
Quarterly Report

April 1 to June 30, 2015

Q1

Affordable Energy Program and Furnace Replacement Program



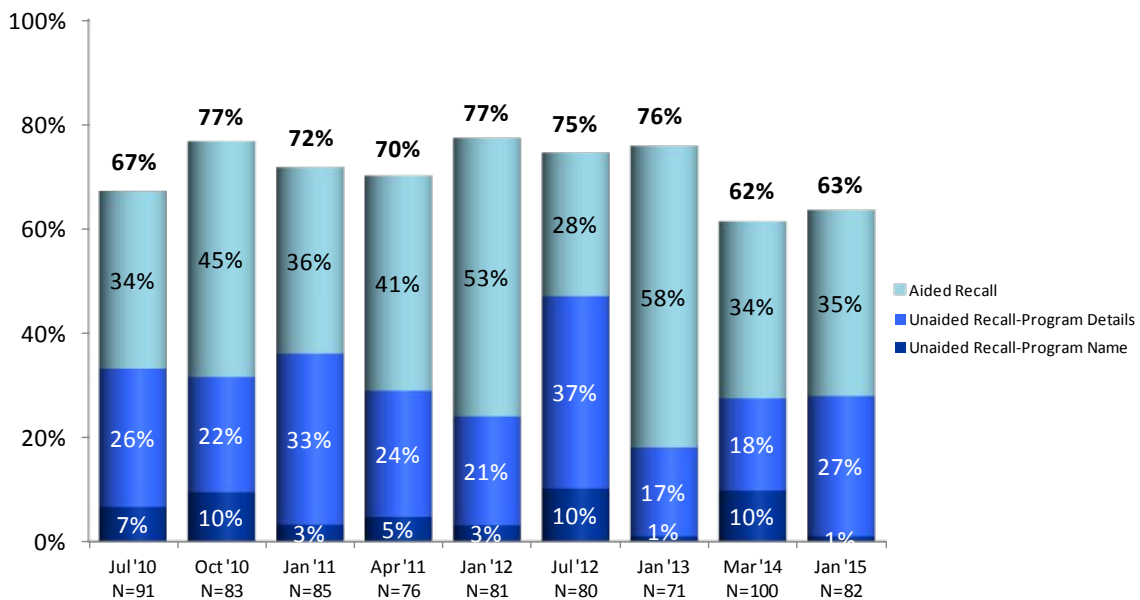
Centra Gas Manitoba Inc.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2015, indicated 63% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 1% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 27% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 35% who say they recognized the program name after the AEP name is stated (aided awareness).

Both aided and unaided recall remain relatively the same to the results from the previous survey conducted in March 2014. Total awareness has decreased relative to previous years; however, the decreased program awareness can be attributed to the recent name change of the program, formerly known as the *Lower Income Energy Efficiency Program* or *LIEEP*. With aggressive marketing, it is expected the awareness level will increase relative to previous waves.



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “ Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

Target Furnace Replacement Market - As at June 30, 2015

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the November 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of June 30, 2015)			
Furnace Marketplace at Dec 1, 2014*	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,497	17,693	25,190
Rentals	1,249	948	2,197
Total Standard Furnaces (2014* Survey)	8,746	18,641	27,387
Estimated Installation from Dec 1/14 to Jun 30/15**			
Total	1,149	2,085	3,234
Remaining Standard Furnaces at Jun 30, 2015			
Total	7,597	16,556	24,153
All Natural Gas Furnaces (2014 survey)***	54,516	176,109	230,625
Standard % of Marketplace****	14%	9%	10%

* Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

** Estimated total number of natural gas furnace replacements from Dec 1, 2014 to June 30, 2015 is based on permit data of a total of 4,620 furnace replacements (1,558 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

*** Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

****The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s Affordable Energy Program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

**Report on the Affordable Energy Program and the Furnace Replacement Program
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Target Insulation Upgrade Market - As at June 30, 2015

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q1 - 2015/16 Report - without apartments

Insulation Target Market Review	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	21,960	42,330	64,290
Renters	7,510	3,148	10,658
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)*	29,470	45,478	74,948
Estimate of Number of Dwellings Insulated from December 2014 to June 30, 2015**	731	267	998
Insulation Upgrade Target	28,739	45,211	73,950
<i>Total Dwellings</i>	115,136	292,555	407,691
Fair/Poor % of Marketplace	25%	15%	18%

* Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

** Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Jun 30, 2015 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to June 30, 2015 (1,666), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

Affordable Energy Program Highlights – April 1 to June 30, 2015

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2015/16 Q1 (Apr 1 – Jun 30, 2015)	Cumulative (to Jun 30, 2015)
Individual	254	7,084
Community	45	2,442*
First Nation	356	1,927
Total	655	11,453

*51 homes have been added to the Community cumulative total as they were overlooked in 2014/15. This change is reflected throughout the remainder of the document.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2015/16 Q1 (Apr 1 – Jun 30, 2015)	Cumulative (to Jun 30, 2015)
Individual: Furnace	84	3,764
Boiler	1	96
Community: Furnace	15	257
Boiler	0	1
First Nation	0	0
Total: Furnace	99	4,021
Boiler	1	97

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	154	0
Estimated Installation (next 6 months)	379	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace Failures

Furnace Failures*	Furnaces Replaced due to Failure	Furnaces Replaced Before the End of Life
Apr 1, 2015 to Jun 30, 2015	0	99
Cumulative to Jun 30, 2015	162**	3,007

* Furnace failures started being recorded July 1, 2010 and is not comparable to other cumulative data reported which started at the beginning of the FRP.

** In addition to the above furnace failures, there was one boiler failure during Q3 2011/12 period, one during the Q4 2011/12 period, two during the Q2 2013/14 period, and one during the Q3 2013/14 period.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

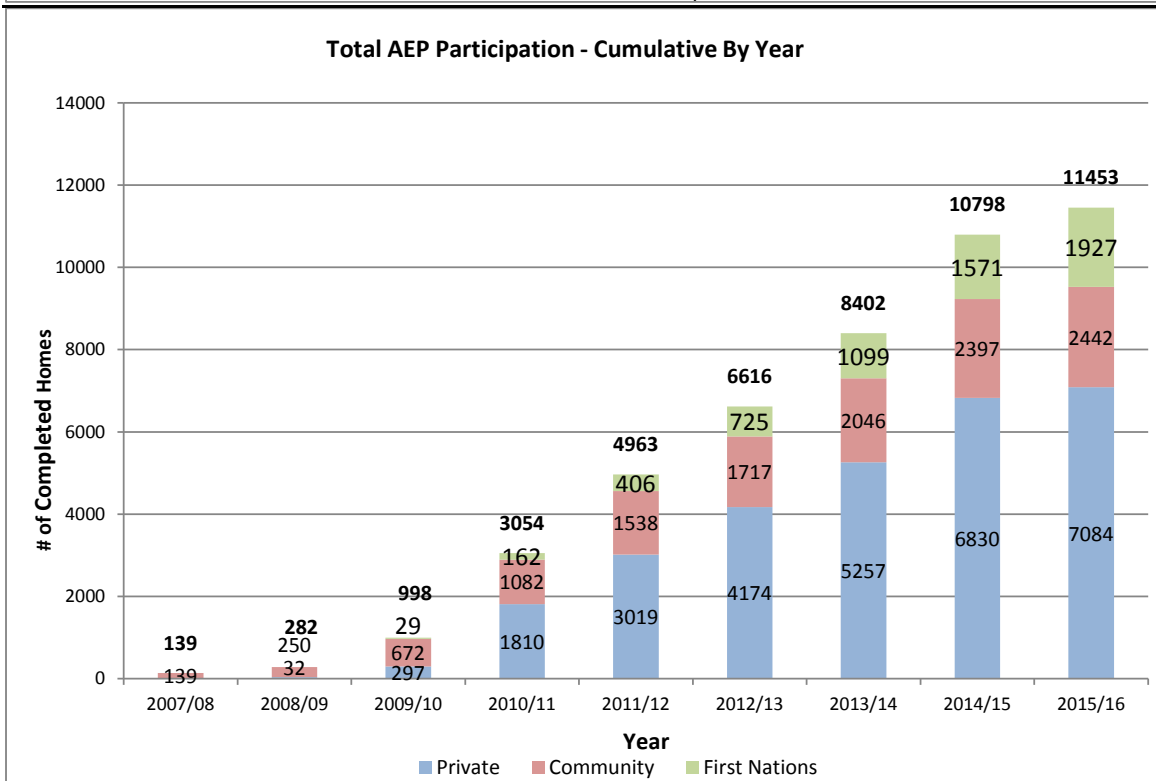
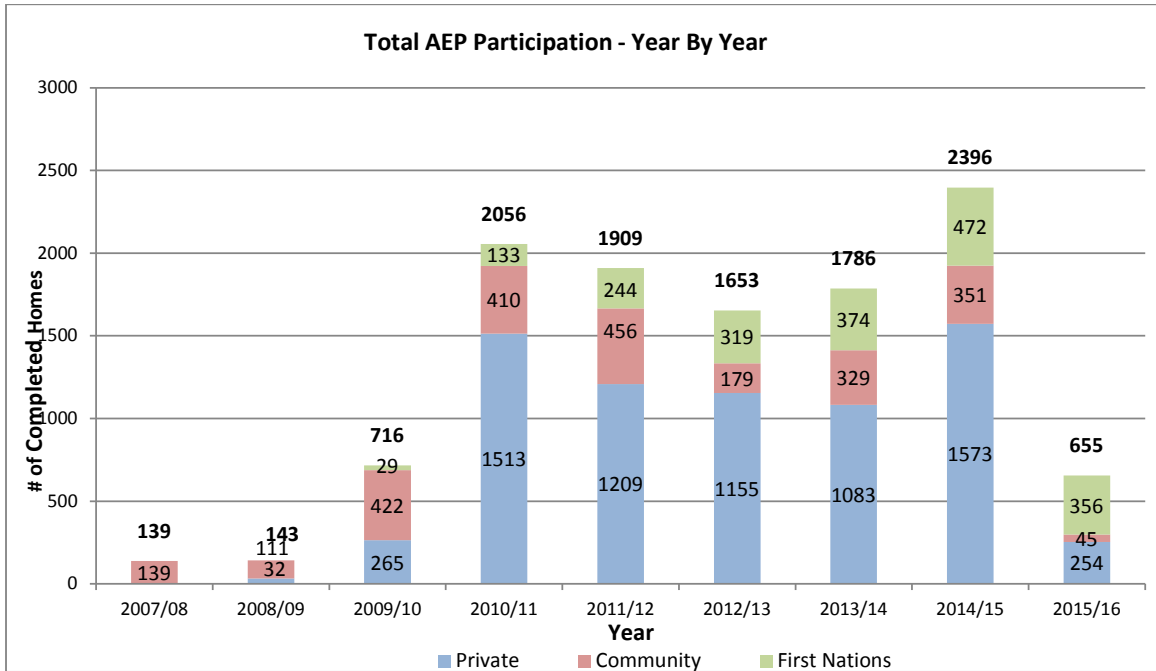
Affordable Energy Program Highlights – April 1 to June 30, 2015
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E. Insulation Installations Completed

Program Participation Overview	FY 2015/16 Q1 (Apr 1 – Jun 30, 2015)	Cumulative (to Jun 30, 2015)
Individual	185	3,847
Community	19	2,312
First Nation	153	1,644
Total	357	7,803

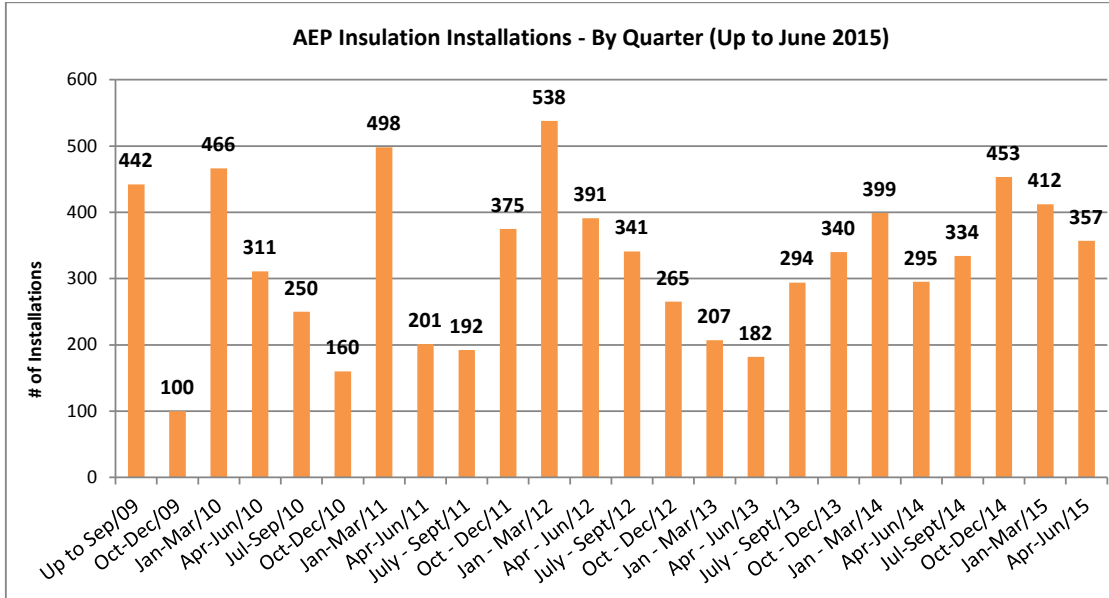
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

Trending Charts: AEP Completed Homes since Program Inception



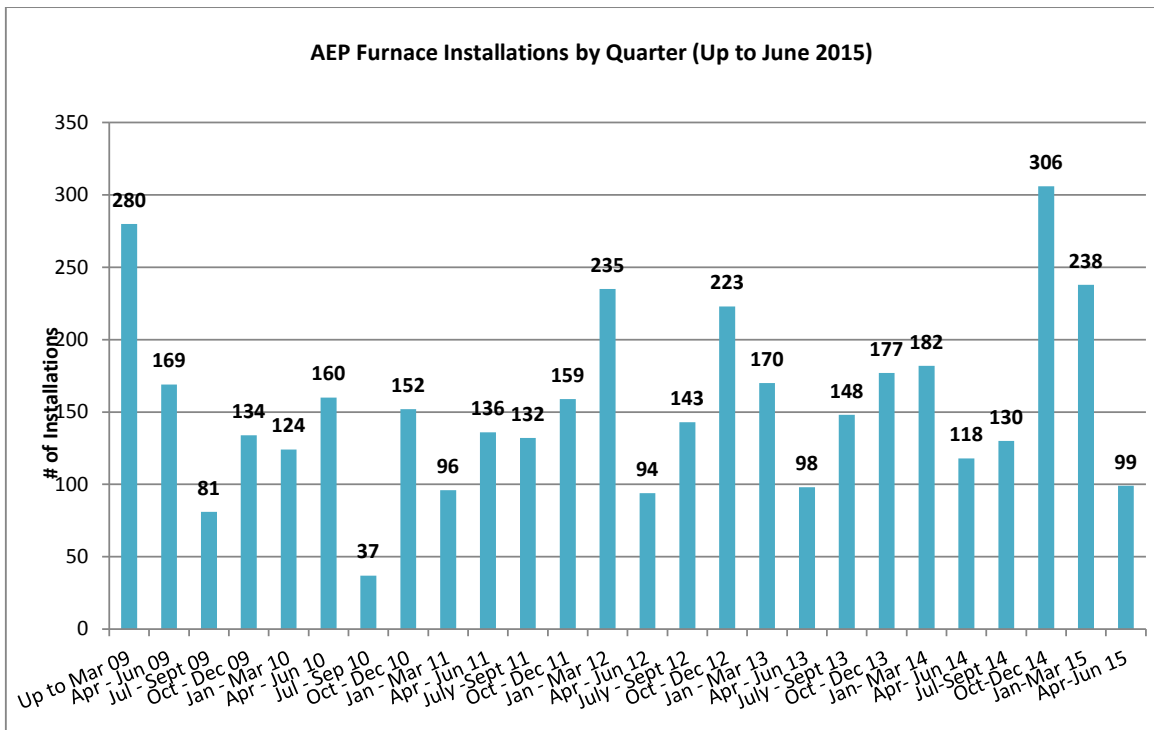
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

Trending Charts: AEP Insulation Installation since Program Inception



Data includes individual approach (3,847 cumulative to end of June 2015), community approach (2,312 cumulative to end of June 2015) and First Nations (1,644 cumulative to end of June 2015). In the April – June 2015 period, there were a total of 185 for individual approach, 19 for community approach (MHA, DOFNHA, Kanata, Kinew, MGR and private homeowners or landlords) and 153 for First Nations. Completions are counted once all paperwork is finalized from community groups.

Trending Charts: Furnace Replacements since Program Inception



**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

<p>Marketing Activities</p>

Below is a review of marketing efforts undertaken by Manitoba Hydro up to June 30, 2015.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a.) In April, a bill insert was sent to residential customers across the province.
- b.) On April 8, 2015 an ad for the program ran in Grass Roots News.
- c.) NCI-FM Radio ads ran the week of April 13, on Saturday April 16 and Saturday April 25 two pre and two post spots ran during Metis Hour.
- d.) On April 10 and 17 an Autodialer Campaign was undertaken aimed at customers in arrears to encourage participation in the program to help customers lower their energy bills.
- e.) On April 14, 2015 staff gave a presentation about the Affordable Energy Program and all residential Power Smart Programs to newcomers at New Journey Housing.
- f.) From April 28 – May 1, 2015 staff attended and presented at the 47th National Congress on Housing and Homelessness put on by the Canadian Housing and Renewal Association.
- g.) On May 15, 2015 staff presented Power Smart opportunities in Sayisi Dene First Nation.
- h.) On May 19, 2015 staff contacted the 7 Manitoba Metis Federation (“MMF”) Regional Offices in order to discuss how to reach MMF members and encourage participation in the Program.
- i.) On May 28, 2015 staff contacted the Community Housing and Grants Coordinator for the Daniel McIntyre/St Matthews Community Association to discuss opportunities to reach out to members of their community and encourage participation in the AEP Program.
- j.) On May 29, 2015 staff attended the William Whyte Community Cleanup to promote the Affordable Energy Program to members of the community who were involved in the cleanup.
- k.) On May 22, 2015 staff met with Long Plain First Nation to discuss energy efficiency upgrades in homes owned by the band but reside outside of the community.
- l.) On May 23, 2015 print ads for the Affordable Energy Program ran in the Winnipeg Free Press and the Brandon Sun.
- m.) On May 27, 2015 print advertisements for the Affordable Energy Program ran in the Canstar Weeklies, Thompson Citizen, and The Pas Opasquia.
- n.) On May 28, 2015 print ads for the Affordable Energy Program ran in the Selkirk Journal, Selkirk Record, Morden Times, Winkler Times, Winkler-Morden Voice, Steinbach Carillion, and Portage Central Plains Herald.
- o.) On June 3, 2015 staff contacted 6 Neighbourhood Renewal Corporations throughout Manitoba to discuss opportunities to reach out to members of their communities and encourage participation in the Program.
- p.) On June 3, 2014, staff contacted the Seniors & Healthy Aging Secretariat to add information about the AEP into the Seniors Guide, which will be included in the 2015/16 edition.
- q.) During the weeks of June 8 and 22, 2015 AEP television ads were aired on Global and CBC.
- r.) During the weeks of June 8, 15, 22, and 29, 2015 television ads were aired on CTV and APTN.
- s.) On June 4, 2015 a letter was sent to landlords to promote the Affordable Energy Program and encourage participation.
- t.) On June 10, 2015 staff attended the Salvation Army Open House to promote the AEP.

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- u.) On June 15, 2015, street level posters featuring the Affordable Energy “IT’S TRUE” message were distributed to various convenience stores in targeted Winnipeg neighbourhoods with higher incidences of lower income customers. The campaign continued to run until August 9, 2015.
- v.) On June 18, 2015, staff met with a representative of the Salvation Army to discuss other ways of integrating the Affordable Energy Program with the other services the Salvation Army provides.
- w.) In June, AEP posters were distributed to Neechi Commons and Norquay Community Centre.
- x.) In June, AEP posters were distributed to Hamiota/Blanchard Senior Services and Minnedosa & District Services to Seniors.

b) Street Approach Pilot Project

Manitoba Hydro and North End Community Renewal Corporation staff canvassed 11 streets from April – June for the Neighbourhood Power Smart Street Pilot Project, namely:

- a. April 2 - Redwood between McKenzie and McGregor,
- b. April 16 – Magnus between Charles and Aikens,
- c. April 30 – Flora between McGregor and Parr,
- d. May 11 – Boyd Ave between Andrews and McGregor,
- e. May 19 – Cathedral Ave between Arlington and Cairnsmore,
- f. May 21 – Stella Ave between Parr and Arlington,
- g. May 28 – Alfred Ave between Andrews and McGregor,
- h. June 4 – Aberdeen Ave between Charles and Aikins,
- i. June 11 – Flora Ave between Robinson and Salter,
- j. June 18 – College Ave between Salter and Powers,
- k. June 25 – Cathedral Ave between Charles and Aikins.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • Bison Plumbing and Heating Ltd. • College Electric Ltd. • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Hot Shots Plumbing and Heating Corp. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Jim’s Heating & Plumbing • Kirkfield Heating and Air Conditioning Ltd. • Lynn’s Heating, Cooling, Sewer and Drain • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • Sarte Heating and Cooling Ltd. • S.S. Plumbing and Heating Co. Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. • Whap HVAC 	<ul style="list-style-type: none"> • Bayview Plumbing and Heating Ltd.- Brandon • Brown’s Plumbing and Heating Ltd. – Steinbach • Edwards Plumbing & Heating - Dauphin • Gallery Mechanical – Lac du Bonnet • Hanover Plumbing and Heating Inc. – Steinbach • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Schanzenfeld • K. Durston Plumbing and Heating- Dauphin • Klassen Metal Inc. – Blumenort • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. - Grunthal • Polar Plumbing and Heating Ltd. – Winkler • Pringle’s Plumbing and Heating Ltd. – Selkirk • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Titanium Mechanical – Steinbach

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all our contractors. This contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all contractors.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2015**

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2015/16 Q1 (April 1, 2015 to June 30, 2015)		(000's)
Beginning Balance April 1, 2015	\$	19,272*
Disbursements**		(406)
Additional Funding from SGS Customer Class		475
Accrued Interest		79
Ending Balance June 30, 2015	\$	19,420

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at Jun 30, 2015		(000's)
Beginning Balance August 1, 2007	\$	-
Disbursements (life to date)		(11,643)
Additional Funding from SGS Customer Class (life to date)		29,430
Accrued Interest (life to date)		1,633
Ending Balance June 30, 2015	\$	19,420

* The difference between the closing balance of the 2014/15 Q4 Report and the beginning balance of the 2015/16 Q1 Report relates to an IFRS adjustment for ineligible overhead for \$77,414.14

** Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

Quarterly Report

July 1 to September 30, 2015

Q2

Affordable Energy Program and Furnace Replacement Program



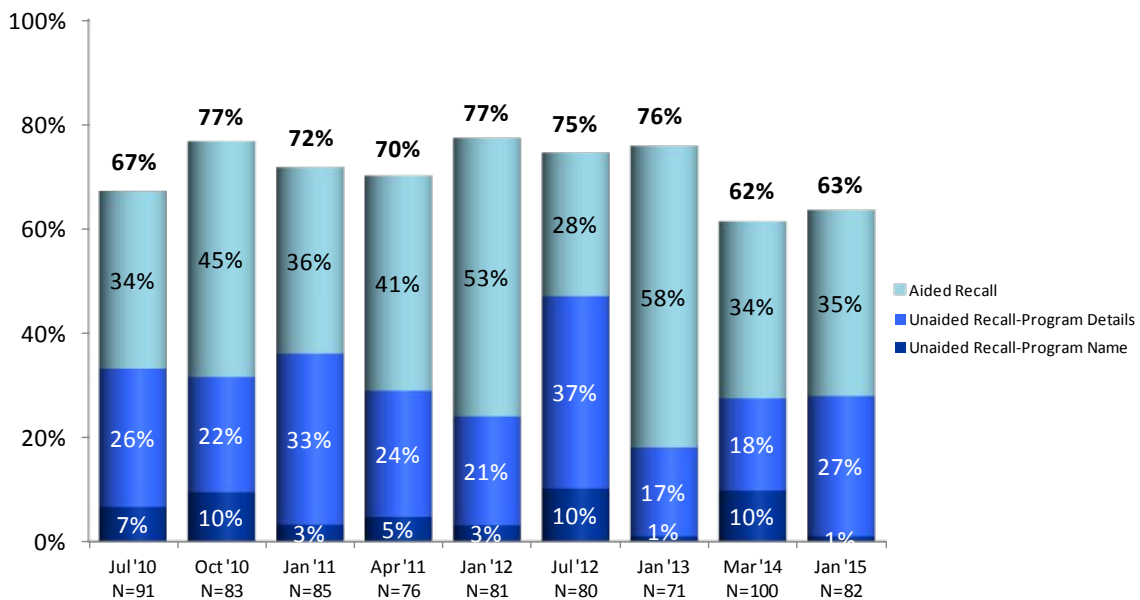
Centra Gas Manitoba Inc.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2015, indicated 63% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 1% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 27% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 35% who say they recognized the program name after the AEP name is stated (aided awareness).

Both aided and unaided recall remain relatively the same to the results from the previous survey conducted in March 2014. Total awareness has decreased relative to previous years; however, the decreased program awareness can be attributed to the recent name change of the program, formerly known as the *Lower Income Energy Efficiency Program* or *LIEEP*. With aggressive marketing, it is expected the awareness level will increase relative to previous waves.



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “ Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Target Furnace Replacement Market - As at September 30, 2015

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of September 30, 2015)			
Furnace Marketplace at Dec 1, 2014*	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,497	17,693	25,190
Rentals	1,249	948	2,197
Total Standard Furnaces (2014* Survey)	8,746	18,641	27,387
Estimated Installation from Dec 1/14 to Sept 30/15**			
Total	1,513	2,926	4,439
Remaining Standard Furnaces at Sept 30, 2015			
Total	7,233	15,715	22,948
All Natural Gas Furnaces (2014 survey)***	54,516	176,109	230,625
Standard % of Marketplace****	13%	9%	10%

* Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

** Estimated total number of natural gas furnace replacements from December 1, 2014 to September 30, 2015 is based on permit data of a total of 6,341 furnace replacements (1,721 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

*** Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

**** The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s Affordable Energy Program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Target Insulation Upgrade Market - As at September 30, 2015

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q2 - 2015/16 Report - without apartments

Insulation Target Market Review	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	21,960	42,330	64,290
Renters	7,510	3,148	10,658
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)*	29,470	45,478	74,948
Estimate of Number of Dwellings Insulated from December 2014 to September 30, 2015**	898	329	1,227
Insulation Upgrade Target	28,572	45,149	73,721
<i>Total Dwellings</i>	115,136	292,555	407,691
Fair/Poor % of Marketplace	25%	15%	18%

* Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

** Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Sept 30, 2015 is based on:

- LICO 125% dwellings: based on the total private individual homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to September 30, 2015 (2,056), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Affordable Energy Program Highlights – July 1 to September 30, 2015

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2015/16 Q2 (Jul 1 – Sept 30, 2015)	Cumulative (to Sept 30, 2015)
Individual	212	7,296
Community	44	2,486
First Nation	502	2,454*
Total	758	12,236

*25 homes have been added to the First Nations cumulative total as they were overlooked in 2014/15. This change is reflected throughout the remainder of the document.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2015/16 Q2 (Jul 1 – Sept 30, 2015)	Cumulative (to Sept 30, 2015)
Individual: Furnace	77	3,841
Boiler	0	96
Community: Furnace	7	264
Boiler	1	2
First Nation	0	0
Total: Furnace	84	4,105
Boiler	1	98

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	200	0
Estimated Installation (next 6 months)	437	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace Failures

Furnace Failures*	Furnaces Replaced due to Failure	Furnaces Replaced Before the End of Life
Jul 1, 2015 to Sept 30, 2015	0	84
Cumulative to Sept 30, 2015	162**	3,091

* Furnace failures started being recorded July 1, 2010 and is not comparable to other cumulative data reported which started at the beginning of the FRP.

** In addition to the above furnace failures, there was one boiler failure during Q3 2011/12 period, one during the Q4 2011/12 period, two during the Q2 2013/14 period, and one during the Q3 2013/14 period.

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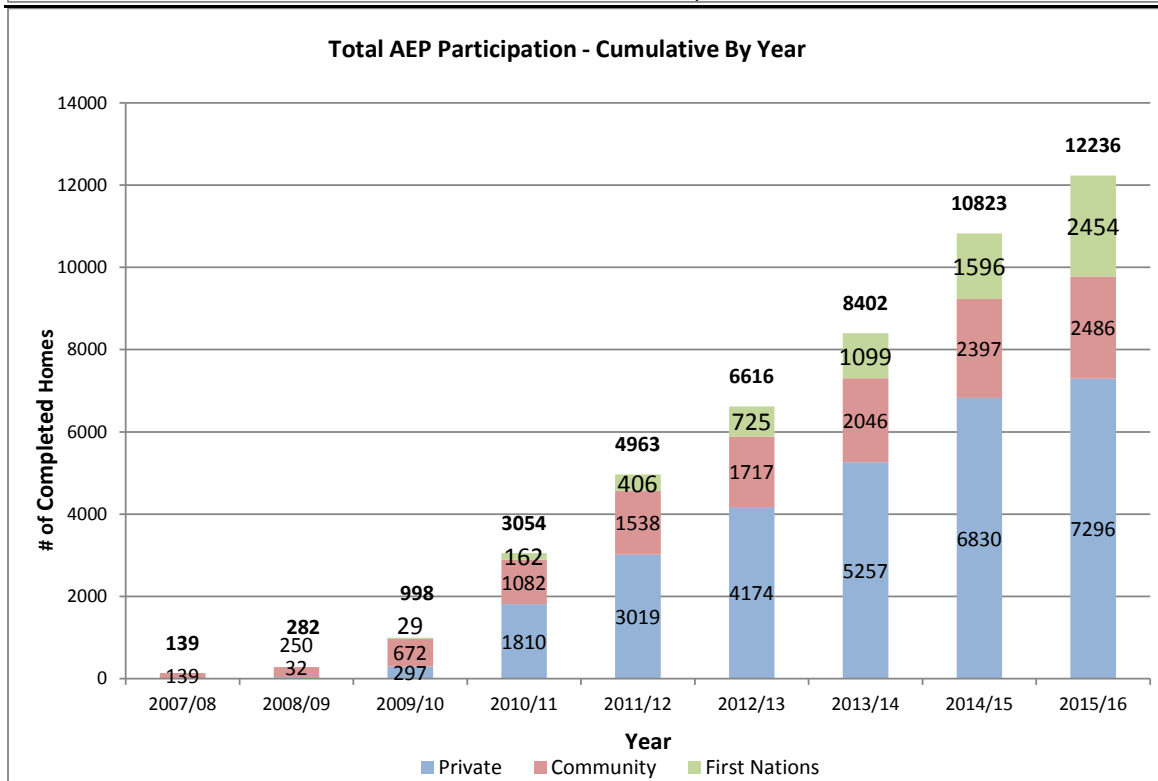
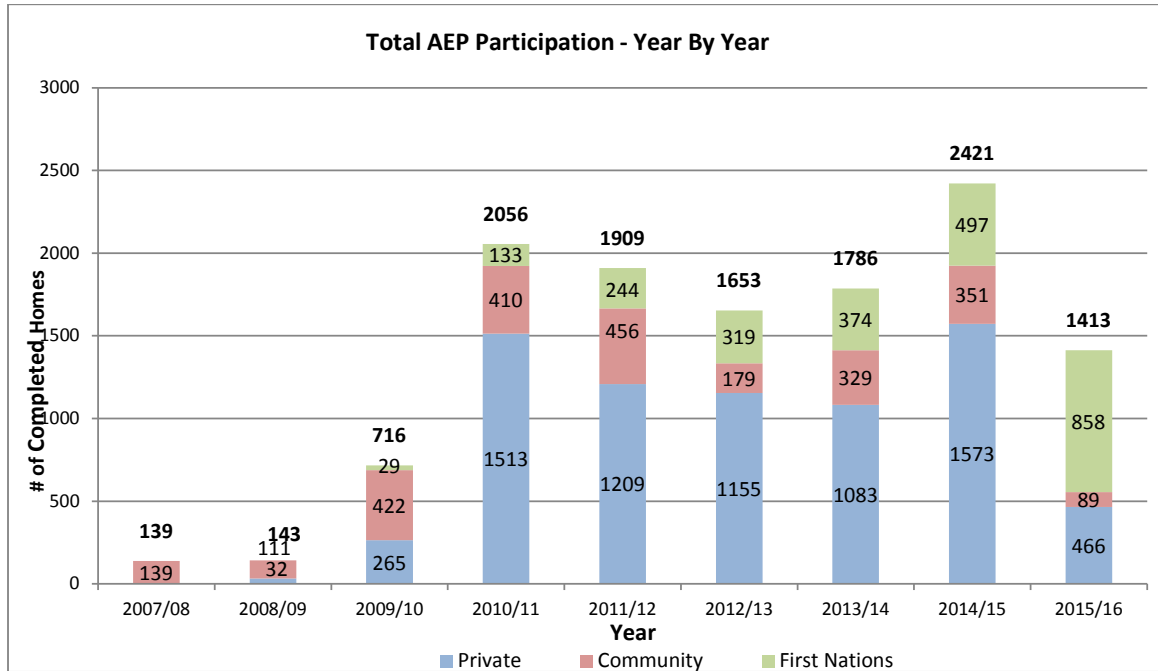
Affordable Energy Program Highlights – July 1 to September 30, 2015

E. Insulation Installations Completed

Program Participation Overview	FY 2015/16 Q2 (Jul 1 – Sept 30, 2015)	Cumulative (to Sept 30, 2015)
Individual	135	3,982
Community	32	2,344
First Nation	138	1,807
Total	305	8,133

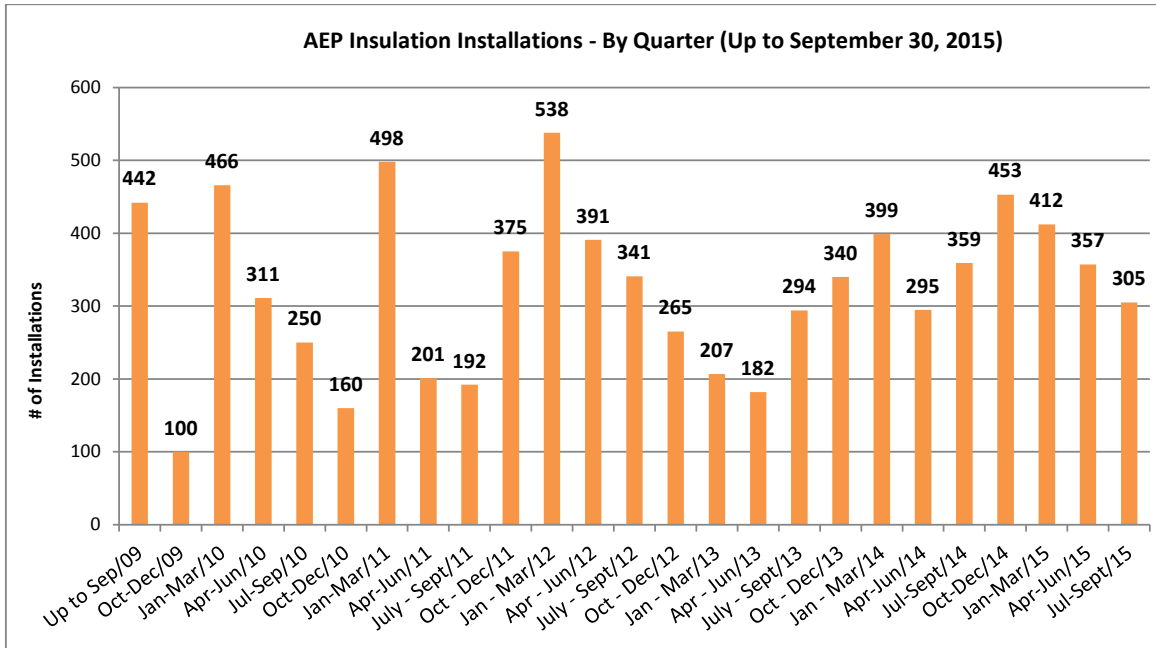
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Trending Charts: AEP Completed Homes since Program Inception



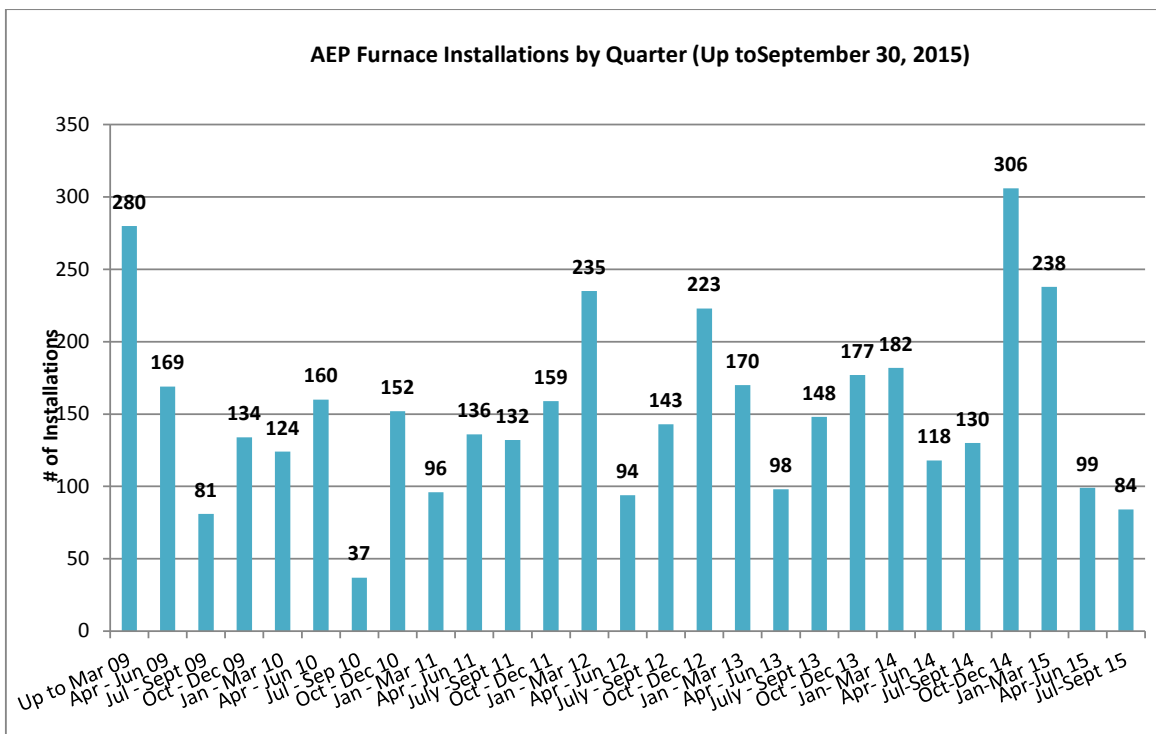
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Trending Charts: AEP Insulation Installation since Program Inception



Data includes individual approach (3,982 cumulative to end of Sept 2015), community approach (2,344 cumulative to end of Sept 2015) and First Nations (1,804 cumulative to end of Sept 2015). In the July – September 2015 period, there were a total of 135 for individual approach, 32 for community approach (MHA, DOFNHA, Kanata, Kinew, MGR and private homeowners or landlords) and 138 for First Nations. Completions are counted once all paperwork is finalized from community groups.

