PUBLIC UTILITIES BOARD OF MANITOBA

IN THE MATTER OF the *Public Utilities Board Act* (Act) of Manitoba, C.C.S.M. c. P280; and

IN THE MATTER OF an application by Stittco Utilities Man Ltd. pursuant to Parts II and IV of the Act for orders of the Public Utilities Board of Manitoba relating to the non-commodity rates to be charged to propane customers in Thompson, Flin Flon, and Snow Lake, Manitoba

STITTCO UTILITIES MAN LTD.

APPLICATION

July 15, 2025

To: Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4

APPLICATION

1. Stittco Utilities Man Ltd. (**Stittco** or **Company**) hereby applies to the Public Utilities Board of Manitoba (**Board**) for an Order fixing just and reasonable non-commodity rates for all gas customers served by Stittco, effective November 1, 2025, including:

   (a) a determination of the non-commodity cost revenue requirement of the Company for the year ending July 31, 2025; and
   (b) a determination of the rate base of Stittco as of July 31, 2025 (the **Application**).

2. The 2024 normalization financial reconciliation report (**2024 Normalized Report**) was filed with the Board on June 29, 2025 based on the same methodology as prior applications (i.e. normalized financials based on weather). The 2025 normalization financial reconciliation report is expected to be filed before June 2026, subject to availability of audited financial statements.

3. Stittco certifies that, to the best of its knowledge and belief, the information provided in this Application is accurate and correct.

BACKGROUND

4. Stittco is a small public utility that distributes propane by pipeline to customers in Thompson, Flin Flon, and Snow Lake, Manitoba. The majority of Stittco's customers (by number) are residential and located in Thompson.

5. The Board has been approving the rates of Stittco and its predecessor company since 1963.

6. Stittco is a wholly-owned subsidiary of Superior Plus LP (**Superior**). Superior is Canada's largest distributor of propane and related products and services. It has many years of operating experience, a large, sophisticated network of infrastructure, and the proven technical capability to operate propane distribution services in a proficient and

effective manner. Stittco continues to be the owner of the public utility subject to oversight by the Board.

7. The rates of the Company include commodity costs and non-commodity costs. By Order No. 141/08 dated October 15, 2008, the Board accepted a proposal by Stittco to establish a rate review process involving quarterly commodity rate changes (August 1, November 1, February 1, and May 1 of each year) and annual reviews of non-commodity rates.[1]

8. The commodity costs include the cost of propane and expenses relating to transportation of that propane to the Stittco franchise area, both of which are reflected in rates without markup. Differences between estimated and actual commodity costs are recorded in a Purchased Propane Variance Account that is settled as part of the quarterly rate setting process established in Board Order No. 11/09.[2]

9. By Order No. 124/24 dated October 24, 2024, the Board finalized the interim ex parte commodity rates established in Order No. 123/23 (dated October 26, 2023, effective November 1, 2023), Order No. 13-24 (dated January 22, 2024, effective February 1, 2024), Order No. 48-24 (dated April 25, 2024, effective May 1, 2024), and Order No. 90-24 (dated July 25, 2024, effective August 1, 2024).[3]

10. As required by Order No. 104/19[4], Stittco will file the information required for the quarterly commodity cost price adjustment by July 15, 2025, which will be effective August 1, 2025.

11. The most recent Board Order relating to non-commodity costs was Order No. 124/24, which determined the non-commodity revenue requirement of the Company, set non-commodity rates effective November 1, 2024, and approved the rate base for Stittco as of July 31, 2024.

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[1] Board Order No. 141/08, page 13 of 14, section 6.0, paragraph 3.
[2] Board Order No. 11/09, dated February 11, 2009, page 3 of 8.
[3] Board Order No. 124/24, page 30 of 30.
[4] Board Order No. 104/19, pages 7 of 8.

FIVE-YEAR CAPITAL PLAN REPORT

12. In Order No. 169/18[5] the Board directed Stittco to file a report regarding Stittco's five-year capital plan that reflects management's current estimates of capital expenditures over the next five years.

13. As noted in Order No. 169/18:

> Through subsequent responses to the Board's information requests, Stittco advised that it was not in a position to provide detailed explanations regarding the justification and pacing of each future item included in its five year plan but clarified that decisions regarding its capital expenditures are thoroughly vetted by Superior Plus management and account for the age and condition of the assets, overall regional budget levels, and best available information. Once determined to be a prudent investment by Stittco's management, each capital investment is subsequently presented to the Board in order to seek approval for cost recovery through rates.

14. By Order No. 124/24, the Board required Stittco to continue to include revised five-year capital plans with future non-commodity cost applications.[6]

15. The content of the five-year capital plan attached hereto reflects the requirements of the Board and the approach taken by Stittco in its prior five-year capital plans, including the capital plan filed in the proceeding for Stittco's 2024 non-commodity cost application dated August 30, 2024 (**2024 Application**).

