PGDR will only apply to those customers on whose behalf Centra incurred the costs.

With respect to derivative/hedging transactions, the Board will review all such transactions, including those reflected in this application, for prudence at a future public hearing.

6.0 It Is Therefore Ordered That:

1. The Schedule of Rates attached to this Order as Appendix "A" BE AND IS
HEREBY APPROVED.
2. This Interim Order will be in effect until confirmed or otherwise by a further
Order of the Board.

July 27, 2001
Board Order 119/01
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THE PUBLIC UTILITIES BOARD

“G. D. FORREST”

Chairman

“H. M. SINGH”

Acting Secretary

Certified a true copy of
Order No. 119/01 issued by
The Public Utilities Board

Acting Secretary

CENTRA GAS MANITOBA INC.

Schedule of Sales and Transportation Services and Rates**IX. RATE SCHEDULES (BASE RATES ONLY - NO RIDERS)****CENTRA GAS MANITOBA INC.****Firm Sales and Delivery Services*****1998 Test Year Annualized Rate Schedule (Base Rates)**

TERRITORY: Entire natural gas service area of Company, including all zones.

AVAILABILITY:

SGC: For gas supplied through one domestic-sized meter.

LGC: For gas delivered through one meter at annual volumes less than 680,000 m³.HVF: For gas delivered through one meter at annual volumes greater than 680,000 m³.

MLC: For gas delivered through one meter to consumers served from the Transmission system.

Special Contract: For gas delivered under the terms of a Special Contract with the Company.

RATES:

	<u>Transportation To Centra</u>	<u>Distribution to Customers</u>		<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply¹</u>
		<u>Sales Service</u>	<u>T Service</u>		
Basic Monthly Charge: (\$/month)					
Small General Class (SGC)	N/A	\$10.00	\$10.00	N/A	N/A
Large General Class (LGC)	N/A	\$70.00	\$70.00	N/A	N/A
High Volume Firm Class (HVF)	N/A	\$758.24	\$758.24	N/A	N/A
Main Line Class (MLC)(Firm and Special Contract	N/A	\$1,233.71	\$1,233.71	N/A	N/A
	N/A	N/A	\$89,797.82	N/A	N/A
Monthly Demand Charge: (\$/m³/mo.)					
High Volume Firm Class (HVF)	\$0.2197	\$0.1244	\$0.1244	N/A	N/A
Main Line Class (MLC)(Firm Supply Only)	\$0.4637	\$0.0995	\$0.0995	N/A	N/A
Main Line Class (MLC)(Interruptible Supply)	\$0.2081	\$0.0995	\$0.0995	N/A	N/A
Special Contract	N/A	N/A	N/A	N/A	N/A
Commodity Volumetric Charge: (\$/m³)					
Small General Class (SGC)	\$0.0465	\$0.0733	\$0.0733	\$0.1786	\$0.3125
Large General Class (LGC)	\$0.0464	\$0.0264	\$0.0264	\$0.1786	\$0.3125
High Volume Firm Class (HVF)	\$0.0230	\$0.0107	\$0.0107	\$0.1786	\$0.3125
Main Line Class (MLC)(Firm Supply Only)	\$0.0065	\$0.0019	\$0.0019	\$0.1786	\$0.3125
Main Line Class (MLC)(Int. Supply Only)	\$0.0059	\$0.0019	\$0.0019	\$0.1786	\$0.3125
Special Contract	N/A	N/A	\$0.0019	N/A	N/A

¹ Supplemental Gas is mandatory for all Customers except T-Service.

MINIMUM MONTHLY BILL: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

EFFECTIVE: Rates to be charged for all billings based on gas consumed on and after August 1, 2001

* Including Firm Mainline Delivery combined with Interruptible Supply

Approved by Board Order #	Effective from:	Date Implemented: see billed rates
Supersedes Board Order # 99/01		Supersedes: June 1, 2001 Billed Rates

**Interruptible Sales and Delivery Services
1998 Test Year Annualized Rate Schedule (Base Rates)**

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TERRITORY: Entire natural gas service area of Company, including all zones.

AVAILABILITY: For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000 m³ 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.

RATES:

	<u>Transportation To Centra</u>	<u>Distribution to Customers</u>		<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply¹</u>
	N/A	<u>Sales Service</u>	<u>T Service</u>	N/A	N/A
<i>Basic Monthly Charge: (\$/month)</i>		\$855.39	\$855.39		
<i>Monthly Demand Charge: (\$/m³/month)</i>					
Interruptible Service	\$0.0823	\$0.0708	\$0.0708	N/A	N/A
<i>Commodity Charge: (\$/m³)</i>					
Interruptible Service	\$0.0133	\$0.0069	\$0.0069	\$0.1786	\$0.2637
Alternate Supply Service:					
Gas Supply (Interruptible Sales and Mainline Interruptible)					Negotiated Cost of Gas
Delivery Service - Interruptible Sales		\$0.0093	\$0.0093		
Delivery Service - Mainline Interruptible Sales		\$0.0052	\$0.0052		

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¹ Supplemental Gas is mandatory for all Customers except T-Service.

