

MANITOBA
THE PUBLIC UTILITIES BOARD ACT

) Order No. 159/94
)
) December 23, 1994

Before: G.D. Forrest, Chairman
Catherine Milner, Member
W.C. Pearson, Q.C., Member
Glenda Russell, Member

**CENTRA GAS MANITOBA INC.
AN ORDER TO APPROVE AN INTERIM SCHEDULE OF
RATES EFFECTIVE JANUARY 1, 1995**

Background

In The Public Utilities Board ("Board") Order No. 61/94 dated April 8, 1994, the Board approved a schedule of rates to be charged by Centra Gas Manitoba Inc. ("Centra") for all gas consumed on and after April 1, 1994. The Order also rescinded the annualized sales rates which were to come into effect on January 1, 1995. Accordingly, Centra is without sales rates on and after January 1, 1995.

Centra applied to the Board on December 12, 1994 for an Order approving a schedule of interim rates to be effective on and after January 1, 1995. Such interim rates are to be in effect until the determination of final rates resulting from the general rate application ("GRA") which is currently before the Board. The GRA public hearing is scheduled to commence on January 23, 1995 and final rates as a result of that hearing will likely not be determined until March or April, 1995.

The Application

The application filed by Centra on December 12, 1994 reflected a minor reduction in the sales rates for the 'Small General Service Class' (which includes residential customers) and no change in other sales rates to other customer classes from the sales rates currently in effect.

Centra's December 12, 1994 application was also provided to all Intervenors in Centra's current GRA. These Intervenors were given the opportunity to provide their written comments to the Board. The only Intervenors providing comments were the Consumers Association of Canada (Manitoba) Inc. and the Manitoba Society of Seniors ("CAC/MSOS"). Collectively, they stated:

"Directionally, we are in favour of lower rates. However, we understand as well that the cost of gas forecasts have been adjusted downwards recently (e.g. we understand Union Gas has revised their forecasts downwards). Prior to approving this Application, the Board should obtain assurances from Centra that the most recent updates with respect to the forecasted cost of gas are used and should be reflected in the interim downward adjustment of the rates for this interim period."

The Board held an ex-parte hearing with Centra on December 16, 1994. After the hearing, Centra filed revised rate scenarios with the Board, each reflecting a commodity cost of gas lower than that currently embedded in rates.

Board Findings

The Board will approve interim sales rates based on a commodity cost of gas, from Western Canadian suppliers, of \$1.90 per gigajoule. There has been a significant market reduction in the commodity cost of gas over the past few months and some of that reduction will be passed on to consumers by way of these January 1, 1995 interim rates which will be approximately 4% lower than existing rates for the average residential consumer.

As indicated, Centra filed a GRA which will proceed to the public hearing stage on January 23, 1995. There are many issues to be examined in the public forum at the GRA, all which have an impact on the final sales rates that will be implemented in March or April, 1995.

Additionally, the final sales rates will be impacted by the disposition of various deferral accounts, as well as the revised commodity cost of gas sought by Centra in its updates to the GRA. The issues and uncertainties will be addressed as part of the GRA and prior to the final 1995 rates being set.

Centra will be required to track all differences between the interim rates approved in this Order and the final rates that result from the Board's GRA decision. That difference will be incorporated into the final sales rates to consumers in March or April, 1995.

IT IS THEREFORE ORDERED THAT:

1. The Schedule of Interim Rates attached hereto as Schedule "A" BE AND IS HEREBY APPROVED, effective for all gas consumed on and after January 1, 1995.
2. Centra Gas Manitoba Inc. track all differences between the interim rates herein approved and the final rates flowing from its 1995 test year General Rate Application and that that difference be accounted for in the final determination of rates.
3. This Interim Ex Parte Order shall be in full force and effect until confirmed or otherwise by a further Order of the Board following a public hearing.

THE PUBLIC UTILITIES BOARD

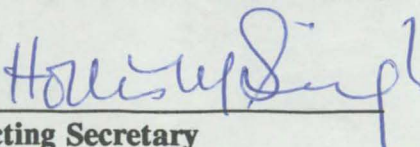
"G. D. FORREST"

Chairman

"H. M. SINGH"

Acting Secretary

Certified a true copy of Order No. 159/94 issued
by The Public Utilities Board


Acting Secretary

CENTRA GAS MANITOBA INC.

Interruptible Sales and Interruptible T-Service
Interim Rate Schedule

Territory: Entire natural gas service area of the Company, including all zones.

Availability: For any customer at one location whose natural gas requirements equal or exceed an annual rate of 340,000 m³ and who contract for such service for a minimum of one year. Sales under this rate shall be limited to the extent that the Company considers it has available natural gas supplies.

Service: Shall be agreed upon by contract between customer and Company recognizing, among other factors, the size and characteristic of customer's requirements, amount of facilities required to be constructed by Company, minimum purchase obligations of customer, priority of delivery service, and term of contract. The contract shall be filed with The Public Utilities Board.

Rates:	<u>Categories:</u>	<u>Sales Rates</u> (/m ³)	<u>T-Service Rate</u> (/m ³)
	Class 4 - 340,000 to 680,000 m ³ Annually	\$0.1148	\$0.0228
	Class 3 - 680,000 to 1,700,000 m ³ Annually	0.1128	0.0208
	Class 2 - 1,700,000 to 3,400,000 m ³ Annually	0.1118	0.0198
	Class 1 - Over 3,400,000 m ³ Annually	0.1113	0.0193
	Peaking Supply - Actual Cost of Peaking Gas Delivered Plus a Delivery Charge of	0.0198	N/A

Late Payment Charge: A late payment charge of 1 1/2% 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 date of the bills.

Effective: Rates to be charged for all billings based on gas consumed on and after January 1, 1995.