16. Since this time, Stittco has revised its capital planning to reflect updated information and to adjust to changed circumstances. These revisions are related to the following:

    (a) The 10-year valve replacements included in Order No. 124/24 capital plan for 2025 are partially complete; however, when the contractor arrived at Thompson

[5] Board Order No. 169/18, page 4 of 24.
[6] Board Order No. 124-24, page 17 of 30.

the PRV swaps for 2 tanks were completed and 2 tanks which have manifold (Delta ports) were not completed because the units did not operate as designed. When the PRV swap was attempted, the manifolds began leaking. In order to complete the PRV swap the tanks will need to be emptied and flared so the manifold and PRV's can be replaced. Wildfires have prevented the continuation of repairs in Thompson and prevented access in Flin Flon. Completion of the valve replacements in Thompson and Flin Flon is contingent on wildfires and associated access. Costs may carry over past July 31, 2025 if wildfires continue to prevent access. In the attached supporting schedules, a cost of $100,000 has been used as an estimate and included in the year ending July 31, 2025. Revised cost estimates reflecting the change in scope are being prepared. Both cost estimates and timing estimates will be revised on future supporting schedules based on progress with wildfire access.

(b) Alan Brands has evaluated the cathodic protection of the pipeline system and indicates 2 remediations are required. A new sacrificial magnesium system is recommended in Flin Flon estimated to cost $3,500 for parts and Stittco estimates $1,500 for hydrovac services. The control panel in Thompson is at the end of its life and requires replacement with parts cost of $2,200 and Stittco estimates electrician labour at $800.

(c) To address the Thompson pipe under a garage, the potential remediation costs have been included in 2026. Stittco is aligned with the plan discussed during the virtual conference call to complete these repairs when other directional drilling is required in the area which would spread the costs to mobilize drilling contractors to Thompson across a greater scope of work.

(d) The software system upgrade previously planned for 2026 at the earliest has been deferred until at least 2027. As noted in the Stittco response to 2021 Information Request I-13, the existing software system that is utilized by Stittco is dated and reaching its end of life with limited available support. A thorough review of system requirements and available options is required before a cost estimate and detailed timeline for upgrade can be provided. This review is planned for the 2026-2027 timeframe, when it is expected that the Stittco Information

Technology team will have sufficient capacity to undertake the review work required.

(e) The 2013 service truck replaced in 2025 was sent to auction but did not sell. It will be for sale again at the next auction; however, this will not take place until after July 31, 2025. Disposal of the truck has been included in the supporting schedules for the year ending July 31, 2026.

PROPOSED NON-COMMODITY RATES

17. Stittco proposes the continuation of the rate methodology established in Board Order No. 141/08 and implemented in subsequent orders, including the most recent Order No. 124/24. Stittco proposes the continuation of the Basic Monthly Charge of $10.00 per month for all customers plus Monthly Delivery Charges per cubic metre, as follows.

GENERAL SERVICE RATE STRUCTURE	
Basic Monthly Charge	10.00 Per Month
Non-Commodity Costs Recovery	
Delivery Charge	
FIRST 100 m^3	1.9189
NEXT 400 m^3	1.7115
NEXT 1000 m^3	1.6195
NEXT 2500 m^3	1.3122
OVER 4000 m^3	1.0063

18. The non-commodity rates proposed in this Application are calculated to recover the non-commodity costs incurred by Stittco in the provision of service. The non-commodity cost revenue requirement[9] includes operating expenses,[10] income taxes,[11] depreciation[12] and the allowed rate of return on rate base of 10%.[13]

19. Stittco seeks approval of a 11.41% overall increase in non-commodity rates from Order No. 124/24.

20. The Stittco projected mid-year rate base for 2025 per Order No. 124/24 was $2,917,559,[14] while the actual and budgeted rate base for 2025 in the current Application is $2,912,706.[15] The projected mid-year rate base for 2026 is $2,972,141,[16] relatively consistent with the actual/budgeted rate base for 2025.[17]

21. Stittco submits that the costs described in this Application and the attachments, including operating costs, are prudent, in the public interest and result in rates that are just and reasonable.

22. Superior and Stittco have long-established reputations as dependable, customer service-oriented propane suppliers, consistently honoring service and supply commitments to customers and maintaining industry-leading health, safety and environmental standards. The focus of Superior and Stittco on safety and security is the driver behind the continuing capital investments that are being made in 2025 and into 2025 (and beyond).

23. The actual return earned by Stittco for fiscal year 2025 (year ending July 31, 2025) was 0.93%.[18] Normalized (that is, adjusted to reflect normal weather), the return would have been 6.31%[19] which is below the allowed return of 10%.

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[9] See Tab No. 2, Revenue Requirement, Schedule, Revenue Requirement Projected for Year Ending July 31, 2024.
[10] See Tab No. 10, Operating Expenses, Schedule, Summary of Operating Expenses Projected for Years Ending July 31, 2024/2025.
[11] See Tab No. 4, Income Tax Requirement, Schedule, Income Tax Requirement Projected for Years Ending July 31, 2024/2025.
[12] See Tab No. 9., Depreciation Schedules, Depreciation Schedules Projected for the Years Ending July 31, 2024/2025.
[13] See Tab No. 3, Income Statements, Schedule, Income Statements Projected for Years Ending July 31, 2024/2025.
[14] Board Order 124/24, page 28 of 30
[15] See Tab No. 3, Income Statement, Schedule, Income Statements Projected for Years Ending July 31, 2025/2026.
[16] See Tab No. 3, Income Statement, Schedule, Income Statements Projected for Years Ending July 31, 2025/2026.
[17] See Tab No. 6.
[18] See Tab No. 1, Historical Earnings, Schedule.
[19] See Tab No. 1, Historical Earnings, Schedule.

