

MANITOBA
THE PUBLIC UTILITIES BOARD ACT

Order No. 44/02
March 13, 2002

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

**AN APPLICATION BY CENTRA GAS MANITOBA INC. TO VARY
BOARD ORDER 168/01**

Table of Contents

	Page
1.0 APPEARANCES	1
2.0 WITNESS FOR CENTRA GAS MANITOBA INC	1
3.0 INTERVENORS	2
4.0 BACKGROUND	2
5.0 THE APPLICATION	6
6.0 INTERVENORS' POSITIONS	10
6.1 CAC/MSOS	10
6.2 CCEP	11
6.3 MIPUG	12
6.4 MUNICIPAL GAS	13
7.0 BOARD FINDINGS	14
8.0 IT IS THEREFORE ORDERED THAT:	20

1.0 Appearances

R. Peters	Counsel for the Manitoba Public Utilities Board
J. Foran, Q.C. M. Murphy	Counsel for Centra Gas Manitoba Inc.
C. Nicolaou	Representing Canadian Centre for Energy Policy Inc.
J. Feldschmid	Counsel for Canadian Centre for Energy Policy Inc.
B. Meronek, Q.C. K. Saxberg	Counsel for the Consumer's Association of Canada (Manitoba) Ltd. and Manitoba Society of Seniors Inc.
T. McCaffrey	Counsel for Manitoba Industrial Power Users Group
K. Melnychuk	Representing Municipal Gas

2.0 Witness for Centra Gas Manitoba Inc.

V. Warden	Chief Financial Officer, Vice President Finance and Administration, Manitoba Hydro
L. Wray	Division Manager of Business Analysis and Regulatory Affairs, Manitoba Hydro
D. Rainkie	Manager of Regulatory and Business Advisory Services, Centra Gas Manitoba Inc.

3.0 Intervenor

Canadian Centre for Energy Policy Inc. (“CCEP”)

Consumer’s Association of Canada (Manitoba) Ltd./Manitoba Society of Seniors Inc.
 (“CAC/MSOS”)

Manitoba Industrial Power User’s Group (“MIPUG”)

Municipal Gas (“Municipal”)

4.0 Background

The last General Rate Application (“GRA”) for Centra Gas Manitoba Inc. (“Centra”) was based on a 1998 future test year. The Public Utilities Board (“the Board”) issued Order 79/98 dated June 19, 1998 dealing with that application, and approved sales rates that became effective August 1, 1998.

Since then, the Board has issued various orders and directives with respect to rates including:

1. The Board approved the acquisition of all of the issued and outstanding shares of Centra by Hydro in Order 146/99 dated July 30, 1999. In that Order, the Board directed Hydro to make applications to the Board at the earliest possible date for confirmation of rates for the year 2000 for both the gas and electric utilities. Those applications were never made.
2. In 1999, the Board approved changes to unbundle sales rates into five components: Primary Gas, Supplemental Gas, Transportation to Centra, Distribution to Customer and Basic Monthly Charge.
3. Commencing May 1, 2000, the Board approved a rate adjustment process to apply to Centra’s Primary Gas sales rates, whereby rates are adjusted on a quarterly basis in

accordance with a Board approved methodology. The last Primary Gas rate adjustment was approved by the Board to be effective February 1, 2002.

4. In Order 91/01 dated June 6, 2001, the Board approved changes to Supplemental Gas, Transportation to Centra, and Distribution to Customer Sales Rates to be effective June 1, 2001. These rates incorporated estimated 2001/02 gas costs, and the disposition of estimated non-Primary Gas cost deferral account balances at March 31, 2001.

On January 4, 2001, Centra filed a GRA based on a 2001/02 test year. After a pre-hearing conference to consider the scope for the hearing and establish a timetable, the Board issued Order 14/01 dated January 24, 2001. In that Order, the Board found that Centra's application was deficient and did not provide sufficient information to allow the Board to discharge its statutory obligation, stating in part:

“To remedy this deficiency through the Information Request Process would be a cumbersome, inefficient process that would entail much longer time periods than currently envisioned, lead to substantial duplication of Information Requests, and be cost-ineffective.”

Order 14/01 directed Centra to file additional filing requirements by March 1, 2001 and approved a revised timetable that included a hearing commencement date of May 29, 2001.

