

M A N I T O B A                    )     Order No. 145/05  
  )  
THE PUBLIC UTILITIES BOARD ACT    )     November 2, 2005

BEFORE:  Graham F. J. Lane, B.A., C.A., Chairman  
          Monica Girouard, C.G.A., Member  
          Mario J. Santos, B.A., LL.B, Member

**APPLICATION TO VARY BOARD ORDER 142/05 IN  
RESPECT OF PRIMARY GAS RATES FOR RESIDENTIAL  
CONSUMERS IN THE SMALL GENERAL SERVICE AND  
LARGE GENERAL SERVICE CLASSES**

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**Executive Summary**

The Public Utilities Board (the Board) issued Board Order No. 142/05 on October 27, 2005 in response to Centra Gas Manitoba Inc.'s (Centra) Application for Interim Primary Gas Rates effective November 1, 2005. Order 142/05 established a lower Primary gas rate for residential customers of the Small General Service (SGS) customer class than was established for commercial customers in the SGS and other classes.

The Board received two applications requesting that it vary Order 142/05, one by Centra and the other by a condominium corporation. While Centra initially sought to extend the lower rate to all SGS customers out of administrative concerns related to its computer system, it subsequently withdrew the application. The condominium corporation requested that the lower rate be provided to residential customers within the Large General Service (LGS) class.

The Board will vary Order 142/05 to allow Centra to provide the lower rate, provided to residential customers in the SGS class, to residential condominiums and apartment blocks in the LGS class.

## **Background**

The Board issued Order No. 142/05 on October 27, 2005 following Centra Gas Manitoba Inc.'s (Centra) Application for Interim Primary Gas Rates.

In its Application, Centra provided calculations as required by the RSM for quarterly Primary gas rates, as currently approved by the Board. The methodology requires Centra to pass on to all classes of customers, 100% of the change in prices resulting from the changes in the 12 month forward natural gas price strip and other factors used in setting rates for Centra's Primary gas.

Centra proposed a change to the RSM limiting an increase in the Primary gas rate to 10% for all classes of customers. This adjustment, if approved by the Board, would have reduced the rate impact on all classes of customers by approximately 50% of what otherwise would have been the case. After considering comments by interested parties, the Board, in Order 142/05, accepted Centra's proposal but only as it applied to residential customers in the Small General Service (SGS) Class.

Pursuant to Order 142/05, commercial customers in the SGS class, as well as customers in all other classes will receive rate increases calculated in accordance with the RSM, these reflecting 100% of the change in Primary gas costs and current market conditions.

**Application to Vary Order 142/05**

Subsequent to the issuance of Order 142/05, one application to vary that Order was received and sustained, that being from the Winnipeg Condominium Corporation # 447 (Condo).

Condo, representing residents of a condominium complex, wrote on October 31, 2005 to indicate its apprehension of "an unintended consequence" of Order 142/05.

Condo noted the Board's intent to provide a lower Primary gas rate to Centra's residential customers, and advised that the implementation of Order 142/05 would leave out residential condominiums within the Large General Service (LGS) class.

Condo proposed that Order 142/05 be varied to account for some residential customers being within the LGS class, and extending the lower Primary gas rate, intended for residential customers, to these customers.

**Board Findings**

The Board agrees with the concern raised by Condo and concludes that provision for residences located within condominiums and apartment buildings in the LGS class should be made.

The intent is to provide the lower rate to residential customers. The Board notes that condominiums and apartment blocks may be within the LGS class by self-selection, and that

the primary reason for selecting LGS may have been to access the lower volumetric prices but higher Basic Monthly Charge available to such customers.

Accordingly, the Board will provide Centra the ability to provide residential condominiums and apartment blocks, now billed within both the SGS and the LGS class, the lower rate on volumes billed (i.e. \$0.32072/cubic metre), as intended for residential customers. The Board recognizes the logistical problems and issues associated with this determination, and will require a report from Centra as to the methodology it proposes to meet this concern.

IT IS THEREFORE ORDERED THAT:

1. Centra provide a process by which residential condominiums and apartment buildings may elect to receive a Primary gas rate of \$0.32072/m<sup>3</sup> retroactive to November 1, 2005;
2. Centra be authorized to establish PGVA accounts as necessary to track all price deferrals for possible later consideration, and the rate of interest to be applied to these PGVA accounts be varied from Order 142/05 to be the short term rate used internally by Centra for short-term PGVA's;
3. Centra provide reports to the Board outlining the adopted approaches to items 1 and 2; and
4. That this interim order shall remain in effect until further order of the Board.

THE PUBLIC UTILITIES BOARD

"Graham F. J. Lane, C.A."  
Chairman

"G. Gaudreau, C.M.A."  
Secretary

Certified a true copy of Order  
No. 145/05 issued by The Public  
Utilities Board

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Secretary