

MANITOBA) Order No. 23/07
)
THE PUBLIC UTILITIES BOARD ACT) March 12, 2007

BEFORE: Graham Lane, CA, Chairman
Monica Girouard, CGA, Member
Alain Molgat, CMA, Member

APPEAL OF CENTRA GAS MANITOBA INC. BILLINGS -
370 ABERDEEN, WINNIPEG

Introduction

By this Order, the Public Utilities Board (Board) denies an appeal by the owners of 370 Aberdeen Avenue, Winnipeg, that sought a refund of prior Centra Gas Manitoba Inc. (Centra) natural gas billings of \$4,148.73.

The Board heard the appeal on February 22, 2007 at the Board's offices.

Background and Discussion

Mr. Manjit Bhullar represented the owners of 370 Aberdeen Avenue, and Mr. Brent Czarnecki represented Centra. Witnesses providing evidence at the hearing were Mr. Floyd Dumas and Mr. Joseph Thomas (residents of 370 Aberdeen), and Mr. Louis Kessler (Centra employee and analyst).

Mr. Bhullar alleged that Centra over-billed for natural gas consumed at 370 Aberdeen over a period extending from October 2001 through to October 2005. The owners claimed a refund in the amount of \$4,148.73, for the period October 2002 to April 2004. Under Centra's Schedule of Sales and Transportation Services and Rates, accepted by the Board, refunds are restricted to two years of retroactivity from date of discovery.

Mr. Bhullar supported the claim by an analysis that compared gas consumption between the time period of disputed gas consumption and the period following the installation of a new natural gas meter by Centra, that having occurred on October 25, 2005.

Mr. Bhullar asserted that reduced gas consumption experienced after

the new meter was installed proved previous over-billings due to an inaccurate meter. Centra's witness Mr. Kessler opined, supported by Centra's analysis, that the reduced consumption that followed the installation of the new meter could be best explained by factors other than the meter, and that Mr. Bhullar's analysis was incorrect.

A component of the differing views between Mr. Bhullar and Centra related to increased electricity consumption that also followed the installation of the new meter. Centra held that the increased electricity usage had a role in the reduced consumption of natural gas that followed the installation of the new meter by reducing the need for natural gas. This, even if the thermostat settings at 370 Aberdeen had not changed through the period in question, as claimed by Mr. Bhullar.

Electrical consumption for the four apartment units within 370 Aberdeen increased significantly after the meter was changed, and during the winter of 2005/06. Mr. Bhullar provided no explanation for the increase in electrical consumption. He claimed, supported by Mr. Dumas and Mr. Thomas, that there had been no change in the use of electrical appliances since the meter was changed, and that electric heaters were not in use during the period.

In short, Mr. Bhullar held that the comparatively high natural gas consumption recorded during the disputed period was due to a faulty meter, a meter subsequently destroyed and thus not available for testing. Centra's position, supported by its analytical review, held that the differences in consumption pre and post meter change were explainable by warmer weather and increased electrical use experienced post meter change.

Mr. Bhullar did not dispute the accuracy of Centra's mathematically

based analysis and conceded that his calculations in support of the owners' "faulty meter" theory were, at least in part, incorrect. Mr. Bhullar focused on the inability of Centra to test the replaced meter, which had been destroyed, and a claim that post meter change electrical consumption was outside the scope of the appeal and irrelevant.

With respect to the replacement of the meter, Centra indicated the meter, purchased in 1974 and installed in 1979, had been replaced in October 2005. Centra advised that replacement followed the results of the 2004 testing of a sample of similarly aged meters. The meters tested, which did not include the meter in question, did not pass the test for accuracy.

Ahead of the oral hearing by way of a filing with the Board, Centra claimed that the meter destroyed was part of a group of similarly aged meters submitted for a retest of accuracy in November 2005, and that this sample of meters had passed the retest. Subsequent to the oral hearing and through an undertaking provided by Centra in response to a question posed by the Board during the hearing, Centra withdrew this initial claim, which was in error.

Centra noted that the destruction of the meter removed from 370 Aberdeen occurred prior to the appeal by the owners. And, Centra further cited its Schedule of Sales and Transportation Services and Rates, which sets out Centra's policy with respect to proceeding in the case of billing dispute, as support for its actions.

Centra advised that by preparing the analysis that supported Centra's case, it was apparent that the old meter had not provided inaccurate readings, and further, that Centra had abided by its policy.

The billings in question had been paid, so it was a refund that was sought.

The appellant and Centra had met and exchanged information prior to the hearing, but these efforts to resolve the matter had not succeeded, leading to the Board hearing.

Board Findings

The Board will deny the appeal, finding satisfactory Centra's analysis explaining the billing and consumption differences between the pre and post meter change period.

While the testing of a sample of similarly aged meters failed, the meter that had been removed from 370 Aberdeen was not among those tested. In short, Centra's analysis adequately proved to the Board's satisfaction that the removed meter was not inaccurate during the period under dispute.

Centra was not aware at the time of destroying the old meter that the owners of 370 Aberdeen would dispute the billings, and were entitled to destroy the meter in accordance with the utility's policies and past practices. Centra did not destroy the meter to avoid having to retest it. Until the owners gave notice of their intention to appeal past billings, Centra was unaware of the billing dispute. Centra regularly removes and replaces old meters, and destroys them, in accordance with its policy.

Weather and increased electricity consumption post meter change, as outlined in Centra's analysis, provide a reasonable explanation of the changed natural gas consumption of 370 Aberdeen.

However, by Centra's own admission as contained in their

undertaking filed with the Board March 1, 2007, there was reason to suspect the accuracy of the meter. It was removed from service as a result of test failure of a sample of similarly aged meters, in accordance with Centra's practices. However, the doubt as to the accuracy of the meter has, in this case, been erased by the analysis provided by Centra. That analysis, which was not disputed by Mr. Bhullar, establishes an adequate rationale for the differences in consumption.

That said, Centra provided the Board with conflicting testimony as to the tests conducted on a sample of similarly aged meters to the one removed from 370 Aberdeen. While the Board accepts that Centra's incorrect pre-hearing initial report as to the results of testing of old meters was inadvertent, the Board is troubled that Centra did not correct the error until after the hearing. Centra is to take more care in the future to ensure that evidence filed with the Board is accurate, and, if it discovers an error has been made, should quickly bring that error to the Board's attention.

Further, the Board notes the difficulties Mr. Bhullar encountered in preparing an analysis in support of the owners' contentions. The errors in his analysis are understandable given the approach he took, which was affected by his understandably limited experience and knowledge of Centra's billing and bill reporting practices.

The Board accepts that Mr. Bhullar provided an argument formed in good faith, though not supported in the end by Centra's full analysis of the situation, herein accepted by the Board. Accordingly, costs will not be awarded to Centra or allocated to Mr. Bhullar.

The presentations and co-operation of all parties at the hearing were appreciated.

IT IS THEREFORE ORDERED THAT:

1. The appeal of the owners of 370 Aberdeen Avenue, Winnipeg of past billings of Centra Gas Manitoba Ltd. is denied.

2. Centra Gas Manitoba Inc. is to take more care in future submissions to the Board to ensure evidence submitted is accurate, and, in the event such evidence is subsequently amended, immediately inform the Board.

THE PUBLIC UTILITIES BOARD

"Graham Lane, CA"

Chairman

"Gerry Gaudreau, CMA"

Secretary

Certified a true copy of Order No.
23/07 issued by The Public Utilities
Board

Secretary