24. The projected actual return on rate base for fiscal year 2025 (derived from 9 months of actual numbers and 3 months of projections) is 5.99%.[20] This return is lower than the allowed return of 10% and reflects the impact of lower customer consumption.

25. In Order No. 124/24, the Board considered the existing allowed rate of return on rate base of 10% and approved rates that included that rate of return.[21] The Board noted that "Stittco's 10% return on rate base is reasonable given that Stittco operates in a small market area and faces competition from other service providers."[22]

26. Stittco does not seek an increase in its allowed rate of return of 10%. By law[23] and the stand alone principle, the equity investors in Stittco are entitled to a return that is equivalent to the returns available from investing in enterprises of similar risk. The range of rates of return awarded to natural gas utilities much larger and significantly less risky than Stittco is from 9.0% for Alberta utilities[24] to 8.8-10.1% for Group 1 natural gas pipelines regulated by the Canada Energy Regulator.[25] Stittco continues to hold the view that its investment risk justifies a rate of return on rate base (which is entirely financed by equity) that is significantly higher than the approved 10%. However, the Company is rate constrained because it operates in a very competitive

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[20] See Tab No. 3, Income Statement, Schedule, Income Statements Projected for Years Ending July 31, 2025/2026.
[21] Order No. 124/24, page 14 of 30.
[22] Order No. 124/24, page 14 of 30.
[23] See, e.g. *Northwestern Utilities Limited v. City of Edmonton,* [1929] S.C.R. 186; *TransCanada PipeLines Limited v. National Energy Board et al.,* 2004 FCA 149.
[24] Alberta Utilities Commission Decision 27084-D02-2023, Determination of the Cost-of-Capital Parameters in 2024 and Beyond, October 9, 2023, 2022, para 115.
[25] See, for example, NOVA Gas Transmission Ltd. ("NGTL") Application for Approval of the 2020-2024 Revenue Requirement Settlement and for Approval of Revised Interim 2020 and Final 2020 Rates and Abandonment Surcharges, PDF 10 of 17 (C06105-2) [NGTL 2020-2024 Revenue Requirement Application] and NGTL Application for Approval of Final 2024 Rates, Tolls, Charges and Final 2024 Abandonment Surcharges for the NGTL System (C29388-1) [NGTL Final 2024 Tolls Application] (See also Canada Energy Regulator Order TG-009-2020 approving NGTL 2020-2024 Revenue Requirement Application (C07938-1) and Canada Energy Regulator Order TG-005-2024 approving the NGTL Final 2024 Tolls Application (C29861-3)); Trans Québec & Maritimes Pipeline Inc. ("TQM") 2024 to 2025 Toll Settlement and 2024 Final Tolls and Abandonment Surcharges Application, PDF 13 of 41 (C29084-1) [TQM 2024-2025 Toll Settlement] (See also Canada Energy Regulator Order TG-004-2024 approving the TQM 2024-2025 Toll Settlement (C29761-3)); Westcoast Energy Inc. ("Westcoast") Application for Approval of 2022-2026 Transmission Toll Settlement and Amendments to Westcoast's Pipeline Tariff (C21967-2), PDF 8-9 of 35 [Westcoast 2022-2026 Toll Settlement] and Westcoast Application for 2024 Final Tolls for Transmission Services (C29081) (see also Canada Energy Regulator Order TG-010-2022 approving the Westcoast 2022-2026 Toll Settlement (C22660-3) and Canada Energy Regulator Order TG-003-2024 approving the Westcoast Final 2024 Tolls Application (C29478-3)); Maritimes & Northeast Pipeline Management Ltd. ("M&NP") Application for Approval of 2024-2025 Toll Settlement [M&NP 2024-2025 Toll Settlement], Attachment 1, PDF 22 of 22 (C27433-2) (see also Canada Energy Regulator Order TG-001-2024 approving the M&NP Toll Settlement (C28397-3)); and TransCanada PipeLines Limited ("TCPL") Application for Approval of the Mainline 2021-2026 Settlement, PDF 16 of 22 [TCPL 2021-2026 Toll Settlement] (C03833-1) and TCPL Application for One-Time Adjustment to the Long-Term Adjustment Account and Final Tolls for the 2021-2026 Settlement Period (C09248-1) [TCPL Final 2021-2026 Tolls Application] (see also Canada Energy Regulator Order TG-003-2020 approving the TCPL 2021-2026 Toll Settlement (C05780-3) and Order TG-014-2020 approving the TCPL Final 2021-2026 Tolls Application (C10387-3)).

market in a small service area where it faces primary competition from electricity. A higher rate of return would therefore impact the competitiveness of Stittco's rates.

27. Stittco requests that this Application be handled in writing with email correspondence as per the contact information below.

28. Attached is a proposed notice to customers for review and consideration by the Board prior to it being sent to Stittco customers.

WHEREFORE, Stittco requests an Order of the Board:

(a) fixing just and reasonable non-commodity rates for all gas customers served by Stittco, effective November 1, 2025, including:

(i) approval of the non-commodity cost revenue requirement of the Company as proposed in this Application; and

(ii) approval of the projected rate base of $2,972,141 for Stittco as of July 31, 2025; and

(b) providing such other relief as Stittco may request or the Board may consider appropriate.

All of which is respectfully submitted this 15th day of July, 2025.

Stittco Utilities Man Ltd.

