



Growth and Prosperity Stakeholders Group

Newsletter

OCTOBER 2017

-South Central Natural Gas Project-

Update on Rescoping and Feasibility Study

-Manitoba Hydro has completed the design and feasibility study. Updated maps and information will be made available at

www.southcentralnaturalgas.com.

-The new design provides natural gas service to ALL residential, commercial and public facilities within 13 communities in 6 municipalities (Norfolk Treherne, Victoria, Glenboro South Cypress, Lorne, Louise, and Thompson).

-Within the towns natural gas pipelines are installed using directional drilling, avoiding disruption to roadways and sidewalks.

- A marketing campaign will be promoted within the first two years of natural gas service, the current feasibility study estimates in the first year of natural gas service 30% of homes will convert.

-There were 135 public and commercial businesses that submitted an Expression of Interest Form in January 2017. This exceeded our expectations by 30%. There are another potential 246 buildings that will have the option of receiving natural gas service.

-67 rural agricultural producers in the 6 municipalities also submitted an Expression of Interest Form. This would provide gas to grain dryers and livestock barns as well as to heat shops and houses.

-In total, this Project can serve over 2,300 new natural gas customers. Manitoba Hydro is able to apply a revenue credit of \$2.6 million to reduce the contribution required.

-The remaining contribution cost is now at \$46.8 million.

Where is the GPSG at for securing funding?

The funding model is similar to previous discussions in which we are seeking 1/3 of the funding to come from each of Local, Provincial, and Federal sources.

Local Funding:

In January 2017, we asked rural agricultural producers, Hutterite colonies, and large service commercial users to submit a cheque postdated to October 1, 2017 based on the fee schedule. These cheques will NOT be cashed until Provincial and Federal Funding has been confirmed. Manitoba Hydro will call all those who submitted cheques prior to depositing them. They will become stale dated on April 1, 2018.

The municipalities have been asked to contribute to the cost as they recognize there will be an economic benefit to the region in addition to public facilities having access to natural gas and lowering operating costs. The municipalities will be presenting the information soon, stay tuned for date and times.

Federal and Provincial Funding:

Funding has not yet been secured, in order for the South Central Natural Gas Project to move forward with the current funding model we will need Federal and Provincial Support. The GPSG will be applying for funding through the Canadian Agricultural Partnership and the Investing in Canada Phase 2 Program through the Canada-Manitoba Infrastructure Secretariat. The GPSG has been asked to provide along with our application an Economic Impact Analysis to demonstrate the direct and indirect economic impact of constructing a pipeline and potential outcomes of industries that may be enhanced.

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Instagram: [gpsg_sc](https://www.instagram.com/gpsg_sc) Twitter: [@gpsg_sc](https://twitter.com/gpsg_sc)

Website: www.southcentralnaturalgas.com

Phone: (204) 245-1405

Email: manager.gpsg@gmail.com