Trending Charts: Furnace Replacements since Program Inception



**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to September 30, 2015.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a. In July of 2015 a bill insert was sent to residential customers across the province.
- b. On July 16, 2015, staff met with the Chief and members of the Tootinoawaziibeeng First Nation to discuss energy efficiency opportunities within the community.
- c. On July 24, 2015, Manitoba Hydro ran an autodialer campaign to target electric customers in arrears and promote the AEP.
- d. On July 28, 2015, the AEP online application was launched.
- e. During the week of July 5, 2015, an advertisement for the AEP ran in the Adwest and PNG weekly newspapers.
- f. During July of 2015 street level posters featuring the AEP "IT'S TRUE" message continued to be displayed at convenience stores in targeted Winnipeg neighbourhoods with higher incidences of lower income customers. The campaign ran until August 9, 2015.
- g. An article about the AEP appeared in the summer 2015 issue of Open Doors, a publication of the Residential Tenancies Branch.
- h. In July of 2015 program posters, brochures, and applications were sent to the Selkirk Community Renewal Corporation, Flin Flon Neighbourhood Revitalization Corporation and Dauphin Neighbourhood Renewal Corporation.
- i. During the weeks of August 2, 2015 and August 9, 2015 the AEP ran program ads in Grassroots.
- j. In September of 2015 Neighbours Helping Neighbours was promoted via bill insert to all Manitoba Hydro residential customers.
- k. On September 4, 2015, staff visited the Manitoba Metis Federation Interlake Regional Office to discuss program participation opportunities.
- l. On September 10, 2015, a print ad ran in Grass Roots promoting the AEP.
- m. On September 16, 2015, staff met with the new Executive Director of Manitoba Non-Profit Housing Association to discuss Associate Membership and collaborative opportunities.
- n. On September 17, 2015 staff went to the Lake Manitoba First Nation community to train community members on how to install basement insulation.
- o. From September 26 - 27, 2015 staff attended the Manitoba Metis Annual General Assembly to promote the AEP.
- p. An article about AEP appeared in the 2015 fall edition (September-October) of the McGregor-Austin Senior's Support Program Newsletter.
- q. Poster and brochures were sent throughout July-September 2015 to the following seniors organizations and recreation centres: Luxton Community Centre, Arborg & District Seniors Resource Council, Gladstone Area Seniors Support Program, Lunder Community Resource Council, Macgregor-Austin Senior's Support Program, Morden Friendship Centre (Services for Seniors Inc), Home Assistance Neepawa and District, Russell Senior Services of Banner County, Selkirk and District Seniors Resource Council, Shoal Lake Senior Services of Prairie-Parkland Inc, Ashern: Living Independence for Elders (L.I.F.E), Brandon - Prairie Oasis Senior Centre, Dauphin Multi-Purpose Senior Centre, Erickson: Services to Seniors Serving Erickson,

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Onanole, Sandy Lake & Areas Inc, Eriksdale Community Resource Council Inc, Glenboro: Seniors Independent Services, Grandview & District Community Resource Council, Lac du Bonnet: Two Rivers Senior's Resource Council, Manitou: Pembina Community Resource Council, Pilot Mound: Louise Community Services for Seniors, Rossburn Community Resource Council, Traverse Bay: East Beaches Resource Centre, Erickson Recreation Centre, Flin Flon: Whitney Forum, Gillam Recreation Centre, St Laurent Recreation Centre, Melita/Pierson - Senior Services of Antler River, and St Laurent Seniors Resource Council.

b) Street Approach Pilot Project

Manitoba Hydro staff and NECRC staff canvassed ten streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. July 2 – Manitoba Ave between Salter and Powers
- b. July 9 – Pritchard Ave between McKenzie and Parr
- c. July 16 – Airlies St between Mountain and Church
- d. July 23 – Stella Ave between McKenzie and Parr
- e. July 30 – Hallet St between Rover and Euclid
- f. Aug 6 – Polson Ave, between Powers and Andrews
- g. Aug 13 - Magnus Ave, between McKenzie and McGregor
- h. Aug 20 – Atlantic Ave, between Aikins and Salter
- i. Aug 27 – Grove St, between Euclid and Rover
- j. Sept 3 – Manitoba Ave between Arlington and Sinclair

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • Bison Plumbing and Heating Ltd. • College Electric Ltd. • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Hot Shots Plumbing and Heating Corp. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Jim’s Heating & Plumbing • Kirkfield Heating and Air Conditioning Ltd. • Lynn’s Heating, Cooling, Sewer and Drain • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • Sarte Heating and Cooling Ltd. • S.S. Plumbing and Heating Co. Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. • Whap HVAC 	<ul style="list-style-type: none"> • Bayview Plumbing and Heating Ltd.- Brandon • Brown’s Plumbing and Heating Ltd. – Steinbach • Edwards Plumbing & Heating - Dauphin • Gallery Mechanical – Lac du Bonnet • Hanover Plumbing and Heating Inc. – Steinbach • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Schanzenfeld • K. Durston Plumbing and Heating- Dauphin • Klassen Metal Inc. – Blumenort • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. - Grunthal • Polar Plumbing and Heating Ltd. – Winkler • Pringle’s Plumbing and Heating Ltd. – Selkirk • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Titanium Mechanical – Steinbach

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all our contractors. This contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all contractors.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2015**

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2015/16 Q2 (July 1, 2015 to September 30, 2015)	
(000's)	
Beginning Balance July 1, 2015	\$ 19,420
Disbursements*	(333)
Additional Funding from SGS Customer Class	221
Accrued Interest	69
Ending Balance September 30, 2015	\$ 19,337

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at Sept 30, 2015	
(000's)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(11,976)
Additional Funding from SGS Customer Class (life to date)	29,651
Accrued Interest (life to date)	1,702
Ending Balance September 30, 2015	\$ 19,377

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

Quarterly Report

October 1 to December 31, 2015

Q3

Affordable Energy Program and Furnace Replacement Program



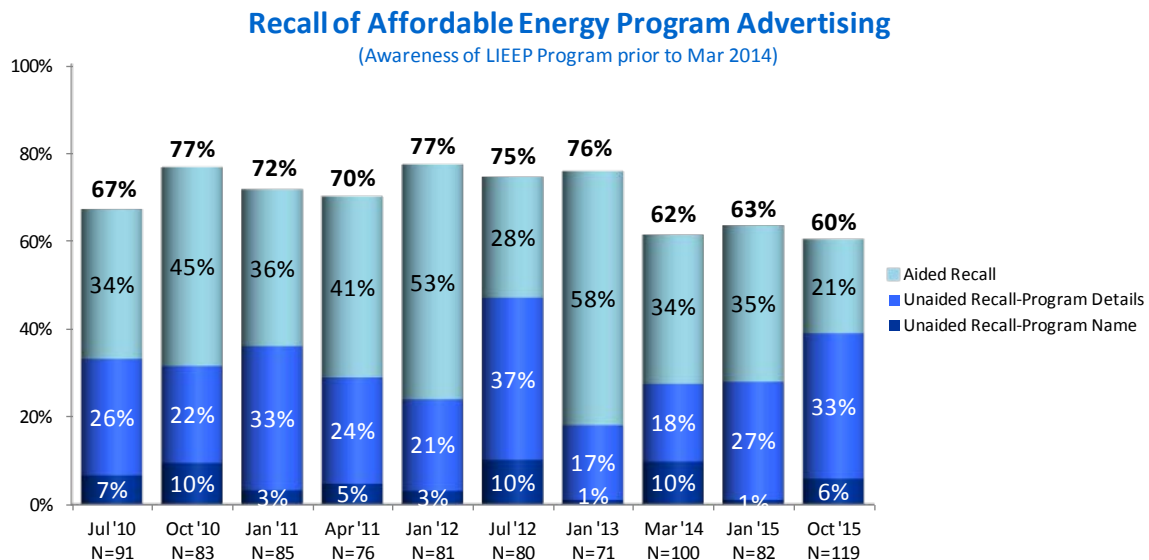
Centra Gas Manitoba Inc.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in October 2015, indicated 60% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 6% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 33% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 21% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2015. Total awareness has decreased relative to previous years; however, the decreased program awareness can be attributed to the name change of the program, formerly known as the *Lower Income Energy Efficiency Program* or *LIEEP*. With continued aggressive marketing, it is expected the awareness level will increase relative to previous waves.



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “ Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Target Furnace Replacement Market - As at December 31, 2015

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra's Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of December 31, 2015)			
Furnace Marketplace at Dec 1, 2014*	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,497	17,693	25,190
Rentals	1,249	948	2,197
Total Standard Furnaces (2014* Survey)	8,746	18,641	27,387
Estimated Installation from Dec 1/14 to Dec 31/15**			
Total	2,197	4,359	6,556
Remaining Standard Furnaces at Dec 31, 2015			
Total	6,549	14,282	20,831
All Natural Gas Furnaces (2014 survey)***	54,516	176,109	230,625
Standard % of Marketplace****	12%	8%	9%

* Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

** Estimated total number of natural gas furnace replacements from December 1, 2014 to December 31, 2015 is based on permit data of a total of 9,366 furnace replacements (3,025 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

*** Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

**** The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro's affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Target Insulation Upgrade Market - As at December 31, 2015

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q3 - 2015/16 Report - without apartments

Insulation Target Market Review	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	21,960	42,330	64,290
Renters	7,510	3,148	10,658
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)*	29,470	45,478	74,948
Estimate of Number of Dwellings Insulated from December 2014 to December 31,2015**	1,056	435	1,491
Insulation Upgrade Target	28,414	45,043	73,457
<i>Total Dwellings</i>	115,136	292,555	407,691
Fair/Poor % of Marketplace	25%	15%	18%

* Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

** Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Dec 31, 2015 is based on:

- LICO 125% dwellings: based on the total private individual homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to December 31, 2015 (2,719), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Affordable Energy Program Highlights – October 1 to December 31, 2015

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2015/16 Q3 (Oct 1 – Dec 31, 2015)	Cumulative (to Dec 31, 2015)
Individual	260	7,556
Community	61	2,670*
First Nation	510	2,964
Total	831	13,190

*123 homes have been added to the Community cumulative total as they were overlooked in 2014/15 and 2013/14. This change is reflected throughout the remainder of the document.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2015/16 Q3 (Oct 1 – Dec 31, 2015)	Cumulative (to Dec 31, 2015)
Individual: Furnace	181	4,022
Boiler	1	97
Community: Furnace	26	294*
Boiler	0	2
First Nation	0	0
Total: Furnace	207	4,316
 Boiler	1	99

*4 installs have been added to the Community cumulative total as they were overlooked in 2014/15. This change is reflected throughout the remainder of the document.

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	271	0
Estimated Installation (next 6 months)	374	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace Failures

Furnace Failures*	Furnaces Replaced due to Failure	Furnaces Replaced Before the End of Life
Oct 1, 2015 to Dec 31, 2015	0	207
Cumulative to Dec 31, 2015	162**	3,298

* Furnace failures started being recorded July 1, 2010 and is not comparable to other cumulative data reported which started at the beginning of the FRP.

** In addition to the above furnace failures, there was one boiler failure during Q3 2011/12 period, one during the Q4 2011/12 period, two during the Q2 2013/14 period, and one during the Q3 2013/14 period.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

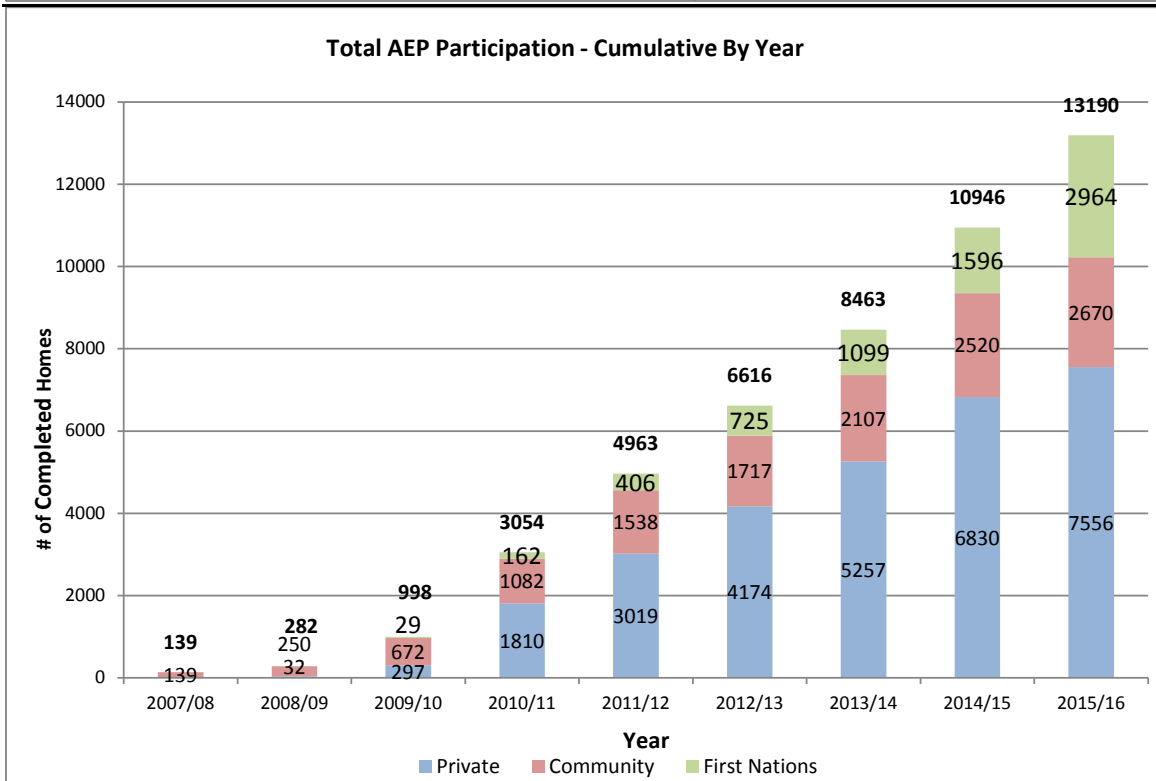
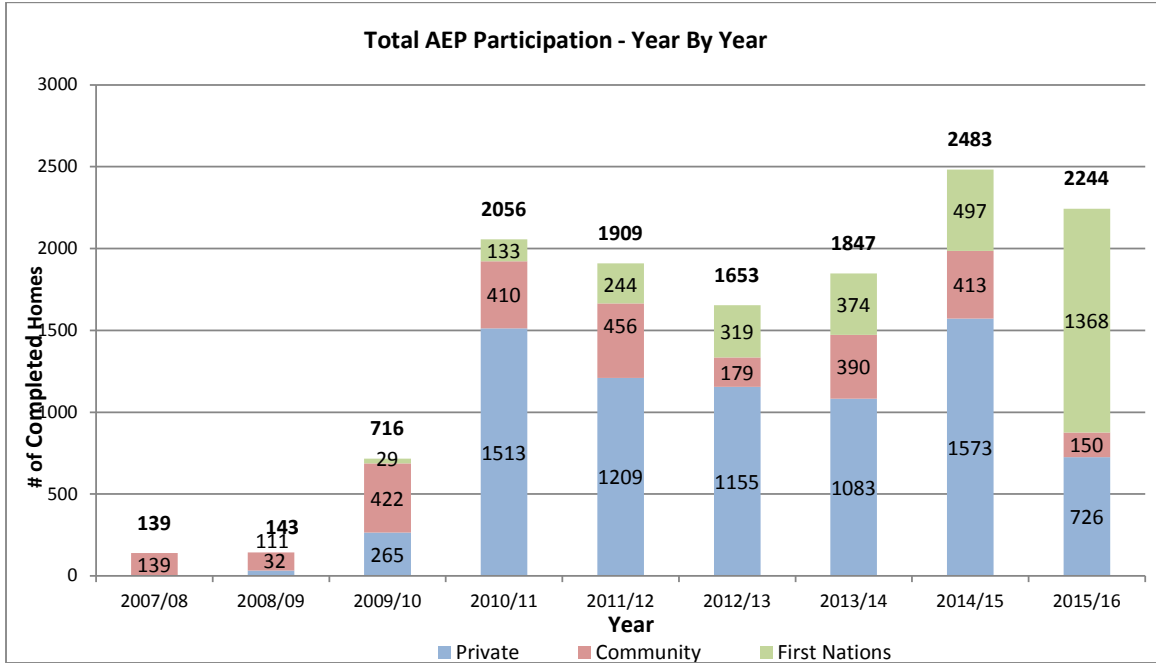
Affordable Energy Program Highlights – October 1 to December 31, 2015
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E. Insulation Installations Completed

Program Participation Overview	FY 2015/16 Q3 (Oct 1 – Dec 31, 2015)	Cumulative (to Dec 31, 2015)
Individual	118	4,100
Community	40	2,384
First Nation	111	1,918
Total	269	8,402

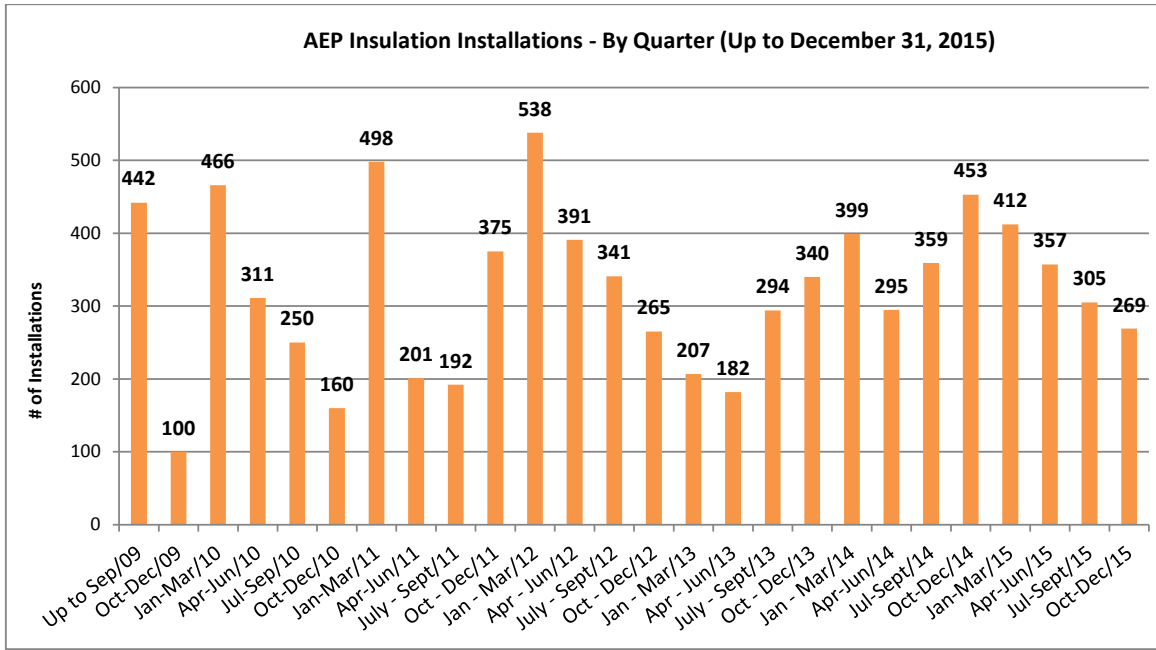
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Trending Charts: AEP Completed Homes since Program Inception



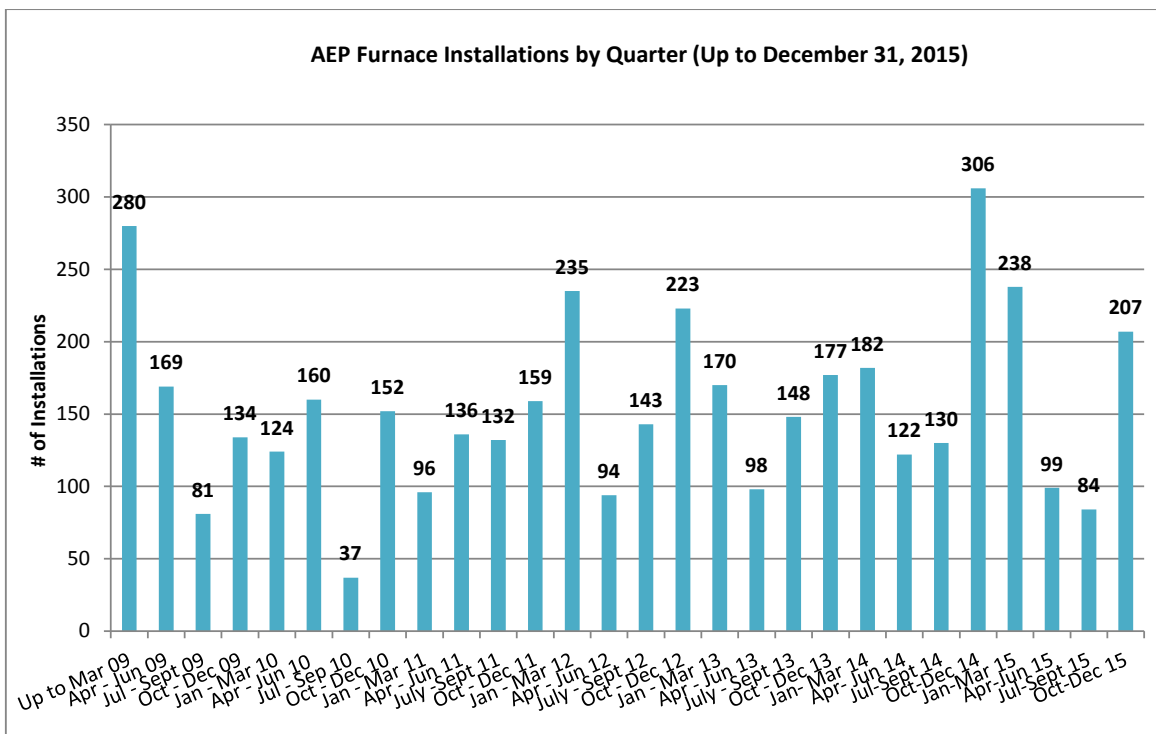
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Trending Charts: AEP Insulation Installation since Program Inception



Data includes individual approach (4,100 cumulative to end of Dec 2015), community approach (2,384 cumulative to end of Dec 2015) and First Nations (1,918 cumulative to end of Dec 2015). In the October – December 2015 period, there were a total of 118 for individual approach, 40 for community approach (MHA, DOFNHA, Kanata, Kinew, MGR and private homeowners or landlords) and 111 for First Nations. Completions are counted once all paperwork is finalized from community groups.

Trending Charts: Furnace Replacements since Program Inception



**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to December 31, 2015.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a. In October of 2015 a bill insert on the AEP was sent to residential customers across the province.
- b. On October 17 and 24, 2015 print ads for the AEP ran in the Winnipeg Free Press and Brandon Sun.
- c. On October 21, 2015 and October 28, 2015 print ads for the AEP ran in the Canstar Weeklies and the Thompson Citizen.
- d. During the week of October 26, 2015 print ads for the AEP ran in the Selkirk Journal, Selkirk Record, Morden Times, Winkler Times, Winkler Morden Voice, Steinbach Carillon, Portage Central Plains Herald Leader and The Pas Opasquia Times.
- e. During the week of October 26, 2015 print ads for the AEP ran in the Adwest and PNG weekly newspapers.
- f. On October 16, 2015 the Energy Efficiency Coordinator for the Brandon Neighbourhood Renewal Corporation did a presentation for WCGTV. This will be aired as ongoing filler between other local programming.
- g. During the week of October 11, 2015 a direct ad mail letter on the AEP was sent to the landlords of rural multi-unit residential buildings.
- h. In November 2015 a bill insert on the AEP was sent to residential customers across the province.
- i. On November 1, 2015 street level posters featuring the AEP "IT'S TRUE" message were distributed to various convenience stores in targeted Winnipeg neighbourhoods with higher incidences of lower income customers. The campaign ran until December 21, 2015.
- j. During the week of November 2, 2015 print ads for the AEP ran in the Adwest and PNG weekly newspapers.
- k. During the weeks of November 2, 2015 and November 9, 2015 print ads for the AEP ran in the Selkirk Journal, Selkirk Record, Morden Times, Winkler Times, Winkler Morden Voice, Steinbach Carillon, Portage Central Plains Herald Leader and The Pas Opasquia Times.
- l. On November 7, 2015 print ads for the AEP ran in the Winnipeg Free Press and Brandon Sun.
- m. On November 20, 2015 the AEP ran an autodialer campaign to target customers in arrears and promote the AEP.
- n. On November 14, 2015 a presentation on the AEP was given to participants in the SEED Inner City Homebuyer Program.
- o. From November 16, 2015 to December 13, 2015 TV Snipe ads were aired on City TV to promote the AEP.
- p. From November 16, 2015 to November 29, 2015 radio advertisements for the AEP were aired over multiple radio stations throughout Manitoba.
- q. From November 18 - 19, 2015 a presentation was given by staff at the Lands and Economic Development Service Program (LEDSP) Environmental Awareness Session (North Session) held by Indigenous and Northern Affairs Canada.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

- r. On November 19, 2015 staff attended the Manitoba Non-Profit Housing Association Conference and Annual General Meeting.
- s. On November 20, 2015 staff attended the Centennial Community Improvement Association Community Breakfast to promote the AEP.
- t. On November 26, 2015 a presentation on the AEP was given at the Portage la Prairie Community Revitalization Corporation.
- u. Facebook advertising ran from December 1, 2015 to December 20, 2015. Four unique ads were created to target both a younger and older generation as well as homeowners and tenants.
- v. From December 1 - 2, 2015 a presentation was given by staff at the LEDSP Environmental Awareness Session (South Session) held by Indigenous and Northern Affairs Canada.
- w. On December 4, 2015 the AEP ran an autodialer campaign to target customers in arrears and promote the AEP.
- x. On December 18, 2015 the AEP ran an autodialer campaign aimed at potential customers who may qualify for a furnace upgrade to help increase furnace participation.
- y. In December 2015, an advertisement for the AEP appeared in the Asian Community Guide .
- z. In December 2015, letters were sent out to customers who had been approved for a boiler or furnace upgrade but had not yet made any upgrades to remind them of their eligibility.

b) Street Approach Pilot Project

Manitoba Hydro staff and North End Community Renewal Corporation staff canvassed two streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. October 8 – College Ave between McKenzie and Parr
- b. October 20 – Boyd Ave between Charles and Aikins

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • Bison Plumbing and Heating Ltd. • College Electric Ltd. • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Hot Shots Plumbing and Heating Corp. • Kirkfield Heating and Air Conditioning Ltd. • KWS Mechanical • Lynn’s Heating, Cooling, Sewer and Drain • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Brown’s Plumbing and Heating Ltd. – Steinbach • Carberry Sandhills Electric – Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • Gallery Mechanical – Lac du Bonnet • Hanover Plumbing and Heating Inc. – Steinbach • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • K. Durston Plumbing and Heating- Dauphin • Klassen Metal Inc. – Blumenort • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Superior Heating & Air Conditioning • Titanium Mechanical – Steinbach

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all our contractors. This contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all contractors.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2015**

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2015/16 Q3 (October 1, 2015 to December 31, 2015)	
(000's)	
Beginning Balance October 1, 2015	\$ 19,377
Disbursements*	(645)
Additional Funding from SGS Customer Class	1318
Accrued Interest	72
Ending Balance December 31, 2015	\$ 20,122

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at Dec 31, 2015	
(000's)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(12,620)
Additional Funding from SGS Customer Class (life to date)	30,969
Accrued Interest (life to date)	1,774
Ending Balance December 31, 2015	\$ 20,122

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

Quarterly Report

January 1 to March 31, 2016

Q4

Affordable Energy Program and Furnace Replacement Program



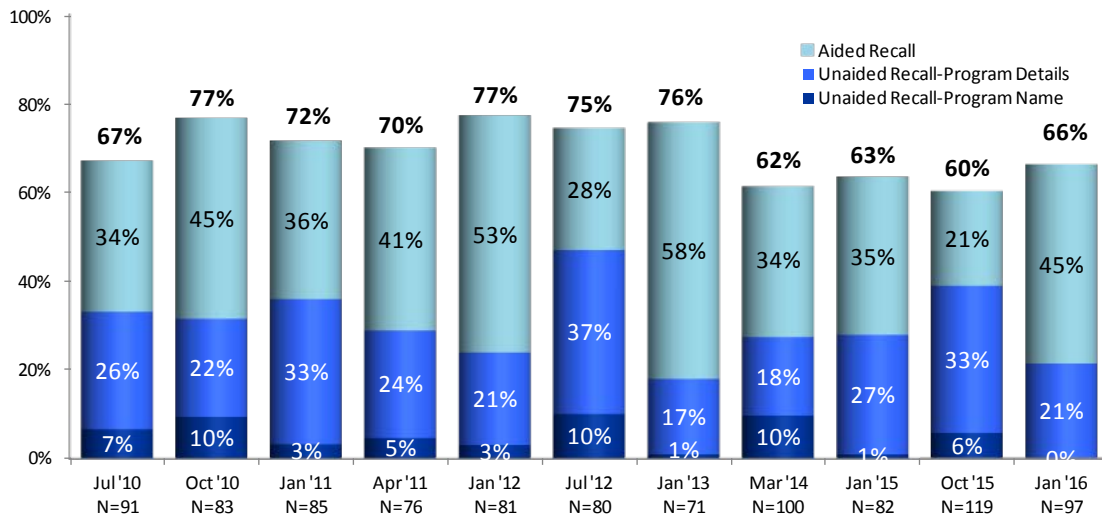
Centra Gas Manitoba Inc.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2016, indicated 66% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 21% of LICO-125 respondents who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 45% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has decreased compared to the previous survey conducted in October 2015, which may reflect a seasonal variation where top of mind recall is higher during the spring through fall home renovation period. Although total awareness has increased since the last survey, it has decreased relative to previous years; however, the decreased program awareness can be attributed to the name change of the program, formerly known as the *Lower Income Energy Efficiency Program* or *LIEEP*. With continued aggressive marketing and the new program branding planned for the 2016/17 fiscal year, it is expected the awareness level will increase relative to previous waves.



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: ” Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Target Furnace Replacement Market - As at March 31, 2016

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra's Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review¹ (updated as of March 31, 2016)			
Furnace Marketplace at Dec 1, 2014²	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,495	17,687	25,182
Rentals	1,249	948	2,197
Total Standard Furnaces (2014 ² Survey)	8,744	18,635	27,379
Estimated Installation from Dec 1/14 to Mar 31/16³			
Total	2,818	5,372	8,189
Remaining Standard Furnaces at Mar 31, 2016			
Total	5,926	13,263	19,190
All Natural Gas Furnaces (2014 survey)⁴	54,393	176,215	230,608
Standard % of Marketplace⁵	11%	8%	8%

¹ Furnace Marketplace numbers have been adjusted from previous quarterly reports due to 2014 Residential Survey numbers being finalized.

² Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

³ Estimated total number of natural gas furnace replacements from December 1, 2014 to March 31, 2016 is based on permit data of a total of 11,699 furnace replacements (2,333 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

⁴ Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁵ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro's affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Target Insulation Upgrade Market - As at March 31, 2016

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q4 - 2015/16 Report - without apartments

Insulation Target Market Review¹	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,489	40,850	61,339
Renters	6,562	2,714	9,276
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market) ²	27,051	43,564	70,655
Estimate of Number of Dwellings Insulated from December 2014 to March 31, 2016 ³	1,224	545	1,769
Insulation Upgrade Target	25,827	43,019	68,886
<i>Total Dwellings</i>	109,219	286,723	395,942
Fair/Poor % of Marketplace	24%	15%	17%

¹Insulation Marketplace numbers have been adjusted from previous quarterly reports due to 2014 Residential Survey numbers being finalized.

²Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

³ Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Mar 31, 2016 is based on:

- LICO 125% dwellings: based on the total private individual homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to March 31, 2016 (3,409), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Affordable Energy Program Highlights – January 1 to March 31, 2016

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2015/16 Q4 (Jan 1 – Mar 31, 2016)	Cumulative (to Mar 31, 2016)
Individual	308	7,864
Community	58	2,728
First Nation	402	3,077*
Total	768	13,669

*First Nation cumulative completed homes has been adjusted by 253 homes for 2015/16 and 28 homes for 2014/15 to prevent double counting due to overlap between insulation and Direct Install homes. This change is reflected throughout the remainder of the document.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2015/16 Q4 (Jan 1 – Mar 31, 2016)	Cumulative (to Mar 31, 2016)
Individual: Furnace	256	4,278
Boiler	8	105
Community: Furnace	27	321
Boiler	0	2
First Nation	0	0
Total: Furnace	283	4,599
 Boiler	8	107

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	151	0
Estimated Installation (next 6 months)	131	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace Failures

Furnace Failures*	Furnaces Replaced due to Failure	Furnaces Replaced Before the End of Life
Jan 1, 2016 to Mar 31, 2016	0	283
Cumulative to Mar 31, 2016	162**	3,581

* Furnace failures started being recorded July 1, 2010 and is not comparable to other cumulative data reported which started at the beginning of the FRP.

** In addition to the above furnace failures, there was one boiler failure during Q3 2011/12 period, one during the Q4 2011/12 period, two during the Q2 2013/14 period, and one during the Q3 2013/14 period.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Affordable Energy Program Highlights – January 1 to March 31, 2016

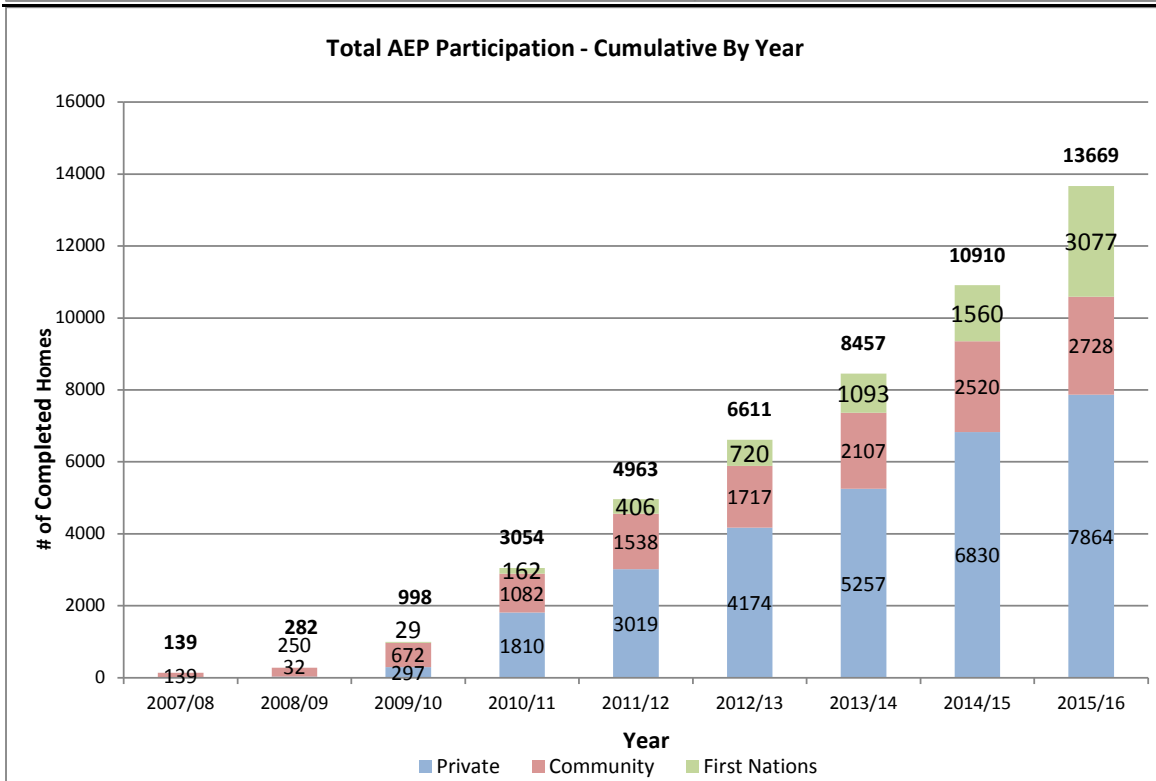
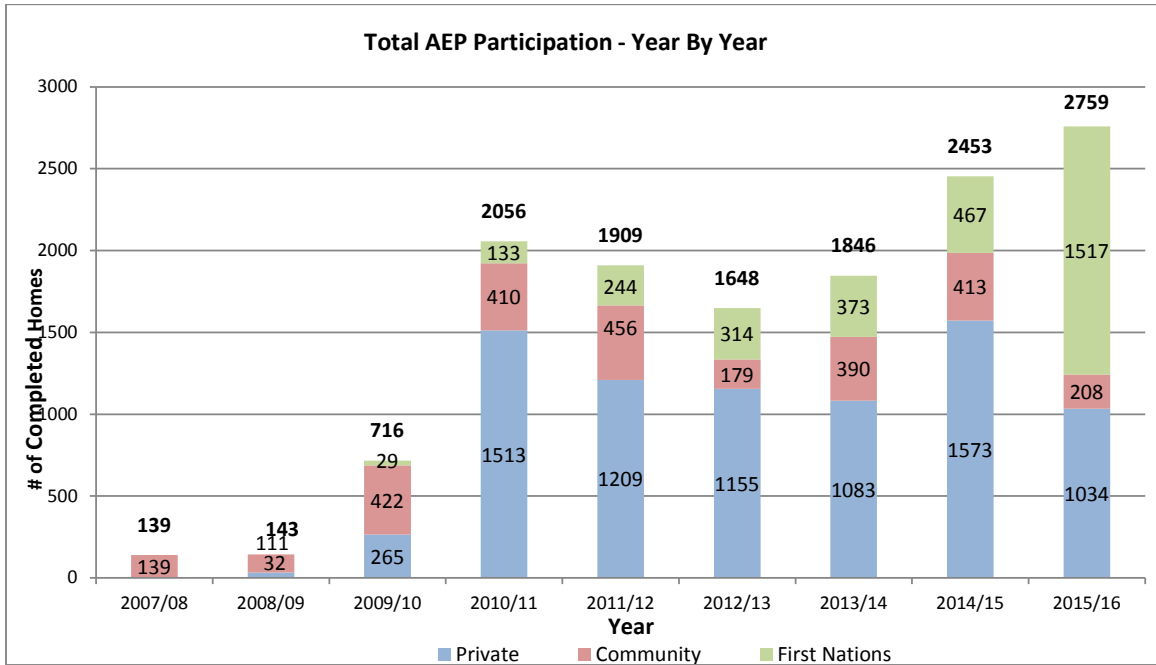
E. Insulation Installations Completed

Program Participation Overview	FY 2015/16 Q4 (Jan 1 – Mar 31, 2016)	Cumulative (to Mar 31, 2016)
Individual	120	4,220
Community	48	2,432
First Nation	167	2,180 ¹
Total	335	8,832

¹103 homes have been added to the First Nation cumulative total that were overlooked in 2009, and 8 homes have been subtracted due to being double counted in previous years.

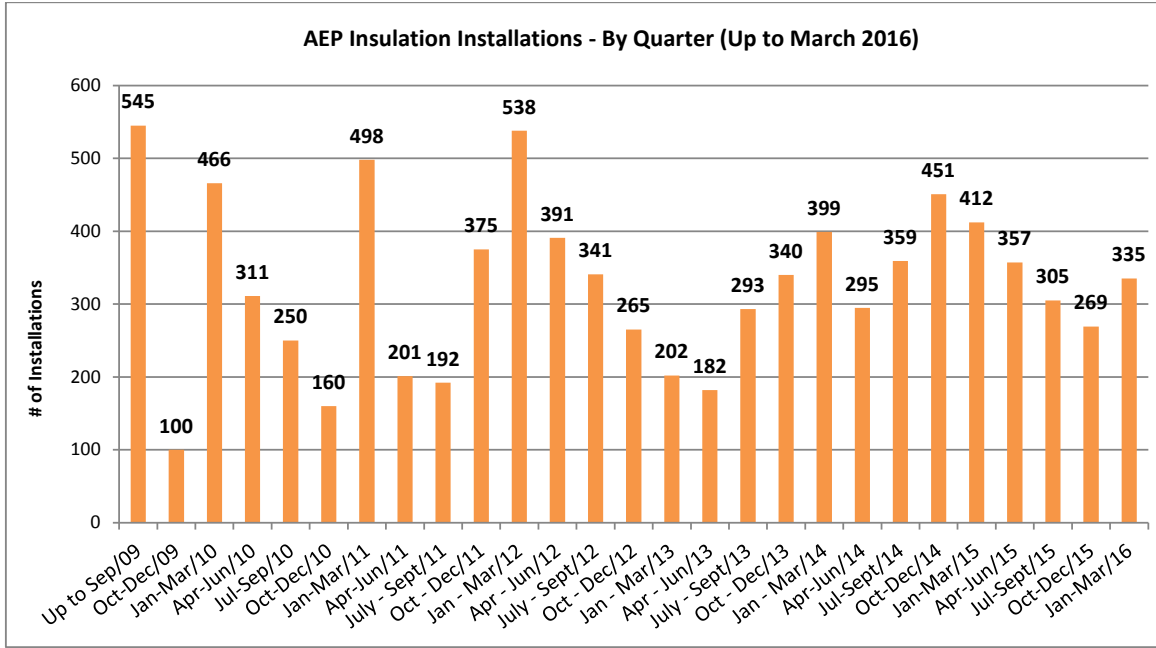
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Trending Charts: AEP Completed Homes since Program Inception



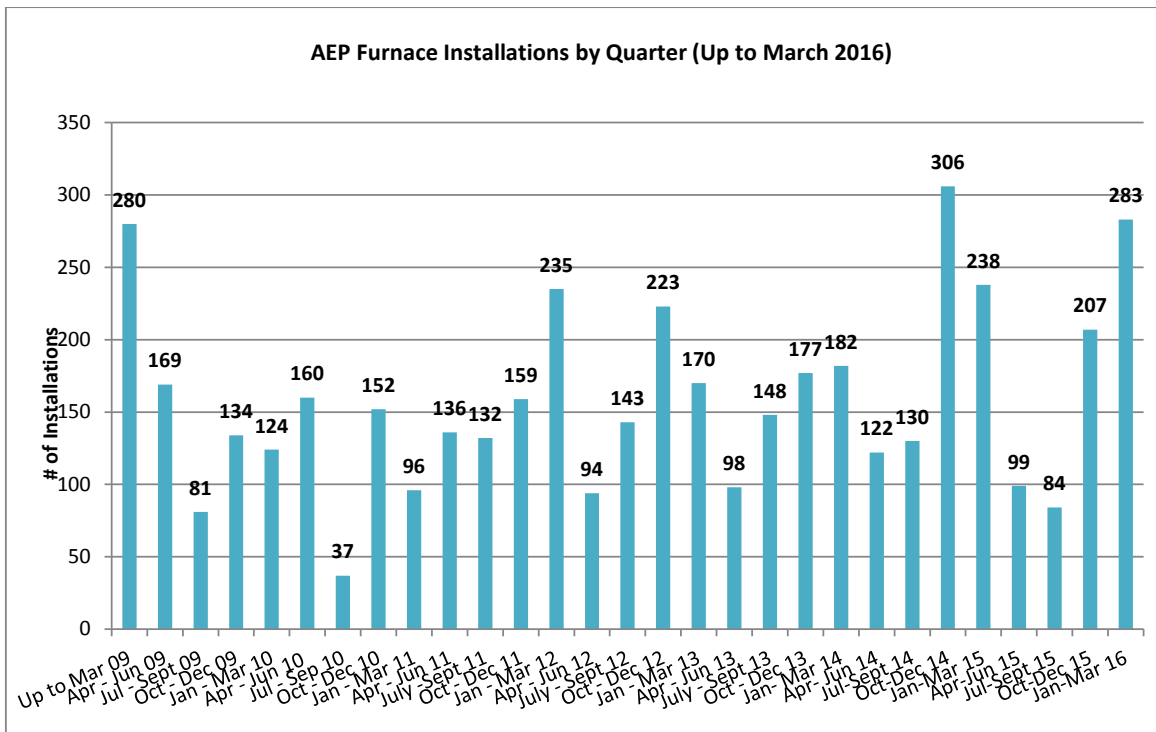
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Trending Charts: AEP Insulation Installation since Program Inception



Data includes individual approach (4,220 cumulative to end of Mar 2016), community approach (2,432 cumulative to end of Mar 2016) and First Nations (2,180 cumulative to end of Mar 2016). In the January – March 2016 period, there were a total of 120 for individual approach, 48 for community approach (MHA, DOFNHA, Kanata, Kinew, MGR and private homeowners or landlords) and 167 for First Nations. Completions are counted once all paperwork is finalized from community groups.

Trending Charts: Furnace Replacements since Program Inception



**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

<p>Marketing Activities</p>

Below is a review of marketing efforts undertaken by Manitoba Hydro up to March 31, 2016.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a. In January of 2016 a bill insert on the AEP was sent to residential customers across the province.
- b. From January 4 – 31, 2016 digital billboard advertisements were displayed in four locations in Winnipeg to promote the AEP.
- c. On January 5, 2016, Manitoba Hydro staff attended and set up a booth at the Manitoba Hydro Career Exploration Day in Gillam.
- d. From January 11 – 31, 2016 TV advertisements for the AEP aired on CTV, City TV, Global and CBC.
- e. From January 11 – 31, 2016 radio advertisements for the AEP were aired over multiple radio stations throughout Manitoba.
- f. On January 11 and 27, 2016 an autodialer campaign for the AEP ran aimed at customers in arrears, to encourage participation in the program in order to help customers lower their energy bills.
- g. On January 26, 2016 a presentation on the AEP was given to members of Sagkeeng First Nation.
- h. In January, the North End Community Renewal Corporation (“NECRC”) sent out a mailer to landlords in their catchment area to encourage participation in the AEP.
- i. On February 3, 2016 a presentation was given at the Thompson Lands and Economic Development Service Program Environmental Awareness session on Power Smart Programs for First Nation communities. Ten northern first nation communities were represented: Barrens Land, Bunibonibee, Fox Lake, God’s Lake, Manto Sipi Cree Nation, Northlands Dene, Sayisi Dene (Tadoule Lake), Tataskweyak (Split Lake), War Lake and York Factory.
- j. On February 4, 2016 a presentation on the AEP was given to participants at the SEED (Supporting Employment & Economic Development Winnipeg Inc.) Homebuyer Workshop.
- k. From February 8 – March 21 transit shelter advertisements for the AEP were displayed throughout Winnipeg.
- l. From February 15 – March 6, 2016 TV advertisements for the AEP were aired on CTV, City TV, Global and CBC.
- m. From February 15 – March 13, 2016 digital billboard advertisements were displayed in four locations in Winnipeg to promote the AEP.
- n. On February 20 and 27, 2016 an advertorial for the AEP appeared in the Winnipeg Free Press.
- o. On February 24, 2016 an advertorial for the AEP appeared in the Canstar Weeklies.
- p. During the weeks of February 22 and 29, 2016 an advertorial for the AEP appeared in the Adwest and PNG weekly newspapers.
- q. In March of 2016 a bill insert on the AEP was sent to residential customers across the province.
- r. On March 5 and 12, 2016 an advertorial for the AEP appeared in the Winnipeg Free Press.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

- s. During the weeks of March 2, 9 and 16, 2016 an advertorial for the AEP appeared in the Canstar Weeklies.
- t. During the weeks of March 7 and 14, 2016 an advertorial for the AEP appeared in the Adwest and PNG weekly newspapers.
- u. From March 7 to 27, 2016 radio advertisements for the AEP were aired over multiple radio stations throughout Manitoba.
- v. From March 17 to March 29, 2016 Facebook and Instagram advertising was scheduled for the Affordable Energy Program. Two ad sets were created to target retirees and new homeowners.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • Bison Plumbing and Heating Ltd. • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Howell Mechanical • Jim’s Heating & Plumbing • Kirkfield Heating and Air Conditioning Ltd. • KWS Mechanical • Lynn’s Heating, Cooling, Sewer and Drain • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Parsons Plumbing & Heating • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach • Carberry Sandhills Electric – Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • DB Higgenbotham - Virden • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • Gallery Mechanical – Lac du Bonnet • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Titanium Mechanical – Steinbach

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all our contractors. This contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all contractors.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending March 31, 2016**

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2015/16 Q4 (January 1, 2016 to March 31, 2016)		(000s)
Beginning Balance January 1, 2016	\$ 20,122	
Disbursements*	(1,011)	
Additional Funding from SGS Customer Class	1,786	
Accrued Interest	74	
Ending Balance March 31, 2016	\$ 20,971	

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at Mar 31, 2016		(000s)
Beginning Balance August 1, 2007	\$ -	
Disbursements (life to date)	(13,631)	
Additional Funding from SGS Customer Class (life to date)	32,755	
Accrued Interest (life to date)	1,847	
Ending Balance March 31, 2016	\$ 20,971	

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

Quarterly Report

April 1 to June 30, 2016

Q1

Affordable Energy Program and Furnace Replacement Program



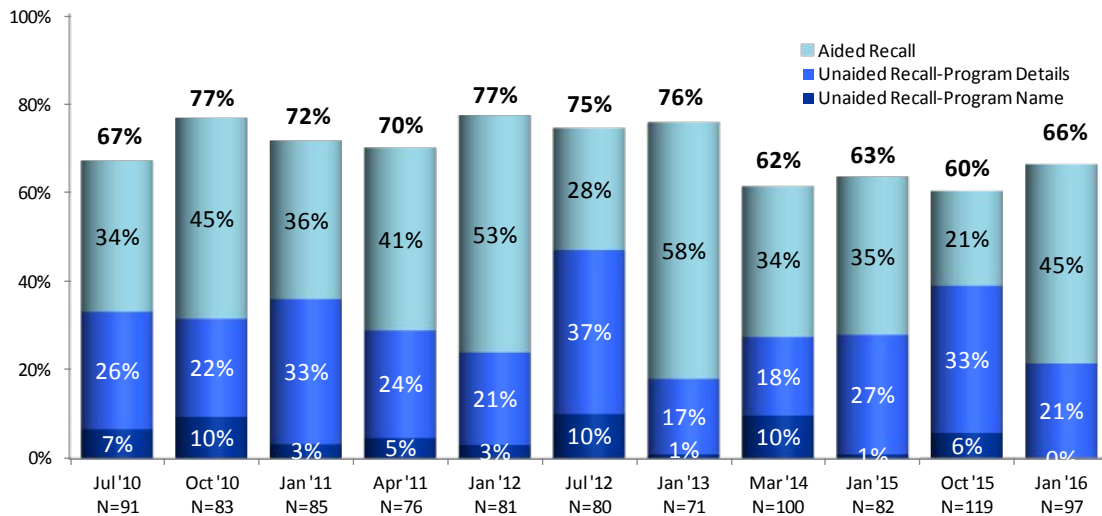
Centra Gas Manitoba Inc.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2016, indicated 66% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 21% of LICO-125 respondents who who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 45% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has decreased compared to the previous survey conducted in October 2015 which may reflect a seasonal variation where top of mind recall is higher during the spring through fall home renovation period. Although total awareness has increased since the last survey, it has decreased relative to previous years; however, the decreased program awareness can be attributed to the name change of the program, formerly known as the *Lower Income Energy Efficiency Program* or *LIEEP*. With continued aggressive marketing and the new program branding planned for the 2016/17 fiscal year, it is expected the awareness level will increase relative to previous waves.



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: ” Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Target Furnace Replacement Market - As at June 30, 2016

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of June 30, 2016)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,495	17,687	25,182
Rentals	1,249	948	2,197
Total Standard Furnaces (2014¹ Survey)	8,744	18,635	27,379
Estimated Installation from Dec 1/14 to Jun 30/16²			
Total	3,171	6,112	9,283
Remaining Standard Furnaces at Jun 30, 2016			
Total	5,573	12,523	18,096
All Natural Gas Furnaces (2014 survey)³	54,393	176,215	230,608
Standard % of Marketplace⁴	10%	7%	7%

¹Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to June 30, 2016 is based on permit data of a total of 13,262 furnace replacements (1,563 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Target Insulation Upgrade Market - As at June 30, 2016

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q1 - 2016/17 Report - without apartments

Insulation Target Market Review	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,489	40,850	61,339
Renters	6,562	2,714	9,276
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)¹	27,051	43,564	70,655
Estimate of Number of Dwellings Insulated from December 2014 to June 30, 2016 ²	1,440	617	2,057
Insulation Upgrade Target	25,611	42,947	68,598
<i>Total Dwellings</i>	109,219	286,723	395,942
Fair/Poor % of Marketplace	23%	15%	17%

¹Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

² Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Jun 30, 2016 is based on:

- LICO 125% dwellings: based on the total private individual homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to June 30, 2016 (3,859), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Affordable Energy Program Highlights – April 1 to June 30, 2016

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2016/17 Q1 (Apr 1 – Jun 30, 2016)	Cumulative (to Jun 30, 2016)
Individual	298	8,162
Community	48	2,776
First Nation	677	3,754
MURBs*	405	405
Total	1,428	15,097

*Multi Unit Residential Buildings (ie. apartment style) are now eligible to receive basic energy efficiency measures. This represents the number of units who have participated.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2016/17 Q1 (Apr 1 – Jun 30, 2016)	Cumulative (to Jun 30, 2016)
Individual: Furnace	107	4,385
Boiler	2	107
Community: Furnace	11	332
Boiler	0	2
First Nation	0	0
Total: Furnace	118	4,717
Boiler	2	109

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	126	0
Estimated Installation (next 6 months)	356	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace Failures

Furnace Failures*	Furnaces Replaced due to Failure	Furnaces Replaced Before the End of Life
Apr 1, 2016 to Jun 30, 2016	0	118
Cumulative to Jun 30, 2016	162**	3,699

* Furnace failures started being recorded July 1, 2010 and is not comparable to other cumulative data reported which started at the beginning of the FRP.

** In addition to the above furnace failures, there was one boiler failure during Q3 2011/12 period, one during the Q4 2011/12 period, two during the Q2 2013/14 period, and one during the Q3 2013/14 period.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

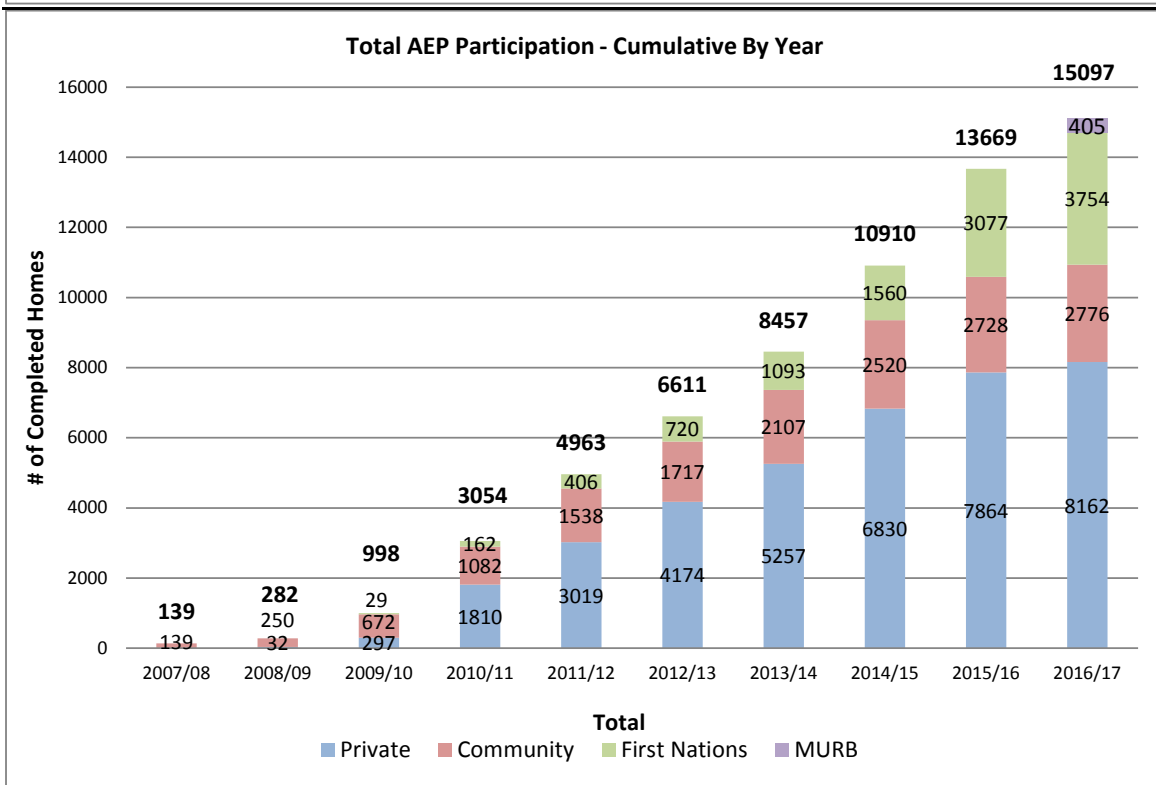
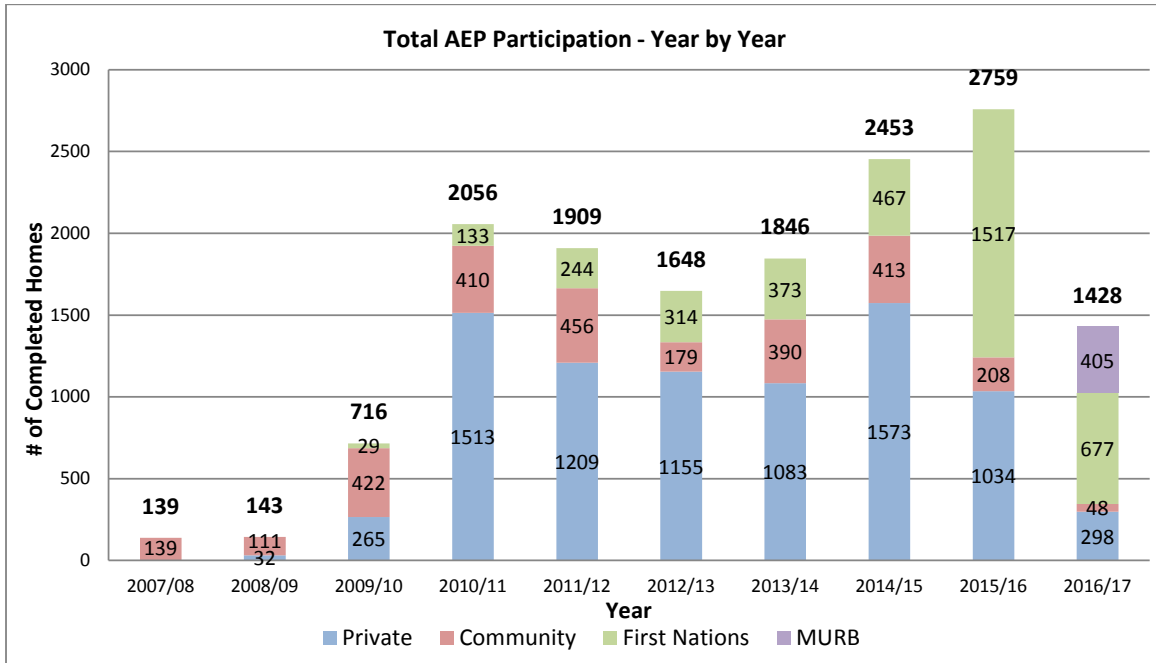
Affordable Energy Program Highlights – April 1 to June 30, 2016
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E. Insulation Installations Completed

Program Participation Overview	FY 2016/17 Q1 (Apr 1 – Jun 30, 2016)	Cumulative (to Jun 30, 2016)
Individual	185	4,405
Community	31	2,463
First Nation	199	2,379
Total	415	9,247

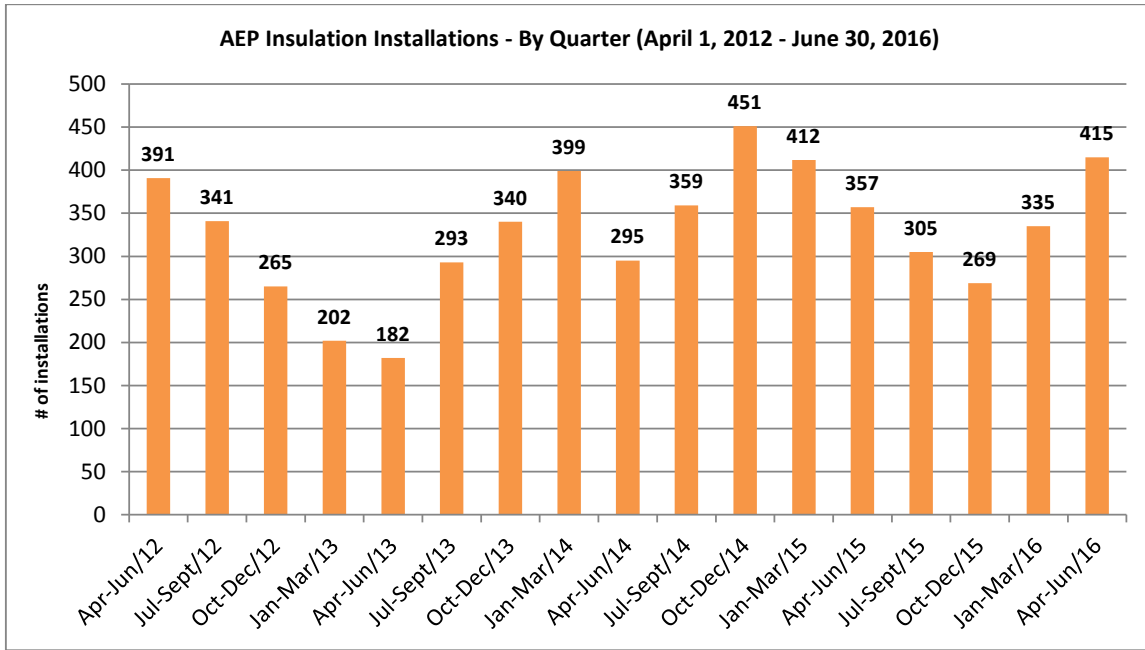
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Trending Charts: AEP Completed Homes since Program Inception



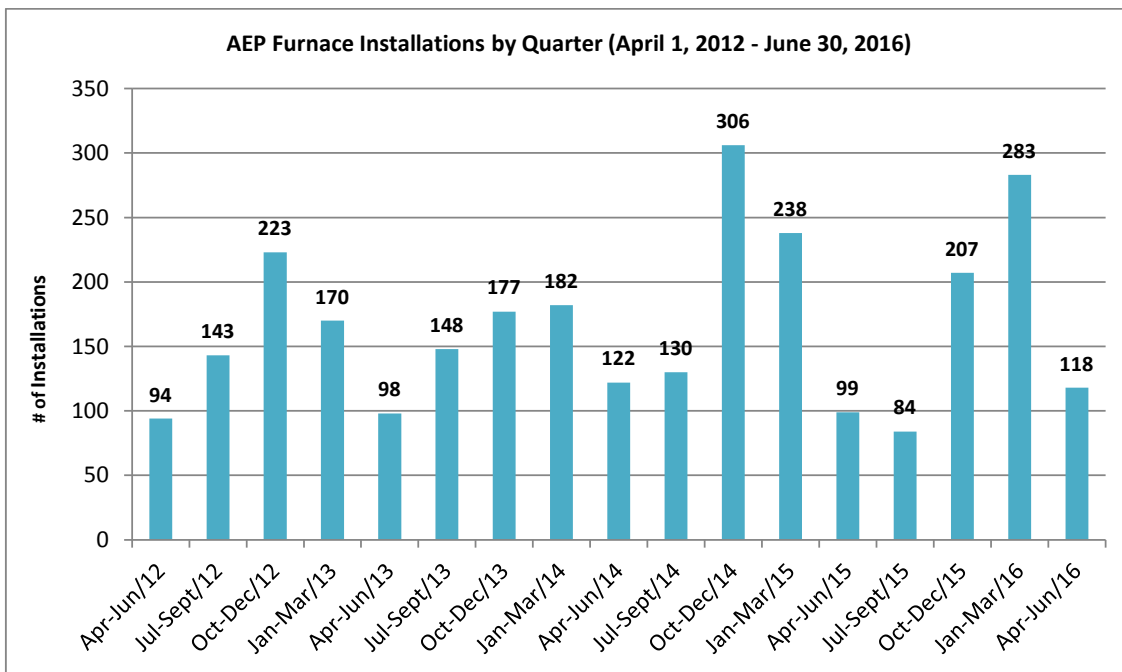
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Trending Charts: AEP Insulation Installation since Program Inception



This chart has been adjusted from previous reports to represent only the last four years of data. Data includes individual approach (4,405 cumulative to end of Jun 2016), community approach (2,463 cumulative to end of Jun 2016) and First Nations (2,379 cumulative to end of Jun 2016). In the April – June 2016 period, there were a total of 185 for individual approach, 31 for community approach (MHA, DOFNHA, Kanata, Kinew, MGR and private homeowners or landlords) and 199 for First Nations. Completions are counted once all paperwork is finalized from community groups.

