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EXHIBIT LIST

A – ADMINISTRATIVE

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	2	1	Application
		2	2013 Template

B- SUPPORTING EVIDENCE

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	Contents
В	1	1	Background
	2	1	Overview of Relief Sought
	3	1	CIS Costs
		2	Five Point's CIS Project Close-Out Report
		3	January 1, 2013 Opening Rate Base for New CIS Asset
		4	Revenue Requirement Impact of New CIS Opening Rate Base Value
	4	1	Customer Care Costs
		2	Five Point's Customer Care Consultative Report
		3	Enbridge's Customer Care Strategy Document
		4	Stakeholder Steering Committee Statement of Principles
	5	1	Explanatory Notes re: 2013 Template
		2	Version of 2013 Template Containing Actual 2007 to 2012 Costs

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Sched. B, as amended;

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an order or orders approving its Customer Care and CIS costs for 2013 to 2018;

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an order or orders amending or varying the rates charged to customers for the sale, distribution, transmission, and storage of gas commencing as of January 1, 2013

APPLICATION

- 1. The Applicant, Enbridge Gas Distribution Inc. ("Enbridge" or the "Company"), is an Ontario corporation with its head office in the City of Toronto. It carries on the business of selling, distributing, transmitting and storing natural gas within Ontario.
- 2. Enbridge hereby applies to the Ontario Energy Board (the "OEB" or the "Board"), pursuant to section 36 of the *Ontario Energy Board Act*, 1998 as amended (the "Act"), for an Order or Orders approving the extension and expansion of the Template attached to the EB-2006-0034 Settlement Agreement that approved the Company's customer care and Customer Information System ("CIS") costs for 2007 to 2012 (the "2007 Settlement Agreement"). The extended and expanded Template (the "2013 Template"), which is attached as Ex. A-2-2, sets out the Company's forecast customer care and CIS costs, and associated annual revenue requirement, for the 2013 to 2018 period
- 3. As part of the EB-2006-0034 proceeding, the Board approved the 2007 Settlement Agreement, which set out the Company's customer care CIS costs for 2007 to 2012 (organized by category in the Template), as well as a "smoothed" annual revenue requirement for those costs in each year. The 2007 Settlement Agreement was the result of a lengthy and successful consultative process

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between Enbridge and a stakeholder steering committee comprised of representatives of three active intervenors in Enbridge's regulatory proceedings. The Board's approval of the 2007 Settlement Agreement allowed the Company to procure a new CIS asset and to enter into new long-term arrangements with a third party service provider for customer care services.

- 4. The current 2007 Settlement Agreement has provided certainty to both the Company and ratepayers in respect of customer care and CIS costs and arrangements over a lengthy period of time. Since the approval of the 2007 Settlement Agreement, Enbridge has continued to work with the stakeholder steering committee to report on the implementation of the new CIS asset and on related customer care issues. Through that process, Enbridge and the stakeholder steering committee agreed upon the final capital cost of the new CIS asset, and the resulting opening rate base amount for the new CIS asset as of January 1, 2013, when the 2007 Settlement Agreement comes to an end. The new opening rate base amount of \$76.9M is modestly higher than the \$71.4M amount indicated in the 2007 Settlement Agreement.
- 5. Enbridge's current customer care arrangements terminate as of April 1, 2012, unless Enbridge gives notice before October 1, 2011 that it wishes to temporarily extend those arrangements.
- 6. The Company has undertaken a comprehensive process, with the active participation of the stakeholder steering committee, to evaluate customer care arrangement options after April 1, 2012. As a result of this process, Enbridge has reached an agreement with its current service provider for an update and extension of the current customer care services agreement for five years, with an option for two more years. Enbridge and members of the stakeholder steering committee all believe that the terms of the update and extension of the

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agreement are reasonable and in the best interest of the Company and its ratepayers. Enbridge has agreed to the update and extension of the current customer care services agreement, conditional on receiving OEB approval for the recovery of costs that will be charged under that agreement. That approval must be received by September 15, 2011 in order for Enbridge to avoid having to negotiate for a temporary extension of the current customer care services agreement.

