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February 28, 2011

VIA RESS, EMAIL and 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 ("Board") File No. EB-2007-0722
Notice of Revised Proposal to Amend Codes:
Revised Proposed Low-income and Other Customer Service
Submission of Enbridge Gas Distribution Inc. ("Enbridge")

In accordance with the Board's Notice of Revised Proposal to Amend Codes, dated February 8, 2011, enclosed please find the submission of Enbridge.

The submission has been filed through the Board's Regulatory Electronic Submission System (RESS).

Please contact the undersigned if you have any questions.

Yours truly,

A handwritten signature in blue ink that reads 'Bonnie Jean Adams'.

Bonnie Jean Adams
Regulatory Coordinator

Encl.

EB-2007-0722
Customer Service Code Amendments

SUBMISSIONS OF
ENBRIDGE GAS DISTRIBUTION INC.

February 28, 2011

**SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC. ("ENBRIDGE")
IN RESPONSE TO NOTICE OF PROPOSAL TO AMEND CODES**

1. Enbridge is a regulated gas distributor serving over 1.9 million customers in Ontario. While Enbridge will not be directly impacted by the matters set out in the Ontario Energy Board's (the "OEB" or the "Board") Notice of Proposal to Amend Codes issued on September 30, 2010 (and amended on February 8, 2011), the Company will be impacted if subsequent parallel changes are made to the Gas Distribution Access Rule ("GDAR") and other regulatory instruments.¹
2. Enbridge's comments in respect of the Board's Notice of Revised Proposal to Amend Codes (the "Revised Notice")² are premised on the possibility that the proposed customer service rule changes may ultimately apply to gas customers. These comments should be read in conjunction with Enbridge's previous submissions in this proceeding, filed on October 21, 2010³, as well as Enbridge's submissions in the EB-2010-0280 proceeding (related to customer service rules for gas distributors), filed on December 22, 2010⁴ and February 17, 2011.⁵ Each of those submissions addressed the reasons why a new prescriptive approach to customer service policies is not required for gas distributors, and also highlighted the substantial costs that would be associated with implementing a suite of new customer service rules for gas distributors.
3. While Enbridge does have specific concerns with a number of items set out in the Board's Revised Notice⁶, the Company will refrain from specifically addressing each of these concerns at this time, because the provisions of the Revised Notice will not directly

¹ The Board's September 21, 2010 letter to rate regulated natural gas distributors and other stakeholders in EB-2010-0280 and the Board's January 20, 2011 Notice in that same proceeding both make clear that the Board may seek to introduce changes to GDAR to implement the same customer service rule requirements for gas distributors as those being developed and implemented for electricity distributors.

² Issued in this proceeding on February 8, 2011.

³ http://www.rds.oeb.gov.on.ca/webdrawer/webdrawer.dll/webdrawer/rec/220681/view/EGDI_SUB_Amend%20Codes_20101021.PDF

⁴ http://www.rds.oeb.gov.on.ca/webdrawer/webdrawer.dll/webdrawer/rec/234411/view/EGDI_Comments_GDAR_20101221.PDF

⁵ http://www.rds.oeb.gov.on.ca/webdrawer/webdrawer.dll/webdrawer/rec/250293/view/EGDI_Submission_GDAR_20110217.PDF

⁶ For example, Enbridge is concerned by the broadened definition of low-income customers set out in the Revised Notice, which will expand the class of eligible customers and may now include customers who qualify for reasons not linked to income levels. Obviously, increasing the class of customers who take advantage of the supplemental low-income rules will mean that associated costs to be borne by all ratepayers will be further increased.

impact Enbridge. Instead, Enbridge's submissions will focus upon the reasons why it is unnecessary for the Board, in its oversight of natural gas distributors, to adopt the same approach to regulating low-income customer service policies as contemplated by the Revised Notice.