Trending Charts: Furnace Replacements since Program Inception



This chart has been adjusted from previous reports to represent only the last four years of data.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to June 30, 2016.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a.) In April of 2016 new AEP branding was finalized for the 2016-17 marketing campaign. The new concept is intended to help increase program awareness. The message outlines the upgrades and benefits provided by the AEP. The new branding will be used on brochures, transit shelters, billboards, posters, tv, etc.
- b.) In April of 2016 a bill insert on the AEP was sent to residential customers across the province.
- c.) On May 19, 2016, a presentation on the AEP and other Power Smart Programs was given for the Chalmers Neighbourhood Renewal Corporation.
- d.) On May 30, 2016, Manitoba Hydrostaff attended the A&O 55+ Housing & Active Lifestyles Expo. A booth was set up to hand out Program information and applications.
- e.) In June of 2016 a bill insert on the AEP was sent to residential customers across the province.
- f.) On June 15, 2016, the Province of Manitoba mailed out AEP bill inserts to Manitobans on Employment and Income Assistance and Rent Assist. Approximately 24,000 bill inserts were sent.
- g.) In June of 2016 Manitoba Hydrostaff met with Fox Lake First Nation to present Power Smart opportunities in the community.
- h.) In June of 2016 the Dakota Ojibway Tribal Council met with Manitoba Hydro in regards to upgrading their housing stock in Winnipeg, Brandon and Portage la Prairie.

b) Street Approach Pilot Project

Manitoba Hydro staff and North End Community Renewal Corporation staff canvassed ten streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. April 21, 2016 - Redwood Ave between Powers and Andrews
- b. May 5, 2016 - Pritchard Ave between Aikins and Salter
- c. May 12, 2016 - Alfred Ave between Sinclair and Artillery
- d. May 19, 2016 - Atlantic Ave between Charles and Aikins
- e. May 26, 2016 - Magnus Ave between McKenzie and Parr
- f. June 2, 2016 – St John’s Ave between Andrews and McGregor
- g. June 9, 2016 – Manitoba Ave between McKenzie and Parr
- h. June 16, 2016 - College Ave between Parr and Arlington
- i. June 23, 2016 - Boyd Ave between McKenzie and Parr
- j. June 29, 2015 – Stella Ave between Powers and Andrews

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • Bison Plumbing and Heating Ltd. • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Howell Mechanical • Jim’s Heating & Plumbing • Kirkfield Heating and Air Conditioning Ltd. • KWS Mechanical • Lynn’s Heating, Cooling, Sewer and Drain • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Parsons Plumbing & Heating • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach • DB Higgenbotham - Virden • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • Gallery Mechanical – Lac du Bonnet • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Titanium Mechanical – Steinbach

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all our contractors. This contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all contractors.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending June 30, 2016**

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2016/17 Q1 (April 1, 2016 to June 30, 2016)		(000s)
Beginning Balance April 1, 2016	\$ 20,971	
Disbursements*	(497)	
Additional Funding from SGS Customer Class	485	
Accrued Interest	79	
Ending Balance June 30, 2016	\$ 21,039**	

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at June 30, 2016		(000s)
Beginning Balance August 1, 2007	\$ -	
Disbursements (life to date)	(14,128)	
Additional Funding from SGS Customer Class (life to date)	33,240	
Accrued Interest (life to date)	1,927	
Ending Balance June 30, 2016	\$ 21,039	

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding

Quarterly Report

July 1 to September 30, 2016

Q2

Affordable Energy Program and Furnace Replacement Program



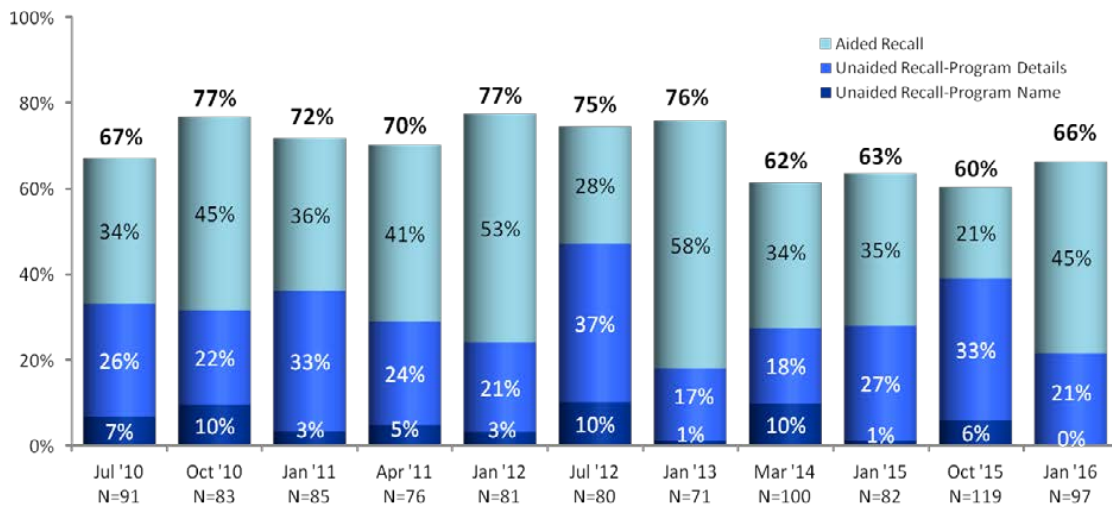
Centra Gas Manitoba Inc.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2016, indicated 66% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 21% of LICO-125 respondents who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 45% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has decreased compared to the previous survey conducted in October 2015 which may reflect a seasonal variation where top of mind recall is higher during the spring through fall home renovation period. Although total awareness has increased since the last survey, it has decreased relative to previous years; however, the decreased program awareness can be attributed to the name change of the program, formerly known as the *Lower Income Energy Efficiency Program* or *LIEEP*. With continued aggressive marketing and the new program branding planned for the 2016/17 fiscal year, it is expected the awareness level will increase relative to previous waves.



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “ Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Target Furnace Replacement Market - As at September 30, 2016

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of September 30, 2016)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,495	17,687	25,182
Rentals	1,249	948	2,197
Total Standard Furnaces (2014¹ Survey)	8,744	18,635	27,379
Estimated Installation from Dec 1/14 to Sep 30/16²			
Total	3,505	6,924	10,429
Remaining Standard Furnaces at Sep 30, 2016			
Total	5,239	11,711	16,950
All Natural Gas Furnaces (2014 survey)³	54,393	176,215	230,608
Standard % of Marketplace⁴	10%	7%	7%

¹Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to September 30, 2016 is based on permit data of a total of 14,898 furnace replacements (1,636 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Target Insulation Upgrade Market - As at September 30, 2016

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q2 - 2016/17 Report - without apartments

Insulation Target Market Review	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,489	40,850	61,339
Renters	6,562	2,714	9,276
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)¹	27,051	43,564	70,655
Estimate of Number of Dwellings Insulated from December 2014 to September 30, 2016 ²	1,572	668	2,240
Insulation Upgrade Target	25,479	42,896	68,415
<i>Total Dwellings</i>	109,219	286,723	395,942
Fair/Poor % of Marketplace	23%	15%	17%

¹Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

² Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Sep 30, 2016 is based on:

- LICO 125% dwellings: based on the total private individual homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to September 30, 2016 (4,178), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Affordable Energy Program Highlights – July 1 to September 30, 2016

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2016/17 Q2 (Jul 1 – Sep 30, 2016)	Cumulative (to Sep 30, 2016)
Individual	178	8,340
Community	47	2,747*
First Nation	583	4,337
MURBs	675	1,080
Total	1,483	16,504

*Community cumulative total adjusted by 76 homes that were double counted in 2012/13.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2016/17 Q2 (Jul 1 – Sep 30, 2016)	Cumulative (to Sep 30, 2016)
Individual:	63	4,448
Furnace	1	108
Boiler		
Community:	20	352
Furnace	0	2
Boiler		
First Nation	0	0
Total:	83	4,800
Furnace	1	110
Boiler		

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	165	2
Estimated Installation (next 6 months)	473	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace Failures

Furnace Failures*	Furnaces Replaced due to Failure	Furnaces Replaced Before the End of Life
July 1, 2016 to Sept 30, 2016	0	83
Cumulative to Sept 30, 2016	162**	3,782

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

* Furnace failures started being recorded July 1, 2010 and is not comparable to other cumulative data reported which started at the beginning of the FRP.

** In addition to the above furnace failures, there was one boiler failure during Q3 2011/12 period, one during the Q4 2011/12 period, two during the Q2 2013/14 period, and one during the Q3 2013/14 period.

Affordable Energy Program Highlights – July 1 to September 30, 2016

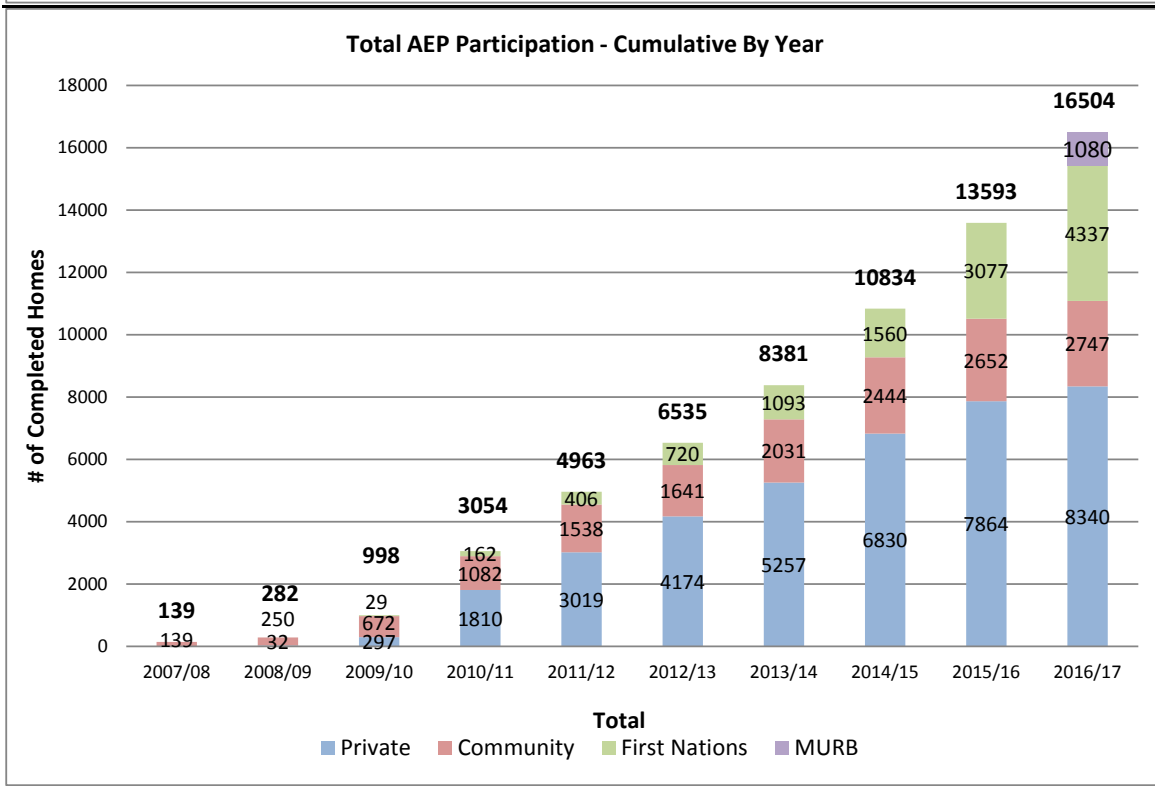
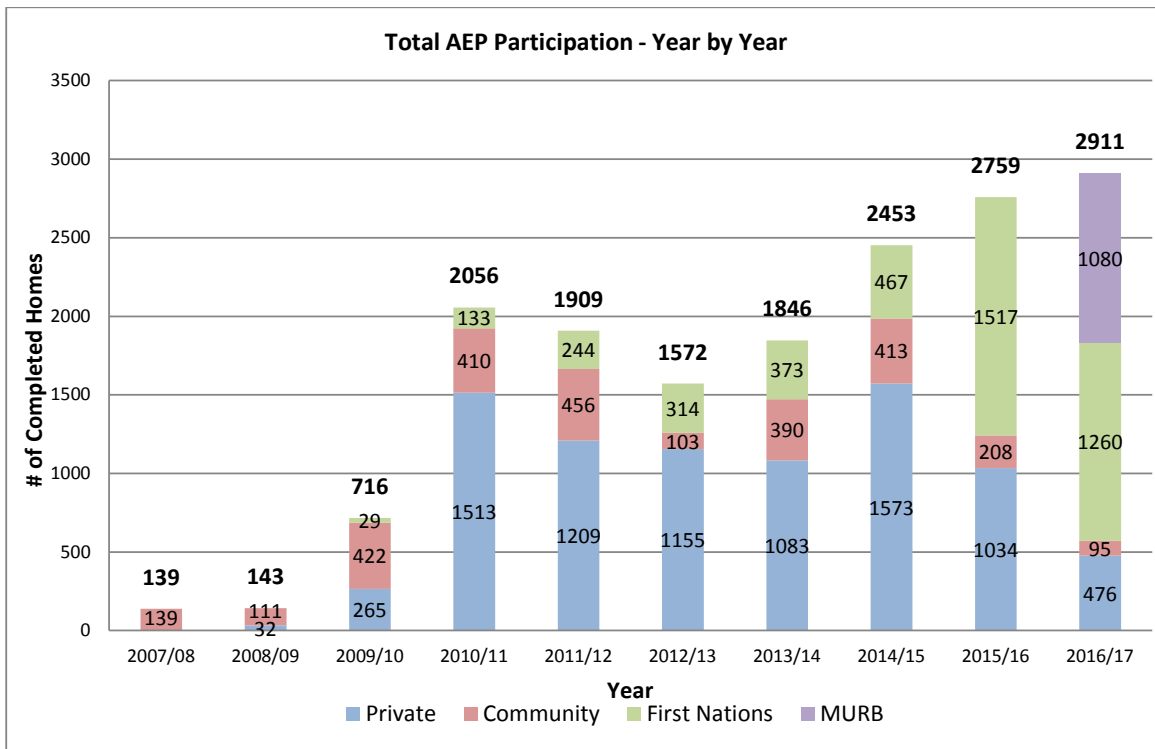
E. Insulation Installations Completed

Program Participation Overview	FY 2016/17 Q2 (Jul 1 – Sep 30, 2016)	Cumulative (to Sep 30, 2016)
Individual	102	4,507
Community	30	2,417*
First Nation	133	2,512
Total	265	9,436

*Community cumulative total adjusted by 76 homes that were double counted in 2012/13.

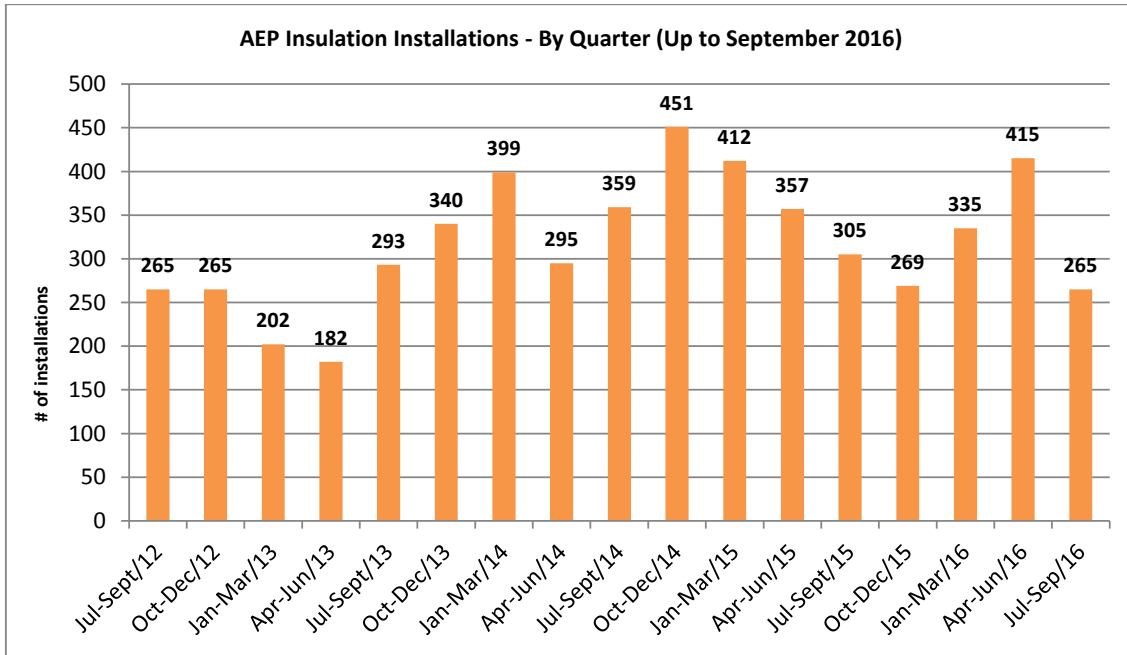
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Trending Charts: AEP Completed Homes since Program Inception



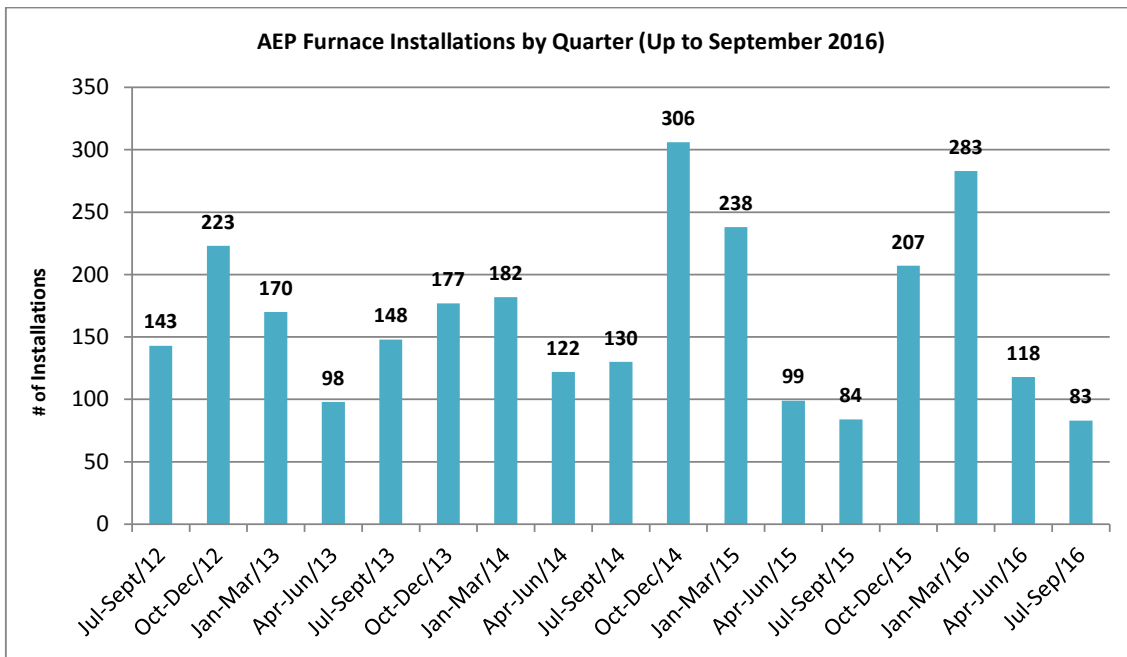
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Trending Charts: AEP Insulation Installation since Program Inception



Data includes individual approach (4,507 cumulative to end of Sep 2016), community approach (2,417 cumulative to end of Sep 2016) and First Nations (2,512 cumulative to end of Sep 2016). In the July – September 2016 period, there were a total of 102 for individual approach, 30 for community approach (MHA, DOFNHA, Kanata, Kinew, MGR and private homeowners or landlords) and 133 for First Nations. Completions are counted once all paperwork is finalized from community groups.

Trending Charts: Furnace Replacements since Program Inception



**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to September 30, 2016.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) On July 2, 2016 a print ad for the AEP ran in the Winnipeg Free Press.
- b) During the week of July 4, 2016 print ads for the AEP ran in the Adwest and PNG Weekly Newspapers.
- c) During the week of July 6, 2016 print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- d) From July 11, 2016 – August 6, 2016 transit shelter advertisements for the AEP were displayed throughout Winnipeg.
- e) On July 11, 2016 interior transit advertisements for the AEP began to be displayed.
- f) From July 18, 2016 to August 28, 2016 street level posters for the AEP were displayed at convenience stores in targeted Winnipeg neighbourhoods with higher incidences of lower income customers.
- g) On July 8, July 29, August 12, August 26, September 9 and September 23, 2016 the AEP ran autodialer campaigns to target customers in arrears and promote the AEP.
- h) In August 2016 new AEP brochures for the Tenant/Landlord and MURB housing categories were created with the new branding to match the standard program brochure.
- i) In August 2016 an advertisement for the AEP appeared on the bills of MyBill customers.
- j) From August 1, 2016 to September 30, 2016 TV advertisements for the AEP were aired on CTV, City TV, Global and CBWT.
- k) From August 5, 2016 to September 1, 2016 ads for the AEP aired in Tim Horton's locations throughout Manitoba.
- l) On August 12, 2016 Manitoba Hydro staff attended the Austin Street Festival to promote the AEP.
- m) On August 13, 2016 North End Community Renewal Corporation ("NECRC") staff attended the Picnic in the Park to promote the AEP.
- n) On August 13, 2016 a print ad for the AEP ran in the Winnipeg Free Press.
- o) During the week of August 15, 2016 print ads for the AEP ran in the Adwest and PNG Weekly Newspapers.
- p) From August 15, 2016 – August 28, 2016 radio advertisements for the AEP aired over multiple radio stations throughout Manitoba.
- q) During the week of August 17, 2016 print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- r) In August 2016, posters and brochures were sent out to the following organizations: Arborg & District Seniors Resource Council, Living Independence for Elders (Ashern), Prairie Oasis Senior Centre (Brandon), Dauphin Multi-Purpose Senior Centre, Services to Seniors Serving Erickson, Onanole, Sandy Lake & Areas Inc., Eriksdale Community Resource Council Inc., Gladstone Area Seniors Support Program, Seniors Independent Services (Glenboro), Grandview & District Community Resource Council, Hamiota/Blanchard Senior Services, Two Rivers Seniors Resource Council (Lac du Bonnet), Lundar Community Resource Council, MacGregor-Austin Senior Support Program, Pembina Community Resource Council (Manitou), Senior Services of Antler River (Melita/Pierson), Minnedosa & District Services to Seniors, Morden Services for Seniors

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Inc., Home Assistance Neepawa and District, Louise Community Support Services (Pilot Mound), Senior Services of Banner County (Russell), Rossburn Community Resource Council, Selkirk and District Seniors Resource Council, Senior Services of Prairie-Parkland Inc. (Shoal Lake), St Laurent Seniors Resource Council, and East Beaches Resource Centre (Traverse Bay).

- s) During the week of September 12, 2016 print ads for the AEP ran in the Adwest and PNG Weekly Newspapers.
- t) During the week of September 14, 2016 print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- u) On September 17, 2016 a print ad for the AEP ran in the Winnipeg Free Press.
- v) During the weeks of September 12 and 19, 2016 radio advertisements for the AEP aired over multiple radio stations throughout Manitoba.
- w) From August 29, 2016 – September 25, 2016 transit shelter advertisements for the AEP were displayed throughout Winnipeg.
- x) On September 13 & 14, 2016 Manitoba Hydro staff attended the Southern Chiefs Organization (“SCO”) Chiefs Summit where they promoted the First Nations Power Smart Program to community representatives.
- y) On September 24 & 25, 2016 Manitoba Hydro staff attended the Manitoba Métis Federation (“MMF”)’s Annual General Meeting at Assiniboia Downs where they promoted the AEP.
- z) On September 24, 2016 the NECRC Energy Advocate attended the Selkirk Street Festival to promote the AEP on behalf of Manitoba Hydro.
- aa) In September 2016, the First Nations Heat Recovery Ventilation “(HRV)” Video was translated into Cree, and both versions (English/Cree) will soon be distributed to the communities.
- bb) In September 2016, a First Nations Energy Saving Tips publication was created for the use at events that promote the First Nations Program.

b) Street Approach Pilot Project

Manitoba Hydro staff and NECRC staff canvassed the following thirteen streets for the Neighbourhood Power Smart Street Pilot Project;

- a. July 7, 2016 - Burrows Ave between Powers and Andrews
- b. July 14, 2016 – Barber St between Rover and Euclid
- c. July 21, 2016 - Magnus Ave between Arlington and Artillery
- d. July 28, 2016 - Aberdeen Ave between Andrews and McGregor
- e. August 4, 2016 - Lusted Ave between Beaconsfield and Euclid
- f. August 11, 2016 – Alfred Ave between Charles and Aikins
- g. August 18, 2016 – Machray Ave between McGregor and McKenzie
- h. August 25, 2016 – Pritchard Ave between Salter and Powers
- i. September 1, 2016 – Cathedral Ave between Aikins and Salter
- j. September 8, 2016 – Boyd Ave between McGregor and McKenzie
- k. September 13, 2016 – Redwood Ave between Salter and Powers
- l. September 22, 2016 - Anderson Ave between Andrews and McGregor
- m. September 29, 2016 – Aberdeen Ave between Sinclair and Artillery

On July 20, 2016, Manitoba Hydro staff and Brandon Community Renewal Corporation staff canvassed 2nd Ave SW between 3rd and 6th in Brandon for the Neighbourhood Power Smart Street Pilot Project.

On September 15, 2016, Manitoba Hydro staff canvassed Mclean Ave between Jemima and Sophia in Selkirk with the Selkirk Community Renewal Corporation staff for the Neighbourhood Power Smart Project.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Howell Mechanical • Jim’s Heating & Plumbing • Kirkfield Heating and Air Conditioning Ltd. • KWS Mechanical • Lynn’s Heating, Cooling, Sewer and Drain • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • DB Higgenbotham - Virden • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all our contractors. This contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all contractors.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending September 30, 2016**

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2016/17 Q2 (July 1, 2016 to September 30, 2016)	
(000s)	
Beginning Balance July 1, 2016	\$ 21,039
Disbursements*	(358)
Additional Funding from SGS Customer Class	215
Accrued Interest	79
Ending Balance September 30, 2016	\$ 20,974**

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at September 30, 2016	
(000s)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(14,487)
Additional Funding from SGS Customer Class (life to date)	33,455
Accrued Interest (life to date)	2,006
Ending Balance September 30, 2016	\$ 20,974

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.

Quarterly Report

October 1 to December 31, 2016

Q3

Affordable Energy Program and Furnace Replacement Program



Centra Gas Manitoba Inc.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

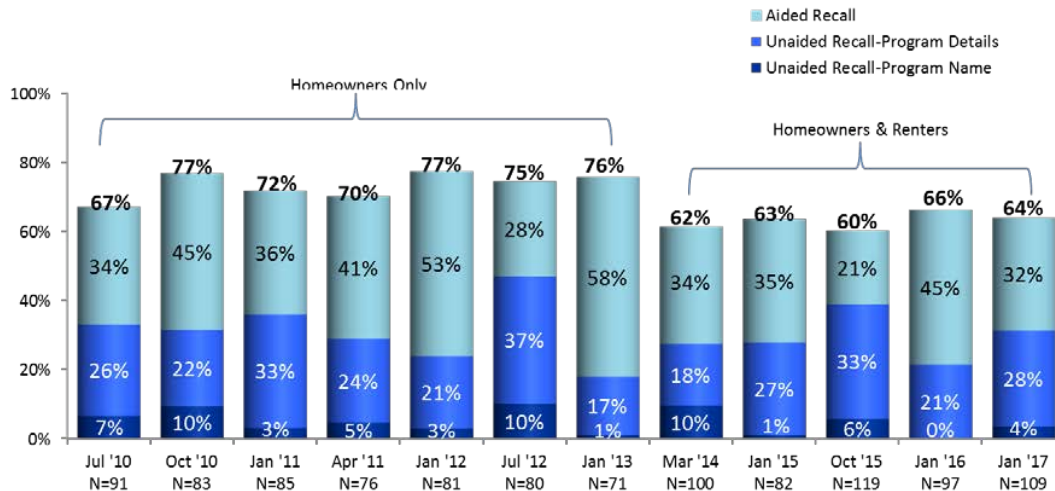
Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2017, indicated 64% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 4% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 28% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 33% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2016 which may indicate that the new advertising message “Affordable Energy can be...” assists in recognition of the program name. Total awareness has stayed relatively unchanged since the March 2014 survey. Awareness of homeowners has remained similar to 2014 and prior levels, at 72% in the January 2017 survey. Renter levels of awareness have been typically lower, and are 44% in the January 2017 survey, thus decreasing the overall awareness of surveyed respondents to 64%. With continued aggressive marketing that specifies renters are also eligible, it is expected the awareness level will increase relative to previous waves.

AEP Eligible Respondent Awareness of AEP

(Awareness of LIEEP Program prior to Jan 2014)



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Target Furnace Replacement Market - As at December 31, 2016

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of December 31, 2016)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,500	17,700	25,200
Rentals	1,200	900	2,100
Total Standard Furnaces (2014 ¹ Survey)	8,700	18,600	27,300
Estimated Installation from Dec 1/14 to Dec 31/16²			
Total	4,100	8,300	12,400
Estimated Remaining Standard Furnaces at Dec 31, 2016			
Total	4,600	10,300	14,900
All Natural Gas Furnaces (2014 survey)³	54,400	176,200	230,600
Standard % of Marketplace⁴	8%	6%	6%

¹Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to December 31, 2016 is based on permit data of a total of 17,829 furnace replacements (2,931 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Target Insulation Upgrade Market - As at December 31, 2016

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q3 - 2016/17 Report - without apartments

Estimated Insulation Target Market Review	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,500	40,900	61,400
Renters	6,600	2,700	9,300
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)¹	27,100	43,600	70,700
Estimate of Number of Dwellings Insulated from December 2014 to December 31, 2016 ²	1,700	800	2,500
Insulation Upgrade Target	25,400	42,800	68,200
<i>Total Dwellings</i>	109,200	286,700	395,900
Fair/Poor % of Marketplace	23%	15%	17%

¹Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

² Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Dec 31, 2016 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to December 31, 2016 (4,696), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Affordable Energy Program Highlights – October 1 to December 31, 2016

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2016/17 Q3 (Oct 1 – Dec 31, 2016)	Cumulative (to Dec 31, 2016)
Individual	216	8,556
Community	84	2,831
First Nation	300	4,636*
MURBs	1,216	2,296
Total	1,816	18,319

*First Nation cumulative total adjusted by 1 home that was double counted in June 2016.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2016/17 Q3 (Oct 1 – Dec 31, 2016)	Cumulative (to Dec 31, 2016)
Individual: Furnace	136	4,584
Boiler	3	111
Community: Furnace	15	367
Boiler	0	2
First Nation	0	0
Total: Furnace	151	4,951
Boiler	3	113

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	167	2
Estimated Installation (next 6 months)	334	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace Failures

Furnace Failures*	Furnaces Replaced due to Failure	Furnaces Replaced Before the End of Life
Oct 1, 2016 to Dec 31, 2016	2	149
Cumulative to Dec 31, 2016	164	3,931

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

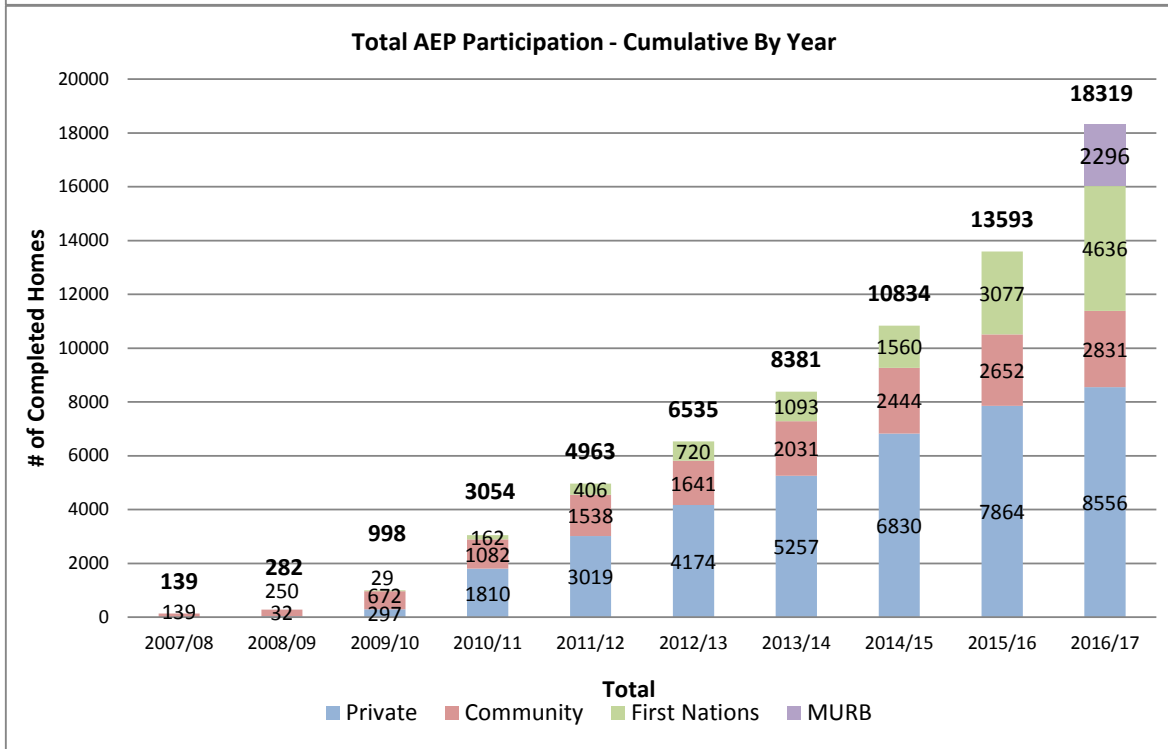
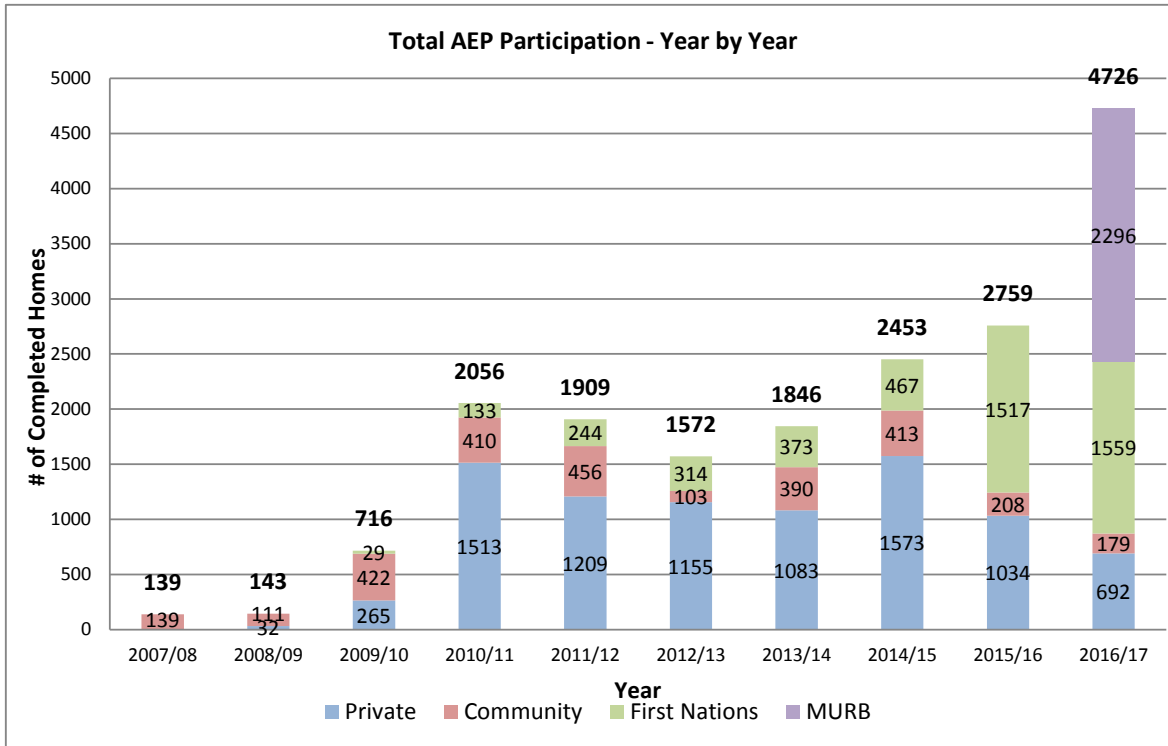
Affordable Energy Program Highlights – October 1 to December 31, 2016
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E. Insulation Installations Completed

