



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-49-92

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by
BC Gas Inc.

and

Commission Order No. G-47-91

BEFORE: J.G. McIntyre,)
Chairman;)
J.D.V. Newlands,) June 4, 1992
Deputy Chairman; and)
N. Martin,)
Commissioner)

O R D E R

WHEREAS:

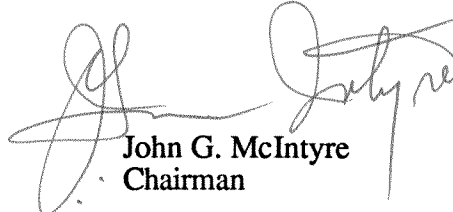
- A. The Commission, by Order No. G-47-91 ("the Order"), gave conditional approval to the BC Gas Inc. Furnace Repair Plan ("The Plan") and issued "Reasons for Decision" attached to that Order; and
- B. The Order required BC Gas to file an annual report to address matters of performance and profitability; and
- C. On March 31, 1992, BC Gas filed their detailed report for the period ending December 31, 1991; and
- D. The Commission has reviewed The Plan's Annual Report for 1991 and has concluded that further evidence and review is required.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 93(2) of the Utilities Commission Act, the Commission appoints Ms. Elsie L. Sands as an Inquiry Officer.
2. The Inquiry Officer is to conduct a review of the The Plan in accordance with the Terms of Reference attached as Appendix "A" to this Order.

DATED at the City of Vancouver, in the Province of British Columbia this 4th day of June, 1992.

BY ORDER


John G. McIntyre
Chairman

/lm
Attach.

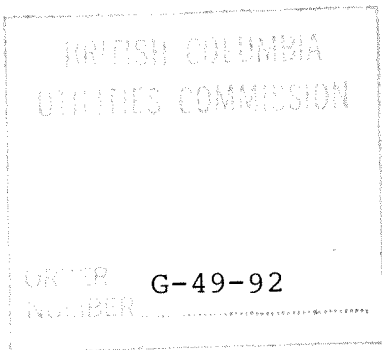
BCUC/Orders/BCG-Furnace Repair Plan

ORDER
NUMBER G-49-92

British Columbia Utilities Commission

Terms of Reference for an Inquiry,
pursuant to Section 93(2) of the Utilities Commission Act,
into the matter of the BC Gas Inc. Furnace Repair Plan ("The Plan")

1. The Inquiry Officer is to review the concerns expressed by representatives of the gas industry through direct meetings with a cross-section of representatives from the member organizations of the Gas Contractors' Association of British Columbia, and other gas industry members as may be deemed appropriate.
2. In the course of the discussions with representatives of the gas industry, the Inquiry Officer should attempt to evaluate whether or not:
 - any segments of the gas industry are affected by the BC Gas Inc. Furnace Repair Plan, and to what extent.
 - what changes to The Plan, if any, would address the foregoing impacts.
 - there is any common ground whereby the concerns of all affected parties could be addressed through changes to The Plan.
 - annual or periodic maintenance inspections should be a prerequisite for furnace parts insurance.
3. The Inquiry Officer is to meet with a representative sample of customers who currently subscribe to The Plan to determine:
 - how they were recruited.
 - what their expectations from The Plan were when they joined.
 - what alternatives were considered and why were they rejected.
 - current views of The Plan as to convenience and necessity.
 - future alternatives or improvements to The Plan.
4. The Inquiry Officer is to meet with BC Gas Inc. to determine:
 - whether the justification of The Plan, as previously identified, continues to support the need based on a current evaluation.
 - the financial benefits of The Plan (if any) to both BC Gas customers and shareholders.



- the extent of the use of any monopoly advantages by BC Gas.
 - the connection (if any), between furnace insurance and the need for annual or periodic maintenance inspections.
5. The Inquiry Officer is to investigate the performance of similar plans in other jurisdictions through appropriate discussions to determine:
- how much of the repair work covered by insurance plans is contracted out to the gas industry.
 - what concerns (if any) have been expressed by the gas industry.
 - the customer response and relationship to BC Gas projections.
6. The Inquiry Officer is to receive and fully consider submissions from any other interested party. Such submissions may also be solicited at the discretion of the Inquiry Officer using whatever communication process is appropriate.
7. The Inquiry Officer is to deliver a report and recommendations to the Commission on or before August 24, 1992.