4. Enbridge's current customer service policies and practices, as detailed in recent submissions in the EB-2010-0280 proceeding, have been developed and refined over many years. They are not the subject of any significant number of complaints by customers. In the EB-2010-0280 proceeding, Enbridge has suggested a number of potential refinements to its current customer service policies and practices which, if implemented, would further enhance the Company's customer service practices.
5. Enbridge is sensitive to the need for appropriate approaches to meet the needs and circumstances of low income customers. Enbridge's current customer service practices and policies are sufficiently broad and flexible to allow the Company to accommodate low income customers. Indeed, the Company's dealings with low income customers do not appear to be a significant topic of complaint or concern by customers or the Board.
6. Enbridge's current customer service practices and policies address low income issues in many ways, as seen in the following examples:
 - (a) Enbridge and the United Way created the Winter Warmth Fund in 2004 to provide emergency assistance to low-income customers. The Winter Warmth Fund has continued, expanded and grown since that time. The approach used for the Winter Warmth Fund has now been adopted, in large part, by the Board as the Low Income Energy Assistance Plan (LEAP) initiative.
 - (b) Enbridge's approach to disconnections ensures that customers in arrears are not disconnected during the winter heating season. Beyond this, though, before the start of the heating season, Enbridge visits each customer who is then disconnected, to educate customers about payment options available, including the Winter Warmth Fund. This visit is followed up with a letter and two phone calls, urging the customer to investigate payment options to allow reconnection to proceed.

- (c) Enbridge offers (and encourages) all customers the option to participate in a Budget Billing Plan, which is a program that helps spread annual gas costs evenly throughout the year. The Board has recognized the importance of this type of approach to assist low income customers in managing their energy costs throughout the year.
 - (d) Enbridge has developed a flexible approach to arrears management. Enbridge offers all customers in arrears the opportunity to discuss and establish a payment arrangement in order to avoid disconnection and clear up arrears, based on that customer's needs. Enbridge's approach is less rigid than what is set out in the Revised Notice. In some cases Enbridge's customers will establish multiple payment arrangements in a 24 month period. In addition, Enbridge's customers are generally not asking for 5 and 10 month (or longer) payment arrangements – indeed, in some cases a long payment arrangement term is not to the customer's benefit as it sets an artificial budget and can lead to the customer further over-extending themselves. Enbridge believes that its flexibility to continue a variety of payment arrangement approaches (which is very effective and was used in over 150,000 instances over the past year) will be reduced if the low-income customer service rules set out in the Board's February 8th Revised Notice are implemented for gas utilities.
 - (e) Enbridge has indicated, as part of the EB-2010-0280 proceeding, that it is open to certain refinements to its customer service policies and practices. If those refinements, such as extended payment periods for security deposits, are implemented then all of Enbridge's customers, including low-income customers, will benefit.
7. Enbridge's customer service practices and policies are premised on flexibility, to allow changes to be made over time, and to allow different approaches for different customers. Enbridge is concerned that a more prescriptive approach, as set out in the Board's Revised Notice, will not only add costs and reduce flexibility, but may also lead to further 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 prescriptive rules, such as those set out in the Revised Notice, will not allow the same leeway to accommodate unintended consequences.

8. In light of the foregoing, Enbridge submits that there is no need for additional rules (in the form of changes to GDAR or otherwise) to prescribe the customer service policies applicable to its low income customers.
9. In the event that the Board does proceed to consider changes to GDAR to prescribe low-income customer service policies for gas distributors, Enbridge has two suggestions.
10. First, Enbridge urges the Board to put in place a process that will address whether any of Enbridge's current customer service practices may need to be changed. Stated differently, the Board should examine current experience before making the assumption that new rules are needed.
11. To be able to best understand how Enbridge's current approaches are working, it may be appropriate to convene a stakeholder conference with all interested parties, as well as Board members and OEB Staff, so that all perspectives can be presented and exchanged. That process could also be used to discuss what additional rules the Board is considering so that parties can consider and discuss the need, impact, cost and timing of any such rules.
12. Second, Enbridge urges the Board to be mindful of the cost impact of any proposed changes to GDAR and gas distributor customer service policies and practices. As Enbridge and other parties have noted, these costs will ultimately be recovered from all ratepayers, so it is important to have the costs minimized.
13. Enbridge notes, and is encouraged by, the Board's comment in the Revised Notice (at pages 2 and 23) that a reason for some of the changes in the Revised Notice (as compared to the September 2010 Notice in this proceeding) is to reduce implementation and administration costs that will result from new customer service rules. Enbridge agrees that minimizing of costs that will be borne by all customers is a proper objective.

14. As noted in other submissions, though, Enbridge remains concerned that the overall impact of new customer service rules such as those proposed and adopted for electricity distributors will be to dramatically increase bad debt and working capital costs. Enbridge's view in this regard is informed by its many years of experience managing bad debt costs associated with outstanding accounts. The additional accommodations for low income customers as set out in the Revised Notice only add to the prospect of increased bad debt costs. Enbridge therefore urges the Board to specifically consider these additional costs, and address why it is appropriate for all ratepayers (the majority of whom pay in a timely manner and will not benefit from new customer service rules) to bear the costs.