Program Participation Overview	FY 2016/17 Q3 (Oct 1 – Dec 31, 2016)	Cumulative (to Dec 31, 2016)
Individual	84	4,591
Community	24	2,441
First Nation	189	2,701
Total	297	9,733

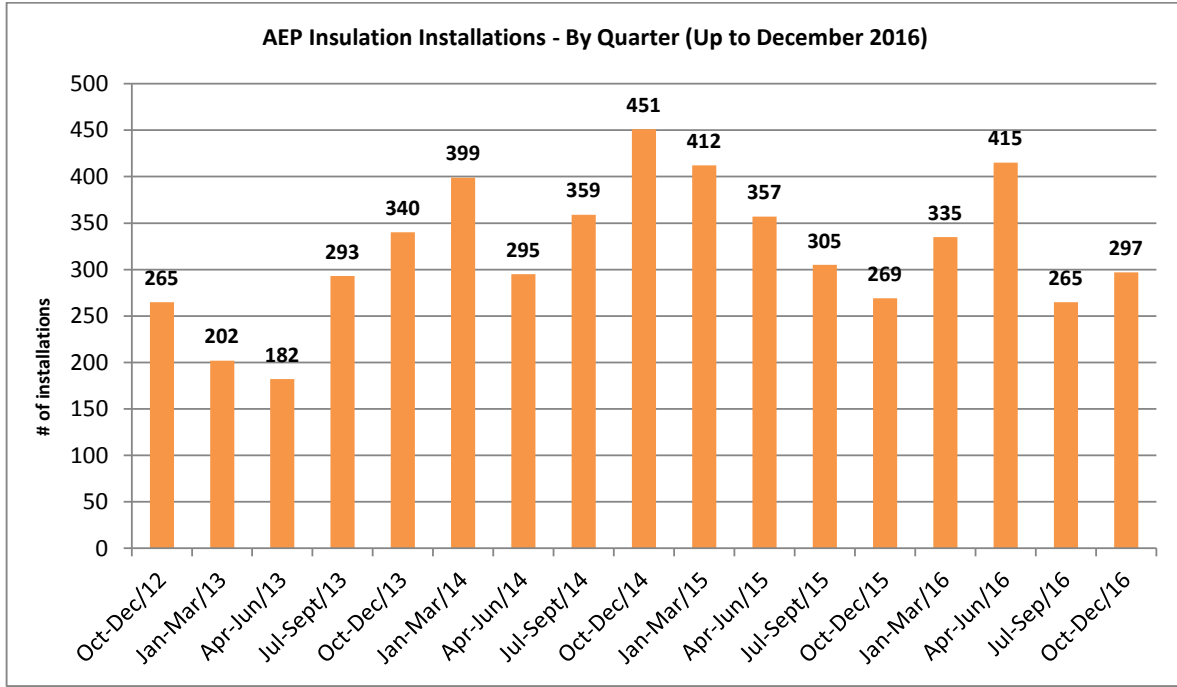
**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Trending Charts: AEP Completed Homes since Program Inception

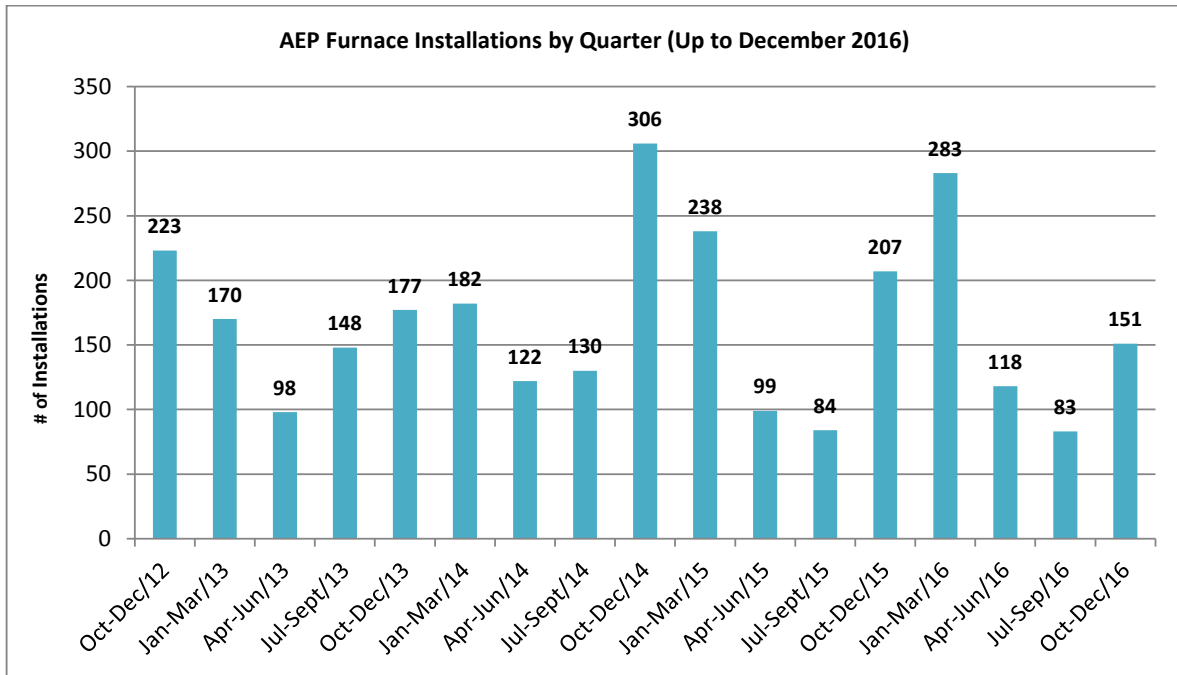


**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Trending Charts: AEP Insulation Installation since Program Inception



Trending Charts: Furnace Replacements since Program Inception



This chart has been adjusted from previous reports to represent only the last four years of data.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to December 31, 2016.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) In October 2016 a bill insert was sent to residential customers across the Province.
- b) Interior transit advertisements featuring the “Affordable Energy can be...” message were displayed throughout October 2016. The advertisements continued on December 5, 2016 and ran until February 26, 2017.
- c) TV advertisements for the AEP continued to air on City TV, Global and CBWT throughout the months of October and November 2016.
- d) On October 26, 2016 a presentation on the Indigenous Power Smart Program was given at the Keewatin Tribal Council’s Chief Assembly.
- e) On October 28, 2016 and November 18, 2016 the AEP ran autodialer campaigns to target customers in arrears and promote the AEP. The campaign continued on December 8 and 22, 2016.
- f) From October 31, 2016 – November 27, 2016 digital billboards featuring the AEP were up at four locations in Winnipeg.
- g) On November 9, 2016 a presentation on the AEP and energy savings tips was given to participants in the William Whyte Resident’s Association Immigrant Settlement Program.
- h) On November 23, Manitoba Hydro staff attended the Manitoba Non-Profit Housing Association Conference. The event was well attended and the program and made contact with several new housing organizations that may participate in the future.
- i) On November 23, 2016 a presentation on the AEP and energy savings tips was given to participants of the SEED Inner City Homebuyer Program.
- j) In December 2016 a bill insert was sent to residential customers across the Province.
- k) AEP print ads appear in the new Asian Community Guide that was released in December 2016.

b) Street Approach Pilot Project

Manitoba Hydro staff and North End Community Renewal Corporation staff canvassed four streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. October 6, 2016 – McKenzie St between Mountain and Anderson
- b. October 13, 2016 – Bannerman Ave between Salter and Powers
- c. October 20, 2016 – Granville St between Rover and Euclid
- d. October 27, 2016 - College Ave between Sinclair and Artillery

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Howell Mechanical • Kirkfield Heating and Air Conditioning Ltd. • KWS Mechanical • Lynn’s Heating, Cooling, Sewer and Drain • Machine Wellness • Martin’s Heating & Construction • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Parson’s Plumbing & Heating • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • DB Higgenbotham - Virden • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • Shebry’s - Russell, • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach • Trav’s Plumbing and Heating – Winkler, Morden

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all participating contractors. The contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all participating contractors.

**Report on the Affordable Energy Program and the Furnace Replacement Program
For the Period Ending December 31, 2016**

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2016/17 Q3 (October 1, 2016 to December 31, 2016) (000s)	
Beginning Balance October 1, 2016	\$ 20,974
Disbursements*	(565)
Additional Funding from SGS Customer Class	1,314
Accrued Interest	80
Ending Balance December 31, 2016	\$ 21,803**

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at December 31, 2016 (000s)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(15,052)
Additional Funding from SGS Customer Class (life to date)	34,769
Accrued Interest (life to date)	2,086
Ending Balance December 31, 2016	\$ 21,803**

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.

Quarterly Report

January 1 to March 31, 2017

Q4

Affordable Energy Program and Furnace Replacement Program



Centra Gas Manitoba Inc.

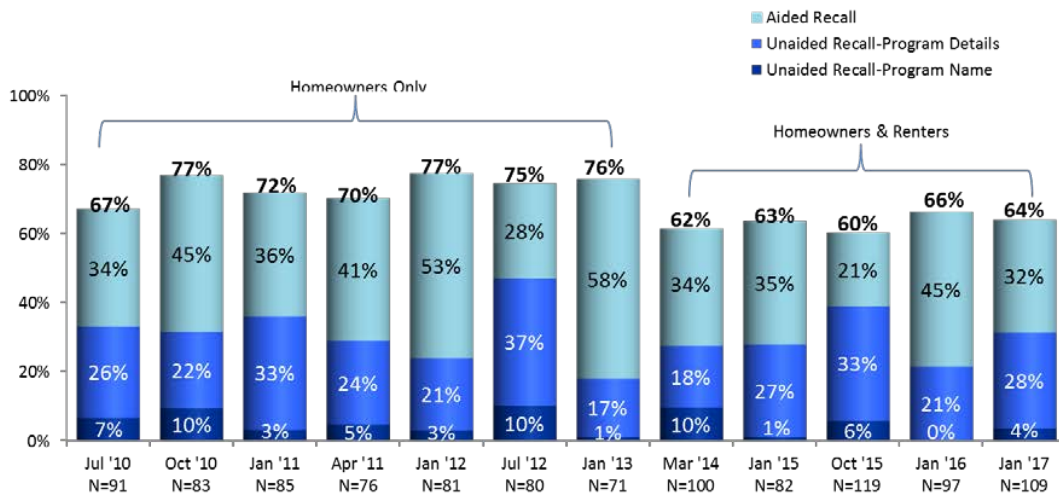
Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2017, indicated 64% of LICO-125¹ respondents have heard of Manitoba Hydro's *Affordable Energy Program* ("AEP"). This includes 4% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 28% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 32% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2016 which may indicate that the new advertising message "Affordable Energy can be..." assists in recognition of the program name. Total awareness has stayed relatively unchanged since the March 2014 survey. Awareness of homeowners has remained similar to 2014 and prior levels, at 72% in the January 2017 survey. Renter levels of awareness has been typically lower, and are 44% in January 2017 survey, thus decreasing the overall awareness of surveyed respondents to 64%. With continued aggressive marketing that specifies renters are also eligible, it is expected the awareness level will increase relative to previous waves.

AEP Eligible Respondent Awareness of AEP

(Awareness of LIEEP Program prior to Jan 2014)



Unaided Awareness Question: "Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home's energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. "Insulate your home for FREE", "A new natural gas furnace for \$9.50 a month" or "It's True")

Aided Awareness Question: " Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with "It's True" that qualifying households can "Insulate your home for FREE" or get a "new natural gas furnace for \$9.50 a month"?"

¹ 'LICO - 125' is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

Target Furnace Replacement Market - As at March 31, 2017

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of March 31, 2017)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,500	17,700	25,200
Rentals	1,200	900	2,100
Total Standard Furnaces (2014¹ Survey)	8,700	18,600	27,300
Estimated Installation from Dec 1/14 to Mar 31/17²			
Total	4,700	9,300	13,300
Estimated Remaining Standard Furnaces at Mar 31, 2017			
Total	4,000	9,300	13,300
All Natural Gas Furnaces (2014 survey)³	54,400	176,200	230,600
Standard % of Marketplace⁴	8%	5%	6%

¹Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to March 31, 2017 is based on permit data of a total of 20,023 furnace replacements (2,194 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

Target Insulation Upgrade Market - As at March 31, 2017

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q4 - 2016/17 Report - without apartments

Estimated Insulation Target Market Review¹	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,500	40,900	61,400
Renters	6,600	2,700	9,300
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market) ²	27,100	43,600	70,700
Estimate of Number of Dwellings Insulated from December 2014 to December 31, 2016 ³	1,800	800	2,700
Insulation Upgrade Target	25,200	42,700	68,000
<i>Total Dwellings</i>	109,200	286,700	395,900
Fair/Poor % of Marketplace	23%	15%	17%

¹ Numbers may not add up due to rounding.

² Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

³ Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Mar 31, 2017 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to March 31, 2017 (5,224), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

Affordable Energy Program Highlights – January 1 to March 31, 2017

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2016/17 Q4 (Jan 1 – Mar 31, 2017)	Cumulative (to Mar 31, 2017)
Individual	341	8,896*
Community	50	2,882*
Indigenous	293	4,922**
MURBs	195	2,491
Total	879	19,191

*Individual and Community cumulative totals adjusted for 1 home that was counted as Individual instead of Community in Q3 of 2016/17.

**Indigenous cumulative total adjusted by 7 homes that were double counted in between Q1 – Q3 2016/17.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2016/17 Q4 (Jan 1 – Mar 31, 2017)	Cumulative (to Mar 31, 2017)
Individual: Furnace	175	4,759
Boiler	5	116
Community: Furnace	20	387
Boiler	0	2
Indigenous	N/A	N/A
Total: Furnace	195	5,146
 Boiler	5	118

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	151	3
Estimated Installation (next 6 months)	187	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace & Boiler Failures

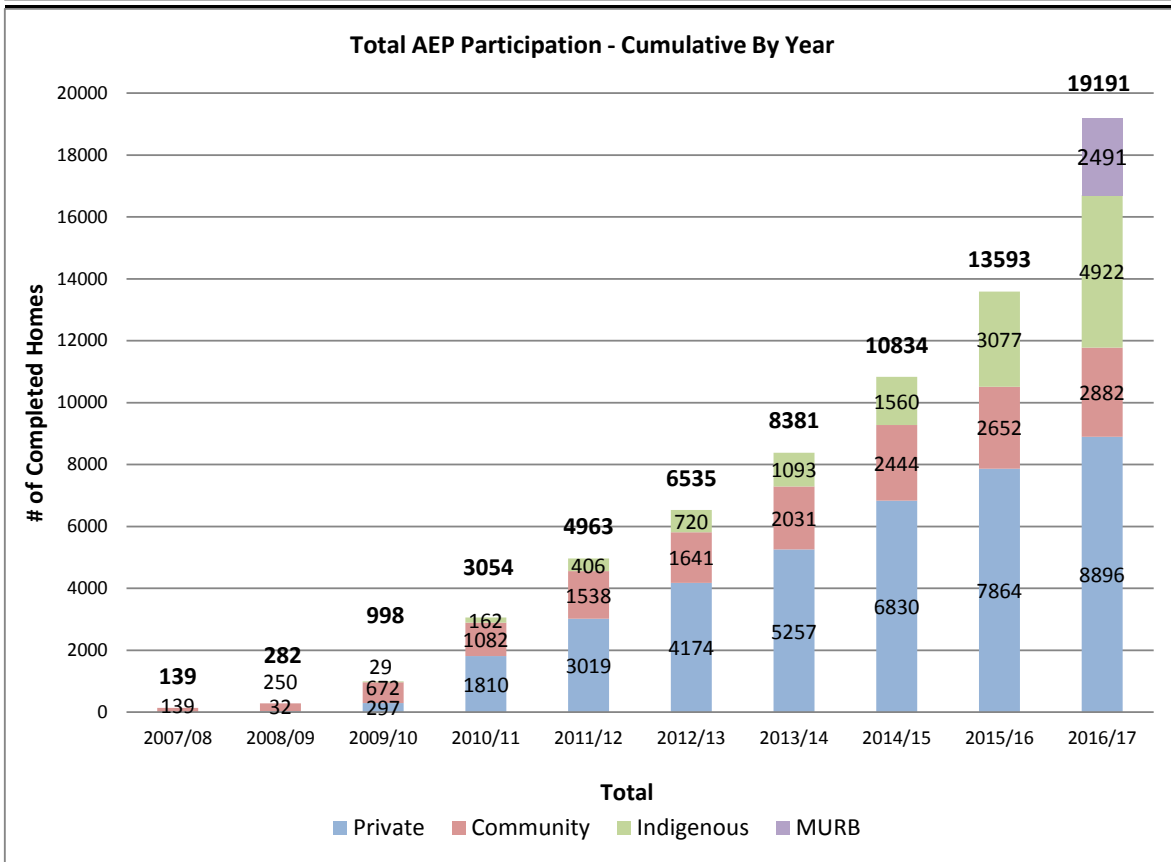
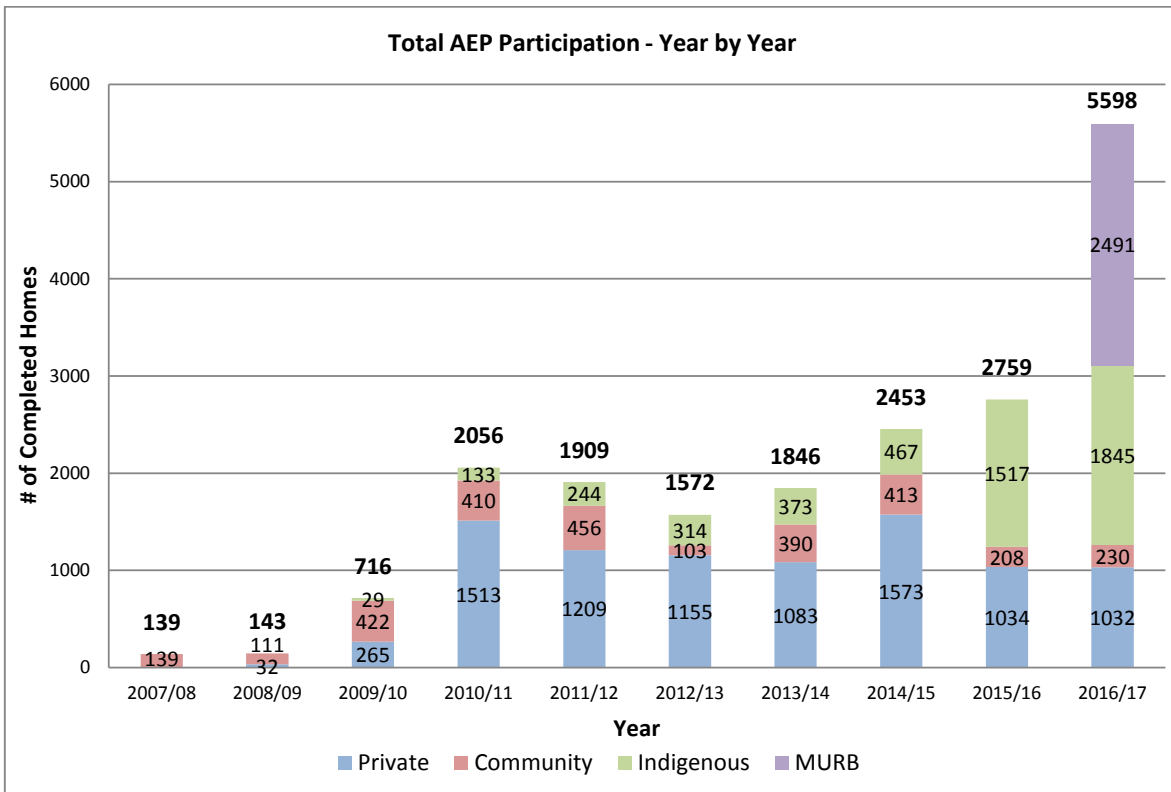
Furnace and Boiler Failures*	Jan 1, 2017 to Mar 31, 2017	Cumulative to Mar 31, 2017
Furnaces Replaced due to Failure	2	166
Furnaces Replaced Before the End of Life	193	4,124
Boilers Replaced due to Failure	0	5
Boilers Replaced Before the End of Life	5	113

Affordable Energy Program Highlights – January 1 to March 31, 2017

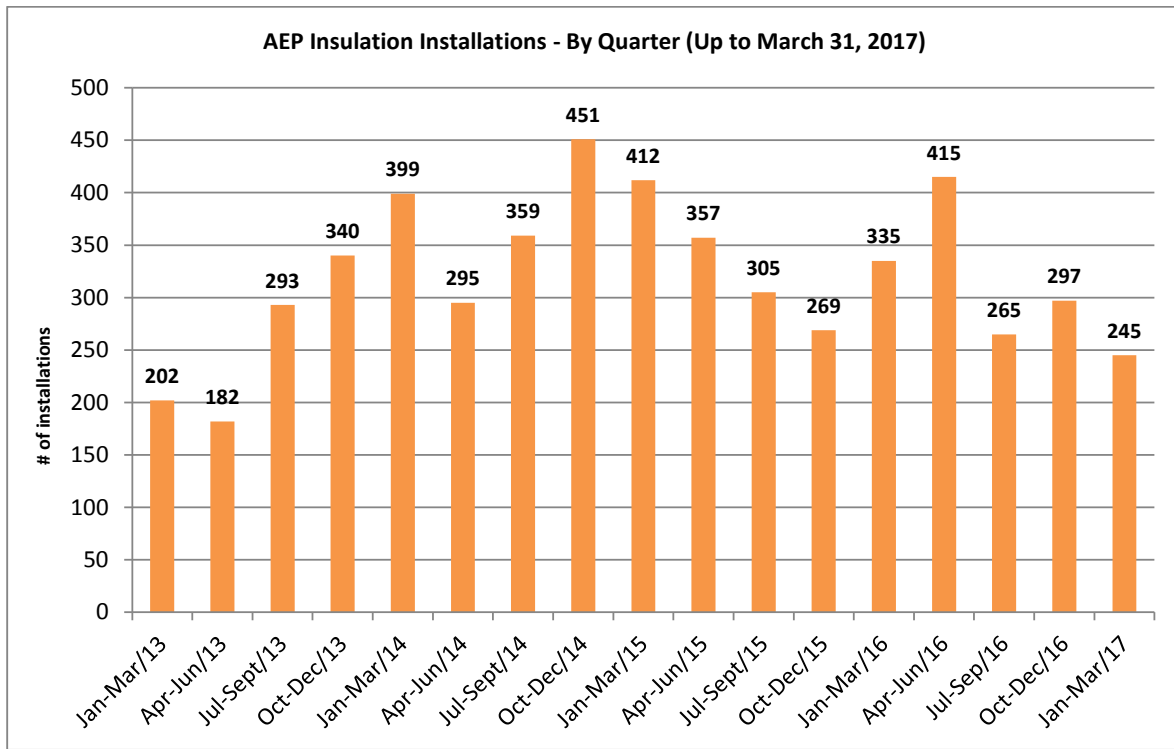
E. Insulation Installations Completed

Program Participation Overview	FY 2016/17 Q4 (Jan 1 – Mar 31, 2017)	Cumulative (to Mar 31, 2017)
Individual	130	4,721
Community	27	2,468
Indigenous	88	2,789
Total	245	9,978

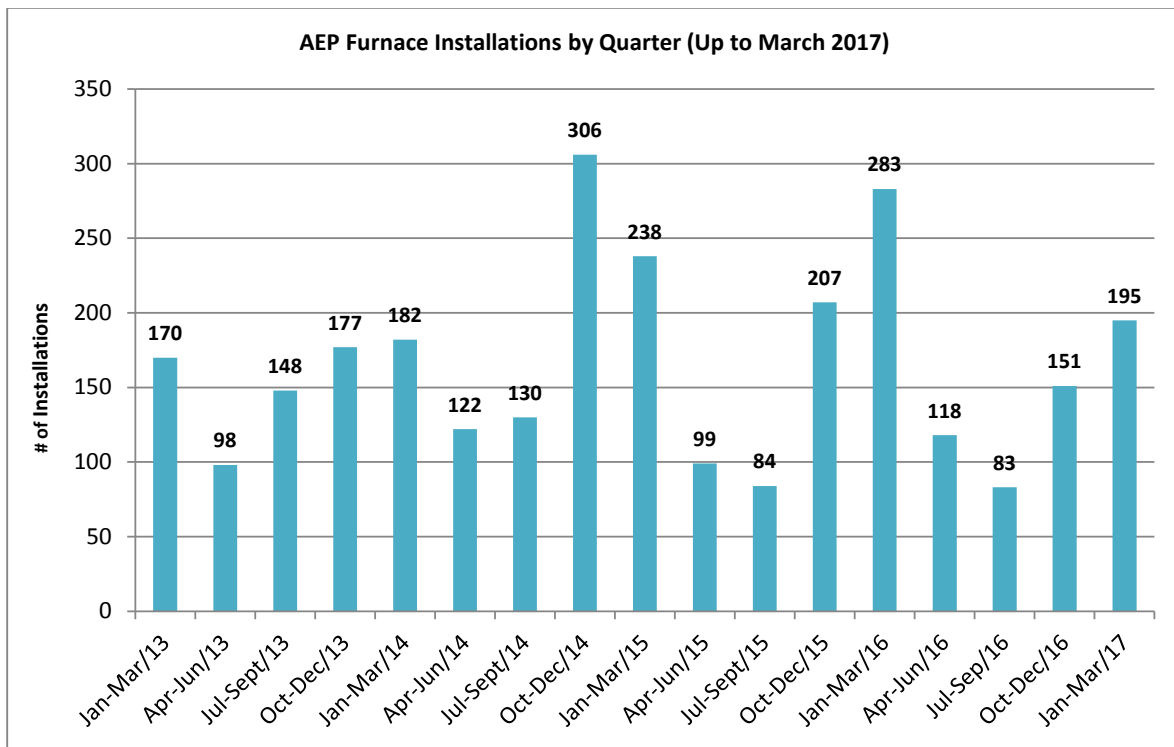
Trending Charts: AEP Completed Homes since Program Inception



Trending Charts: AEP Insulation Installation since Program Inception



Trending Charts: Furnace Replacements since Program Inception



Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to March 31, 2017.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) Interior transit advertisements featuring the “Affordable Energy can be...” message continued throughout January 2017. The campaign ran until February 26, 2017.
- b) On January 2, 2017 transit shelter advertisements began to be displayed throughout Winnipeg. The campaign ran until February 26, 2017.
- c) On January 11, 2017 a direct mailer brochure for the AEP was mailed to approximately 70,000 residences in southern Manitoba (Winnipeg and rural municipalities).
- d) On January 19, 2017 Facebook and Instagram advertisements began to run. The campaign ran until March 31, 2017.
- e) On January 30, 2017 TV advertisements for the AEP began to air on City TV, Global, CTV and CBWT. The campaign ran until March 12, 2017.
- f) On January 27, 2017 the AEP ran an autodialer campaign to target customers in arrears and promote the AEP. The campaign continued on February 10, 2017.
- g) In February 2017 a bill insert was sent to residential customers across the Province.
- h) On February 6, 2017 digital billboards featuring the AEP were put up at four locations in Winnipeg. The campaign ran until March 5, 2017.
- i) The week of February 6, 2017 print ads for the AEP ran in the Adwest Weekly and PNG Weekly Newspapers.
- j) The week of February 8, 2017 print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- k) On February 11, 2017 a print ad for the AEP ran in the Winnipeg Free Press.
- l) On February 23 and 28, 2017 the AEP ran an autodialer campaign to target customers within Selkirk to promote the AEP.
- m) In March 2017, the standard program brochure, tenant/landlord brochure, MURB brochure and external website were updated with the new 2016 income tax thresholds.
- n) The Indigenous Cree/English Heat Recovery Ventilation video is currently being distributed to 20 Cree speaking communities.
- o) From March 1 – 10, 2017, the AEP ran an autodialer campaign to target customers within Selkirk, Winkler, Morden, Steinbach and Portage la Prairie to promote the AEP.

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Howell Mechanical • Kirkfield Heating and Air Conditioning Ltd. • KWS Mechanical • Lynn’s Heating, Cooling, Sewer and Drain • Machine Wellness • Martin’s Heating & Construction • Mr. Furnace Heating and Air Conditioning • Overtime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • DB Higgenbotham - Virden • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • G & E Schroeder – Morden, Winkler • Heartland Plumbing & Heating - Carberry • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • Shebry’s - Russell, • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach • Trav’s Plumbing and Heating – Winkler, Morden • Westside Plumbing & Heating - Brandon

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all participating contractors. The contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all

participating contractors.

Financial

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
For 2016/17 Q4 (January 1, 2017 to March 31, 2017)	
(000s)	
Beginning Balance January 1, 2017	\$ 21,803
Disbursements*	(749)
Additional Funding from SGS Customer Class	1,786
Accrued Interest	82
Ending Balance March 31, 2017	\$ 22,922**

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
Cumulative Since Program Inception as at March 31, 2017	
(000s)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(15,801)
Additional Funding from SGS Customer Class (life to date)	36,555
Accrued Interest (life to date)	2,168
Ending Balance March 31, 2017	\$ 22,922**

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.

Quarterly Report

April 1 to June 30, 2017

Q1

Affordable Energy Program and Furnace Replacement Program



Centra Gas Manitoba Inc.

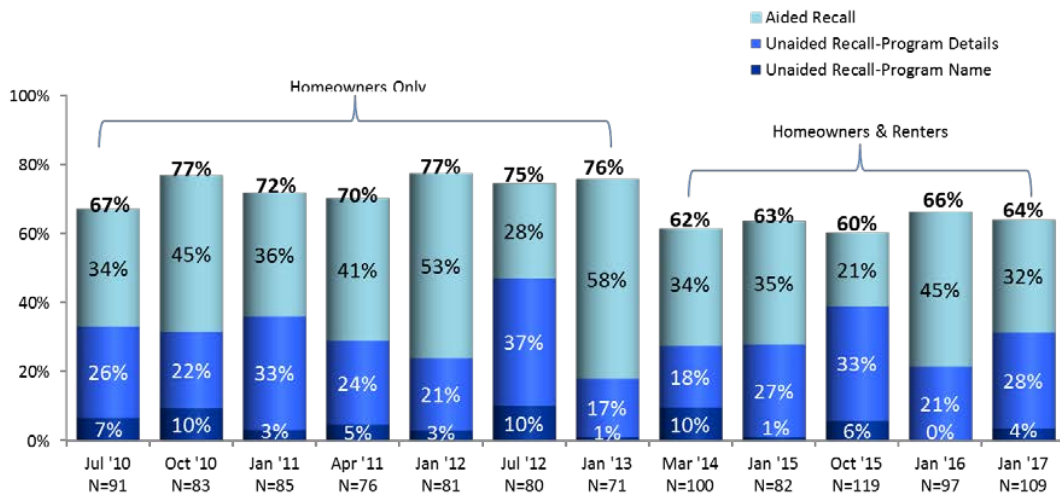
Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2017, indicated 64% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 4% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 28% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 32% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2016 which may indicate that the new advertising message “Affordable Energy can be...” assists in recognition of the program name. Total awareness has stayed relatively unchanged since the March 2014 survey. Awareness of homeowners has remained similar to 2014 and prior levels, at 72% in the January 2017 survey. Renter levels of awareness have been typically lower, and are 44% in the January 2017 survey, thus decreasing the overall awareness of surveyed respondents to 64%. With continued aggressive marketing that specifies renters are also eligible, it is expected the awareness level will increase relative to previous waves.

AEP Eligible Respondent Awareness of AEP

(Awareness of LIEEP Program prior to Jan 2014)



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?”

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

Target Furnace Replacement Market - As at June 30, 2017

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of June 30, 2017)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,500	17,700	25,200
Rentals	1,200	900	2,100
Total Standard Furnaces (2014¹ Survey)	8,700	18,600	27,300
Estimated Installation from Dec 1/14 to June 30/17²			
Total	5,000	9,900	14,900
Estimated Remaining Standard Furnaces at Jun 30, 2017			
Total	3,700	8,700	12,400
All Natural Gas Furnaces (2014 survey)³	54,400	176,200	230,600
Standard % of Marketplace⁴	7%	5%	5%

¹Statistics from November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to June 30, 2017 is based on permit data of a total of 21,344 furnace replacements (1,321 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

Target Insulation Upgrade Market - As at June 30, 2017

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q1 - 2017/18 Report - without apartments

Estimated Insulation Target Market Review¹	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,500	40,900	61,400
Renters	6,600	2,700	9,300
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)²	27,100	43,600	70,700
Estimate of Number of Dwellings Insulated from December 2014 to December 31, 2016 ³	2,000	900	2,900
Insulation Upgrade Target	25,000	42,700	67,700
<i>Total Dwellings</i>	109,200	286,700	395,900
Fair/Poor % of Marketplace	23%	15%	17%

¹ Numbers may not add up due to rounding.

² Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

³ Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Jun 30, 2017 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to June 30, 2017 (5,622), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

Affordable Energy Program Highlights – April 1 to June 30, 2017

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2017/18 Q1 (Apr 1 – Jun 30, 2017)	Cumulative (to Jun 30, 2017)
Individual	419	9,315
Community	189	3,071
Indigenous	436	5,358
MURBs	94	2,585
Total	1,138	20,329

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2017/18 Q1 (Apr 1 – Jun 30, 2017)	Cumulative (to Jun 30, 2017)
Individual: Furnace	128	4,887
Boiler	3	119
Community: Furnace	16	403
Boiler	1	3
Indigenous	N/A	N/A
Total: Furnace	144	5,290
Boiler	4	122

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	155	3
Estimated Installation (next 6 months)	275	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace & Boiler Failures

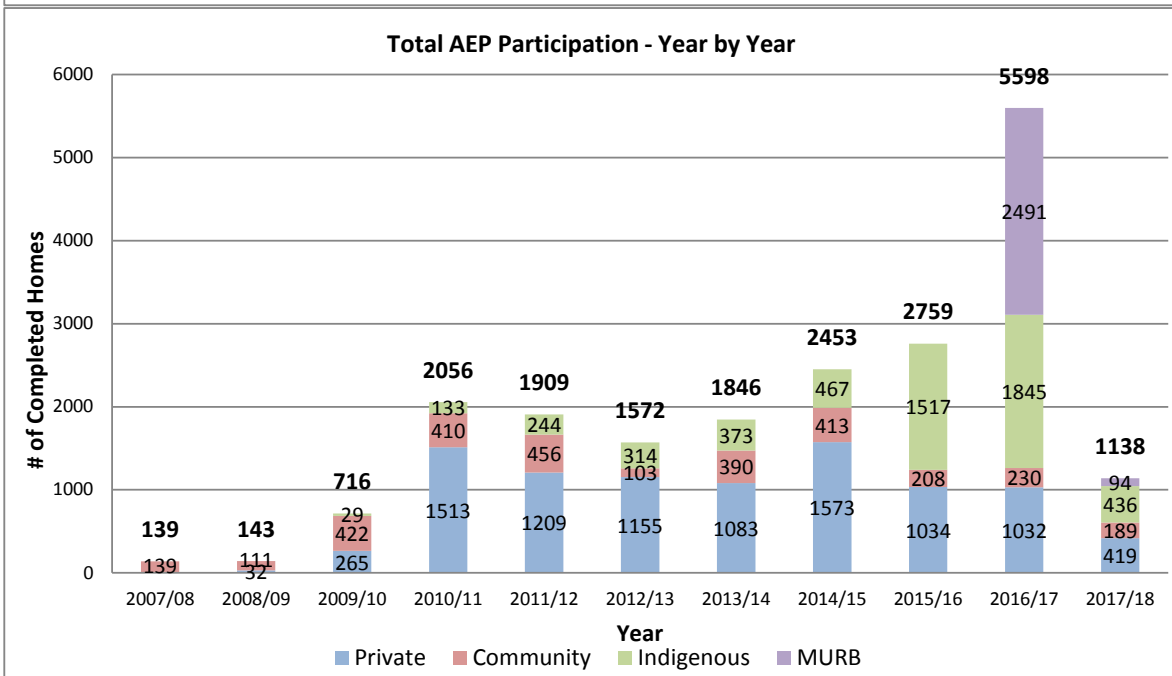
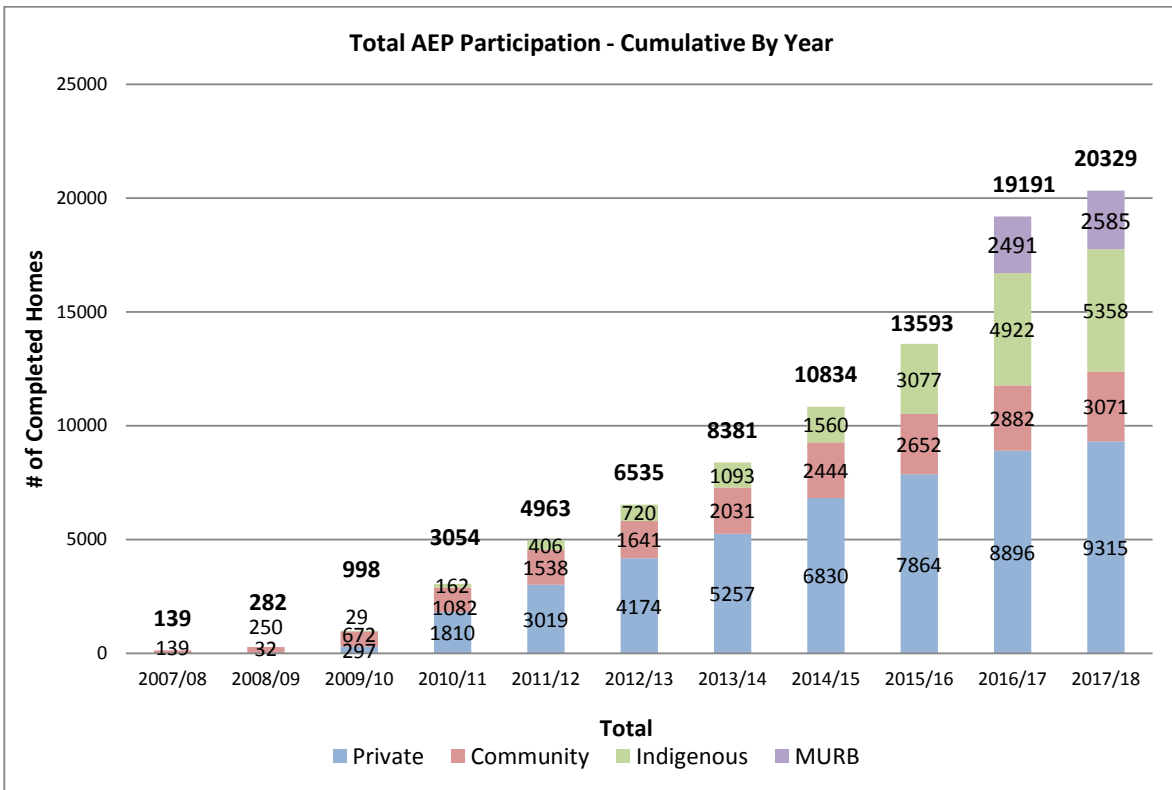
Furnace and Boiler Failures*	Apr 1, 2017 to Jun 30, 2017	Cumulative to Jun 30, 2017
Furnaces Replaced due to Failure	0	166
Furnaces Replaced Before the End of Life	144	4,268
Boilers Replaced due to Failure	0	5
Boilers Replaced Before the End of Life	4	117

Affordable Energy Program Highlights – April 1 to June 30, 2017

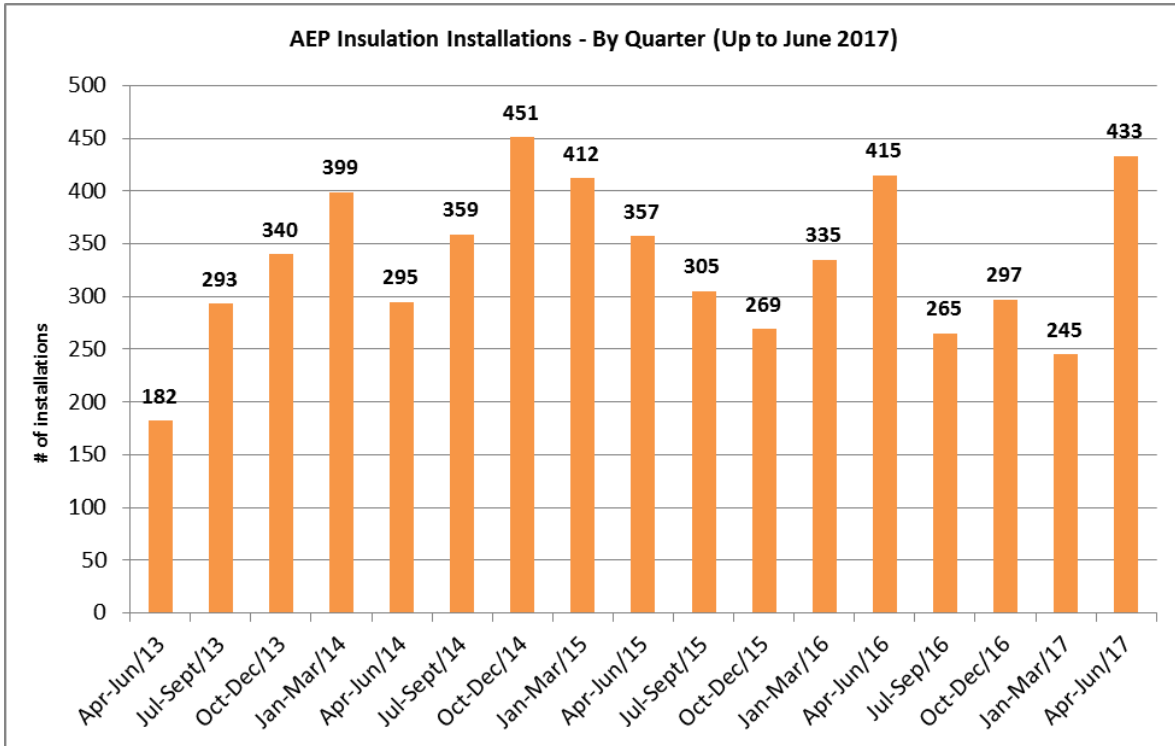
E. Insulation Installations Completed

Program Participation Overview	FY 2017/18 Q1 (Apr 1 – Jun 30, 2017)	Cumulative (to Jun 30, 2017)
Individual	148	4,869
Community	23	2,491
Indigenous	262	3,051
Total	433	10,411

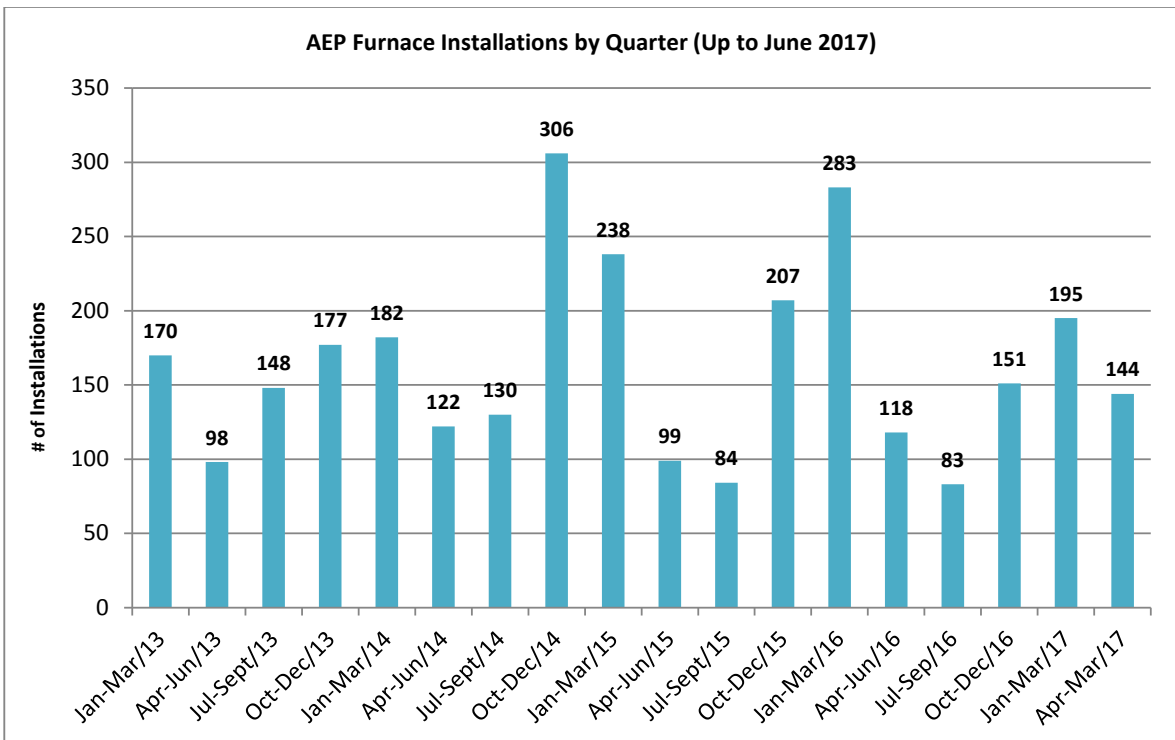
Trending Charts: AEP Completed Homes since Program Inception



Trending Charts: AEP Insulation Installation since Program Inception



Trending Charts: Furnace Replacements since Program Inception



Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to June 30, 2017.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) In April 2017 a bill insert was sent to residential customers across the Province.
- b) In April 2017, the Indigenous Cree/English Heat Recovery Ventilation (HRV) videos were distributed to all 20 Cree speaking communities.
- c) On April 8, 2017 a Manitoba Hydro staff member did a presentation for the Winnipeg Rental Network. Approximately 30 landlords were in attendance for the presentation to learn how they can receive upgrades for their rental homes or apartment units.
- d) In May 2017 the Indigenous Ojibway/Cree/English HRV videos were distributed to 36 Ojibway speaking communities and all three versions of the video have been posted to the Indigenous PowerSmart webpage.
- e) On May 12, May 26, June 9 and June 30, 2017 autodialer campaigns were held to promote the program to customers in arrears.
- f) On May 15, 2017 Manitoba Hydro staff gave a presentation on AEP and other Power Smart Programs for the Chalmers Neighbourhood Renewal Corporation.
- g) From May 15, 2017 – June 11, 2017 interior transit advertisements featuring the “Affordable Energy can be...” message were displayed throughout Winnipeg.
- h) From May 15, 2017 – June 11, 2017 vertical outdoor posters featuring the AEP were up in 15 locations throughout Winnipeg.
- i) The weeks of May 15 and June 12, 2017 print ads for the AEP ran in the Adwest Weekly and PNG Weekly Newspapers.
- j) On May 17, 2017 Manitoba Hydro staff attended the A&O 55+ Housing & Active Lifestyles Expo. A booth was set up to hand out Program information and applications to attendees.
- k) The weeks of May 17 and June 14, 2017 print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- l) On May 20 and June 17, 2017 a print advertisements for the AEP ran in the Winnipeg Free Press.
- m) The week of May 22 and June 19, 2017 radio advertisements for the AEP aired over multiple radio stations throughout Manitoba.
- n) On May 29, 2017 Manitoba Hydro staff set up a booth in the 360 Portage Bill Payment Centre to advise customers paying their energy bill of the program.
- o) An AEP customer testimonial was obtained and will be included in the Fall Rebate Campaign Free Standing Insert and in future program media such as brochures and transit shelters. The Fall Rebate Campaign is coordinated and administered by the Residential Marketing Programs section. Rebates and discounts are offered at major retailers on products such as LED light bulbs, weatherstripping, window kits, appliances, etc.
- p) Print advertisements for the AEP ran in the June issues of the Lifestyle 55+ newspaper, the Diversity Times, and the Money Saver Coupon Book.
- q) The week of June 19, 2017 two direct mail pieces (letter and brochure) promoting the program were mailed out to all households (excluding apartments) in the Forward Sortation Areas (FSAs) of R3G and R3E respectively. Staff will monitor application uptake in those areas and subsequently decide which medium to use for a fall direct mail campaign.
- r) Throughout June TV advertisements for the AEP aired on CBWT, Global, CTV and CITY TV.

- s) On June 26, 2017 transit shelter advertisements for the AEP began to be displayed in 23 locations throughout Winnipeg. The campaign will continue until July 23, 2017.
- t) AEP staff collaborated with Home Insulation Program staff to develop a joint letter advertising the Home Energy Assessment to customers with higher than average consumption levels. The letter mentions both programs to educate customers on all available options. A subsequent piece will be developed to explain the differences and next steps for each program which will be left with the customer at the end of their assessment.
- u) A generic version of the Indigenous Energy Saving Tips booklet was created to be distributed at events and pilot project canvassing.
- v) AEP staff met with Tom Powell creative agency to discuss the creation of a video that will explain steps to participation and the benefits of the program. The video will be available on the Manitoba Hydro Affordable Energy webpage and will be linked to program online advertisements.

b) Street Approach Pilot Project

Manitoba Hydro staff and NECRC staff canvassed nine streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. May 4, 2017 – Aberdeen Ave between McGregor and McKenzie
- b. May 11, 2017 – Manitoba Ave between Sinclair and Artillery
- c. May 18, 2017 – Sinclair St between Mountain and Church
- a. May 25, 2017 – College Ave between McGregor and McKenzie
- b. June 1, 2017 – St John’s Ave between Charles and Aikins
- c. June 8, 2017 – Alfred Ave between McKenzie and Parr
- d. June 15, 2017 – Cathedral Ave between Powers and Andrews
- e. June 22, 2017 – Boyd Ave between Sinclair and Artillery
- f. June 29, 2017 – Burrows Ave between McKenzie and Parr

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Howell Mechanical • Kirkfield Heating and Air Conditioning Ltd. • Lynn’s Heating, Cooling, Sewer and Drain • Machine Wellness • Martin’s Heating & Construction • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • DB Higgenbotham - Virden • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • G & E Schroeder – Morden, Winkler • Heartland Plumbing & Heating - Carberry • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • Shebry’s - Russell, • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach • Trav’s Plumbing and Heating – Winkler, Morden • Westside Plumbing & Heating - Brandon

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all participating contractors. The contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all

participating contractors.

Financial

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
For 2017/18 Q1 (April 1, 2017 to June 30, 2017)	
(000s)	
Beginning Balance April 1, 2017	\$ 22,922
Disbursements*	(565)
Additional Funding from SGS Customer Class	479
Accrued Interest	89
Ending Balance June 30, 2017	\$ 22,924**

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
Cumulative Since Program Inception as at June 30, 2017	
(000s)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(16,366)
Additional Funding from SGS Customer Class (life to date)	37,034
Accrued Interest (life to date)	2,256
Ending Balance June 30, 2017	\$ 22,924**

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.

Quarterly Report

July 1 to September 30, 2017

Q2

Affordable Energy Program and Furnace Replacement Program



Centra Gas Manitoba Inc.

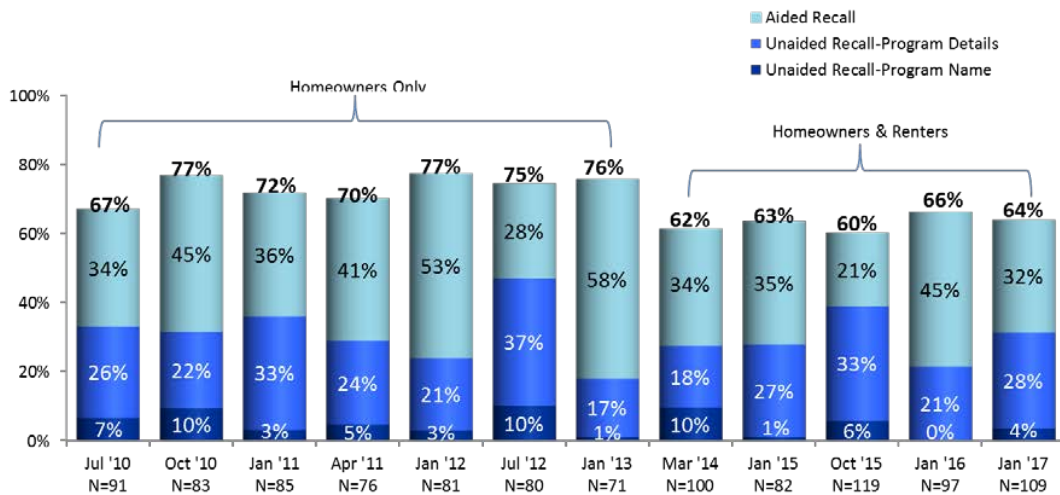
Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2017, indicated 64% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program (“AEP”)*. This includes 4% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 28% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 32% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2016 which may indicate that the new advertising message “Affordable Energy can be...” assists in recognition of the program name. Total awareness has stayed relatively unchanged since the March 2014 survey. Awareness of homeowners has remained similar to 2014 and prior levels, at 72% in the January 2017 survey. Renter levels of awareness have been typically lower, and are 44% in the January 2017 survey, thus decreasing the overall awareness of surveyed respondents to 64%. With continued aggressive marketing that specifies renters are also eligible, it is expected that the awareness level will increase relative to previous waves.

AEP Eligible Respondent Awareness of AEP

(Awareness of LIEEP Program prior to Jan 2014)



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?”

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

Target Furnace Replacement Market - As at September 30, 2017

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of September 30, 2017)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,500	17,700	25,200
Rentals	1,200	900	2,100
Total Standard Furnaces (2014¹ Survey)	8,700	18,600	27,300
Estimated Installation from Dec 1/14 to September 30/17²			
Total	5,300	10,600	15,900
Estimated Remaining Standard Furnaces at Sep 30, 2017			
Total	3,400	8,000	11,400
All Natural Gas Furnaces (2014 survey)³	54,400	176,200	230,600
Standard % of Marketplace⁴	6%	5%	5%

¹Statistics from the November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to September 30, 2017 is based on permit data of a total of 22,807 furnace replacements (1,463 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

Target Insulation Upgrade Market - As at September 30, 2017

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q2 - 2017/18 Report - without apartments

Estimated Insulation Target Market Review¹	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,500	40,900	61,400
Renters	6,600	2,700	9,300
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)²	27,100	43,600	70,700
Estimate of Number of Dwellings Insulated from December 2014 to September 30, 2017 ³	2,200	1,000	3,200
Insulation Upgrade Target	24,900	42,600	67,500
<i>Total Dwellings</i>	109,200	286,700	395,900
Fair/Poor % of Marketplace	23%	15%	17%

¹ Numbers may not add up due to rounding.

² Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

³ Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Sep 30, 2017 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to September 30, 2017 (5,991), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

Affordable Energy Program Highlights – July 1 to September 30, 2017

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2017/18 Q2 (Jul 1 – Sep 30, 2017)	Cumulative (to Sep 30, 2017)
Individual	259	9,574
Community	56	3,127
Indigenous	167	5,524**
MURBs*	0	2,583***
Total	482	20,808

* Multi-Unit Residential Buildings

**Adjusted for 1 home miscounted in February 2016.

***Adjusted for 2 units miscounted in January 2017.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2017/18 Q2 (Jul 1 – Sep 30, 2017)	Cumulative (to Sep 30, 2017)
Individual: Furnace	91	4,978
Boiler	3	122
Community: Furnace	5	408
Boiler	2	5
Indigenous	N/A	N/A
Total: Furnace	96	5,386
Boiler	5	127

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	160	1
Estimated Installation (next 6 months)	393	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace & Boiler Failures

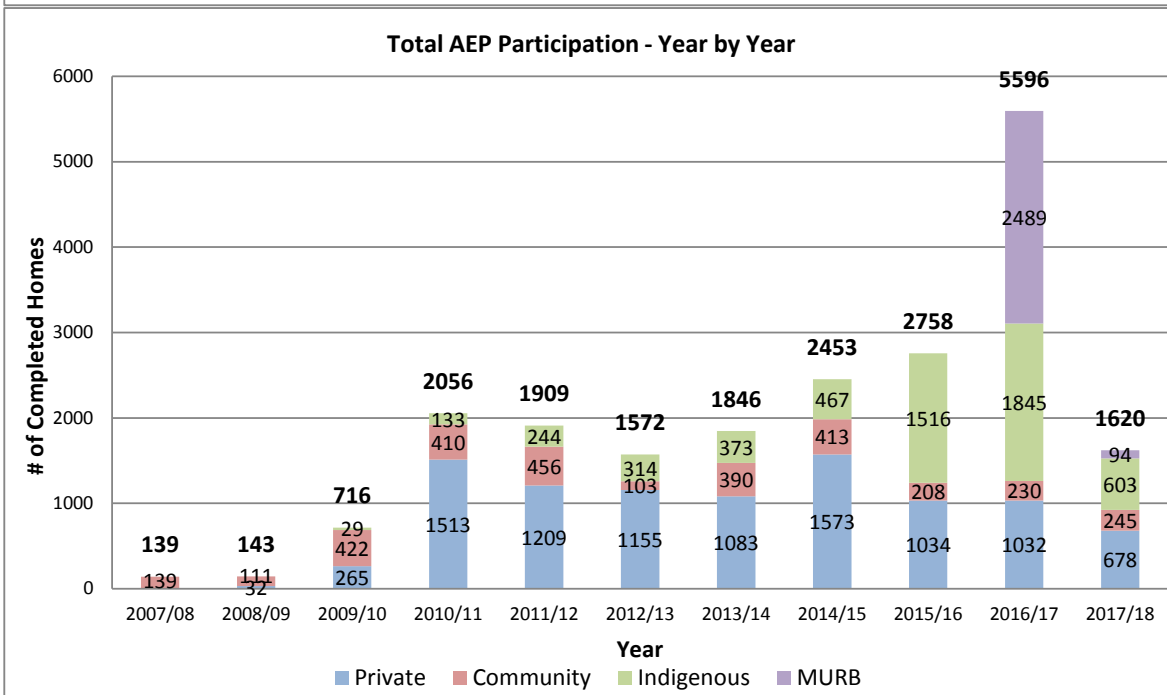
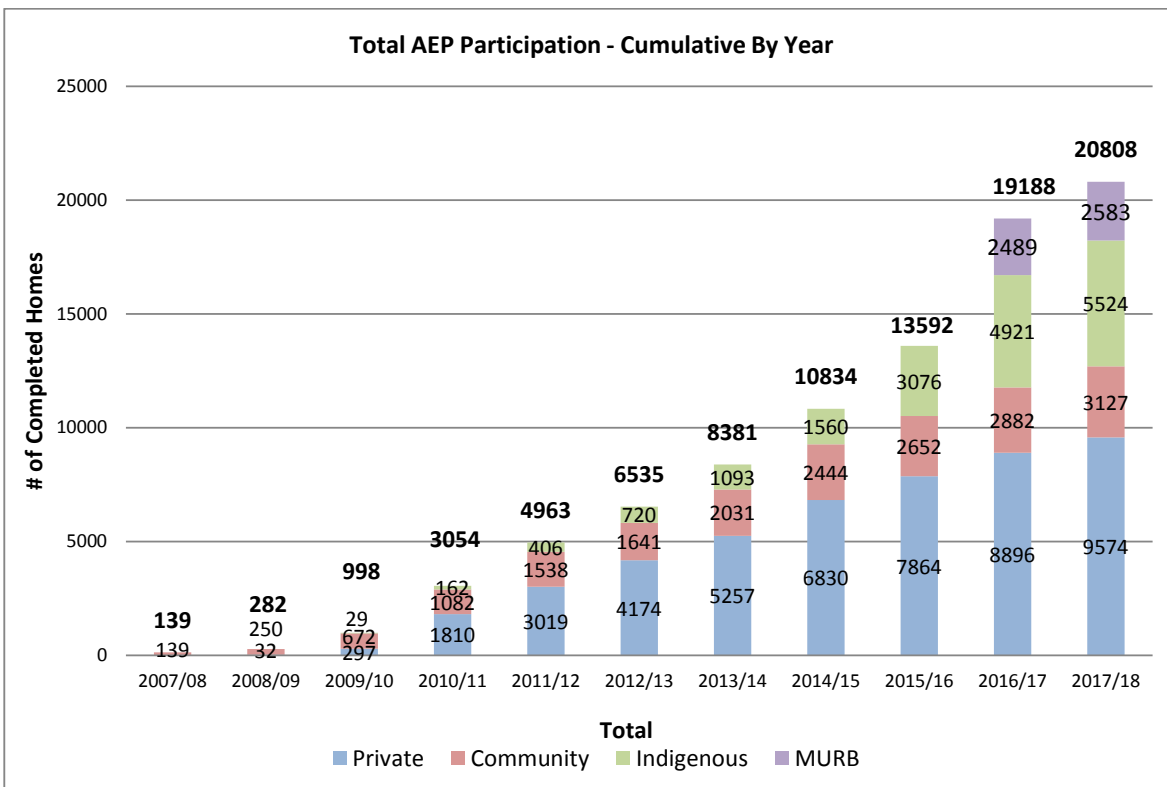
Furnace and Boiler Failures	Jul 1, 2017 to Sep 30, 2017	Cumulative to Sep 30, 2017
Furnaces Replaced due to Failure	0	166
Furnaces Replaced Before the End of Life	96	4,364
Boilers Replaced due to Failure	0	5
Boilers Replaced Before the End of Life	5	122

Affordable Energy Program Highlights – July 1 to September 30, 2017

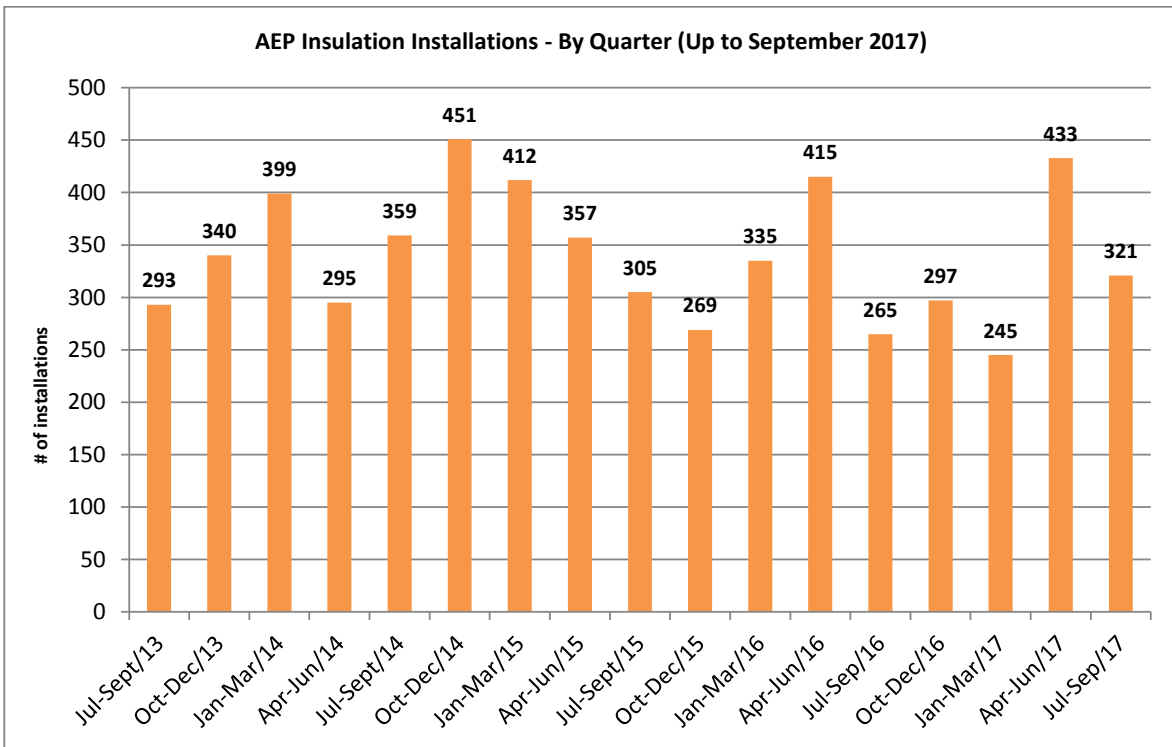
E. Insulation Installations Completed

Program Participation Overview	FY 2017/18 Q2 (Jul 1 – Sep 30, 2017)	Cumulative (to Sep 30, 2017)
Individual	144	5,013
Community	33	2,524
Indigenous	144	3,195
Total	321	10,732

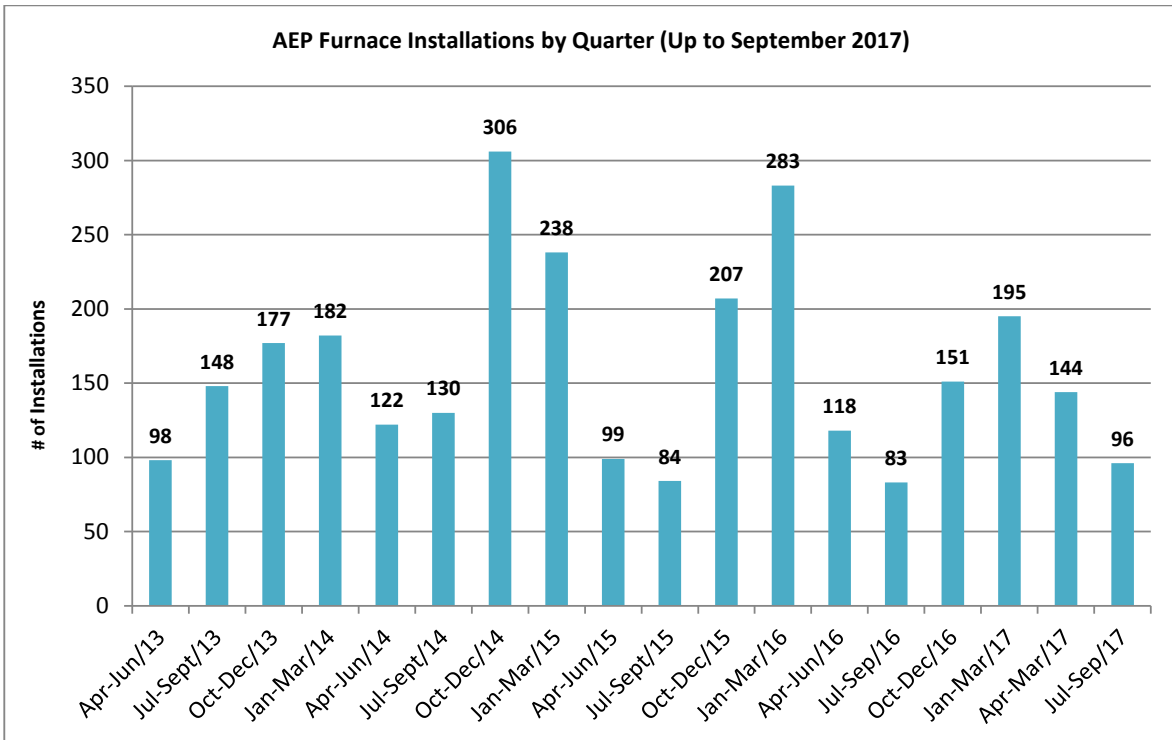
Trending Charts: AEP Completed Homes since Program Inception



Trending Charts: AEP Insulation Installation



Trending Charts: Furnace Replacements



Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to September 30, 2017.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) In July and September 2017 a bill insert was sent to residential customers across the Province.
- b) On July 7, July 31, August 7, August 18, September 1, September 15 and September 29, 2017 autodial campaigns were held to promote the AEP to customers in arrears.
- c) In July 2017 bookmarks advertising the program's insulation and furnace offerings were created and distributed to 87 rural and 21 Winnipeg public libraries.
- d) From June 26 to July 23, 2017 transit shelter advertisements for the AEP continued to be displayed in 23 locations throughout Winnipeg.
- e) On August 11, 2017 North End Community Renewal Corporation ("NECRC") staff attended the Austin Street Festival on behalf of Manitoba Hydro to promote the AEP. At the event 25 people approached the table for program information.
- f) During the week of August 16 and September 13, 2017 print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- g) From August 14 –27 and September 11-24, 2017 TV advertisements for the AEP aired on CBWT, Global, CTV and CITY TV.
- h) The week of August 14 and September 11, 2017 print ads for the AEP ran in the Adwest Weekly and PNG Weekly Newspapers. Print ads for four of the Adwest Weekly papers were run the weeks of August 21 and 28 instead as they had been closed for holidays the week of August 14.
- i) On August 19, 2017 and September 16, 2017 a print ad for the AEP ran in the Winnipeg Free Press.
- j) On August 19, 2017 NECRC staff attended the Picnic in the Park behalf of Manitoba Hydro to promote the AEP. At the event 92 people approached the table for program information.
- k) Print advertisements for the AEP ran in the Fall 2017 issue of the Family TLC magazine which began to be distributed on August 26, 2017.
- l) On August 29, 2017 NECRC staff attended the Dufferin Community BBQ on behalf of Manitoba Hydro to promote the AEP. At the event 15 people requested program information.
- m) Print advertisements for the AEP ran in the September 2017 issues of the Diversity Times (Epoch) and the MoneySaver Coupon Book.
- n) On September 11, 2017 street level posters featuring the "Affordable Energy can be..." message began being displayed at convenience stores in targeted Winnipeg neighbourhoods with higher incidences of lower income customers. The campaign will continue to run until October 22, 2017.
- o) On September 11, 2017 transit shelter advertisements for the AEP began to be displayed in 25 locations throughout Winnipeg. The campaign will continue until October 8, 2017.
- p) On September 11, 2017 interior transit advertisements featuring the "Affordable Energy can be..." message began. The campaign will continue to run until October 8, 2017.
- q) During the week of September 18, 2017 radio advertisements for the AEP aired over multiple radio stations throughout the Province.
- r) On September 20, 2017 the AEP Manager presented at the Professional Property Managers Association ("PPMA") Breakfast meeting on MURBs & Landlord/Tenant Rental Properties.
- s) On September 20, 2017 posters, brochures and bookmarks for the AEP were sent out to the following organizations:

- Arborg & District Seniors Resource Council,
 - Living Independence for Elders (Ashern),
 - Prairie Oasis Senior Centre (Brandon),
 - Dauphin Multi-Purpose Senior Centre,
 - Services to Seniors Serving Erickson,
 - Onanole, Sandy Lake & Areas Inc.,
 - Eriksdale Community Resource Council Inc.,
 - Gladstone Area Seniors Support Program,
 - Seniors Independent Services (Glenboro),
 - Grandview & District Community Resource Council,
 - Hamiota/Blanchard Senior Services,
 - Two Rivers Seniors Resource Council (Lac du Bonnet),
 - Lundar Community Resource Council,
 - MacGregor-Austin Senior Support Program,
 - Pembina Community Resource Council (Manitou),
 - Senior Services of Antler River (Melita & Pierson),
 - Minnedosa & District Services to Seniors,
 - Morden Services for Seniors Inc. (Friendship Centre),
 - Home Assistance Neepawa and District,
 - Louise Community Support Services (Pilot Mound),
 - Senior Services of Banner County (Russell),
 - Rossburn Community Resource Council,
 - Selkirk and District Seniors Resource Council,
 - Senior Services of Prairie-Parkland Inc. (Shoal Lake),
 - St Laurent Seniors Resource Council, and,
 - East Beaches Resource Centre (Traverse Bay).
- t) On September 22, 2017 brochures were sent to approximately 11,270 customers in the rural Manitoba towns of Souris, Melita, Beausejour, Morden and Neepawa.
- u) From September 22 – 24, 2017 AEP sponsored a booth at the Manitoba Metis Federation Annual General Assembly promoting the AEP along with other PowerSmart programs.
- v) On September 29, 2017 a staff booth in the Bill Payment Centre at 360 Portage was set up to promote the AEP along with other PowerSmart programs.
- w) In September 2017, AEP brochures were provided to RONA on Panet Road in Winnipeg as they had indicated they receive a number of inquiries about the program.

b) Street Approach Pilot Project

Manitoba Hydro staff and NECRC staff canvassed nine streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. July 6, 2017 – Magnus Ave between Aikins and Powers
- b. July 13, 2017 – Flora Ave between Parr and Arlington
- c. July 20, 2017 – Stella Ave between Aikins and Powers
- d. August 3, 2017 – Disraeli St between Rover and Sutherland
- e. August 10, 2017 – Pritchard Ave between McGregor and McKenzie
- f. August 17, 2017 – Lorne Ave between Beaconsfield and Austin
- g. August 24, 2017 – Anderson Ave between Salter and Powers
- h. August 31, 2017 – Redwood Ave between Arlington and Sinclair
- i. September 7, 2017 – Aberdeen Ave between Salter and Powers
- j. September 14, 2017 – Stella Ave between Arlington and Sinclair
- k. September 21, 2017 – Bannerman Ave between Andrews and McGregor
- l. September 28, 2017 – Burrows Ave between Andrews and McGregor

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Kirkfield Heating and Air Conditioning Ltd. • Lynn’s Heating, Cooling, Sewer and Drain • Machine Wellness • Martin’s Heating & Construction • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Sunrise Heating and Cooling Ltd • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • DB Higgenbotham - Virden • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • G & E Schroeder – Morden, Winkler • Heartland Plumbing & Heating - Carberry • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • Shebry’s - Russell, • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach • Trav’s Plumbing and Heating – Winkler, Morden • Westside Plumbing & Heating - Brandon

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all participating contractors. The contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all participating contractors.