Per: _____

Brian Brandsgard

Communications relating to this Application should be directed to:

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T2C 5P2
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and to

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STITTCO UTILITIES MAN LTD.

Customer Notification

The non-commodity rates of Stittco Utilities Man Ltd. were last approved in Board Order 124/24.

Stittco Utilities Man Ltd. has filed an application with the Manitoba Public Utilities Board requesting a rate increase of 11.41% for the non-commodity rates as established in Board Order 124/24.

Stittco is not requesting any change to the rate of return on rate base.

Should additional information be required, please contact your local office at (204) 677-2304, or customers may contact The Public Utilities Board at:

400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4
Telephone: (204) 945-2638
Facsimile: (204) 945-2643
Toll Free: 1-866-854-3698
Email: publicutilities@gov.mb.ca

STITTCO UTILITIES MAN LTD.
INDEX OF SCHEDULES ATTACHED
APPLICATION

	TAB NO.
Historical Earnings	1
Revenue Requirement	2
Income Statement	3
Income Tax Requirement	4
Capital Cost Allowance	5
Rate Base	6
Working Capital	7
Fixed Asset Schedules	8
Depreciation Schedules	9
Operating Expenses	10

TAB NO. 1

HISTORICAL EARNINGS

YEAR	MID-YEAR RATE BASE	ACTUAL RETURN	ACTUAL RETURN	NORMALIZED RETURN	ALLOWED RETURN
1984	$1,496,193	$16,756	1.12%	6.00%	12.25%
1985	$1,744,082	$134,949	7.74%	7.85%	13.75%
1986	$1,635,439	$209,853	12.83%	13.17%	13.75%
1987	$1,473,205	$134,529	9.13%	12.90%	13.75%
1988	$1,496,963	$115,922	7.74%	10.13%	13.75%
1989	$1,501,948	$231,257	15.40%	16.36%	13.75%
1990	$1,565,802	$232,851	14.87%	14.57%	13.75%
1991	$1,680,332	$107,171	$0.06	7.02%	13.75%
1992	$1,922,222	$186,471	9.70%	9.73%	13.75%
1993	$2,199,789	$196,083	8.91%	9.99%	13.75%
1994	$2,214,616	$202,893	9.16%	7.64%	13.75%
1995	$2,136,964	$159,392	7.46%	9.19%	13.75%
1996	$2,166,767	$307,970	14.21%	12.49%	13.75%
1997	$2,317,714	$223,207	9.63%	8.75%	13.75%
1998	$2,159,054	$68,968	3.19%	5.18%	13.75%
1999	$2,002,605	$103,706	5.18%	8.96%	10.89%
2000	$2,004,411	$187,564	9.36%	11.32%	10.89%
2001	$2,285,548	$155,238	6.79%	7.78%	10.89%
2002	$2,073,547	$108,883	5.25%	6.04%	10.89%
2003	$2,039,653	$223,741	10.97%	11.92%	10.83%
2004	$1,897,533	$169,904	8.95%	10.29%	10.83%
2005	$1,929,813	$83,480	4.33%	4.76%	10.83%
2006	$1,937,865	-$93,102	-4.80%	0.03%	10.83%
2007	$1,927,450	-$88,036	-4.57%	-0.81%	10.00%
2008	$2,138,168	-$11,520	-0.54%	-1.99%	10.00%
2009	$2,009,574	$112,030	5.57%	4.10%	10.00%
2010	$1,980,700	-$160,751	-8.12%	-0.48%	10.00%
2011	$2,051,484	$111,698	5.44%	6.72%	10.00%
2012	$1,953,864	$67,310	3.44%	10.02%	10.00%
2013	$1,733,284	$258,248	14.90%	13.78%	10.00%
2014	$1,745,302	$150,468	8.62%	3.05%	10.00%
2015	$1,556,473	$107,523	6.91%	5.91%	10.00%
2016	$1,808,243	$157,230	8.70%	13.99%	10.00%
2017	$2,324,873	-$147,889	-6.36%	-4.35%	10.00%
2018	$2,377,585	$149,533	6.29%	7.17%	10.00%
2019	$2,329,073	$197,232	8.47%	6.93%	10.00%
2020	$2,347,109	$529,390	22.55%	24.42%	10.00%
2021	$2,706,809	$211,710	7.82%	9.40%	10.00%
2022	$3,049,085	$226,076	7.41%	7.33%	10.00%
2023	$2,891,625	$356,597	12.33%	13.69%	10.00%
2024	$2,676,529	$24,780	0.93%	6.31%	10.00%

