

MANITOBA ) Order No. 154/00  
 )  
THE PUBLIC UTILITIES BOARD ACT ) December 5, 2000

BEFORE: G. D. Forrest, Chairman  
M. Girouard, Member

**AN APPLICATION BY CENTRA GAS  
MANITOBA INC. FOR AN INTERIM EX  
PARTE ORDER APPROVING CHANGES TO  
THE TERMS AND CONDITIONS OF SERVICE**

The Public Utilities Board "the Board" in Board Order No. 19/00 ordered Centra Gas Manitoba Inc. "Centra" to file for approval of the Board its revised Terms and Conditions of Service. The Board in Order No. 49/00 approved on an interim basis and subject to certain amendments the Terms and Conditions of Service as submitted by Centra. The amended document is dated April 13, 2000 and was filed with the Board and parties of record on that date.

Part IV General Terms and Conditions, Section D, Items 5 and 10 states among other things:

- 5) The customer shall pay a late payment charge . . . . on all accounts remaining unpaid after the due date; and

10) Late Payment Charge

A late payment charge shall be charged on the dollar amount owing after each billing due date. The due date will be at least 21 days after mailing of the bills.

Centra's Schedule "Miscellaneous Charges for Service", of the Terms and Conditions of Service indicates under the heading "Late Payment Charge":

A late payment charge of 1½% per month shall be charged on the dollar amount owing after each billing due date. The due date will be at least 21 days after the mailing of the bills.

By way of letter dated September 14, 2000 Centra Gas proposed changes to Centra's billing practices.

The Supreme Court of Canada in the matter of Garland vs. Consumers (File No. 25644, March 23, 1998) dealt with the matter of whether a late payment penalty, depending on when it is paid, may be said to constitute "interest at a crucial rate" within the meaning of Section 347 of The Criminal Code of Canada. The Court held that the late payment penalty is within the meaning of Section 347 and is subject to the law's prohibitions against requiring or receiving interest at a criminal rate.

Manitoba Hydro's billing practices have been determined to be well within the parameters of the guidelines of Section 347 of the legislation. Centra is now proposing to

amend its billing practices as contained in its Terms and Conditions of Service to conform with the practice currently in place at Manitoba Hydro.

In order to do so Centra Gas is proposing to reduce the number of days in which bills become due from 21 days after the mailing of the bills to 14 days after the mailing of the bills. Centra is also proposing to change its current practice and to increase the number of days after which a late payment charge is levied from 21 days after the mailing of the bill to the next regular billing date (normally 30 or 31 days).

Centra also by way of letter dated November 16, 2000 advised that it was proposing to reduce the Late Payment Charge Rate from 1.5% to 1.25%, in order to standardize this rate with Manitoba Hydro's rate. Centra indicated that the change was necessary as part of the harmonization of Centra's and Manitoba Hydro's billing practices in order to promote improved customer service. Centra asked that the reduction be approved on an interim ex-parte basis with final approval at the next scheduled General Rate Application.

The Company submitted a revised Terms and Conditions of Service incorporating the above two (2) changes dated November 21, 2000.

#### BOARD FINDINGS

The Board is aware of the Court's position on this matter. The Board understands the current practices of Manitoba Hydro and is in agreement that conforming with the practice of Manitoba Hydro will ensure that Centra Gas will be complying

with the legislation in all circumstances. The Board also understands the need to harmonize the billing practices of both Manitoba Hydro and Centra Gas so as to provide improved customer services. The Board will therefore approve Centra's request. The Board will also approve a reduction in the Late Payment Charge from 1.5% to 1.25%. The Board will approve the amended Terms and Conditions of Service as submitted by Centra and dated November 21, 2000 on an interim ex parte basis.

**IT IS THEREFORE ORDERED THAT:**

1. That the revised Terms and Conditions of Service dated November 21 2000 and attached to this Order as Schedule "A" BE AND ARE HEREBY APPROVED on an Interim Ex Parte basis to be confirmed at the next General Rate Application.

THE PUBLIC UTILITIES BOARD

"G. D. FORREST"  
Chairman

"H. M. SINGH"  
Acting Secretary

Certified a true copy of  
Order No. 154/00 issued by  
The Public Utilities Board

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Acting Secretary