



500 Consumers Road
North York, Ontario
M2J 1P8
PO Box 650
Scarborough ON M1K 5E3

Bonnie Jean Adams
Regulatory Coordinator
Telephone: (416) 495-5499
Fax: (416) 495-6072
Email: EGDRegulatoryProceedings@enbridge.com

July 15, 2011

VIA RESS, E-MAIL & COURIER

Ms. Kristen Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Ontario Energy Board File No. EB-2010-0280
Customer Service Amendments to the Gas Distribution Access Rule
Submission of Enbridge Gas Distribution Inc. ("Enbridge")

On June 29, 2011 the Ontario Energy Board ("Board") issued a Notice of Proposal to amend Customer Service Standards of the Gas Distribution Access Rule and invited interested parties and gas utilities to comment on the proposal.

As per the Board's instructions, attached please find Enbridge's submission. This submission is being filed through the Board's Regulatory Electronic Submission System.

Please contact the undersigned if you have any questions.

Yours truly,

A handwritten signature in blue ink that reads "B. Adams".

for:
Bonnie Jean Adams
Regulatory Coordinator

Attachment

cc: Mr. David Stevens, Aird & Berlis (via email)
All EB-2010-0280 Interested parties (via email)

EB-2010-0280
Customer Service Code Amendments to GDAR

SUBMISSIONS OF
ENBRIDGE GAS DISTRIBUTION INC.

July 15, 2011

**SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC. (“ENBRIDGE”)
IN RESPONSE TO NOTICE OF PROPOSAL TO AMEND A RULE**

1. In its June 29, 2011 Notice, the Ontario Energy Board (the “OEB” or the “Board”) set out its proposal to amend the Gas Distribution Access Rule (the “GDAR”) in respect of customer service rules for gas distributors, and invited parties to comment on the proposed amendments to the GDAR.
2. As an overall comment, Enbridge appreciates the Board’s adoption of a light-handed (“less prescriptive”) approach to the regulation of gas distributor customer service rules. The Board’s determination that gas distributors may set their own policies, as long as the policies are publically available and address required subject areas, will allow gas distributors flexibility in tailoring approaches that meet their customers’ needs and at the same time will ensure transparency and consistency. Importantly, the Board’s decision not to adopt the Electricity Customer Service Rules for gas distributors will limit the cost consequences that will be borne by ratepayers.
3. In response to the Board’s comment that the adoption of a less prescriptive approach is predicated on gas distributors amending their customer service policies as proposed, Enbridge confirms that it will implement the “refinements” to its customer service policies that it set out for consideration in Appendix “A” to its February 17, 2011 submissions. Enbridge’s updated policies will be reflected in the “Customer Service Policy” to be posted on its website and filed with the Board as required by the proposed new section 8 of the GDAR.
4. While Enbridge has no comments or concerns about the proposed amendments to the GDAR set out in the new section 8 of the GDAR, the Company does wish to comment on the proposed section 1.4.6, which states that section 8 shall come into force on August 31, 2011.
5. First, Enbridge requests that the in-force date for section 8 of the GDAR be changed to September 30, 2011. There will be a large amount of work required to document and post the Company’s existing customer service policies and to document and implement the changes (“refinements”) to those policies that were described in Enbridge’s February 17, 2011 submissions. In usual circumstances (even without accounting for summer

vacations), it would be very challenging to complete that work within two months. Currently, however, gas distributors are facing the unusual complication of responding to the consequences of the recent postal service disruption. As of early July 2011, Enbridge had a backlog of approximately 1.5 million bills that had been created but not yet delivered to customers. It will take some time for this backlog to be cleared (because Canada Post can only deliver all the accumulated mail over time), and that will also delay or impact on the delivery of current and near-term future bills. In the result, Enbridge expects that there will be an extraordinary level of customer service activity over the next eight weeks as it responds to questions and concerns raised by customers who receive multiple bills (some of which will already be past due) in a short time. Some of the same key personnel who will be addressing the fallout from the postal service disruption are also the key personnel who will be creating and implementing the formal Customer Service Policy required by the new section 8 of the GDAR. Given these unusual circumstances, Enbridge requests that the in-force date for the new section 8 of the GDAR be moved to September 30, 2011.

6. Second, Enbridge wishes to reiterate and make clear that it will not be in a position to have all of its proposed changes to its customer service policies implemented by the in-force date for section 8 of the GDAR, even if that date is September 30, 2011. As noted in Enbridge's February 17, 2011 submissions, many of the changes that Enbridge will make to its customer service policies will require system changes and training before they can be implemented, and these items may take up to 12 months to implement. Examples of such items are the addition of 3 "grace days" before the late payment penalty (LPP) is calculated and the implementation of an automatic review of customer security deposits after 12 months. At this time, Enbridge cannot definitively state how long it will take to implement each of the "refinements" to its customer service policies. That said, some of the proposed changes can be implemented immediately as of September 30, 2011 (or August 31, 2011). Examples of these are limiting billing adjustments to two years and expanding the availability of the Budget Billing Plan (BPP) to customers who are in arrears and have entered into a payment arrangement. Given these circumstances, Enbridge requests that it be permitted to indicate, within its formal Customer Service Policy, the effective date for each of the proposed changes to existing policies so long as the effective date is within 12 months of the in-force date of the new

section 8 of the GDAR. This timing could also allow for Enbridge to simultaneously accommodate any system changes related to low-income customer service policies that could result from the process being initiated through the Board's June 29, 2011 letter. It is likely that addressing system changes at one time, rather than separately, will be more cost-effective.

7. As a final matter, Enbridge wishes to remind the Board and stakeholders that there will be costs associated with the implementation of a formal Customer Service Policy which includes changes from Enbridge's current policies. In its February 17, 2011 submission, Enbridge indicated that "[t]he associated one-time costs related to items such as Customer Information System changes and new training are estimated at \$1.5 to \$2.0 million and the ongoing (annual) costs for items such as additional staffing and increased bad debt/working capital costs (and decreased late payment penalty revenue) are estimated at \$1.0 to \$1.5 million per year." Enbridge intends to record its actual costs in the Gas Distribution Access Rule Costs Deferral Account (GDARCDCA) as these costs are incurred in 2011 and 2012, and will seek the clearance of those amounts at the same time as other 2011 and 2012 deferral and variance accounts are addressed.