TAB NO. 2

REVENUE REQUIREMENT

Tab #2

STITTCO UTILITIES MAN LTD
REVENUE REQUIREMENT
PROJECTED FOR YEARS ENDING
JULY 31, 2025

	PUB ORDER NO. 124-24	2026 PROJECTED
TOTAL PROJECTED VOLUMES, LITRES		
Sales	6,214,000	5,546,000
Purchases	6,369,000	5,685,000
Cost, $/M3	$370.32	$413.99
PROPANE REVENUE REQUIREMENT		
Balance PPVA		
Cost Of Product	$ 2,358,692	$ 2,353,346
TOTAL C3 REV REQ'D	**$ 2,358,692**	**$ 2,353,346**
RATE BASE		
Mid-Year Rate Base	**$ 2,917,559**	**$ 2,972,141**
DISTRIBUTION REVENUE REQUIREMENT		
Other Cost Of Sales	$ 75,175	$ 32,819
Operating Expenses	$ 1,894,278	$ 1,892,478
Depreciation	$ 140,949	$ 133,293
Accretion	$ 37,007	$ 20,767
Return On Rate Base @ 10.00%	$ 291,756	$ 297,214
Income Tax Requirement	$ 118,983	$ 127,293
Other Income	-$ 218,600	-$ 163,947
	$ 2,339,548	**$ 2,339,917**
Annual % Change		**0.0%**
REVENUE REQUIRED FROM COMMODITY		**$ 2,353,346**
REVENUE REQUIRED FROM YEARLY BILLS		**$ 84,690**
REVENUE REQUIRED FROM NON-COMMODITY		**$ 2,255,227**
REVENUE FROM REQUESTED GAS RATES		**$ 2,255,227**
REVENUE FROM GAS RATES		$ 2,255,227

TAB NO. 3

INCOME STATEMENT

Tab #3

STITTCO UTILITIES MAN LTD
INCOME STATEMENTS
PROJECTED FOR YEARS ENDING
JULY 31, 2025/2026

	PUB ORDER NO. 124-24	2025 9 MONTHS ACTUAL 3 MONTHS BUDGET	2026 PROJECTED
PROPANE SALES VOL, LITRES			
Residential	1,290,000	1,231,000	1,197,000
Commercial	4,924,000	4,440,000	4,348,000
TOTAL SALES VOLUME	**6,214,000**	**5,670,000**	**5,546,000**
TOTAL PROPANE PURCHASED	**6,369,000**	**5,812,000**	**5,685,000**
UNIT PROPANE COST $/LITRE	$0.37	$0.45	$0.41
REVENUE			
Gas Sales Non Commodity	$2,339,548	$2,107,783	$2,339,917
Gas Sales	$2,358,692	$2,587,041	$2,353,346
Appl & Mat'l Sales	$97,000	$42,347	$42,347
Service Revenue	$30,000	$30,000	$30,000
Stittco Energy Rev	$51,600	$51,600	$51,600
Other Revenue	$40,000	$48,362	$40,000
TOTAL REVENUE	**$4,916,840**	**$4,867,133**	**$4,857,211**
EXPENSES			
Actual Cost Of Propane	$2,358,692	$2,587,041	$2,353,346
Other Cost Of Sales	$75,175	$32,819	$32,819
Operating Expenses	$1,894,278	$1,883,524	$1,892,478
Depreciation	$140,949	$143,666	$133,293
Accretion	$37,007	-$21,043	$20,767
TOTAL EXPENSES	**$4,506,101**	**$4,626,007**	**$4,432,704**
OPER INCOME B/TAX	$410,739	$241,125	$424,507
Income Tax Payable	$118,983	$66,719	$127,293
NET INCOME (RETURN)	**$291,756**	**$174,406**	**$297,214**
MID YEAR RATE BASE	$2,917,559	$2,912,706	$2,972,141
RETURN ON RATE BASE	**10.00%**	**5.99%**	**10.00%**

TAB NO. 4

INCOME TAX REQUIREMENT

Tab #4

STITTCO UTILITIES MAN LTD.
INCOME TAX REQUIREMENT
PROJECTED FOR YEARS ENDING
JULY 31, 2025/2026

	2024/2025 PROJECTED	2025/2026 PROJECTED
OPERATING INCOME	$241,125	$424,507
ADD DEPRECIATION	$143,666	$133,293
ADD ACCRETION	-$21,043	$20,767
LESS CCA	$116,641	$107,111
TAXABLE INCOME	$247,107	$471,457
TAX @ 27.00%	$66,719	$127,293
CALCULATED INCOME TAX	$66,719	$127,293

TAB NO. 5

CAPITAL COST ALLOWANCES

Tab #5

STITTCO UTILITIES MAN LTD
CAPITAL COST ALLOWANCE
PROJECTED FOR YEAR ENDING 31 JULY 2025

CLASS NO.	RATE %	UCC 1 AUG 2024	ADDITIONS	ADJUST	LESSER OF COST OR PROCEEDS	CCA	UCC 31 JUL 2025
1	4%	$1,186,561	$189,499	$0	$0	$55,042	$1,321,018
2	6%	$186,926	$0	$0	$0	$11,216	$175,711
6	10%	$10,884	$0	$0	$0	$1,088	$9,796
8	20%	$199,927	$11,574	$0	$0	$42,300	$169,201
9	25%	-	$0	$0	$0	$0	$0
10	30%	$2,450	$0	$0	$0	$735	$1,715
10.1	30%	$0	$0	$0	$0	$0	$0
38	30%	$1,902.96	$0	$0	$0	$571	$1,332
50	50%	$0	$0	$0	$0	$0	$0
17	8%	$71,109	$0	$0	$0	$5,689	$65,420
		$1,659,761	**$201,073**	**$0**	**$0**	**$116,641**	**$1,744,193**