Financial

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
For 2017/18 Q2 (July 1, 2017 to September 30, 2017)	
(000s)	
Beginning Balance July 1, 2017	\$ 22,924
Disbursements*	(427)
Additional Funding from SGS Customer Class	213
Accrued Interest	104
Ending Balance June 30, 2017	\$ 22,815**

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
Cumulative Since Program Inception as at September 30, 2017	
(000s)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(16,793)
Additional Funding from SGS Customer Class (life to date)	37,247
Accrued Interest (life to date)	2,360
Ending Balance September 30, 2017	\$ 22,815**

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.

Quarterly Report

October 1 to December 31, 2017

Q3

Affordable Energy Program and Furnace Replacement Program



Centra Gas Manitoba Inc.

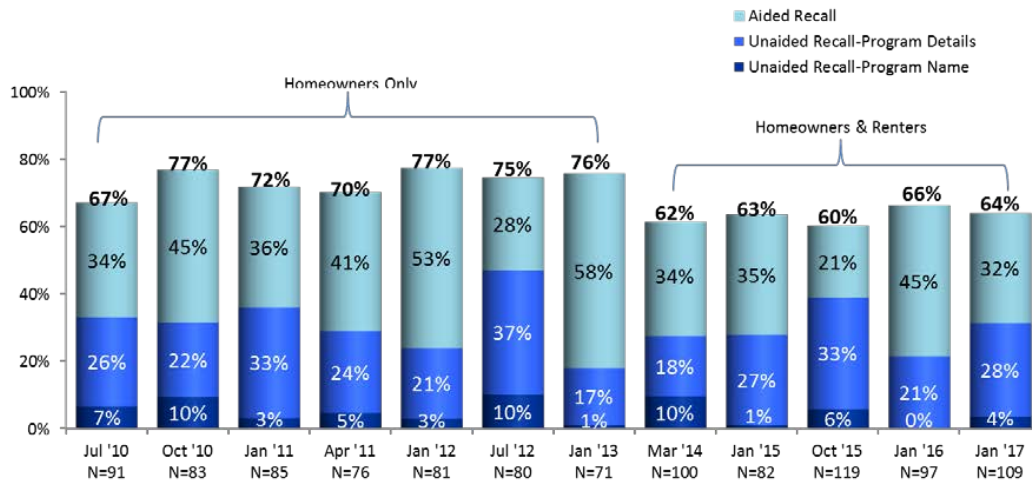
Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2017, indicated 64% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 4% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 28% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 32% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2016 which may indicate that the new advertising message “Affordable Energy can be...” assists in recognition of the program name. Total awareness has stayed relatively unchanged since the March 2014 survey. Awareness of homeowners has remained similar to 2014 and prior levels, at 72% in the January 2017 survey. Renter levels of awareness have been typically lower, and are 44% in the January 2017 survey, thus decreasing the overall awareness of surveyed respondents to 64%. With continued aggressive marketing that specifies renters are also eligible, it is expected that the awareness level will increase relative to previous waves.

AEP Eligible Respondent Awareness of AEP

(Awareness of LIEEP Program prior to Jan 2014)



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “ Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

Target Furnace Replacement Market - As at December 31, 2017

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of December 31, 2017)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,500	17,700	25,200
Rentals	1,200	900	2,100
Total Standard Furnaces (2014¹ Survey)	8,700	18,600	27,300
Estimated Installation from Dec 1/14 to December 31/17²			
Total	5,900	12,000	17,900
Estimated Remaining Standard Furnaces at Dec 31, 2017			
Total	2,800	6,600	9,400
All Natural Gas Furnaces (2014 survey)³	54,400	176,200	230,600
Standard % of Marketplace⁴	5%	4%	4%

¹Statistics from the November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to December 31, 2017 is based on permit data of a total of 25,644 furnace replacements (2,873 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

Target Insulation Upgrade Market - As at December 31, 2017

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q3 - 2017/18 Report - without apartments

Estimated Insulation Target Market Review¹	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,500	40,900	61,400
Renters	6,600	2,700	9,300
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)²	27,100	43,600	70,700
Estimate of Number of Dwellings Insulated from December 2014 to December 31, 2017 ³	2,400	1,000	3,400
Insulation Upgrade Target	24,700	42,600	67,300
<i>Total Dwellings</i>	109,200	286,700	395,900
Fair/Poor % of Marketplace	23%	15%	17%

¹ Numbers may not add up due to rounding.

² Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

³ Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Dec 31, 2017 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to December 31, 2017 (6,279), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

Affordable Energy Program Highlights – October 1 to December 31, 2017

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2017/18 Q3 (Oct 1 – Dec 31, 2017)	Cumulative (to Dec 31, 2017)
Individual	314	9,888
Community	34	3,161
Indigenous	407	5,928*
MURBs	147	2,730
Total	902	21,707

*Adjusted for 1 home miscounted in April 2017, 1 home miscounted in February 2016 and 1 home miscounted in December 2015.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2017/18 Q3 (Oct 1 – Dec 31, 2017)	Cumulative (to Dec 31, 2017)
Individual: Furnace	134	5,112
Boiler	1	123
Community: Furnace	10	418
Boiler	1	6
Indigenous	N/A	N/A
Total: Furnace	144	5,530
Boiler	2	129

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	200	1
Estimated Installation (next 6 months)	305	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace & Boiler Failures

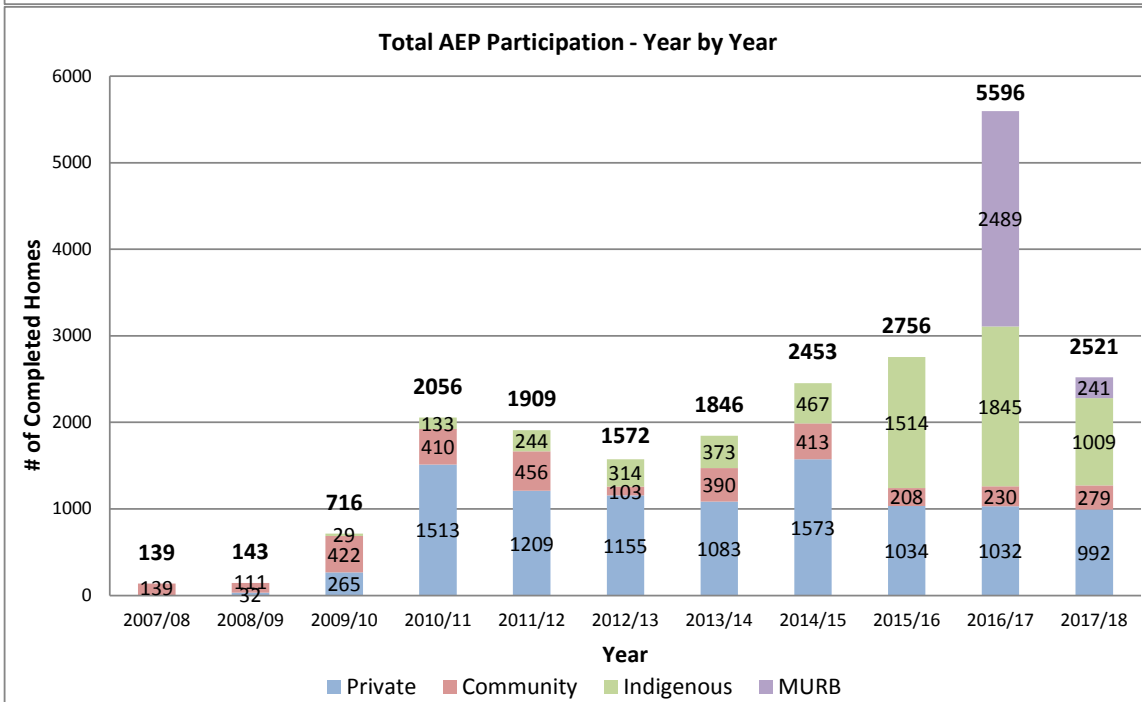
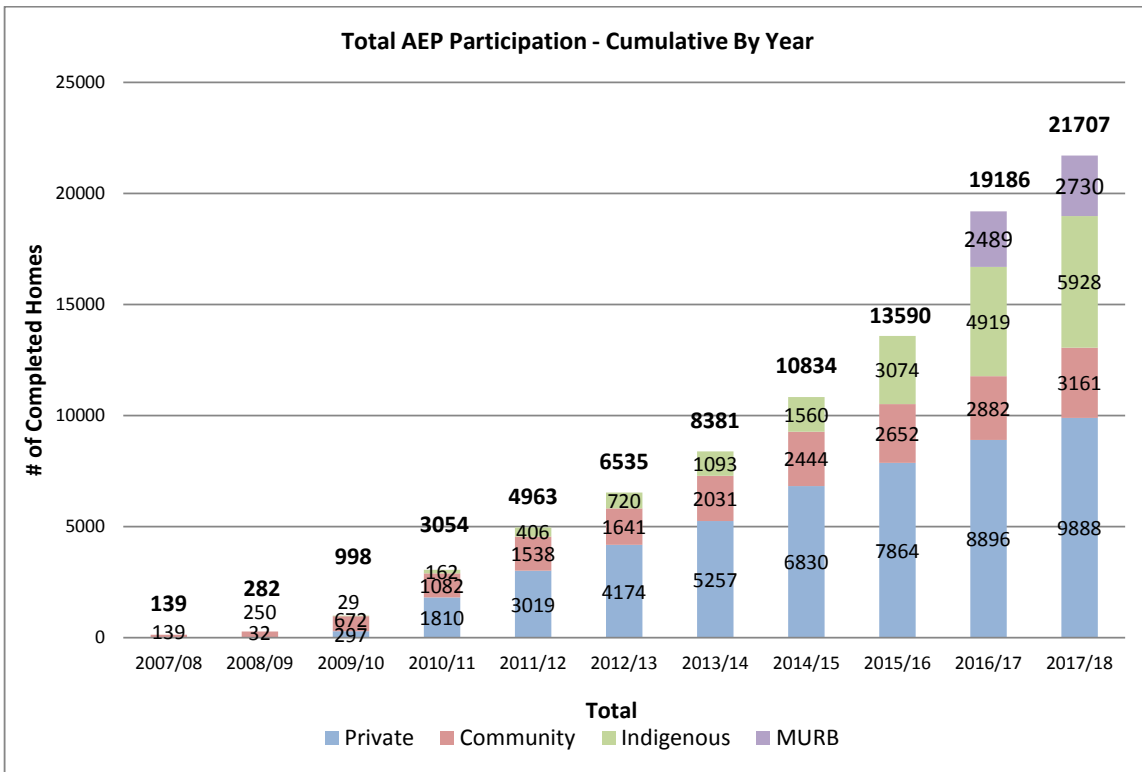
Furnace and Boiler Failures	Oct 1, 2017 to Dec 31, 2017	Cumulative to Dec 31, 2017
Furnaces Replaced due to Failure	3	169
Furnaces Replaced Before the End of Life	141	4,505
Boilers Replaced due to Failure	0	5
Boilers Replaced Before the End of Life	2	124

Affordable Energy Program Highlights – October 1 to December 31, 2017

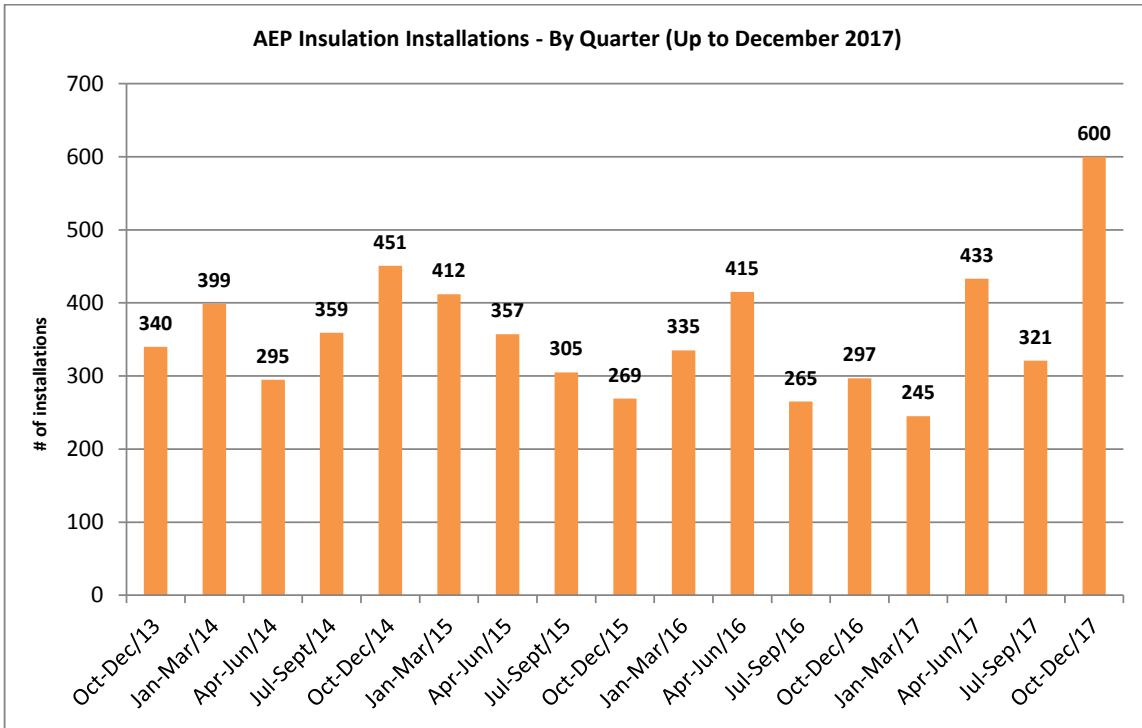
E. Insulation Installations Completed

Program Participation Overview	FY 2017/18 Q3 (Oct 1 – Dec 31, 2017)	Cumulative (to Dec 31, 2017)
Individual	174	5,187
Community	27	2,551
Indigenous	399	3,594
Total	600	11,332

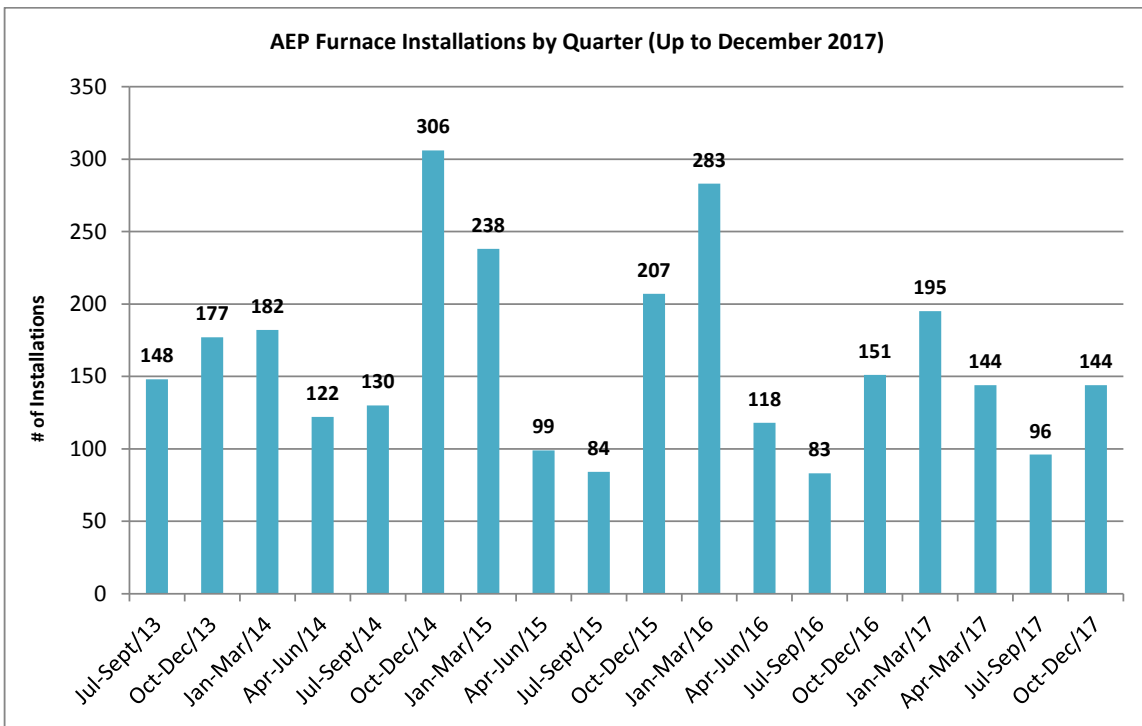
Trending Charts: AEP Completed Homes since Program Inception



Trending Charts: AEP Insulation Installation



Trending Charts: Furnace Replacements



Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to December 31, 2017.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) On October 13, October 27, November 10, November 24, and December 8, 2017 autodial campaigns were held to promote the AEP to customers in arrears.
- b) During the week of October 23, 2017 approximately 1,755 box mailers were sent to rural electric customers which contained a letter notifying them of their above average energy use along with the AEP and Home Insulation Program brochures.
- c) On October 20, 2017 staff operated a booth in the Bill Payment Centre at 360 Portage to promote the program along with other Power Smart programs.
- d) On October 25 and November 25, 2017, presentations on the AEP and energy savings tips were given to participants of the SEED Inner City Homebuyer Program.
- e) From October 9 – October 22, 2017 and November 13 – November 26, 2017 TV advertisements for the AEP aired on CBWT, Global, CTV and CITY TV.
- f) During the week of October 9, 2017 print ads for the AEP ran in the Adwest Weekly and PNG Weekly Newspapers.
- g) Street level posters featuring the “Affordable Energy can be...” message continued being displayed at convenience stores in targeted Winnipeg neighbourhoods with higher incidences of lower income customers. The campaign began on September 11, 2017 and ended on October 22, 2017.
- h) Transit shelter advertisements for the AEP continued to be displayed in 25 locations throughout Winnipeg. The campaign began on September 11, 2017 and ended on October 8, 2017.
- i) Interior transit advertisements featuring the “Affordable Energy can be...” message continued to be displayed. The campaign began on September 11, 2017 and ended on October 8, 2017.
- j) During the week of October 11, 2017 print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- k) On October 14, 2017 a print ad for the AEP ran in the Winnipeg Free Press.
- l) During the week of October 16, 2017 radio advertisements for the AEP aired over multiple radio stations throughout Manitoba.
- m) Manitoba Hydro Power Smart sponsored the delegate bags for the Manitoba Non-Profit Housing Association Conference and staff operated a booth at the tradeshow on November 22nd, 2017.
- n) In December 2017 a bill insert was sent to residential customers across the Province.
- o) In December 2017 advertisements for the AEP appeared on the Winnipeg Free Press green page banner, and on the websites of CJOB, CTV, Global and the Winnipeg Free Press as part of the Power Smart media buy.
- p) On December 18th, 2017 the program posted the first of five videos on the Manitoba Hydro website and YouTube. This will serve as an alternative method to explain the program offer and steps to participate as opposed to the existing website text.
- q) Facebook ads ran the last two weeks of December 2017 asking customers to share the ad (which linked to the new video) with those that need it most this heating season capitalizing on the feelings of generosity people experience during the holidays.
- r) On December 18, 2017 a Hydrogram story ran advising staff of the new AEP video and the Facebook ads to share with those that might qualify.
- s) AEP print ads appear in the new Asian Community Guide that was released in December 2017.

b) Street Approach Pilot Project

Manitoba Hydro staff and NECRC staff canvassed two streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. October 5, 2017 – Manitoba Ave between Aikins and Salter
- b. October 12, 2017 – Boyd Ave between Powers and Andrews

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Kirkfield Heating and Air Conditioning Ltd. • Lynn’s Heating, Cooling, Sewer and Drain • Machine Wellness • Martin’s Heating & Construction • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Sunrise Heating and Cooling Ltd • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating - Dauphin • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • DB Higgenbotham – Virden • Dave Henderson - Hamiota • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • G & E Schroeder – Morden, Winkler • Heartland Plumbing & Heating - Carberry • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • Rogers Plumbing & Heating - Gretna • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach • Trav’s Plumbing and Heating – Winkler, Morden • Westside Plumbing & Heating - Brandon

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all participating contractors. The contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all participating contractors.

Financial

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
For 2017/18 Q3 (October 1, 2017 to December 31, 2017)	
(000s)	
Beginning Balance October 1, 2017	\$ 22,815
Disbursements*	(646)
Additional Funding from SGS Customer Class	1,309
Accrued Interest	111
Ending Balance December 31, 2017	\$ 23,589**

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
Cumulative Since Program Inception as at December 31, 2017	
(000s)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(17,439)
Additional Funding from SGS Customer Class (life to date)	38,556
Accrued Interest (life to date)	2,472
Ending Balance September 30, 2017	\$ 23,589**

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.

Quarterly Report

January 1 to March 31, 2018

Q4

Affordable Energy Program and Furnace Replacement Program



Centra Gas Manitoba Inc.

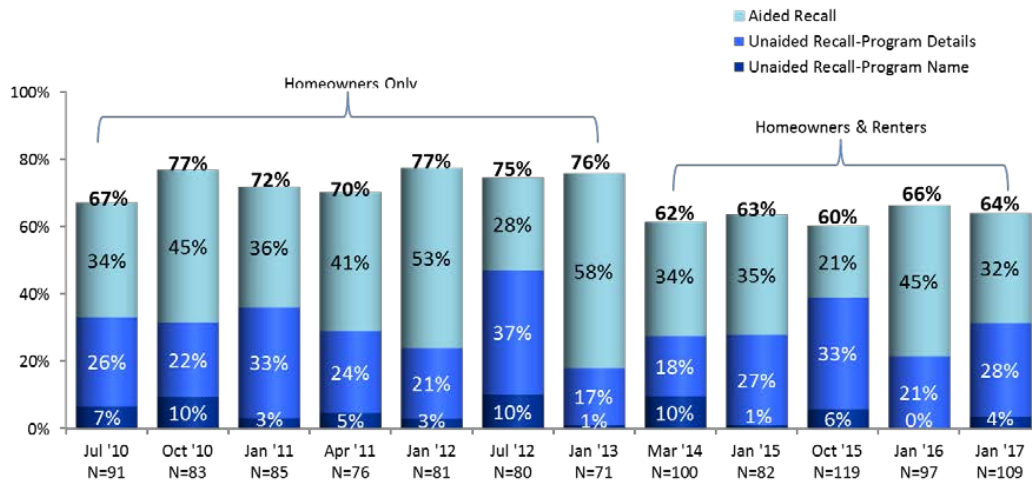
Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2017, indicated 64% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 4% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 28% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 32% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2016 which may indicate that the new advertising message “Affordable Energy can be...” assists in recognition of the program name. Total awareness has stayed relatively unchanged since the March 2014 survey. Awareness of homeowners has remained similar to 2014 and prior levels, at 72% in the January 2017 survey. Renter levels of awareness have been typically lower, and are 44% in the January 2017 survey, thus decreasing the overall awareness of surveyed respondents to 64%. With continued aggressive marketing that specifies renters are also eligible, it is expected that the awareness level will increase relative to previous waves.

AEP Eligible Respondent Awareness of AEP

(Awareness of LIEEP Program prior to Jan 2014)



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “ Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

Target Furnace Replacement Market - As at March 31, 2018

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of March 31, 2018)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,500	17,700	25,200
Rentals	1,200	900	2,100
Total Standard Furnaces (2014¹ Survey)	8,700	18,600	27,300
Estimated Installation from Dec 1/14 to March 31/18²			
Total	6,500	13,100	19,600
Estimated Remaining Standard Furnaces at Mar 31, 2018			
Total	2,300	5,500	7,800
All Natural Gas Furnaces (2014 survey)³	54,400	176,200	230,600
Standard % of Marketplace⁴	4%	3%	3%

¹Statistics from the November 2014 Residential Survey, gas heated billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to March 31, 2018 is based on permit data of a total of 28,022 furnace replacements (2,342 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s affordable energy program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

Target Insulation Upgrade Market - As at March 31, 2018

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q4 - 2017/18 Report - without apartments

Estimated Insulation Target Market Review¹	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,500	40,900	61,400
Renters	6,600	2,700	9,300
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)²	27,100	43,600	70,700
Estimate of Number of Dwellings Insulated from December 2014 to March 31, 2018 ³	2,600	1,100	3,700
Insulation Upgrade Target	24,400	42,500	66,900
<i>Total Dwellings</i>	109,200	286,700	395,900
Fair/Poor % of Marketplace	22%	15%	17%

¹ Numbers may not add up due to rounding.

² Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

³ Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Mar 31, 2018 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to March 31, 2018 (6,931), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

Affordable Energy Program Highlights – January 1 to March 31, 2018

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2017/18 Q4 (Jan 1 – Mar 31, 2018)	Cumulative (to Mar 31, 2018)
Individual	339	10,224*
Community	65	3,225**
Indigenous	181	6,109
MURBs	77	2,807
Total	662	22,365

*Adjusted for 1 home miscounted in July 2017, 1 home miscounted in August 2017, and 1 home miscounted in October 2017.

** Adjusted for 1 home miscounted in December 2017.

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2017/18 Q4 (Jan 1 – Mar 31, 2018)	Cumulative (to Mar 31, 2018)
Individual: Furnace	166	5,277*
Boiler	1	124
Community: Furnace	12	430
Boiler	0	6
Indigenous	N/A	N/A
Total: Furnace	178	5,707
Boiler	1	130

*Adjusted for 1 furnace install miscounted in August 2017.

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	179	1
Estimated Installation (next 6 months)	181	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace & Boiler Failures

Furnace and Boiler Failures	Jan 1, 2018 to Mar 31, 2018	Cumulative to Mar 31, 2018
Furnaces Replaced due to Failure	3	172
Furnaces Replaced Before the End of Life	175	4,679
Boilers Replaced due to Failure	0	5
Boilers Replaced Before the End of Life	1	125

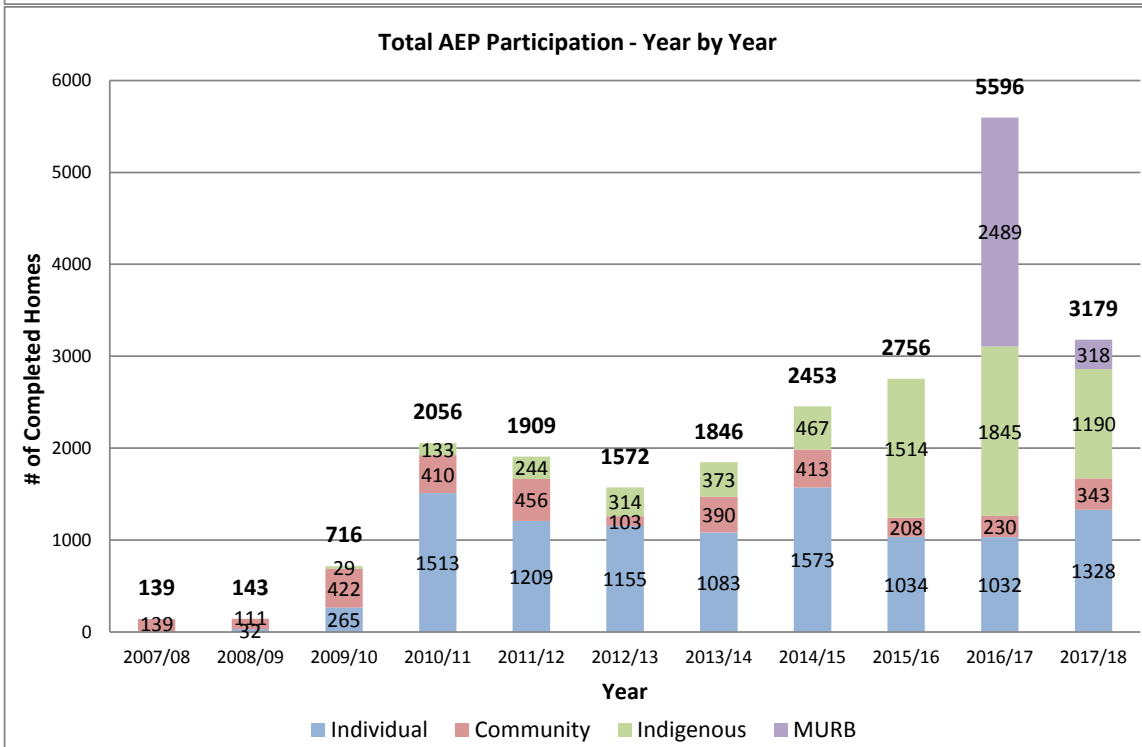
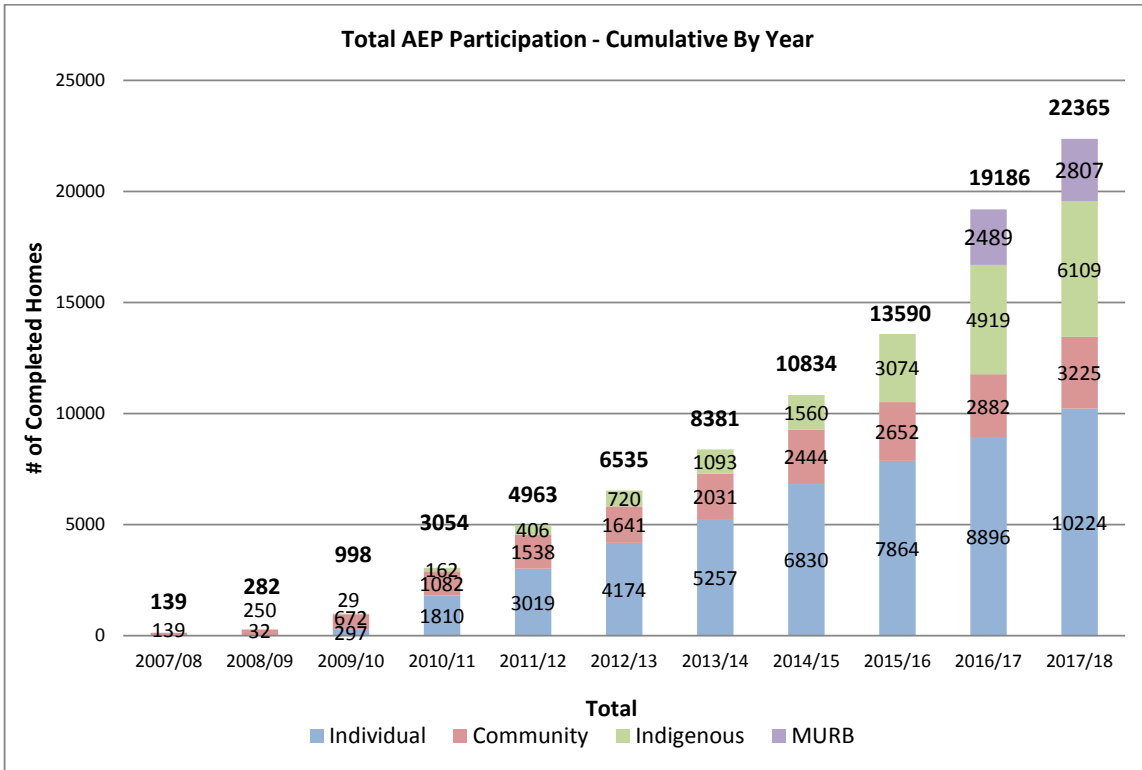
Affordable Energy Program Highlights – January 1 to March 31, 2018

E. Insulation Installations Completed

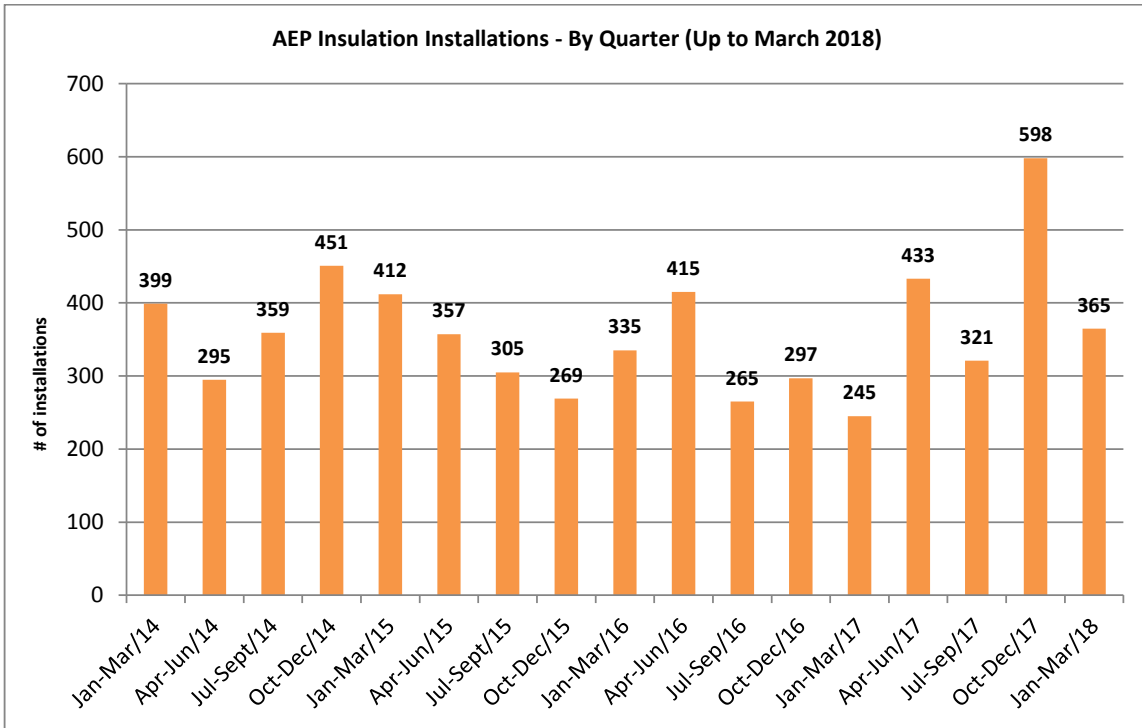
Program Participation Overview	FY 2017/18 Q4 (Jan 1 – Mar 31, 2018)	Cumulative (to Mar 31, 2018)
Individual	176	5,363
Community	53	2,602*
Indigenous	136	3,730
Total	365	11,695

*Adjusted for 2 insulation installs miscounted in December 2017.

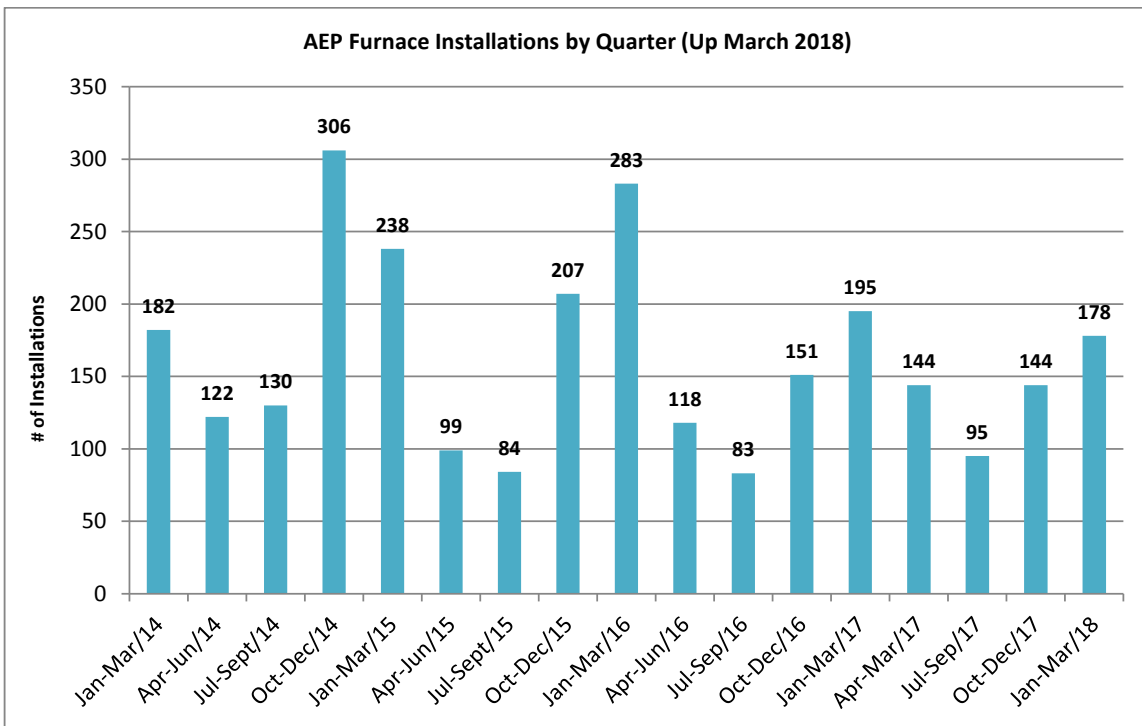
Trending Charts: AEP Completed Homes since Program Inception



Trending Charts: AEP Insulation Installation



Trending Charts: Furnace Replacements



Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to March 31, 2018.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) On January 5, January 19, February 2, February 16, March 2, March 16 and March 29, 2018, autodialer campaigns were held to promote the AEP to customers in arrears.
- b) From January 15 – January 28, February 12 – February 25, and March 12 – March 25, 2018, TV advertisements for the AEP aired on CBWT, Global, CTV and CITY TV.
- c) From January 15 – February 11, 2018, transit shelter advertisements for the AEP were displayed in 28 locations throughout Winnipeg.
- d) From January 15 – February 11, 2018, interior transit advertisements featuring the “Affordable Energy can be...” message were displayed.
- e) On January 24, 2018, the Indigenous Power Smart Program Energy Advisor attended the Canada Mortgage and Housing Corporation's First Nations Housing Symposium where they distributed USB sticks to Band Housing Managers containing the program's First Nation Heat Recovery Ventilation video which has been translated into four languages: English, Ojibway, Cree and Dene.
- f) The weeks of February 12 and March 12, 2018, print ads for the AEP ran in the Adwest Weekly and PNG Weekly Newspapers.
- g) The weeks of February 14 and March 14, 2018, print ads for the AEP ran in the Canstar Weekly Newspapers (Metro, Times, Herald, Lance, Sou'Wester).
- h) On February 17 and March 17, 2018, print ads for the AEP ran in the Winnipeg Free Press.
- i) Print advertisements for the AEP ran in the February 2018 issues of the Lifestyle 55+ newspaper and the Diversity Times.
- j) In March 2018, a bill insert was sent to residential customers across the Province.
- k) In March 2018, 1,600 customers within the forward sortation areas of R2L and R3A were mailed an AEP brochure. These areas were selected as they fall within the program's target market area having a higher incidence of lower income populations.
- l) In March 2018, the program refreshed two brochures (homeowner brochure and rental property brochure) using the existing creative concept to bring more focus to the upgrades offered under the program based on observations/customer feedback gathered at tradeshow.
- m) Print advertisements for the AEP ran in the March 2018 issues of the MoneySaver Coupon Book.

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Absolute HVAC Inc. • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Kirkfield Heating and Air Conditioning Ltd. • Lynn’s Heating, Cooling, Sewer and Drain • Machine Wellness • Martin’s Heating & Construction • Mr. Furnace Heating and Air Conditioning • Overtime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Sunrise Heating and Cooling Ltd • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • Absolute HVAC Inc. – Morden, Winkler • A Plus Plumbing & Heating – Dauphin • Boissevain Plumbing - Boissevain • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • Cross Plumbing & Heating - Virden • DB Higgenbotham – Virden • Dave Henderson - Hamiota • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • G & E Schroeder – Morden, Winkler • Heartland Plumbing & Heating - Carberry • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Mullin Plumbing & Geothermal – Swan River • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • Rogers Plumbing & Heating - Gretna • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach • Trav’s Plumbing and Heating – Winkler, Morden • Westside Plumbing & Heating - Brandon

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all participating contractors. The contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all participating contractors.

Financial

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
For 2017/18 Q4 (January 1, 2018 to March 31, 2018)	
(000s)	
Beginning Balance January 1, 2018	\$ 23,589
Disbursements*	(660)
Additional Funding from SGS Customer Class	1,799
Accrued Interest	128
Ending Balance March 31, 2018	\$ 24,856**

Centra Gas Manitoba Inc.	
Quarterly Gas Furnace Replacement Program Report	
Cumulative Since Program Inception as at March 31, 2018	
(000s)	
Beginning Balance August 1, 2007	\$ -
Disbursements (life to date)	(18,099)
Additional Funding from SGS Customer Class (life to date)	40,355
Accrued Interest (life to date)	2,600
Ending Balance March 31, 2018	\$ 24,856**

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.

Quarterly Report

April 1 to June 30, 2018

Q1

Affordable Energy Program and Furnace Replacement Program



Centra Gas Manitoba Inc.

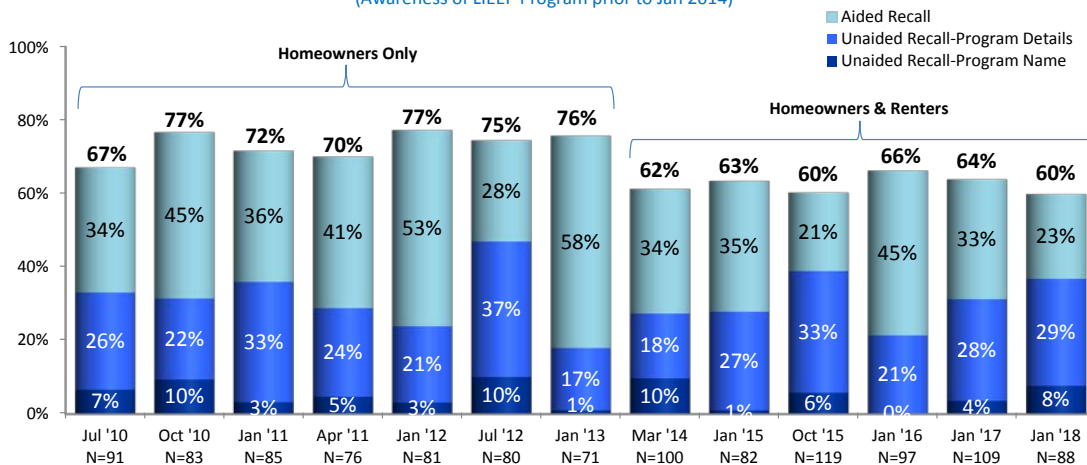
Affordable Energy Program Awareness

The most recent survey of program awareness, conducted in January 2018, indicated 60% of LICO-125¹ respondents have heard of Manitoba Hydro’s *Affordable Energy Program* (“AEP”). This includes 8% of LICO-125 respondents who independently recall (unaided awareness) the AEP or Power Smart Affordable Energy Program name, 29% who say they are aware of the key details of the AEP such as helping lower income customers upgrade their insulation or furnaces/boilers but cannot recall the program name (unaided awareness of program details), and 23% who say they recognized the program name after the AEP name is stated (aided awareness).

Unaided recall has increased compared to the previous survey conducted in January 2017 which may indicate that the advertising message “Affordable Energy can be...” assists in recognition of the program name. Overall awareness has stayed relatively unchanged since the March 2014 survey. A much higher proportion of AEP Eligible respondents who own their home are aware of the AEP program and/or its ads (63%) compared to those who rent their home (44%). Current homeowner awareness levels are slightly lower than prior to 2014 when awareness was only measured among LICO respondents who own their home. Renter levels of awareness have been typically lower, thus decreasing the overall awareness of surveyed respondents to 60%. With continued marketing that specifies renters are also eligible, it is expected that over time the awareness level will increase to a similar level as homeowners.

AEP Eligible Respondent Awareness of AEP

(Awareness of LIEEP Program prior to Jan 2014)



Unaided Awareness Question: “Do you or do you not recall seeing or hearing any Manitoba Hydro advertising regarding ways to upgrade your home’s energy efficiency and save on your energy bill? [If Yes...] Being as specific as you can, what do you recall seeing or hearing in those ads? (Recall Programs details if mention .. “Insulate your home for FREE”, “A new natural gas furnace for \$9.50 a month” or “It’s True”)

Aided Awareness Question: “ Do you or do you not recall seeing or hearing any Manitoba Hydro advertising with “It’s True” that qualifying households can “Insulate your home for FREE” or get a “new natural gas furnace for \$9.50 a month”?

¹ ‘LICO – 125’ is defined as the Low Income Cut Offs, as estimated by Statistics Canada, for urban centres with more than 500,000 residents. The AEP adds an additional 25% to the LICO qualifier for urban centres with more than 500,000 residents. This has been done to allow more Manitoba customers to qualify for the AEP.

Target Furnace Replacement Market - As at June 30, 2018

The following table has been updated to provide an estimate of the standard furnaces being used in Manitoba and an indication for the target market for Centra’s Furnace Replacement Program. Marketplace data is from the 2014 Residential Survey.

AEP Standard Efficiency Furnace Target Market Review (updated as of June 30, 2018)			
Furnace Marketplace at Dec 1, 2014¹	LICO 125%	Non-LICO	All Dwellings
Standard Furnaces			
Owners	7,500	17,700	25,200
Rentals	1,200	900	2,100
Total Standard Furnaces (2014¹ Survey)	8,700	18,600	27,300
Estimated Installation from Dec 1/14 to Jun 30/18²			
Total	6,800	13,800	20,600
Estimated Remaining Standard Furnaces at Jun 30, 2018			
Total	1,900	4,800	6,700
All Natural Gas Furnaces (2014 survey)³	54,400	176,200	230,600
Standard % of Marketplace⁴	4%	3%	3%

¹Statistics from the November 2014 Residential Survey, gas heat billed customers - excluding boilers and including apts.

² Estimated total number of natural gas furnace replacements from December 1, 2014 to June 30, 2018 is based on permit data of a total of 29,462 furnace replacements (1,440 this quarter). It is assumed that 70% of all furnaces replaced since December 2014 were standard efficient furnaces. The breakdown between LICO and Non-LICO has been further refined based on analysis from the 2014 survey.

³Represents the total number of natural gas furnaces in the marketplace, including those in renter-occupied dwellings.

⁴ The standard furnaces being replaced in the lower income market are reflective of Manitoba Hydro’s Affordable Energy Program, normal furnace failures and marketing efforts by the HVAC industry. Although the lower income market might not be influenced by the HVAC marketing efforts as much as other market sectors, the average age of the furnaces within the lower income market is higher and therefore, it is expected that this market sector might experience higher overall failure rates.

Target Insulation Upgrade Market - As at June 30, 2018

The following table provides an updated estimate of the target insulation upgrade market in Manitoba.

Q1 - 2018/19 Report - without apartments

Estimated Insulation Target Market Review¹	LICO 125%	Non-LICO Dwellings	All Dwellings
Dwellings with Insulation Rated "Poor/Fair"			
Owners	20,500	40,900	61,400
Renters	6,600	2,700	9,300
Total Dwellings with Insulation Rated "Poor/Fair" (2014 Insulation Upgrade Target Market)²	27,100	43,600	70,700
Estimate of Number of Dwellings Insulated from December 2014 to June 30, 2018 ³	2,900	1,200	4,000
Insulation Upgrade Target	24,200	42,400	66,600
<i>Total Dwellings</i>	109,200	286,700	395,900
Fair/Poor % of Marketplace	22%	15%	17%

¹ Numbers may not add up due to rounding.

² Statistics from November 2014 Residential Survey, gas and electric heated billed customers; excludes apartments. The table reflects LICO 125% and uses the two categories of "poor and fair" to determine the target market.

³ Number of "Poor/Fair" insulation dwellings insulated from Dec 1, 2014 to Jun 30, 2018 is based on:

- LICO 125% dwellings: based on the total individual and community homes insulated through the AEP since December 1, 2014.
- Non-LICO dwellings: based on the approximate number of dwellings insulated through the Home Insulation Program from December 1, 2014 to June 30, 2018 (7,337), prorated based on the proportion of "poor/fair" insulated dwellings in the November 2014 Residential Survey (16%).

Affordable Energy Program Highlights – April 1 to June 30, 2018

The following provides a high level overview of the status of the Affordable Energy Program to date, with more details provided in the following section of the report.

A. Homes Completed

Program Participation Overview	FY 2018/19 Q1 (Apr 1 – Jun 30, 2018)	Cumulative (to Jun 30, 2018)
Individual	358	10,582
Community	107	3,332
Indigenous	0	6,109
MURBs	359	3,166
Total	824	23,189

B. Furnace and Boiler Installations Completed

Program Participation Overview	FY 2018/19 Q1 (Apr 1 – Jun 30, 2018)	Cumulative (to Jun 30, 2018)
Individual: Furnace	103	5,380
Boiler	4	128
Community: Furnace	2	432
Boiler	0	6
Indigenous	N/A	N/A
Total: Furnace	105	5,812
 Boiler	4	134

C. Furnace Replacement Program

Affordable Energy FRP	Furnace	Boilers
Scheduled Installation	198	1
Estimated Installation (next 6 months)	220	N/A*

*Due to the traditionally low number of boiler replacements, they are challenging to estimate.

D. Furnace & Boiler Failures

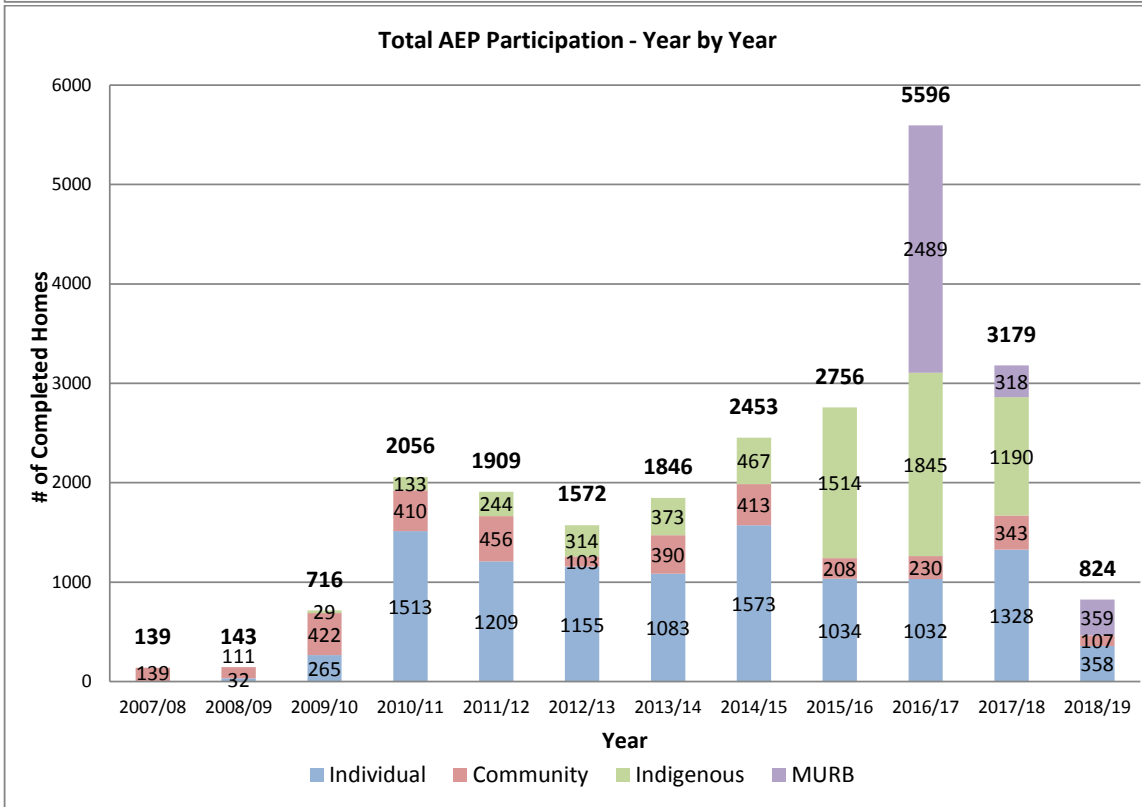
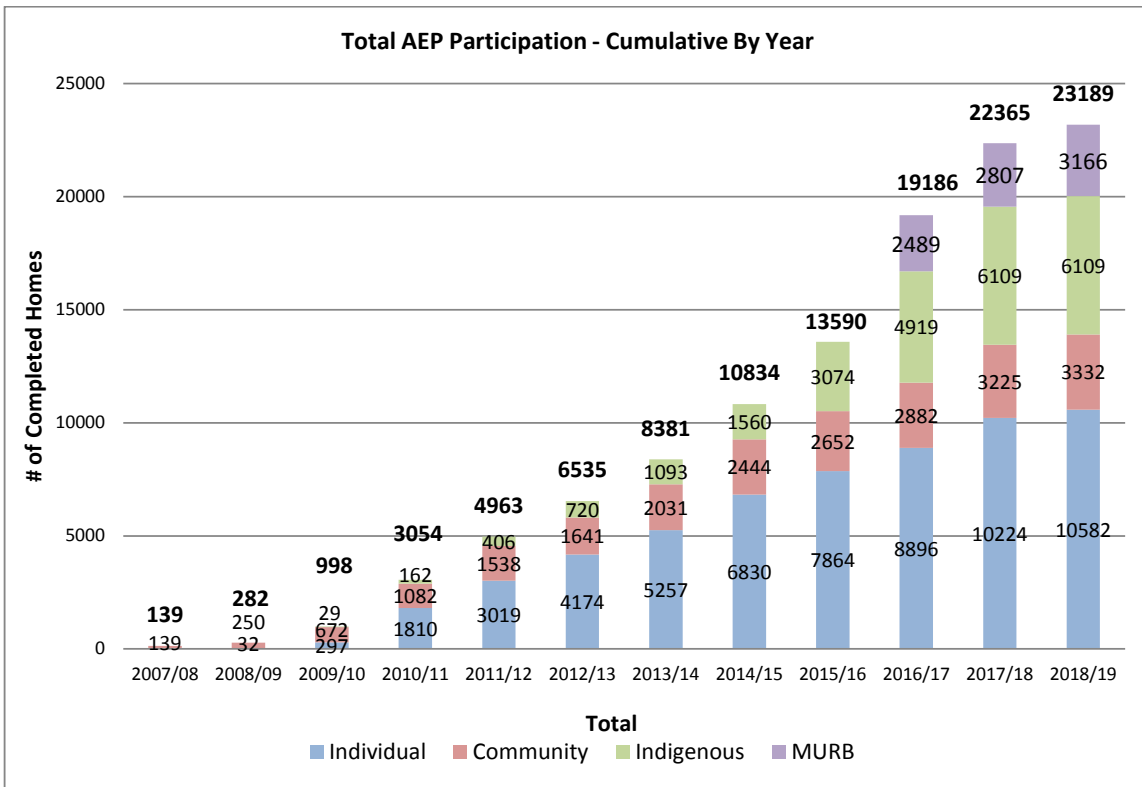
Furnace and Boiler Failures	Apr 1, 2018 to June 30, 2018	Cumulative to June 30, 2018
Furnaces Replaced due to Failure	0	172
Furnaces Replaced Before the End of Life	105	4,784
Boilers Replaced due to Failure	0	5
Boilers Replaced Before the End of Life	4	129

Affordable Energy Program Highlights – April 1 to June 30, 2018

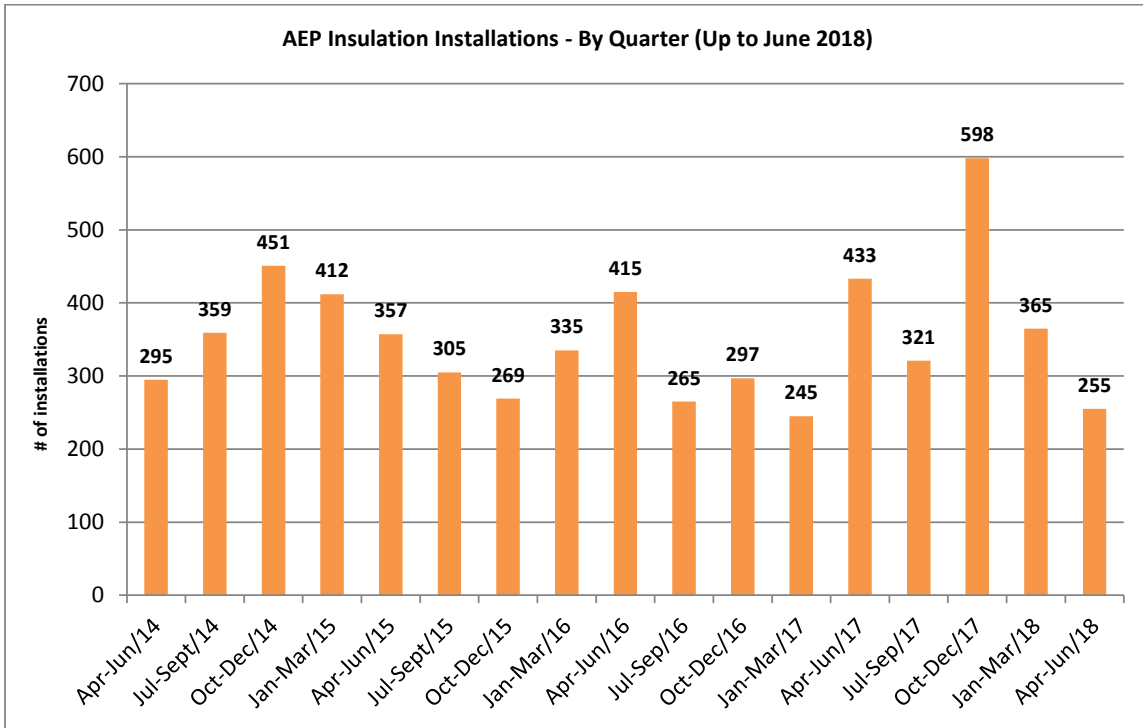
E. Insulation Installations Completed

Program Participation Overview	FY 2018/19 Q1 (Apr 1 – Jun 30, 2018)	Cumulative (to Jun 30, 2018)
Individual	223	5,586
Community	32	2,634
Indigenous	0	3,730
Total	255	11,950

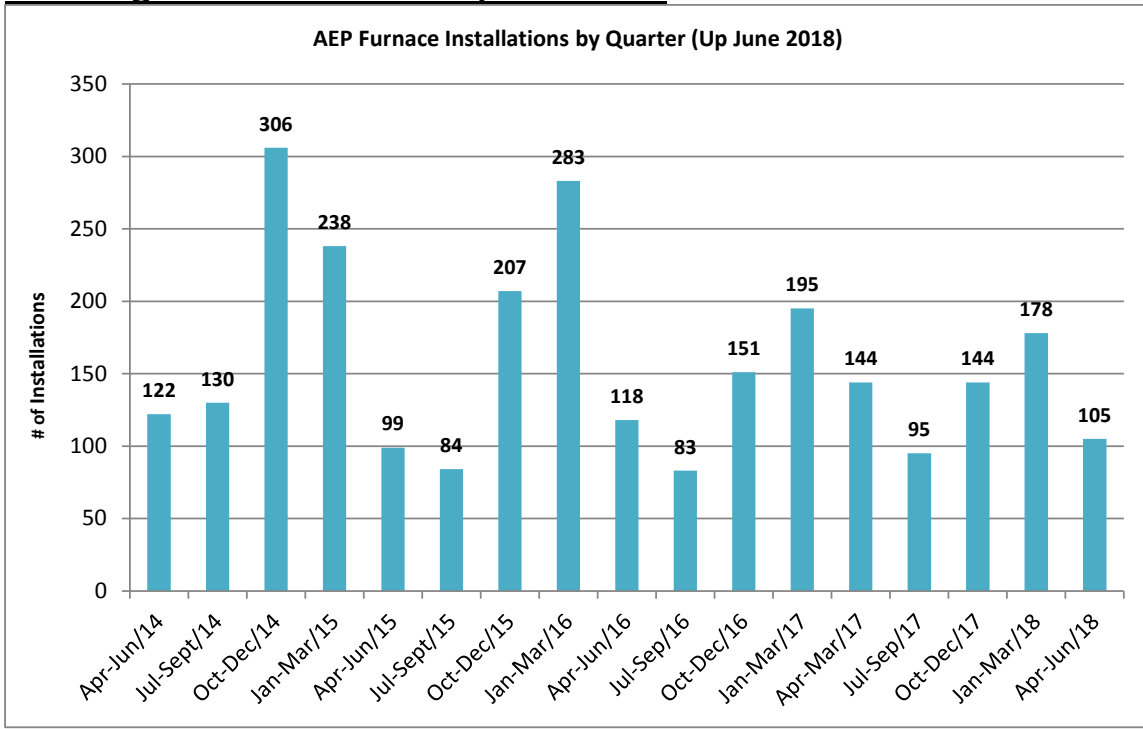
Trending Charts: AEP Completed Homes since Program Inception



Trending Charts: AEP Insulation Installation



Trending Charts: Furnace Replacements



Marketing Activities

Below is a review of marketing efforts undertaken by Manitoba Hydro up to June 30, 2018. On April 3, 2018, the Provincial Government sent Manitoba Hydro a letter requesting that all non-essential Power Smart advertising be discontinued. This has resulted in a decrease in advertising and promotional activities.

I. ADVERTISING AND PROMOTIONAL ACTIVITIES

a) Manitoba Hydro Advertising

The following is a list of the media and advertising which took place in the market during the quarter:

- a) On April 13, May 4, May 11, May 25, June 15 and June 27, 2018 autodialer campaigns were held to promote the AEP to customers in arrears.
- b) In May 2018 a bill insert was sent to residential customers across the Province.
- c) On May 29, 2018 the remaining four videos of the five video series were uploaded to YouTube and the Manitoba Hydro website. The videos serve as an alternative method to explain the AEP offer and steps to participate as opposed to the existing website text. Customers have the option to watch one continuous video or five separate chapters.
http://www.hydro.mb.ca/your_home/affordable_energy/index.shtml
- d) On June 16, 2018 a Manitoba Hydro staff member and the North End Community Renewal Corp. (NECRC) Energy Advocate attended the Newcomer Welcome Fair held at the Freight House. A table was set up to hand out program information to attendees.

b) Street Approach Pilot Project

Manitoba Hydro staff and NECRC staff canvassed six streets this quarter for the Neighbourhood Power Smart Street Pilot Project;

- a. May 10, 2018 – Boyd Ave between Aikins and Salter
- b. May 17, 2018 – College Ave between Andrews and McGregor
- c. May 31, 2018 – Manitoba Ave between Andrews and McGregor
- d. June 7, 2018 – Machray Ave between Powers and Andrews
- e. June 21, 2018 – McFarlane St between Rover and Sutherland
- f. June 21, 2018 – Syndicate St between Rover and Sutherland

Furnace Contractors

The furnace contractors on the participation list for AEP are noted below.

In Winnipeg	Outside Winnipeg
<ul style="list-style-type: none"> • Always Affordable Air • A.P.H Mechanical Services Ltd. • Balcaen and Sons Ltd. (J.M.) • College Electric Ltd. • Crosshair Contracting • Fair Service and Air Conditioning • Gallery Mechanical • Global Mechanical Inc. • Heritage Heating and Air Conditioning Ltd. • Home Service Plus Winnipeg Heating and Cooling Ltd. • Kirkfield Heating and Air Conditioning Ltd. • Lynn’s Heating, Cooling, Sewer and Drain • Machine Wellness • Martin’s Heating & Construction • Mr. Furnace Heating and Air Conditioning • Ontime Electric, Plumbing, Heating and Air Conditioning • Provincial Heating and Cooling Inc. • R&R Heating and Cooling Services Ltd. • Reliable Heating & Air Conditioning • Reliance Superior Heating & Air Conditioning • S.S. Plumbing and Heating Co. Ltd. • Sarte Heating and Cooling Ltd. • Sunrise Heating and Cooling Ltd • Tench Plumbing and Heating Ltd. • Tradesman Mechanical Services Ltd. 	<ul style="list-style-type: none"> • A Plus Plumbing & Heating – Dauphin • Boissevain Plumbing - Boissevain • Brown’s Plumbing and Heating Ltd. – Steinbach, Morris • Cross Plumbing & Heating - Virden • DB Higgenbotham – Virden • Dave Henderson - Hamiota • Edwards Plumbing & Heating – Dauphin • First Call Plumbing & Heating – Brandon • Future Mechanical Systems Ltd. – Gimli • G & E Schroeder – Morden, Winkler • Heartland Plumbing & Heating - Carberry • Heritage Heating and Air Conditioning Ltd. – Lac du Bonnet, Pinawa • Jim’s Heating & Plumbing - Morris • John’s Plumbing Heating Air Conditioning Ltd. – Winkler, Morden • Kozak Plumbing & Heating - Carman • Lance Wagner Plumbing and Heating Ltd. - Brandon • Lemazing Mechanical Inc. – Grunthal • Lynn’s Heating, Cooling, Sewer and Drain – Winnipeg Beach • Mullin Plumbing & Geothermal – Swan River • Polar Plumbing and Heating Ltd. – Winkler, Morden • Pringle’s Plumbing and Heating Ltd. – Selkirk • R&R Heating and Cooling – Portage la Prairie • Rogers Plumbing & Heating - Gretna • South Central Plumbing & Heating – Portage la Prairie, Carberry (Neepawa, Gladstone, MacGregor, Treherne, Holland) • Steiner Plumbing and Heating – Dauphin • Sunrise Heating and Cooling Ltd – Tyndall • Swan-Pas Refrigeration & Air Conditioning – Swan River • Titanium Mechanical – Steinbach • Trav’s Plumbing and Heating – Winkler, Morden • Westside Plumbing & Heating - Brandon

Customers can choose from any of the above contractors in their geographical area. If the customer shows no preference they are provided with the name of one of the contractors on a rotational basis. Centra is not experiencing any capacity issues in meeting the demands of the Furnace Replacement Program.

Centra has a standard comprehensive contract for all participating contractors. The contract includes pricing schedule, terms and conditions and warranty. The terms of the contracts are the same for all participating contractors.

Financial

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report For 2018/19 Q1 (April 1, 2018 to June 30, 2018)		(000s)
Beginning Balance April 1, 2018	\$ 24,856	
Disbursements*	(472)	
Additional Funding from SGS Customer Class	486	
Accrued Interest	138	
Ending Balance June 30, 2018	\$ 25,008**	

Centra Gas Manitoba Inc. Quarterly Gas Furnace Replacement Program Report Cumulative Since Program Inception as at June 30, 2018		(000s)
Beginning Balance August 1, 2007	\$ -	
Disbursements (life to date)	(18,571)	
Additional Funding from SGS Customer Class (life to date)	40,841	
Accrued Interest (life to date)	2,738	
Ending Balance June 30, 2018	\$ 25,008**	

* Note disbursements include both incentives and administration. Calculations using installations and disbursements may not reflect accurate cost per unit figures due to timing differences.

**Numbers may not add up due to rounding.