MINIMUM MONTHLY BILL: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

EFFECTIVE: Rates to be charged for all billings based on gas consumed on and after August 1, 2001

Approved by Board Order #	Effective from:	Date Implemented: see billed rates
Supersedes Board Order # 99/01		Supersedes: June 1, 2001 Billed Rates

X. RATE SCHEDULES – ANNUAL RATES (BASE RATES PLUS RIDERS)**CENTRA GAS MANITOBA INC.****Firm Sales and Delivery Services*****1998 Test Year Billed Rate Schedule (Base Rates plus Riders)**

TERRITORY: Entire natural gas service area of Company, including all zones.

AVAILABILITY:

SGC: For gas supplied through one domestic-sized meter.

LGC: For gas delivered through one meter at annual volumes less than 680,000 m³.HVF: For gas delivered through one meter at annual volumes greater than 680,000 m³.

MLC: For gas delivered through one meter to consumers served from the Transmission system.

Special Contract: For gas delivered under the terms of a Special Contract with the Company.

RATE:

	<u>Transport To Centra</u>	<u>Distribution to Customers</u>		<u>Deferred Gas Recovery</u>	<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply¹</u>
		<u>Sales Service</u>	<u>T Service</u>			
Basic Monthly Charge: (\$/month)						
Small General Class (SGC)	N/A	\$10.00	\$10.00	N/A	N/A	N/A
Large General Class (LGC)	N/A	\$70.00	\$70.00	N/A	N/A	N/A
High Volume Firm Class (HVF)	N/A	\$758.24	\$758.24	N/A	N/A	N/A
Main Line Class (MLC)(Firm and Int.)	N/A	\$1,233.71	\$1,233.71	N/A	N/A	N/A
Special Contract	N/A	N/A	\$89,933.8	N/A	N/A	N/A
Monthly Demand Charge: (\$/m³/mo.)						
High Volume Firm Class (HVF)	\$0.3342	\$0.1247	\$0.1247	N/A	N/A	N/A
Main Line Class (MLC)(Firm Supply Only)	\$0.2886	\$0.0997	\$0.0997	N/A	N/A	N/A
Main Line Class (MLC)(Interruptible Supply)	\$0.0330	\$0.0997	\$0.0997	N/A	N/A	N/A
Special Contract	N/A	N/A	N/A	N/A	N/A	N/A
Commodity Volumetric Charge: (\$/m³)						
Small General Class (SGC)	\$0.0381	\$0.0833	\$0.0761	\$0.0363	\$0.1776	\$0.3928
Large General Class (LGC)	\$0.0379	\$0.0404	\$0.0332	\$0.0363	\$0.1776	\$0.3928
High Volume Firm Class (HVF)	\$0.0088	\$0.0275	\$0.0203	\$0.0363	\$0.1776	\$0.3928
Main Line Class (MLC)(Firm Supply Only)	\$0.0057	\$0.0154	\$0.0082	\$0.0363	\$0.1776	\$0.3928
Main Line Class (MLC)(Inter. Supply Only)	\$0.0051	\$0.0154	\$0.0082	\$0.0363	\$0.1776	\$0.3928
Special Contract	N/A	N/A	\$0.0034	N/A	N/A	N/A

¹ Supplemental Gas is mandatory for all Customers except T-Service..

MINIMUM MONTHLY BILL: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

EFFECTIVE: Rates to be charged for all billings based on gas consumed on and after August 1, 2001

* Including Firm Mainline Delivery combined with Interruptible Supply

Approved by Board Order #	Effective from: August 1, 2001	Date Implemented: August 1, 2001
Supersedes Board Order # 99/01		Supersedes: June 1, 2001 Billed Rates

CENTRA GAS MANITOBA INC.
Interruptible Sales and Delivery Services
1998 Test Year Billed Rate Schedule (Base Rates plus Riders)

TERRITORY: Entire natural gas service area of Company, including all zones.

AVAILABILITY: For any Consumer at one location whose annual natural gas requirements equal or exceed 680,000 m³ 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.

RATES:

	<u>Transport To Centra</u>	<u>Distribution to Customers Sales Service</u>	<u>T Service</u>	<u>Deferred Gas Recovery</u>	<u>Primary Gas Supply</u>	<u>Supplemental Gas Supply¹</u>
<i>Basic Monthly Charge: (\$/month)</i>	N/A	\$855.39	\$855.39	N/A	N/A	N/A
<i>Monthly Demand Charge: (\$/m³/month)</i>						
Interruptible Service	\$0.1002	\$0.0709	\$0.0709	N/A	N/A	N/A
<i>Commodity Charge: (\$/m³)</i>						
Interruptible Service	\$0.0031	\$0.0241	\$0.0169	\$0.0363	\$0.1776	\$0.3892
Alternate Supply Service:						
Gas Supply (Interruptible Sales and Mainline Interruptible)						Negotiated Cost of Gas
Delivery Service - Interruptible		\$0.0074	\$0.0074			
Sales						
Delivery Service - Mainline Interruptible Sales		\$0.0042	\$0.0042			

¹ Supplemental Gas is mandatory for all Customers except T-Service.

MINIMUM MONTHLY BILL: Equal to the Basic Monthly Charge as described above, plus Demand Charge as appropriate.

EFFECTIVE: Rates to be charged for all billings based on gas consumed on and after August 1, 2001

Approved by Board Order #	Effective from: August 1, 2001	Date Implemented: August 1, 2001
Supersedes Board Order # 99/01		Supersedes: June 1, 2001 Billed Rates