STITTCO UTILITIES MAN LTD
CAPITAL COST ALLOWANCE
PROJECTED FOR YEAR ENDING 31 JULY 2026

CLASS NO.	RATE %	UCC 1 AUG 2025	ADDITIONS	ADJUST	LESSER OF COST OR PROCEEDS	CCA	UCC 31 JUL 2026
1	4%	$1,321,018	$26,500	$0	$0	$53,901	$1,293,617
2	6%	$175,711	$0	$0	$0	$10,543	$165,168
6	10%	$9,796	$0	$0	$0	$980	$8,816
8	20%	$169,201	$10,000	$0	$0	$35,840	$143,361
9	25%	$0	$0	$0	$0	$0	$0
10	30%	$1,715	$0	$0	$1,000	$215	$501
10.1	30%	$0	$0	$0	$0	$0	$0
38	30%	$1,332	$0	$0	$0	$400	$932
50	50%	$0	$0	$0	$0	$0	$0
17	8%	$65,420	$0	$0	$0	$5,234	$60,187
		$1,744,193	**$36,500**	**$0**	**$1,000**	**$107,111**	**$1,672,582**

TAB NO. 6

RATE BASE

Tab #6

STITTCO UTILITIES MAN LTD
RATE BASE
PROJECTED FOR YEARS ENDING
JULY 31, 2025/2026

	PUB ORDER NO. 124-24	2025 PROJECTED	2026 PROJECTED
PLANT IN SERVICE			
Beginning Year Balance	$6,829,452	$6,829,452	$7,094,357
Additions, Net	$187,697	$264,904	$139,413
End Of Year Balance	$7,017,149	$7,094,357	$7,233,770
Average, Mid-year	**$6,923,301**	**$6,961,904**	**$7,164,063**
ACCUMULATED DEPRECIATION			
Beginning Year Balance	$4,768,787	$4,768,830	$4,912,497
Additions, Net	$103,862	$143,666	$96,206
End Of Year Balance	$4,872,650	$4,912,497	$5,008,703
Average, Mid-year	**$4,820,719**	**$4,840,663**	**$4,960,600**
AVERAGE MID-YEAR NET PLANT IN SERVICE	$2,102,582	$2,121,241	$2,203,463
WORKING CAPITAL	$814,977	$791,465	$768,678
MID-YEAR RATE BASE	**$2,917,559**	**$2,912,706**	**$2,972,141**

TAB NO. 7

WORKING CAPITAL

Tab #7

STITTCO UTILITIES MAN LTD
WORKING CAPITAL
PROJECTED FOR YEARS ENDING
JULY 31, 2025/2026

	PUB ORDER NO. 124-24	2025 PROJECTED	2026 PROJECTED
PRODUCT INVENTORY	$313,733	$188,551	$175,365
MATERIAL INVENTORY			
Average Monthly Balance	$89,667	$86,206	$86,000
ACCOUNTS RECEIVABLE ARREARS			
Average Monthly Balance	$266,250	$348,184	$347,917
ACCOUNTS RECEIVABLE PREPAYMENTS			
Average Monthly Balance	-$134,417	-$143,212	-$142,500
CONDITIONAL SALES CONTRACTS			
Average Monthly Balance	-	-	-
ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Average Monthly Balance	-$128,510	-$106,459	-$106,459
CASH WORKING CAPITAL			
(a) 1/8 of Operating Expenses	$236,785	$235,441	$236,560
(b) 25/365 of Product Purchases	$161,554	$177,195	$161,188
INCOME TAX			
1/12 of Income Tax	$9,915	$5,560	$10,608
TOTAL	**$814,977**	**$791,465**	**$768,678**

TAB NO. 8

FIXED ASSET SCHEDULES

Tab #8

STITTCO UTILITIES MAN LTD
FIXED ASSET SCHEDULE
PROJECTED FOR THE YEAR ENDING 31 JULY 2025

DESCRIPTION	BALANCE 1 AUG 2024	ADJUST-MENTS	ADDITIONS	DISPOSALS	BALANCE 31 JUL 2025
ASSET RETIREMENT	$222,530	$0	$0	$0	$222,530
LAND	$145,729	$0	$0	$0	$145,729
BUILDINGS	$493,722	$0	$0	$0	$493,722
STORAGE & PLANT	$2,244,154	$0	$0	$0	$2,244,154
STORAGE & PLANT ACCELERATED	$0	$0	$189,499	$0	$189,499
PLANT SITE IMPROVEMENTS	$557,926	$0	$0	$0	$557,926
SPUR TRACK	$10,795	$0	$0	$0	$10,795
MAINS	$1,393,807	$0	$0	$0	$1,393,807
SERVICES	$960,140	$0	$0	$0	$960,140
METERS	$351,495	$0	$11,574	$0	$363,069
OFFICE EQUIP	$64,976	$0	$0	$0	$64,976
COMPUTER EQUIPMENT	$15,285	$0	$0	$0	$15,285
TRANS EQUIP	$74,203	$0	$0	$0	$74,203
ROU ASSETS	$88,303	$0	$63,831	$0	$152,134
HEAVY WORK EQUIPMENT	$91,604	$0	$0	$0	$91,604
TOOLS & EQUIP	$114,783	$0	$0	$0	$114,783
COMMUNICATIONS	$0	$0	$0	$0	$0
TOTAL PLANT IN SERVICE	**$6,829,452**	**$0**	**$264,904**	**$0**	**$7,094,357**