On February 8, 2001, Centra requested the Board to vary Order 14/01, stating that the additional filing requirements could not be completed in accordance with the revised timetable in Order 14/01. Subsequently, by letter dated March 1, 2001, Centra advised that it had reviewed Order 14/01 and its General Rate Application in light of the current market conditions facing its customers, and as a result of that review was withdrawing the General Rate Application. The Board solicited comments from interested parties, and after considering the comments received

from five parties, and Centra's reply to those comments, issued Order 106/01 dated July 9, 2001, which stated in part:

“In the Board’s view a GRA in the near term is required to deal with a multitude of issues related to Centra’s revenue requirement and rate design. These issues include, but are not limited to, matters related to income tax, rate of return issues, rate base and cost allocation matters and rate design considerations. The importance of some of these issues are further complicated by the long passage of time since the last GRA. The Board further acknowledges that the need for a GRA must be balanced with the practical issues of Centra’s current regulatory work agenda, which is significant. As well, Centra must be provided with a reasonable period of time to prepare a comprehensive filing document in accordance with the direction set out in Order 14/01.”

Order 106/01 directed Centra to file a GRA based on a 2002/03 future test year by October 15, 2001, with a public hearing to commence on February 4, 2002.

Subsequently, Centra requested the Board to vary Order 106/01 to defer the filing date so that Centra’s Board of Directors could consider Centra’s 2002/03 revenue requirement. Centra indicated that the Board could expect a GRA filing in conjunction with a cost of gas filing after the November 2001 meeting of Centra’s Board of Directors. Centra also expressed concern “...that it will not be possible within any practical timetable to supply the comprehensive historical and Rate Base, Rate of Return information set out in Schedule A of Order 14/01” and that such information “was neither available nor meaningful in the context of Centra’s current ownership and mandate.”

The Board solicited comments from interested parties, and after considering comments received from four parties, and Centra's reply to those comments, issued Order 168/01 dated October 30, 2001 which stated in part:

“In the absence of full information respecting specific accounting changes made by Hydro and Centra, the Board will not vary the MFR as it pertains to the MFR for Centra. It accepts the position of Centra that it will, on a best efforts basis, do its utmost to ensure the Board can discharge its regulatory responsibilities in this regard as well. This undertaking will apply, to the extent necessary, to filing of information prior to the 2002/03 test year. The Board is prepared to accept the undertakings at this time and expects the Applicant to satisfy the onus completely. The consequences of any delays or increased regulatory costs rests with the Applicant.”

Order 168/01 accepted Centra's timetable, which proposed a Centra GRA filing date in February 2002 with a hearing to follow in May 2002, subject to finalization at a future PHC concerning integration matters and a Hydro GRA. Order 168/01 also reaffirmed that the filing requirements set out in Order 106/01 would remain unchanged, noting that on a best efforts basis, Centra would assist the Board in discharging its statutory obligation.

In November 2001, Hydro filed a Status Update, which included Hydro/Centra Integration matters, and requested no change in Hydro's sales rates except for Curtailable rates. A PHC was held on January 12, 2002 to consider the Hydro filing. At the PHC, Hydro indicated that the Centa 2002/03 GRA would not be filed in February 2002 as had previously been indicated.

The Board issued Order 9/02 dated January 17, 2002, in connection with the Hydro Integration/Status Upgrade application. In that Order, the Board noted that if Centra was

“...seeking to further review, vary or amend Order 168/01 as to the content of the GRA or its timing, Centra is required to make a formal request detailing its proposal and timelines for the filing of a comprehensive GRA and an annual cost of gas application.”

5.0 The Application

On February 8, 2002 Centra applied to vary Order 168/01 “with respect to the timetable associated with Centra’s next General Rate Application.” Centra submitted that the timetable in Order 168/01 could no longer be met as a result of events that have transpired since Order 168/01 was issued, including:

1. The expansion of the scope of the Hydro status update hearing which, in Hydro’s view, initially did not include a review of the reasonableness of Hydro’s existing sales rates.
2. The rescheduling of the start of the Hydro hearings to April 15, 2002 from the March 11, 2002 date originally proposed.
3. The Hydro hearings were originally expected to last for approximately two weeks, but now are scheduled into May or June 2002.
4. The Hydro hearings have attracted at least eight Intervenors, and 12 potential Intervenor witnesses.
5. Hydro has received a significant number of information requests that must be addressed by Hydro staff, including review by senior management.

Centra submitted that it did not have sufficient resources to engage in two rate applications at the same time, and could not adequately prepare the Centra GRA until the Hydro hearings are completed. Centra also suggested that Intervenors might experience similar resource availability problems.