- 7. Enbridge and members of the stakeholder steering committee believe that it is appropriate and beneficial to extend and expand the Template that was attached to the 2007 Settlement Agreement to include therein the Company's CIS and customer care costs for the 2013 to 2018 period, upon which Enbridge and the steering committee have agreed, along with Enbridge's forecasts of all of its other CIS and customer care costs for that time frame. This will allow stakeholders, who are not members of the steering committee, to support the costs upon which Enbridge and the steering committee have agreed. It will also allow the Board to approve these cost consequences as reasonable before September 15, 2011, in order to satisfy the condition in the Agreement between Enbridge and its current service provider. Moreover, including the forecasts of all other CIS and customer care costs for the 2013 to 2018 period in the expanded Template will facilitate a process that will enable Enbridge and all interested parties to agree upon all customer care and CIS related costs for the period 2013 to 2018. Board approval of such an agreement will provide certainty to Enbridge and its ratepayers with respect to this significant component of Enbridge's annual revenue requirement.
- 8. Enbridge's forecast CIS and customer care costs for the 2013 to 2018 term are set out in the extended and expanded Template that is included with this Application as Ex. A-2-2. Enbridge and members of the stakeholder steering

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committee have agreed upon the values set out in rows 3 and 10(a) of the 2013 Template, which relate to the revenue requirement for the new CIS asset and to the costs of the update and extension of the current customer care services agreement. Enbridge and the stakeholder steering committee wish to work together, and with other interested stakeholders, to address all items in the 2013 Template to seek to reach a comprehensive agreement about Enbridge's customer care and CIS costs for the 2013 to 2018 term.

- 9. Enbridge requests that the Board convene a consultative or settlement process among all interested stakeholders to allow consideration and discussion of the matters set out in this Application as soon as possible. The goal of such a process is to reach a comprehensive agreement on all matters set out in the 2013 Template in time that a Settlement Proposal can be presented to the Board for approval by September 15, 2011.
- 10. In the event that no comprehensive agreement can be reached by the end of August 2011, the Company may seek Board approval of the values set out in rows 3 and 10(a) of the 2013 Template at that time in order to allow for the updated and extended customer care services agreement to be confirmed before October 1, 2011. In that event, Enbridge would continue stakeholdering efforts to confirm the balance of the items in the 2013 Template and to seek to reach a comprehensive agreement about Enbridge's customer care and CIS costs for the 2013 to 2018 term.
- 11. Enbridge therefore applies to the Board for such final and interim Orders as may be necessary to approve the cost consequences of the 2013 Template. The Company further applies to the Board pursuant to the provisions of the Act and the Board's *Rules of Practice and Procedure* for such final and interim Orders

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and directions as may be necessary in relation to the Application and the proper conduct of this proceeding.

- 12. The persons affected by this Application are the customers of Enbridge. It is impractical to set out the names and addresses of the customers because they are too numerous.
- 13. Enbridge requests that a copy of all documents filed with the Board by each party to this proceeding be served on the Applicant and the Applicant's counsel as follows:

Mr. Norm Ryckman
Director, Regulatory Affairs
Enbridge Gas Distribution
Inc.

Address for personal 500 Consumers Road

service: Willowdale, Ontario M2J 1P8

Mailing address: P.O. Box 650

Scarborough, Ontario M1K 5E3

Telephone: 416-495-5499 Fax: 416-495-6072

E-mail: egdregulatoryproceedings@enbridge.c

om

The Applicant's counsel:

Mr. David Stevens Aird & Berlis LLP

Address for personal Brookfield Place, PO Box 754 Service Suite 1800, 181 Bay Street

and mailing address: Toronto, Ontario

M5J 2T9

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Telephone:

416-865-7783

Fax:

416-863-1515

E-mail:

dstevens@airdberlis.com

DATED June 20, 2011, at Toronto, Ontario.

ENBRIDGE GAS DISTRIBUTION INC.