Tab #8

STITTCO UTILITIES MAN LTD
FIXED ASSET SCHEDULE
PROJECTED FOR THE YEAR ENDING 31 JULY 2026

DESCRIPTION	BALANCE 1 AUG 2025	ADJUST-MENTS	ADDITIONS	DISPOSALS	BALANCE 31 JUL 2026
ASSET RETIREMENT	$222,530				$222,530
LAND	$145,729				$145,729
BUILDINGS	$493,722				$493,722
STORAGE & PLANT	$2,244,154		$26,500		$2,270,654
STORAGE & PLANT ACCELERATED	$189,499				$189,499
PLANT SITE IMPROVEMENTS	$557,926				$557,926
SPUR TRACK	$10,795				$10,795
MAINS	$1,393,807				$1,393,807
SERVICES	$960,140				$960,140
METERS	$363,069		$10,000		$373,069
OFFICE EQUIP	$64,976				$64,976
COMPUTER EQUIPMENT	$15,285				$15,285
TRANS EQUIP	$74,203			$37,087	$37,116
ROU ASSETS	$152,134		140,000		$292,134
HEAVY WORK EQUIPMENT	$91,604				$91,604
TOOLS & EQUIP	$114,783				$114,783
COMMUNICATIONS	$0				$0
TOTAL PLANT IN SERVICE	**$7,094,357**	**$0**	**$176,500**	**$37,087**	**$7,233,770**

TAB NO. 9

DEPRECIATION SCHEDULES

Tab #9

STITTCO UTILITIES MAN LTD
ACCUMULATED DEPRECIATION SCHEDULE
PROJECTED FOR THE YEAR ENDING 31 JULY 2025

DESCRIPTION	BALANCE 1 AUG 2024	2025 DISPOSAL	DEPR RATE	2025 DEPR	BALANCE 31 JUL 2025
ASSET RETIREMENT	$222,530	$0		$0	$222,530
LAND	$0	$0	0.00%	$0	$0
BUILDINGS	$445,678	$0	2.80%	$1,631	$447,309
STORAGE & PLANT	$1,165,064	$0	2.80%	$69,953	$1,235,017
STORAGE & PLANT ACCELERATED	$0	$0	10.00%	$5,967	$5,967
PLANT SITE IMPROVE	$166,120	$0	2.80%	$13,293	$179,414
SPUR TRACK	$10,795	$0	2.80%	$0	$10,795
MAINS	$1,157,797	$0	2.80%	$9,949	$1,167,746
SERVICES	$960,140	$0	2.80%	$0	$960,140
METERS	$238,618	$0	2.80%	$9,869	$248,487
OFFICE EQUIPMENT	$64,976	$0	10.00%	$0	$64,976
COMPUTER EQUIPMENT	$15,285	$0	20.00%	$0	$15,285
TRANS EQUIP	$74,034	$0	24.00%	$92	$74,126
ROU ASSETS	$42,385	$0	24.00%	$32,682	$75,068
HEAVY WORK EQUIPMENT	$91,604	$0	20.00%	$0	$91,604
TOOLS & EQUIP	$113,805	$0	20.00%	$230	$114,035
COMMUNICATIONS	$0	$0	10.00%	$0	$0
TOTAL	**$4,768,830**	**$0**		**$143,666**	**$4,912,497**

Tab #9

STITTCO UTILITIES MAN LTD
ACCUMLATED DEPRECIATION SCHEDULE
PROJECTED FOR THE YEAR ENDING 31 JULY 2026

DESCRIPTION	BALANCE 1 AUG 2025	2026 DISPOSAL	DEPR RATE	2026 DEPR	BALANCE 31 JUL 2026
ASSET RETIREMENT	$222,530			$0	$222,530
LAND	$0		0.00%	$0	$0
BUILDINGS	$447,309		2.80%	$1,631	$448,940
STORAGE & PLANT	$1,235,017		2.80%	$58,376	$1,293,393
STORAGE & PLANT ACCELERATED	$5,967		10.00%	$18,950	$24,917
PLANT SITE IMPROVE	$179,414		2.80%	$13,293	$192,707
SPUR TRACK	$10,795		2.80%	$0	$10,795
MAINS	$1,167,746		2.80%	$9,949	$1,177,695
SERVICES	$960,140		2.80%	$0	$960,140
METERS	$248,487		2.80%	$9,809	$258,296
OFFICE EQUIPMENT	$64,976		10.00%	$0	$64,976
COMPUTER EQUIPMENT	$15,285		20.00%	$0	$15,285
TRANS EQUIP	$74,126	$37,087	24.00%	$92	$37,131
ROU ASSETS	$75,068		24.00%	$21,193	$96,260
HEAVY WORK EQUIPMENT	$91,604		20.00%	$0	$91,604
TOOLS & EQUIP	$114,035		20.00%	$0	$114,035
COMMUNICATIONS	$0		10.00%	$0	$0
TOTAL	**$4,912,497**	**$37,087**		**$133,293**	**$5,008,703**

TAB NO. 10

OPERATING EXPENSES

Tab #10

STITTCO UTILITIES MAN LTD
SUMMARY OF OPERATING EXPENSES
PROJECTED FOR YEARS ENDING
JULY 31, 2025/2026

	PUB ORDER NO. 124-24	2025 9 MONTHS ACTUAL 3 MONTHS BUDGET	2026 PROJECTED
WAGES & BENEFITS	$912,231	$874,755	$951,220
MATERIALS & SUPPLIES	$34,332	$34,938	$34,332
CONTRACT SERVICES	$109,957	$101,010	$104,134
OTHER OPERATING COSTS	$139,595	$147,658	$147,124
AUTOMOTIVE	$69,738	$68,460	$69,284
INSURANCE	$15,919	$16,162	$16,647
PROPERTY TAXES	$149,412	$135,155	$135,155
ADMINISTRATIVE & GENERAL	$260,137	$303,581	$231,816
TOTAL DIRECT OPERATING EXPENSES	$1,691,320	$1,681,718	$1,689,712
ADMINISTRATION FEE	$202,958	$201,806	$202,765
TOTAL OPERATING EXPENSES	**$1,894,278**	**$1,883,524**	**$1,892,478**

