



December 21, 2010

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Suite 2700  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2010-0280 - Gas Distribution Access Rule**

On September 21, 2010, the Board issued a letter indicating its intention to seek written comments on future proposed amendments to the Gas Distribution Access Rule (GDAR). According to the Board's letter, the potential amendments relate to customer service rules for natural gas distributors, including rules "tailored" to low-income customers. The letter goes on to say that the Board intends the new rules for gas distributors to be similar to those developed for electricity distributors and that the Board is proposing to amend GDAR by way of a notice and comment process.

As the Board is aware, Enbridge Gas Distribution (Enbridge) has decades of experience in learning about, understanding and addressing the actual needs and service issues of customers. It is Enbridge's view that its customer service practices have developed and evolved over time into a set of "best practices". These best practices have been shaped to meet the needs of customers. They allow appropriate flexibility for customers, are well understood by customers, and are well accepted by customers. As a result, Enbridge believes that its customer service practices give rise to relatively few complaints and issues, whether in relation to service to low income customers or otherwise. Perhaps most importantly, Enbridge's customer service practices have been extensively and constantly tried and tested in actual customer circumstances.

While Enbridge recognizes that the Board's purpose is to make changes that will benefit customers, it is very concerned about the consequences of introducing new customer service rules. These consequences are likely to include a significant increase in costs to be borne by all ratepayers. Enbridge has not yet been able to determine with accuracy the amount of the increase in costs to its ratepayers, but, based on its understanding of the Board's intentions, Enbridge anticipates financial implications that include capital expenditures, higher costs for bad debt expense and operations and maintenance expense (including credit card costs), lost revenue and reduced cash flow. Current estimates place the total of these financial implications in the range of \$15-30 million per year.

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Enbridge expects as well that the proposed amendments to GDAR may actually have a negative impact on customers, including low income customers, by reducing the flexibility that is now available to them. Other possible negative impacts include customer confusion and dissatisfaction and a heightened level of customer complaints due to the new rules.

Enbridge does not believe that these financial and other impacts are in the best interests of its customers and, with respect, Enbridge questions whether these impacts are in line with the policy direction of the Province or even of the Board itself.

In addition to these known or expected consequences of the proposed amendments to GDAR, there may well be unintended consequences. While these, by their very nature, cannot be accurately foreseen, the point is that Enbridge's current practices have been tried and tested over time and, as a result, have evolved and developed in a way that takes account of and ameliorates any impacts. Enbridge believes that the introduction of the proposed changes to GDAR will not allow the same leeway to accommodate unintended consequences.

It is appropriate to consider, then, what could or should drive changes to tried and tested customer service practices. Enbridge is not aware of any reason why these practices should be changed, but, if there is thought to be a need for improvement, the starting point should be to address whether the perception of such need is well-founded. Should the Board consider it necessary or appropriate to consider changes to customer service practices, Enbridge urges the Board to put in place a process that will address where, if at all, the current practices are deficient or otherwise need to be changed. In other words, if there is thought to be any problem or area of concern, the first step is to address whether there is a basis for any such concerns, before making the assumption that new rules are needed. For all of these reasons, Enbridge respectfully asks the Board not to proceed in the manner set out in the letter of September 21, 2010.

Sincerely,



JAH/crg