Per

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12,986,178

537,071,654

\$758,127,734

\$9,320,833 \$29,443,662

\$498,307,159 \$318,594,447 \$69,584,071 \$110,128,641

# Catamory of Cost	A 2002A	B 20084	C	D 2010A	E 2011	F 2012	G 2007-2012	H 2013B	1 2014P	J 2015P	K 2016P	L 1	M 2018D	
1							Total							
1 Old CIS Licence Fee														
2 Old CIS Hosting and Support	\$14,200,000	\$9,800,000	\$4,900,000	\$0	\$0	\$0	\$28,900,000	\$0	\$0	\$0	\$0	\$0	\$0	
Incumbent (CWLP) CIS Services being provided from 2a January to March 2007														
3 New CIS Capital Cost @ Board Approved 36% Equity	\$	\$0	\$950,000	(\$5,260,000)	\$25,890,000	\$24,910,000	\$46,490,000	\$25,420,000	\$24,380,000	\$23,320,000	\$22,320,000	\$21,310,000	\$20,260,000	
4 New CIS Hosting and Support	0\$	\$0	\$4,350,000	\$8,700,000	\$8,700,000	\$8,700,000	\$30,450,000	\$7,781,559	\$7,995,552	\$8,237,417	\$8,486,599	\$8,743,318	\$9,007,804	
5 CIS Backoffice (EGD Staffing)	\$1,000,000	\$1,030,000	\$2,000,000	\$2,060,000	\$2,121,800	\$2,185,454	\$10,397,254	\$2,858,763	\$2,947,385	\$3,047,891	\$3,151,824	\$3,259,301	\$3,370,443	
6 SAP Licence Fees	\$0	\$0	\$1,113,500	\$2,227,000	\$2,227,000	\$2,227,000	\$7,794,500	\$2,296,274	\$2,378,940	\$2,471,957	\$2,568,610	\$2,669,043	\$2,773,402	
7 SAP Modifications	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	\$15,200,000	\$10,830,000	\$14,313,500	\$8,727,000	\$38,938,800	\$38,022,454	\$126,031,754	\$38,356,596	\$37,701,876	\$37,077,264	\$36,527,033	\$35,981,662	\$35,411,649	
Customer Care Related Categories														
Incumbent (CWLP) Customer Care Services being 8 provided from - January to March 2007	\$16,900,000	0\$	0\$	0\$	0\$	0\$	\$16,900,000	0\$	0\$	0\$	0\$	0\$	0\$	
Oustomer Care Transition Service Provider Contract 9 Cost - ABSU April, 2007 to Sept. 30, 2008	\$0	\$0	\$0	\$0	\$0	\$0	0\$	\$0	\$0	\$0	\$0	0\$	\$0	
10 New Service Provider Contract Cost	\$47,803,098	\$66,069,140	\$67,251,948	\$68,885,212	\$ 70,731,432	\$ 72,542,088	\$393,282,918	\$74,670,566	\$77,937,876	\$81,276,823	\$84,469,914	\$87,763,976	\$92,188,004	
10e ACN, MTP & Collection Agency costs	,							48,605,388.47	50,478,999.25	52,238,204.51	53,785,231.25	55,378,239.92	58,108,383.93	
10b MET	,							\$10,491,888	\$10,824,366	\$11,301,277	\$11,802,274	\$12,323,179	\$12,841,088	
10c Postage							-	\$15,573,290	\$16,634,511	\$17,737,341	\$18,882,409	\$20,062,557	\$21,238,533	
11 Customer Care Licences	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$8,400,000	\$1,411,985	\$1,462,816	\$1,520,013	\$1,579,445	\$1,641,201	\$1,705,372	
12 Customer Care Backoffice (EGD staffing)	\$3,100,000	\$3,193,000	\$3,288,790	\$3,387,454	\$3,489,077	\$3,593,750	\$20,052,071	\$4,516,754	\$4,656,774	\$4,815,570	\$4,979,781	\$5,149,591	\$5,325,192	
13 Customer Care Procurement Costs	'	980,000	980,000	980,000	980,000	980,000	4,900,000	\$0	\$0	\$0	\$0	\$0	\$0	
14 Transition Costs - Consultants and ISP	9	0\$	\$	\$0	0\$	\$0	\$	0\$	\$	\$0	\$	\$0	\$0	
15 Transition Costs - EGD Staffing			:		:				:		:		:	
16 Total CIS & Customer Care	\$84,403,098	\$82,472,140	\$87,234,238	\$83,379,666	\$115,539,309	\$116,538,292	\$569,566,743	\$118,955,902	\$121,759,343	\$124,689,670	\$127,556,172	\$130,536,430	\$134,630,218	
17 Number of Customers	1,831,283	1,878,004	1,925,563	1,973,575	2,021,588	2,069,600	11,699,613	2,059,959	2,100,317	2,142,191	2,185,464	2,229,173	2,269,074	
Total Customer Care Only Customer Care Only Cost/Customer	69,203,098	71,642,140	72,920,738	74,652,666	76,600,509	78,515,838	443,534,989	80,599,306	84,057,466	87,612,405	91,029,139 41.65	94,554,768	99,218,569	
Customer Care Only Cost/Customer Annual Change %	2	36.13	37.07 -1%	%0	%0 %0	97.34		38.13	40.02	40.30	41.65	42.42	43.73	