KEY ASSUMPTIONS FOR 2026 PROJECTED COSTS AGAINST PUB ORDER NO. 124/24:

1. Base Wages increase in line with inflation and filling vacancies from 2024, no changes FTE from 124/24
2. Life Insur, Medical & Dental costs have increased due to plan choices by employees

Tab #10

STITTCO UTILITIES MAN LTD
DETAILED OPERATING EXPENSES
PROJECTED FOR YEARS ENDING
JULY 31, 2025/2026

	PUB ORDER NO. 124-24	2025 9 MONTHS ACTUAL 3 MONTHS BUDGET	2026 PROJECTED
WAGES			
Regular	$750,362	$703,039	$765,369
Overtime	$21,946	$22,455	$22,385
Casual	$0	$0	$0
	$772,308	$725,493	$787,755
EMPLOYEE BENEFITS			
Canada Pension	$32,900	$30,672	$34,300
Employment Insurance	$8,918	$8,355	$9,159
Workers' Compensation	$3,720	$3,912	$4,258
Life Insur, Medical & Dental	$38,657	$51,884	$56,484
Employee Pension Plan	$19,411	$15,308	$16,665
Other Employee Benefits	$36,317	$39,131	$42,600
Total Employee Benefits	$139,923	$149,261	$163,466
TOTAL WAGES AND BENEFITS	$912,231	$874,755	$951,220
MATERIALS & SUPPLIES			
Employee Material	$3,000	$4,946	$3,000
Tools & Equipment	$1,632	$1,600	$1,632
Office Supplies	$15,000	$13,982	$15,000
Plant Materials	$7,000	$7,000	$7,000
Main & Service Line Materials	$7,000	$7,000	$7,000
Meters & Regulators	$700	$410	$700
Other Distribution	-	-	-
TOTAL MATERIAL & SUPPLIES	$34,332	$34,938	$34,332
CONTRACT SERVICES			
Office	$30,000	$28,282	$30,000
Plant	$14,000	$13,474	$14,000
Pipelines	$2,000	$0	$2,000
Meters & Regs	$0	$0	$0
Stittco Contract Services	$63,957	$59,254	$58,134
TOTAL CONTRACT SERVICES	$109,957	$101,010	$104,134
OTHER OPERATING COSTS			
Leak Surveys	$90,343	$97,600	$99,552
Rentals	$13,000	$13,000	$13,000
Vaporizer Consumption	$33,751	$34,486	$32,072
Product Loss	-	-	-
Obsolete Material Write Off	$2,500	$2,572	$2,500
Switch & Detention	-	-	-
TOTAL OTHER COSTS	$139,595	$147,658	$147,124

STITTCO UTILITIES MAN LTD
DETAILED OPERATING EXPENSES
PROJECTED FOR YEARS ENDING
JULY 31, 2025/2026

	PUB ORDER NO. 124-24	2025 9 MONTHS ACTUAL 3 MONTHS BUDGET	2026 PROJECTED
AUTOMOTIVE			
Maintenance	$30,000	$28,566	$30,000
Fuel	$27,738	$27,894	$27,284
Auto Lease	$0	$0	$0
Licenses & Insurance	$12,000	$12,000	$12,000
TOTAL AUTOMOTIVE	$69,738	$68,460	$69,284
Insurance - Premium	$15,919	$16,162	$16,647
Insurance - Non Covered Claim Costs	$0	$0	$0
INSURANCE	$15,919	$16,162	$16,647
PROPERTY TAXES	$149,412	$135,155	$135,155
ADMINISTRATIVE & GENERAL			
Bank Charges	$30,275	$29,535	$29,535
Safety & Branch Mtgs	$10,000	$9,164	$9,164
Freight & Express	$7,050	$8,612	$7,831
Memberships, Sub, Permits Etc	$2,038	$2,503	$2,270
Postage	$14,620	$14,183	$14,401
Consulting Fees	$49,628	$39,098	$39,098
Public Utility Board Costs	$2,000	$1,500	$2,000
Sales Promotion	$600	$600	$600
Advertising	$857	$1,445	$1,445
Telephone	$16,057	$20,640	$20,640
Training	$7,000	$9,087	$7,000
Travel & Entertainment	$5,000	$5,000	$5,000
Bad Debt	$3,820	$74,824	$3,820
Utilities	$43,136	$30,519	$31,435
Manitoba Payroll Tax	$17,000	$16,294	$17,000
Legal Fees	$27,353	$16,872	$16,872
Audit Fees	$23,704	$23,704	$23,704
TOTAL ADMIN	$260,137	$303,581	$231,816
TOTAL DIRECT OPERATING EXPENSES	$1,691,320	$1,681,718	$1,689,712
ADMINISTRATION FEE	$202,958	$201,806	$202,765
TOTAL OPERATING EXPENSES	$1,894,278	$1,883,524	$1,892,478