Centra proposed the following amendments to the timetable set out in Order 168/01:

1. Centra will file a 2002/03 non-Primary Cost of Gas Application as soon as possible with a public hearing to commence in June 2002. This Application will address the Supplemental Gas Rates, Transportation to Centra Rates, and the Unaccounted for Gas component of the Distribution to Customer Rates. Alternatively, should the Board be unable to accommodate this schedule, the filing date could be delayed to September 2002 with a hearing to commence in December 2002.
2. The non-Primary Cost of Gas Application would include:
 - A review of non-Primary gas costs and deferral account balances to March 31, 2002.
 - A review of estimated non-Primary Gas costs from April 1, 2002 to March 31, 2003.
 - A request for confirmation of outstanding interim Board orders issued since the 1998 GRA.
 - A review of Centra's responses to previous Board directives with respect to Derivatives Hedging Policy, Derivatives Hedging Training Program, Value of Interruptible Customer's Report, Blank Page Analysis update, and the Inter Utility Rate Study.
3. Centra will file a GRA based on a 2003/04 test year after the November 2002 meeting of Centra's Board of Directors, and request a hearing to commence in the spring of 2003.

Centra noted that if the Cost of Gas Application was not filed until September 2002, Centra would require additional time to prepare for the Centra GRA after the Cost of Gas Hearing had

been concluded. Centra's strong preference is to have the Cost of Gas Application dealt with sooner rather than later, as the estimated impact of that application will reduce overall sales rates to customers, and Centra wishes to pass this benefit on to customers at the earliest opportunity. It is expected that Centra's proposed Cost of Gas Application will reflect a reduction in a residential consumer's annual heating bill of approximately 7.9%, or \$89 per year. Annual bill decreases for the Large General Service ("LGC") Class and other larger volume customer classes will range from 9.3% to 21.0%.

Centra's current Integrated Financial Forecast ("CGM01-1"), prepared on a weather-normalized basis, indicates that Centra will break-even in 2001/02, and realize a \$5 million loss in 2002/03. Centra's Board is willing to accept the forecasted loss in 2002/03 because of the significant cost of gas increases that customers have experienced over the last few years. Centra has further forecast a break-even position in 2003/04, assuming a 1.9% general revenue increase. CGM01-1 currently assumes annual revenue increases of 0.5% and each year after 2003/04.

The current estimate of actual results for 2001/02 indicates that Centra will realize a loss of between \$6 and \$10 million. Centra indicated that because of the expected 2001/02 loss, the requested rate increase for 2003/04 may be marginally higher than the 1.9% reflected in the CGM01-1.

Despite the expected loss in 2001/02 and 2002/03, Centra remains of the view that it is in the best interest of its customers to avoid the costs of having a GRA for 2002/03 when no rate increase is being requested. Centra further suggested that it would be more appropriate to incur those costs when Centra required a general rate increase, which currently is expected to be in the 2003/04 test year.

Centra stated that it did not want to mix gas cost reduction issues with distribution rate change issues that may be required as a result of a GRA application.

6.0 Intervenor's Positions

6.1 CAC/MSOS

CAC/MSOS strongly opposed the application put forward by Centra.

CAC/MSOS reviewed the series of Board Orders, including Order 14/01, 106/01 and 168/01 which have led to a series of delays in conducting a GRA. CAC/MSOS also expressed concern that Centra was not forthright in informing the Board at the Integration Hearing PHC that Centra would not be filing a 2002/03 GRA as required by Order 168/01, even though Centra's Board of Directors had decided this matter on November 22, 2001. CAC/MSOS considered these delays to be stalling tactics and attempts by Hydro/Centra to avoid regulatory review of the distribution rates. Additionally, CAC/MSOS expressed concern that Centra had no intention to formally request that Order 168/01 be varied until the Board suggested they do so in Order 09/02.

CAC/MSOS submitted that the amount of non-gas costs relative to gas costs as well as a request that rates remain unchanged were irrelevant to the need for a public review at a GRA. CAC/MSOS argued that significant dollars of Centra's integration and other costs have not been publicly reviewed or accounted for to date.

CAC/MSOS further submitted that the Board is functus and that if Hydro or Centra did not agree with Order 168/01, it ought to have approached the Court of Appeal or made another application, but it did neither. CAC/MSOS suggested that the decision not to file a GRA was out of Centra's hands, and must be determined by the Board.

CAC/MSOS disputed all the reasons given by Centra in support of its application, to vary. CAC/MSOS argued that the scope of the Integration hearing was or should have been anticipated by Centra, and the extension of the hearing into June should be able to be accommodated.