\$137,010,000 \$50,252,248 \$18,635,607 \$15,158,226

N 2013-2018 Total

Customer Care and CIS Settlement Template - through 2018

"2013 Template"

\$221,056,081

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Ī	True-Up Process Step	-	В	ပ	Q	E	F		9	н	1	٦	×	7	N	_
18	The Normalized 2007 Customer Care Revenue Requirement can be determined. This will be calculated by starting with the Total Customer Care Revenue Requirement for 2007 to 2012, which is the amount in box G16	\$569,566,743														
	That Total Customer Care Revenue Requirement will then be placed into an amortization model that caclculates, using the IR annual adjustment that is approved for Enbridge Gas Distribution, the Normalized 2007 Customer Care Revenue Requirement which is the number that, when adjusted for IR annual adjustment for each year from 2008 through 2012, will allow the Company to fully recover the Total Customer Care Revenue Requirement for 2007 to 2012 [Sample calculation using the following formula as the Amortization Model: Adjusted Customer Care Revenue Requirement for 2008 to 2012 = ACRR IR Annual Adjustment = IRAA IR Annual Regulation of the Acros (ACR) ENDORCORR															
19	-	\$90,799,999.40								\$120,860,283.14	14					
20	The Normalized 2007 Customer Care Revenue Requirement will then be compared to the 2007 placeholder of \$90.8 million, and the difference will be the 2007 Customer Care Revenue Requirement Variance.	(\$1)														
21	The Company will credit or debit the 2007 Customer Care Revenue Requirement Variance, as the case may be, to the 2007 Customer Care Variance Account. The balance in that account will be repaid to the ratepayers, or charged to the ratepayers, with interes		9\$)	(0\$)	(0\$)	(0\$)	(0\$)	(0\$)		6)	0\$	0\$	0\$	0\$	0\$	
22	7	\$90,799,999	\$92,412,426	6 \$94,053,486		\$95,723,687 \$9	\$97,423,549	\$99,153,596	\$569,566,743	\$120,860,283	83 \$123,006,520	\$125,190,870	\$127,414,009	\$129,676,627	\$131,979,425	758,127,734.43
23	Total Customer Care Revenue By Year (Including repayment of 2007 variance)	000'008'06 \$	\$ 92,412,426	6 \$ 94,053,486	\$	95,723,687 \$ 9	97,423,549 \$	99,153,596	\$ 569,566,743	\$ 120,860,283	83 \$ 123,006,520	\$125,190,870	\$127,414,009	\$129,676,627	\$ 131,979,425	\$ 758,127,734
24	Normalized Customer Care Revenue Requirement Per Customer without Bad Debt		€9	€	€	€9	3.19									
25	25 Annual Adjustment assumed in above calcs.	1.7758%	<u></u>							1.77580%	%(