

Press Release

South Central Natural Gas Project Expands Scope to Include Residential Customers Within Towns

The Growth and Prosperity Stakeholders Group has expanded the project scope to supply natural gas to the residential customers within the communities involved in the South Central Natural Gas Project. This would apply to those living in the communities of Treherne, Rathwell, Holland, Cypress River, Glenboro, Swan Lake, Somerset, Notre Dame de Lourdes, Mariapolis, St. Leon, Pilot Mound, Crystal City, and Miami, adding an additional 1,862 potential customers and \$1.7 million in additional annual savings. At the current electric and natural gas rates the average household would see an annual space heating savings of \$700, or a total savings of \$17,500 over the 25-year lifetime of a natural gas furnace compared to an electric furnace, and annual water heating savings of \$204 or a total savings of \$2,040 over the 10-year lifetime of a power-vented natural gas water heater. New residential customers would be asked to contribute \$250 +GST as a connection fee. Manitoba Hydro has programs that will finance a new furnace, ducting and water heater equipment and installation costs. Natural gas savings cover the costs of the finance loan with current energy rates, so there are no other costs for residential customers to install a new natural gas space and water heating system, and future electric rate increases are avoided.

The Growth and Prosperity Group has set a target of having 40% of households convert in the first year, building to 70% by the end of the 10th year. The revenue from these new customers will offset the additional in town piping costs up to the natural gas meter. With the growing interest expressed so far from the residential sector, and Manitoba Hydro electrical rates announced to rise at least 3.95% every year for the next 20 years, the Growth and Prosperity Stakeholders Group felt that the 40% and 70% targets are achievable and that it was necessary to expand the project scope to provide long-term benefit for our communities.

More information can be found on our website at www.southcentralnaturalgas.com

Community	Projected number of new residential customers	Total Space Heating Savings	Total Water Heating Savings	Total Space and Water Savings
Lorne	565	\$395,500	\$115,260	\$510,760
Louise	395	\$276,500	\$80,580	\$357,080
Norfolk Treherne	304	\$212,800	\$62,016	\$274,816
Glenboro	195	\$136,500	\$39,780	\$176,280
Victoria	248	\$173,600	\$50,592	\$224,192
Thompson	155	\$108,500	\$31,620	\$140,120
Totals	1862	\$1,303,400	\$379,848	\$1,683,248