Similarly, the number of Intervenors, information requests and potential for compressing time to accommodate the Integration Hearing, Cost of Gas Application and 2002/03 GRA was achievable. CAC/MSOS submitted that once the Integration Hearing is completed, Centra staff should be available to complete the Centra GRA filing. CAC/MSOS further stated that such a process could be accommodated as Centra's budgeting process is continuous, 2001/02 results are already known, and the 2002/03 filing would require changes only in numbers, not in format.

CAC/MSOS suggested that if the Board granted another variance, the integrity of the regulatory process would be jeopardized. CAC/MSOS further submitted that the public is entitled to a hearing consistent with the views expressed by many at the time of the acquisition hearing, where interested parties insisted that the Board not forego regulation of Centra. CAC/MSOS suggested that there have been too many broken promises for the Board to have any comfort that if Centra's request for the variance is granted there will be a GRA hearing next spring.

CAC/MSOS proposed that the Cost of Gas Application be heard in May or June 2002, and that a 2002/03 GRA be heard in the fall of 2002. Additionally, CAC/MSOS urged the Board to finally send a message to Centra by ordering that the costs of all hearings related to Orders 14/01, 106/01, 168/01, and the current proceeding be borne by Centra and not by the rate payers.

6.2 CCEP

CCEP suggested that, while there could at times be extenuating circumstances, it appeared as if Centra's strategy was to avoid filing a GRA and to avoid regulation. CCEP agreed that because of the significant benefits which would flow, it was difficult for anyone to oppose a Cost of Gas Application. CCEP agreed with the position of CAC/MSOS that a Cost of Gas Application be filed for a hearing to commence in May or June.

CCEP urged the Board to assert its jurisdiction and insist Centra file a GRA within the timeframe suggested by CAC/MSOS, before the end of this calendar year. If this were not done a situation would now develop where the gas monopoly would become “ungovernable or unregulatable”.

6.3 MIPUG

MIPUG stated that Hydro has refused to respond to numerous information requests posed by MIPUG related to the upcoming Integration hearing. An example of matters that MIPUG was pursuing included impacts on Hydro’s financial targets resulting from the acquisition of Centra, especially if gas sales rates remain unchanged when an operating loss was forecast for the gas utility. Hydro’s view was that the matters raised by MIPUG should be better dealt with at a Centra GRA hearing.

MIPUG’s view is that the matters are clearly Integration issues, which could impact on both electric and gas customers. MIPUG suggested that numerous factors, including disallowance of integration costs and/or a reallocation of integration costs and savings could impact both Hydro and Centra. Therefore, MIPUG contended that these matters had to be dealt with prior to the Board’s consideration of either a Hydro or Centra GRA.

MIPUG submitted that if Hydro was not compelled to provide the requested information for the Integration Hearing, scheduled to commence April 15, 2002, parties would not be able to test the evidence properly and thoroughly, and this would necessitate a review of those matters at a Centra GRA. If this were to occur, MIPUG would support the position taken by CAC/MSOS that there must be a Centra GRA as soon as possible.

6.4 Municipal Gas

Municipal Gas submitted that a Cost of Gas Application and a GRA are very important and the sooner the applications were brought forward the sooner all interested parties could review them in a public forum.

7.0 Board Findings

General

This application to vary is substantively more than a simple request to amend the timetable, as suggested by Centra in its application. In addition to the requested changes in timetable, this application also contemplates a change in process with respect to the review of non-Primary Gas Costs separate from the review of distribution rates, and a change in test year for the GRA application from 2002/03 to 2003/04.

Centra's application to vary Order 168/01 consists of two specific requested variances. The first requested variance is to file all matters with respect to 2002/03 non-Primary Cost of Gas as soon as possible, with a public hearing to follow, and any resulting rate changes to be effective August 1, 2002. The second requested variance is to defer the filing of the GRA, based on a 2003/04 test year, as opposed to a 2002/03 test year, until after the Centra Board of Directors' meeting in late November 2002, with a public hearing to follow early in 2003.

Filing Requirements

Board Order 168/01 provided, in part, that the filing requirements for Centra's GRA, as set out in Order 106/01, will remain unchanged noting that on a best efforts basis, Centra will assist the Board to discharge its statutory obligation. In that regard, the Board reaffirms its directions in Orders 168/01 and 106/01 with respect to minimum filing requirements. The Board also notes the exchange on pages 112 through 114 of the transcript, and Centra's undertaking to consider a more comprehensive filing in an attempt to increase the efficiency and reduce the cost of the public hearing and regulatory process.

Cost of Gas

As a result of the unbundling of sales rates in July 1999, Centra's sale rates now consist of five specific components, being Primary Gas, Supplemental Gas, Transportation to Centra, Distribution to Customer and Basic Monthly Charge. Primary gas represents in excess of 90% of the commodity cost of gas, and the total cost of gas (Primary plus Supplemental plus Transportation) represents approximately 70% of Centra's total cost of service. The Board has previously put in place a process to adjust the Primary Gas rates for changes in market prices on a quarterly basis, and the Primary Gas sales rate is not a subject of this application.

Centra has advised that the rate changes proposed in the cost of gas application related to non-primary gas costs will consist of two components:

- A refund to customers of the estimated balance in various PGVA accounts plus carrying costs to July 31, 2002, estimated to be \$21.5 million.
- A decrease in non-Primary Gas costs for the 2002/03 fiscal year estimated to be approximately \$16.9 million.

As a result of these cost reductions, Supplemental, Transportation, and Distribution rates will change, resulting in rate reductions, according to Centra, in the range of 7.9% for residential customers, and 9.3% to 21% for larger volume customers.

In order for all customers to receive the benefits of these rate reductions as soon as possible, the Board will approve this aspect of the application to vary Order 168/01, and will direct Centra to file its 2002/03 Cost of Gas application with the Board immediately. Upon receipt of the application, the Board will convene a pre-hearing conference at the earliest opportunity to establish a timetable for a public hearing process to consider this application. The Board's objective is to resolve all issues related to this application prior to August 1, 2002, which also coincides with any required rate changes to the Primary Gas sales rates.

General Rate Application

With the unbundling of sales rates into the five components as previously discussed, and with the process that is now in place to deal with Primary Gas costs on a quarterly basis, and non-primary gas costs on an annual basis, a GRA application is now a much different filing than in previous years, and perhaps should no longer be referred to as a “general” rate application. The Board has heard evidence that the component of the sales rate affected by a GRA, (i.e., the distribution rate and the fixed monthly charge), generally constitute something in the range of 25% of the total base sales rate. However, in the current circumstance, it is the long passage of time since the last GRA, as well as a number of issues related to the acquisition of Centra by Hydro effective August 1, 1999 that are key drivers that make this GRA particularly important to the Board, and to most Intervenors. In the Board’s view, it is vitally important to the integrity of the regulatory process that these outstanding matters be brought to a current status at the earliest opportunity, and this position was clearly stated in Order 106/01. At that time, all parties to the proceeding, including Centra, were of the view that there was a need for a GRA. The Board has heard no new evidence to suggest that a GRA is no longer necessary.

The Board also notes the evidence of Centra that the prevailing and major factor in not applying for a GRA at the present time...“is the fact that we are not looking for a rate increase in the remaining portion of those costs for the current year-or for the upcoming year.” (transcript page 106). The Board’s statutory obligation is to ensure that the rates charged to customers are just and reasonable. Centra, likewise, has the onus to demonstrate that such is the case. A GRA is the appropriate forum in which to do so. In the Board’s view, the issue of whether or not a rate increase is required is simply not relevant to the issue of the need for a GRA in the current circumstance.

The last GRA resulted in Order 79/98, dated June 19, 1998 and was based on forecasted 1998 future test year information. One of the apparent frustrations to interested parties is that Centra

has not filed a GRA for four years. This frustration appears compounded given the Board's directives, since 1999, to Centra regarding a GRA.

In carrying out its statutory duties the Board has to balance the competing interests of the various parties, together with efficiencies in the public hearing process. The long period of time since the last GRA, and the constant deferral of these issues unnecessarily complicates the duties of the Board, and does not add to the efficiencies of the process.

The Board notes with some disappointment the long period of time leading up to the current circumstance, and Centra's inability to effectively respond to the directives set out in the past four Board orders dealing with this proposed GRA. This circumstance is at least partially related to new events that have transpired since the issuance of previous Board Orders. As a result of Centra's failure to respond to directions given by the Board, Centra now finds itself in a problematic circumstance, being one of strained resources, and a number of conflicting parallel proceedings. This circumstance is equally problematic to the Board from a perception perspective.

For the Board this matter comes down to a review of work priorities on one hand, and the consequences of any further delays on the ratepayers on the other hand. The Board recognizes that the best interests of the utility may not be the same for consumers.

It is not for the Board to manage the affairs of Centra. However, work priorities were assigned at Centra which did not address Board directives. It is disappointing that while a decision was taken in early November to not file a General Rate Application, Centra made no effort to apprise the Board at that time. Indeed, the Board was only advised, through questioning Centra witnesses at a January, 2002 Pre-Hearing Conference with respect to an unrelated Application.

The Board shares the frustration felt by the ratepayers as expressed by their representatives. While inexcusable, this untenable position cannot be changed at this point.

As a result of Centra's actions, the Board finds itself in a difficult circumstance. The Board is concerned that approximately four years have transpired since the last full general rate review. As a result, a number of important issues that may have an impact on determining just and reasonable distribution sales rates require examination. The Board takes little comfort in the knowledge that the distribution sales rate comprises only 25% of the total base rate, and the knowledge that some of the outstanding issues will at least be touched on in a public hearing process dealing with integration matters commencing in April 2002. The Board is further concerned with the fact that Centra now projects a loss of \$6 to \$10 million in the fiscal year ending March 31/02 and a further loss of \$5 million for the fiscal year ending March 31/03.

While no rate increase has been sought this alone cannot lead one to conclude that Centra's costs are not increasing or remain reasonable. In fact, of concern to the Board is Centra's position to defer a possible need for rate increases and to incur operating losses to be recovered at a later date. While the Board cannot pre-judge these operating costs, the desirability of such an approach needs to be reviewed as soon as possible otherwise inter-generational inequities may occur. Additionally, there are monies currently being collected in rates for cost of service components such as income taxes and rate of return on shareholders equity which existed when Centra was privately owned and no subsequent review has been made as to the allocation of these monies. While there are many issues which require review, and except for inter-generational issues, there is no evidence currently before the Board that existing rates are unjust and unreasonable and that a deferral of the GRA is prejudicial to gas consumers.

However, it should also be noted that experiencing operating losses for 2002 and 2003 may result in future rate instability. Centra acknowledged that its proposed rate increase for the fiscal year ending 2004 will be larger because of the operating losses in 2002 and 2003, and thus will work against the principle of rate stability.

Reluctantly, however, the Board must recognize and accept the practicality of the circumstances. Most of the Centra resources that will assemble the GRA are currently involved in a parallel process that will continue until at least June 2002. In addition, there is a level of effort required to assemble and conduct the cost of gas filing. If the Board were to deny the application to vary Order 168/01 with respect to the GRA aspects, Centra could not prepare an adequate filing until perhaps September or October, and a public hearing to consider the application could not follow until at least 90 to 120 days thereafter. This timing does not represent any significant advancement from the timing proposed by Centra in their application to vary.

The Board therefore reluctantly concludes that there are few practical alternatives but to approve Centra's request to defer the filing of the balance of the GRA in a manner set out in the application. Accordingly, the Board will approve the application to vary Order 168/01 with respect to the GRA timing and test year, and direct that a comprehensive GRA application, based on a 2003/04 test year, be filed with the Board as soon as it is approved by the Centra Board, but no later than December 1, 2002 regardless of whether a rate change is sought. The Board encourages Centra to commence preparation of its comprehensive GRA, and if possible, advance the filing date. Such action would provide the Board and all parties with an opportunity to conduct the public review process, with any resulting Orders being issued earlier, in an attempt to minimize inter-generational inequities. Following receipt of the application, an appropriate timetable to hear the application will be developed.

8.0 It Is Therefore Ordered That:

The application by Centra Gas Manitoba Inc. to vary the timetable set out in Order 168/01, BE AND IS HEREBY APPROVED AS FOLLOWS:

1. Centra shall immediately file an application for a change in non-Primary Gas costs to be effective August 1, 2002. At a minimum, this comprehensive application shall include a request for the following:
 - Approval of Supplemental Gas, Transportation to Centra, and Distribution Rates to be effective August 1, 2002 as a result of changes to non-primary gas costs and unaccounted for gas costs.
 - Approval of changes to Centra's terms and conditions of service.
 - Confirmation of various Interim Orders approved by the Board since the 1998 GRA.
 - Consideration of Centra's responses to various Board directives.
2. Centra shall file a GRA based on a 2003/04 test year immediately following approval by the Centra Board, and at any rate, by no later than December 1, 2002.
3. The minimum filing requirements for Centra's GRA as set out in Order 14/01 will remain unchanged except as to test year.

THE PUBLIC UTILITIES BOARD

"G. D. FORREST"

Chairman

"H. M. SINGH"

Acting Secretary

Certified to be a true copy of Order No. 44/02
issued by The Public Utilities Board

Acting Secretary