

MANITOBA) **Order No. 14/02**
)
THE PUBLIC UTILITIES BOARD ACT) **January 30, 2002**

Before: G. D. Forrest, Chair
M. Girouard, Member
M. Santos, Member

CENTRA GAS MANITOBA INC. APPLICATION FOR AN INTERIM EX-PARTE ORDER OF THE BOARD AUTHORIZING AND APPROVING AMENDMENTS TO THE TERMS AND CONDITIONS OF SERVICE

In order to implement the Western Transportation Service (“WTS”) and the associated Agency Billing and Collection Service (“ABC”), the Manitoba Public Utilities Board (“the Board”) approved amendments to the Terms and Conditions of Service (“Terms and Conditions”) of Centra Gas Manitoba Inc. (“Centra”) in Order 49/00, dated March 30, 2000. The Board approved further amendments to Centra’s Terms and Conditions related to the payment due date and the late payment rate, in Order 154/00, dated December 5, 2000.

On October 26, 2001, Centra applied to the Board for an interim ex-parte order authorizing and approving proposed amendments to Centra's existing Terms and Conditions of Service, to become effective November 1, 2001. Centra submitted that the following proposed amendments are necessary to clarify and refine clauses related to the WTS and ABC service offerings to reflect actual experience and to incorporate other amendments previously ordered by the Board:

1. Extending the processing period for WTS enrollments from 30 to 45 days.
2. Making Invoice and Remittance guidelines consistent for WTS and ABC Service.
3. Changing the valuation of gas loans that are carried over as part of the annual financial reconciliation under WTS for brokers with and without ABC contractual arrangements.
4. Changing the credit requirements that brokers must meet to participate in WTS.
5. Changing all references to "invoice" with "statement" for WTS and ABC Service.
6. Amending articles to reflect the change from mandatory to optional ABC Service for Small General Service and Large General Service customers, effective May 1, 2001.
7. Amending articles to reflect the removal of the Buy/Sell Interruptible Delivery Option, effective November 1, 2001, as previously ordered by the Board.
8. Amending articles to reflect the discontinuance of Buy/Sell Service effective November 1, 2001, subject to the "grandfathering" provisions in Order 78/01.
9. General "clean up" to ensure consistency in wording, numbering and to clarify certain articles of the Terms and Conditions.

In response to the Board's inquiry as to whether the approval of this application could be postponed and dealt with at the next General Rate Application ("GRA") scheduled for early summer of 2002, Centra submitted that the proposed amendments were necessary to reflect Centra's current practice, or to clarify and bring about consistency in clerical and/or administrative matters.

Centra also submitted that annual financial reconciliation and changes to broker credit requirements need consideration in advance of the GRA, or else the Terms and Conditions would not reflect the intended means of calculating the reconciliation. It is Centra's view that this would create difficulties for all interested parties at the GRA, and furthermore the amendments were necessary to permit brokers to commence and continue business effective November 1, 2001.

After considering Centra's request, the Board directed Centra to forward copies of the application to all Brokers registered in Manitoba, and the Consumers' Association of Canada (Manitoba) Inc. and the Manitoba Society of Seniors, and required that comments from any interested party be received by December 14, 2001.

Only Municipal Gas ("Municipal") commented on Centra's proposals, in a letter addressed to the Board dated December 31, 2001. Municipal opposed Centra's request to change the processing period from 30 to 45 days, but had no concerns in respect of any of the other changes in Terms and Conditions proposed by Centra. Municipal stated that it was informed by Centra of the need for the extended time frame in January 2001, and had opposed the request at that time.

Municipal further suggested that their request for schedules from Centra should not have any impact on the processing period. Municipal has been following the proposed submission guidelines because they were instructed to do so by Centra, but suggested that the November 2001 requests for service were submitted and processed successfully under the old guidelines, within 30 days.

Municipal contended that if the processing periods were extended, customers who entered into direct purchase contracts could face significant delays before gas flowed to them pursuant to those contracts.

On January 4, 2002, Centra responded to Municipal's comments, confirming that Municipal had been informed of the proposed revisions to the processing guidelines in January 2001. These guidelines were submitted electronically to Municipal for review and were subsequently agreed to by Municipal. Centra contended that requests for additional information made by Municipal, corrections to accounts rejected and subsequently resubmitted for processing within that period, and the entry of additional Brokers into Manitoba all result in the need for a longer processing period.

Centra also stated that, in practice, the processing period has recently required the 45 days, and that all November 2001 requests for WTS enrollments by Municipal were received at least 45 days prior to the date by which gas was to flow under these contracts. A 30 day processing period would allow Centra personnel only 15 days for internal processing, as Centra's commodity supplier required 15 days notice prior to adjusting any volumes to accommodate direct purchase arrangements. Volume adjustments occur quarterly for WTS conversion of system customers and monthly for conversion of Buy/Sell customers. Centra stated that a return to the 30 day period would result in a reduced level of service to Brokers, and requested the Board to approve Centra's requested amendments.

Board Findings

The Board has reviewed the comments received from Municipal, and has also considered Centra's response. The Board notes that Centra had electronically solicited responses from Municipal respecting the proposed extension to the processing period on several occasions and on February 26, 2001 and in the December 31, 2001 letter, Municipal submitted reasons why it objected to the proposed extension in the processing time.

The Board notes that Centra proposes to deal with this matter on a final basis at the 2002 GRA proceeding, at which time all parties will have an opportunity to further review the proposed amendments and make their viewpoints known to the Board. The Board also notes Centra's observation that, as more experience is gained, further amendments to the Terms and Conditions may be necessary.

Based on all correspondence and data received from Municipal and Centra, the Board is not convinced that there is a need to extend the processing period for WTS enrollment from 30 to 45 days. The Board will approve the other amendments to the Terms and Conditions of Service, as requested by Centra, to become effective on the date of this Order.

The Board will expect Centra to address any further amendments flowing from additional experience at the 2002 GRA proceeding. The Board will also expect further dialogue between Centra and Municipal, as well as with other Brokers in an attempt to arrive at a mutually acceptable time period for the processing of WTS enrollment. The Board will require Centra to file a copy of a report outlining the procedures followed and the consensus reached, or in the alternative the respective positions of the parties, at the next GRA, which Centra had previously indicated would be held in June, 2002.

IT IS THEREFORE ORDERED THAT:

