

BACKGROUND

1. This Application is filed with the Ontario Energy Board (the “OEB” or the “Board”) seeking approval of Enbridge Gas Distribution Inc.’s (“Enbridge” or the “Company”) revenue requirement for customer care (“CC”) and Customer Information System (“CIS”) services, during the years from 2013 to 2018.
2. Effectively, this Application seeks an amendment and update to a Settlement Proposal approved by the Board in the EB-2006-0034 proceeding, in respect of CC and CIS costs for the 2007 to 2012 period (referred to herein as the “2007 Settlement Agreement”).¹ The 2007 Settlement Agreement 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 the sum of those costs in each year. The extended and expanded Template (the “2013 Template”) attached to this Application as Ex. A-2-2 uses the same approach and sets out the Company’s forecast customer care and CIS costs, and associated annual revenue requirement, for the 2013 to 2018 period.
3. The 2007 Settlement Agreement for Customer Care O&M and Customer Information System issues (the “2007 Settlement Agreement”) was reached after a lengthy, intense and successful consultative process between Enbridge and stakeholders. Throughout that consultative process, Enbridge worked principally with a stakeholder steering committee consisting of representatives from Consumers Council of Canada (“CCC”), Industrial Gas Users Association (“IGUA”)² and School

¹ Exhibit N1, Tab 1, Schedule F in the EB-2006-0034 proceeding.

² The lawyers who had participated in the Steering Committee on behalf of IGUA subsequently (in mid-2007) became the representatives of Canadian Manufacturers & Exporters (“CME”) and thereafter participated in the Steering Committee on behalf of CME.

Energy Coalition ("SEC"), who had been selected by the larger stakeholder community to represent their interests.

4. The consultative's main purpose was to provide Enbridge with stakeholder feedback and guidance throughout the design and tendering phases of the CC and CIS initiatives, with the intent of leading to a consensus proposal for review by the Ontario Energy Board (the "OEB" or the "Board"). Ideally, the process would meet the interests of Enbridge and ratepayers in allowing Enbridge to proceed with necessary long-term plans for its customer care operations, including the acquisition of a new computer system to manage billing functions (the new CIS asset).
5. Ultimately, the consultative process led to a resolution of most of the regulatory and ratemaking issues related to the procurement of new CC and CIS services and the provision of CC services. This allowed Enbridge, with stakeholder support, to procure a new CIS and to enter into contract with Accenture Business Services for Utilities ("Accenture") for the provision of CC services for a five year term.
6. A fundamental component of the resolution was the agreement among all parties that the overall CIS and CC costs to be incurred during the then-current year (2007) and the expected five year incentive regulation ("IR") period that would follow (2008-2012) would be summed together and then smoothed over the entire six year period. The six year term of the settlement allowed the Company to proceed to award long term contracts for a new CIS asset and to a new CC service provider.
7. The 2007 Settlement Agreement that was prepared by the consultative group endorsed Enbridge's plans to acquire and operate a new CIS asset, and to enter into new CC arrangements with a third party provider. The 2007 Settlement Agreement set out the manner in which Enbridge's CC and CIS costs (except for bad debt

costs, and costs associated with agent billing and collection (“ABC”) and open bill access) would be recovered from ratepayers during the six year term of the 2007 Settlement Agreement. This was done through a “Customer Care and CIS Settlement Template” (the “2007 Template”) that itemized, by year, the relevant CC and CIS costs and/or revenue requirement and summed all those costs together and then derived and set out the normalized CC and CIS revenue requirement for each year, using an inflation factor.

8. The 2007 Settlement Agreement was approved by the Board during a hearing on March 22, 2007.³ In approving the 2007 Settlement Agreement, the Board highlighted the approach used by stakeholders to sum together all costs over six years and create a “smoothed” annual revenue requirement, and noted that “we are impressed by the drafting of this agreement and the sophistication of the process by which it was brought about”.⁴
9. At the time that the 2007 Settlement Agreement was approved, the 2007 Template could not be completely filled in and the actual revenue requirement could not be determined, primarily because some of the new contracts that define the CC and CIS costs for the period from 2007 to 2012 had not yet been awarded. The 2007 Settlement Agreement contemplated that once these contracts were awarded, and the parameters of the IR model that would apply for Enbridge’s rates from 2008 to 2012 were set, a “true-up” process could then be undertaken to complete the 2007 Template. In this regard, the 2007 Settlement Agreement contains “True-Up Rules” that set out the approach and steps to be followed in completing the 2007 Template at the appropriate time.

³ EB-2006-0034, 15 Tr. 85.

⁴ EB-2006-0034, 15 Tr. 83-85.

10. In April 2008, at the time that the Company's IR Settlement Agreement was being implemented through a Rate Order, all costs that would be part of the 2007 Template were known.⁵ At that time, as part of the Rate Order process in the EB-2007-0615 proceeding, Enbridge presented the results of the true-up process to finalize the 2007 Template and set the CC and CIS revenue requirement to be recovered for the years 2008 to 2012 (which are the years covered by the IR Settlement Agreement).⁶ All parties agreed on the manner in which the 2007 Template should be completed, and the Board approved the "trued-up" template as part of the EB-2007-0615 Rate Order.⁷ Enbridge's CIS and CC revenue requirement for the IR term is now being determined each year in accordance with the amounts set out in the 2007 Template. That will continue to be the case for Enbridge's 2012 rate adjustment proceeding.

11. After the OEB approval of the "trued-up" Template, Enbridge continued to work with the stakeholder steering committee and their expert advisor (Five Point Consulting LLC ("Five Point"))⁸ to discuss and review the implementation of the new CIS asset. Subsequently, Enbridge and the steering committee also worked together on issues related to the procurement of CC services after the date when the current arrangement with Accenture terminates (April 1, 2012).

⁵ Although the final CIS costs were not known at that time, as the new CIS implementation was not yet completed, the parties agreed in the 2007 Settlement Agreement that the assumed CIS costs would be used for revenue requirement purposes throughout the 2007 to 2012 term (subject to limited exceptions that were never applicable).

⁶ As set out in the IR Settlement Agreement, the CC and CIS revenue requirement is treated as a Y-factor (or pass-through) amount in the calculation of annual revenue requirement during Enbridge's current IR term.

⁷ EB-2007-0615 Decision and Rate Order, dated May 15, 2008, at page 5 and Appendix "F".

⁸ Five Point is the corporate successor to TMG Consulting, which was the expert advisor to the stakeholder steering committee in connection with the 2007 Settlement Agreement. For ease of reference, TMG Consulting and Five Point Consulting are both referred to as "Five Point" in the evidence supporting this Application.

12. This process has led to a number of developments in respect of the Company's CIS and CC arrangements. These developments will directly impact the amounts to be recovered for CIS and CC services in the years after the term of the current 2007 Settlement Agreement concludes (starting as of January 1, 2013). To the extent that these developments impact the actual costs paid by Enbridge for CIS and CC services before January 1, 2013, those impacts will not be included in Enbridge's revenue requirement for 2011 and 2012, since the values in the 2007 Template will continue to apply for the term of the 2007 Settlement Agreement (until December 31, 2012).
13. The first development is that the Company's new CIS asset has now been successfully brought into service, and all implementation costs associated with the new CIS asset (which has a ten year economic life) are known. These costs have been reviewed and endorsed by the stakeholder steering committee. The costs are modestly different from what was forecast and included in the 2007 Settlement Agreement. The result is that, if the new costs are accepted as recoverable, the opening rate base value for the new CIS asset (\$76.9M) will be modestly different on January 1, 2013 from what is set out in the Board-approved 2007 Settlement Agreement (\$71.4M).
14. The second development is that a process has been undertaken to proactively evaluate the Company's current CC arrangements, and future options for receiving CC services, in the interest of ensuring the best possible future arrangements for ratepayers and Enbridge. The goal of this process has been to determine how best to obtain CC services in the years after April 1, 2012, when the current CC contract with Accenture expires. As a result of this process, Enbridge has reached an agreement with Accenture 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 are reasonable and in the best interest of the Company and its ratepayers. Enbridge has agreed with Accenture to the update and extension of the current CC 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.

15. Enbridge and the stakeholder steering committee have agreed on the cost consequences of the two items described above, for the six year period from 2013 to 2018, after the term of the current 2007 Settlement Agreement expires. These costs represent approximately 60% of all costs set out in the 2013 Template. There are other aspects of Enbridge's CC and CIS revenue requirement for 2013 to 2018 that are set out in the 2013 Template and that are the subject of continuing discussions. Many of those items are not expected to be contentious as they relate to fixed third party arrangements.
16. Through this Application, Enbridge (with the support of the stakeholder steering committee) wishes to expand the discussions to include all interested stakeholders, including OEB Staff, and to address all aspects of Enbridge's CC and CIS costs for the 2013 to 2018 term.
17. Effectively, as described in the balance of the prefiled evidence, this Application seeks an amendment and update to the 2007 Settlement Agreement. The 2007 Settlement Agreement set out the Company's CC and 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. In this Application, Enbridge

seeks Board approval of the cost consequences of the extended and expanded Template (the “2013 Template”) attached as Ex. A-2-2. The 2013 Template uses the same approach as the 2007 Template and sets out the Company’s forecast CC and CIS costs, and associated annual revenue requirement, for the 2013 to 2018 period.

OVERVIEW OF RELIEF SOUGHT

1. Effectively, this Application seeks an amendment and update to the 2007 Settlement Agreement.¹ The 2007 Settlement Agreement 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 extended and expanded Template (the "2013 Template") attached to this Application as Ex. A-2-2 uses the same approach and sets out the Company's forecast customer care and CIS costs, and associated annual revenue requirement, for the 2013 to 2018 period.
2. It is because the relief sought in this Application amends one aspect of the 2007 Settlement Agreement (related to the opening rate base value for the new CIS asset on January 1, 2013), and otherwise essentially replicates the terms of the 2007 Settlement Agreement for an extended term, that this Application amounts to a request for an extension and expansion of the 2007 Settlement Agreement. The relief sought in this Application does not in any way amend the agreement on CIS and CC revenue requirement for the 2007 to 2012 term, as set out in the 2007 Settlement Agreement.
3. The relief sought in this Application is the approval of the amounts to be recovered by Enbridge for CC services and related costs, including revenue requirement for CIS, for the period from 2013 to 2018. Those amounts are set out in an updated template (the 2013 Template) that includes all costs and revenue requirement, as well as the smoothing and normalizing of those costs/revenue requirement, to create annual CC/CIS revenue requirements for 2013 to 2018.

¹ Exhibit N1, Tab 1, Schedule F in the EB-2006-0034 proceeding.

4. The 2013 Template uses the identical approach to that used in the 2007 Template, to set out the Company's agreed-upon CC and CIS costs for the 2013 to 2018 period and then create an overall revenue requirement associated with those costs. That revenue requirement is then "smoothed" to determine annual revenue requirements for each year. As was the case in the 2007 Template, bad debt, ABC and open bill access costs are not included in these revenue requirements, and will be considered separately as part of the Company's rates that are set through an IR or cost of service approach.
5. As was the case with the 2007 Template, all the amounts in the 2013 Template related to CC and CIS costs and revenue requirement for the years from 2013 to 2018 have been summed together, to determine annual and overall revenue requirements. The total revenue requirement associated with CC and CIS services for the 2013 to 2018 term is \$758.13M. That amount has been placed into an amortization model that calculates, using an inflation factor of 1.7758% (which is the same as what was used in the 2007 Template), the Normalized 2013 Customer Care Revenue Requirement which is the number that, when adjusted for each year from 2013 through 2018, would allow the Company to fully recover the total CIS and CC revenue requirement as set out in the 2013 Template for 2013 through 2018.
6. The resulting Normalized 2013 Customer Care Revenue Requirement amount is \$120.86M. The annual CC/CIS revenue requirements for the remaining years until 2018 are as set out in row 22 of the 2013 Template, and range from \$120.86M in 2013 to \$131.98M in 2018.
7. The 2013 revenue requirement for CIS and CC services (\$120.86M) is approximately \$20.6M higher than the trued-up and smoothed revenue requirement

for CIS and CC services in 2012, as calculated using the 2007 Template (\$99.2M). These two numbers can be found as cells F23 and H23 of the 2013 Template.

8. There are a number of reasons for this increase:

- a. The main reason for the increase, accounting for approximately \$14.4M per year in revenue requirement, relates to the smoothing of CIS revenue requirement. During the 2007 to 2012 period, the average annual CIS revenue requirements, as calculated through the 2007 Template, were relatively low. This is because during that period the Company received a timing benefit of lower taxes associated with a full Capital Cost Allowance (CCA) for IT hardware and software related to the new CIS asset. The CCA allowance provided tax timing benefits to be recognized by Enbridge and customers through 2012 in relation to the CIS asset's ten year economic life. Under the smoothing approach used in the 2007 Template, all of the CCA timing benefit was spread through the first five years of the economic life of the CIS asset. As of January 1, 2013, when all of the CCA benefit has been credited to the CIS revenue requirement during previous years, the annual CIS cost to be recovered in the remaining years of the asset's economic life will necessarily increase. Through the 2007 Settlement Agreement, all parties were aware that CIS-related revenue requirement would increase substantially at the end of the term of the Settlement Agreement, and agreed that Enbridge would recover the full revenue requirement associated with the new CIS, throughout its economic life.²
- b. The opening rate base value for the new CIS asset, as of January 1, 2013, is \$5.5M higher than the \$71.4M value than was indicated in the 2007

² 2007 Settlement Agreement, at p. 13.

- Settlement Agreement. The main drivers of this variance are increases in actual system integrator costs over the original estimates, offset by decreases in other capital costs as compared to what was assumed at the time that the 2007 Settlement Agreement was finalized, and the fact that the in-service date for the new CIS asset was later than anticipated (resulting in increased interest during construction). The change in the net book value (opening rate base) of the CIS asset from what was contemplated in the Settlement Agreement adds approximately \$1.4M per year in revenue requirement as compared to the annual revenue requirement based on the unadjusted rate base value for the CIS asset.
- c. A third reason that the 2013 CC/CIS revenue requirement is higher than the 2012 amount arises from increases in the cost of outsourced CC services, principally the impacts of: (i) customer growth; (ii) the new CC arrangements negotiated with Accenture; and (iii) general inflation with respect to meter reading services, postage and related internal costs.
- d. A fourth reason that the 2013 CC/CIS “smoothed” revenue requirement is higher than the “smoothed” 2012 amount arises from the fact that all costs are smoothed over the six year terms of the 2013 Template. This means that the 2012 “smoothed” revenue requirement is lower than it otherwise would be (since it is the last of six smoothed years) and the 2013 “smoothed” revenue requirement is higher than it otherwise would be (since it is the first of six smoothed years).
9. Enbridge and members of the stakeholder steering 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 CC services agreement. The remaining items in the 2013 Template have not yet been resolved as between Enbridge and the stakeholder steering committee. Enbridge wishes to continue to work with the stakeholder steering committee, as well as with all other interested stakeholders, to address all items in the 2013 Template to seek to reach a comprehensive agreement about Enbridge's CC and CIS costs for the 2013 to 2018 term.

10. As explained above, the relief sought in this Application effectively represents an amendment and extension to the current 2007 Settlement Agreement from the EB-2006-0034 proceeding. There are a number of reasons why it is appropriate that this Application should be treated as an amendment to the 2007 Settlement Agreement, and why it is appropriate to approve the 2013 Template.
11. First, this Application addresses the update and extension of the CC arrangements which has been negotiated with Accenture. The updated and extended CC services agreement has a term of five years commencing April 1, 2012, as well as an option to extend for a further one or two years. It is a condition precedent to that contract extension, which has a cost of approximately \$430 million over five years, that OEB approval as to the recovery of the associated costs through rates is obtained before the contract extension is effective. Enbridge and the stakeholder steering committee agree that the most appropriate and efficient manner to seek such approval is through an approach that presents all anticipated CC and CIS costs together, for the period during which the contract extension will be in place.
12. Second, the 2013 Template addresses the continued treatment of the same CIS capital costs that are addressed in the 2007 Settlement Agreement and 2007 Template. Now that the new CIS asset has been brought into service, and all related costs are known, the opening rate base value as of January 1, 2013 (used to

determine CIS revenue requirement for the balance of the CIS asset's 10 year economic life) can be set. Doing so requires application of and an amendment to the 2007 Settlement Agreement, to address the fact that the opening rate base value as of January 1, 2013 is different than was set out in the 2007 Settlement Agreement.

13. Third, all necessary information to address Enbridge's forecast CIS and CC costs for the 2013 to 2018 period is now known. There is no reason to wait for a later date for these costs and the associated revenue requirement to be considered and approved. Instead, the resolution of this matter at this time will take away one additional significant issue that would otherwise have to be determined along with many other matters that may be in issue in Enbridge's next rate application to implement new rates as of January 1, 2013, which will most likely include a new IR mechanism. Enbridge expects that the annual CC/CIS revenue requirements for the years from 2013 to 2018, as set out in row 22 of the 2013 Template, would be treated separately within any next generation IR plan.
14. Fourth, the model for this Application, the 2007 Settlement Agreement, has proven itself to be effective, efficient and free of unnecessary regulatory involvement, and has delivered all of the benefits contemplated by parties and the Board when it was established. That model provides certainty to both the Company and ratepayers in respect of CC and CIS costs and arrangements over a lengthy period of time.
15. The balance of the prefiled evidence set out details of the CIS and CC costs set out in the 2013 Template.

Requested Process

16. There is some urgency associated with the parts of this Application that are based on the agreed upon the update and extension of Enbridge's current CC arrangements with Accenture. The current arrangements terminate as of April 1, 2011, unless Enbridge gives notice before October 1, 2011, that it wishes to temporarily extend those arrangements. The Company's agreement with Accenture to update and extend the CC services agreement is conditional upon receiving OEB approval for the recovery of costs that will be charged under that agreement. That approval must therefore be received by September 15, 2011 in order for Enbridge to avoid having to negotiate for a temporary extension of the current (not updated) CC services agreement.
17. In order to allow for discussions among all stakeholders to proceed expeditiously, Enbridge requests that the Board convene a consultative process among all interested stakeholders to allow consideration and discussion of the matters set out in this Application as soon as possible. This process could be styled as a settlement conference under the Board's Rules of Practice & Procedure, or could commence with a Technical Conference, to be followed by a settlement conference. In either case, the goal of such a process is to reach a comprehensive agreement among all interested stakeholders 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.
18. In the event that no comprehensive agreement on the 2013 Template can be reached between Enbridge and stakeholders by the end of August 2011, the Company will 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 CC

services agreement to be confirmed before October 1, 2011. In that event, Enbridge would also continue efforts to confirm the balance of the items in the 2013 Template and to seek to reach a comprehensive agreement with all stakeholders (for approval by the Board) about Enbridge's CC and CIS costs for the 2013 to 2018 term.

CIS COSTS

A. Overview

1. The top-right section of the 2013 Template sets out the forecast revenue requirement amounts for Enbridge's CIS-related costs for the period from 2013 to 2018. In total, the revenue requirement for Enbridge's CIS related costs from 2013 to 2018 is \$221,056,081. That total is derived by summing together the annual amounts from 2013 to 2018 set out in rows 3 to 6 of the 2013 Template. The most significant of these amounts relates to the CIS capital costs to be recovered over the expected term (2013 to 2018) of Enbridge's next generation IR plan.
2. As explained below, Enbridge and the members of the stakeholder steering committee have agreed that the January 1, 2013 opening rate base value for the new CIS asset should be \$76.9 million. If accepted, that value will supersede the references at pages 13 and 14 of the 2007 Settlement Agreement which set the opening rate base value for the new CIS asset as of January 1, 2013 at \$71.4M. The amounts set out at line 3 of the 2013 Template reflect the annual revenue requirement of the new CIS asset for the years from 2013 to 2018, using the updated opening rate base value.
3. Enbridge's other CIS-related costs, forecast for the 2013 to 2018 period, are set out in rows 4, 5 and 6 of the 2013 Template. Those costs relate to CIS Hosting and Support; CIS Backoffice (Enbridge staffing) and SAP Licence Fees. There is not yet any agreement on those costs.

B. Background

4. Through the 2007 Settlement Agreement, the parties endorsed Enbridge's acquisition of a new CIS asset. The parties agreed, among other things, to an

overall CIS cost of \$118.7 million (subject to later adjustments or true-up), including capital, interest during construction (“IDC”) and procurement costs. This overall cost was to be recovered over the ten year service life of the new CIS asset. The 2007 Settlement Agreement included a smoothing approach, embedded within the 2007 Template setting the amount to be recovered in rates for CC and CIS costs for the period from 2007 through 2012 (which was assumed to be the end-date for Enbridge’s IR term). Under the terms of the 2007 Settlement Agreement, the amount included in opening rate base as of January 1, 2013 for the new CIS asset was to be its assumed 2012 closing net book value of approximately \$71.4 million. That amount, which is based on the assumed CIS cost of \$118.7 million, was subject to adjustment to reflect the actual costs of the new CIS asset.

5. At the time that the 2007 Settlement Agreement was approved, the procurement for the new CIS asset was ongoing. As set out in the 2007 Settlement Agreement,

The procurement processes will not be completed, with the selection of a new CIS and a new Customer Care service provider, until mid 2007. As a result, the cost of the new CIS and of the new Customer Care service provider cannot be estimated at this time. In addition, the prudence and cost consequences of the CIS and Customer Care arrangements cannot be determined until those arrangements have been finalized, which is expected to be in the first half of 2007. As well, the new CIS will not become operational until June 2009 and it is only at that time that final costs for the new CIS will be known.¹

6. The 2007 Settlement Agreement expressly provided for certain aspects of the CIS cost to be adjusted later, by setting a different rate base amount for the new CIS asset as of January 1, 2013, if there were variances from the costs assumed in the 2007 Settlement Agreement. In this regard, the 2007 Settlement Agreement provides that, subject to the restrictions on CIS costs set out therein, all prudently incurred and reasonable costs associated with the new CIS asset, including return

¹ 2007 Settlement Agreement, at pp. 4-5.

and income taxes, should be recoverable in rates, during the 10-year economic life of the new CIS asset.² The 2007 Settlement Agreement makes clear that any adjustments to be made to the CIS costs will not impact upon the amounts being recovered in rates during the years from 2007 to 2012. Instead, the impacts of any changes in CIS costs are to be recovered prospectively, with the recovery to be effected through adjustments to the opening rate base value for the new CIS asset as of January 1, 2013.³

7. The 2007 Settlement Agreement's \$118.7 million assumed cost for the new CIS asset was based upon a number of things, including: (i) an estimated amount of \$42 million for system integrator ("SI") contract costs, which was still in midst of a direct competitive tender process; (ii) an amount of about \$76.7 million for all other project costs, an amount that Enbridge was to "manage and control during the CIS procurement and implementation process"; and (iii) an in-service date of January 1, 2009 (used for the estimation of IDC).⁴
8. In the 2007 Settlement Agreement, the parties agreed that the stakeholder steering committee would continue to be involved with monitoring the procurement and implementation of the new CIS asset:

Finally, the parties agree that the Consultative will continue to monitor the completion of the procurement process, up to and including reviewing the final terms of the contracts, and thereafter, the implementation of the CIS and Customer Care arrangements, which the parties agree will be no later than six months after the in-service date for the new CIS. As has been the case to date, the Intervenor involved in the Consultative agree that they will raise any concerns about the ongoing process, and the outcomes from that process, as soon as they have sufficient information to identify and communicate those concerns. If the Intervenor involved in the Consultative believe

² 2007 Settlement Agreement, at p. 13.

³ 2007 Settlement Agreement, at p. 12.

⁴ 2007 Settlement Agreement, at pp. 11-13.

*that they are not receiving sufficient information, they will advise the Company immediately. The parties agree that the Consultative will continue to work in a timely, responsive and reasonable manner until its mandate is completed.*⁵

C. Procurement and Implementation of the new CIS asset

9. The stakeholder steering committee, with the added expertise of Five Point (who acted as expert advisors to the stakeholder steering committee) has continued to be engaged with reviewing and monitoring the procurement and implementation of the new CIS asset since the time that the 2007 Settlement Agreement was approved.
10. As of September 2009, the new CIS asset has been successfully brought into service. Members of the stakeholder steering committee have been provided with information about the implementation of the new CIS asset and the related costs. Five Point has worked with the stakeholder steering committee, and Enbridge, throughout the CIS Replacement Project, and issued its Project Close-Out Report on October 29, 2009. A copy of Five Point's Project Close-Out Report is attached as Ex. B-3-2.
11. The Five Point Project Close-Out Report confirmed the success of the CIS implementation process. The implementation quality was good, and there was minimal disruption to Enbridge's 1.9 million customers from the migration to the new CIS asset. As stated by Five Point in its Project Close-Out Report:

*The project launch was extremely smooth and can be considered as one of the most successful in the industry ... The solution is of very high quality [and] is functioning as designed.*⁶

⁵ 2007 Settlement Agreement, at p. 6.

⁶ Ex. B-3-2, Project Close-Out Report, at slide 3.

12. While the in-service date for the new CIS asset was several months later than first forecast, Enbridge acted prudently to manage the revised in-service date and to ensure that the delays and associated costs did not exceed appropriate levels.

13. At this time, the new CIS asset is in service, and past its warranty period (which expired in December 2009), and all of the associated capital costs are known. Enbridge and members of the stakeholder steering committee have agreed that the additional implementation costs associated with the new CIS asset are reasonable and prudently incurred. In its Project Close-Out Report, Five Point concluded that:

EGD managed the budget diligently while applying standard financial practices and stringent budget policies to make prudent decisions.⁷

14. It is now clear that the actual costs of the new CIS asset are different from the assumed CIS cost of \$118.7 million that was set out in the 2007 Settlement Agreement.

15. First, the “other project costs” associated with the new CIS asset, including unplanned Five Point costs, were \$0.4 million lower than the \$76.7 million estimate. It is apparent from this result that the Company was successful in addressing the costs that, under the terms of the Settlement Agreement, Enbridge was to “manage and control during the CIS procurement and implementation process”. In this regard, Five Point noted in its Project Close-Out Report that “the project budget was managed through standard financial practices and stringent budget policies”.⁸

16. Second, the total SI costs (without IDC) were \$48.6 million, as compared to the preliminary figure of \$42 million that was included in the Settlement Agreement. The

⁷ Ex. B-3-2, Project Close-Out Report, at slide 9.

⁸ Ex. B-3-2, Project Close-Out Report, at slide 3.

higher SI costs resulted from the competitive tender process, which awarded Sapient with the SI contract at a cost that exceeded the \$42 million amount included in the Settlement Agreement. In its Project Close-Out Report, Five Point noted that it had “reviewed the [SI] selection process and released a report endorsing the fairness of the selection process and its conformance to industry norms”.⁹

17. Additionally there is a cost difference relating to the timing of when the new CIS asset went into service. That figure is derived by taking the \$5.5 million net book value as of January 1, 2013 of the additional SI costs (which total \$6.6 million) and the additional IDC costs (which total \$1.9 million) and adding those amounts to the \$71.4 million assumed value of the new CIS asset actual in-service date for the new CIS asset was September 2009, as compared to the January 1, 2009 date that was used for cost calculation purposes in the 2007 Settlement Agreement.¹⁰ The later date means that the actual amount of IDC, \$7.2M, is higher than the \$5.3M assumed in the revenue requirement template underpinning the 2007 Settlement Agreement. This means that Enbridge has incurred \$1.9 million in IDC costs that is not being recovered in rates during the current IR term (up to January 1, 2013). In its report, Five Point noted that Enbridge proactively managed early delays that were encountered by “gaining time wherever possible without cutting corners”.¹¹

D. January 1, 2013 Opening Rate Base for the new CIS asset

18. The 2007 Settlement Agreement provides that “all prudently incurred and reasonable costs associated with the new CIS, including return and income taxes, should be recoverable in rates .. for the 10-year economic life of the new CIS

⁹ Ex. B-3-2, Project Close-Out Report, at slide 6.

¹⁰ The January 1, 2009 in-service date is inherent in the CIS revenue requirement number used in row 3 of the 2007 Template attached to the 2007 Settlement Agreement.

¹¹ Ex. B-3-2, Project Close-Out Report, at slide 3.

assets”.¹² The 2007 Settlement Agreement further provides that adjustments may be made to the \$71.4 million assumed opening rate base amount for the CIS asset as of January 1, 2013 in order to “reflect the actual costs of the new CIS”.¹³

19. Consistent with those provisions, and in recognition of the differences in costs and the timing of the in-service date of the project, Enbridge and the stakeholder steering committee have agreed that the 2007 Settlement Agreement should be amended, to provide for an adjusted opening rate base figure for the new CIS asset, as of January 1, 2013. It is important to note that this change will not affect the rates to be collected from ratepayers in 2011 and 2012 as agreed upon in the 2007 Settlement Agreement.
20. Specifically, the opening rate base value for the new CIS asset as of January 1, 2013 should be \$76.9 million, rather than the \$71.4 million assumed value in the Settlement Agreement. This approach means that approximately \$3.0 million of the \$8.5 million of additional SI and IDC costs incurred by Enbridge will not be included in the adjusted opening rate base, because that portion relates to amounts that would otherwise have been recovered during the current IR term. In other words, Enbridge will not recover that portion of the additional CIS costs which would have been part of revenue requirement during the term of the current Settlement Agreement.
21. The derivation of the \$76.9 million opening rate base value for the new CIS asset as of January 1, 2013 is set out in detail in Ex. B-3-3.

¹² 2007 Settlement Agreement, at p. 13.

¹³ 2007 Settlement Agreement, at p. 13.

22. At a high level, the revenue requirement impact set out in the 2013 Template for CIS asset costs (based on the original CIS-related capital structure embedded in the 2007 Template) is that Enbridge will recover approximately \$137.0M in rates over the 2013 to 2018 term. That amount, which is agreed to by Enbridge and the stakeholder steering committee, is seen at row 3 of the 2013 Template.
23. The revenue requirement impact of this aspect of the Application is set out in more detail in Ex. B-3-4. That document sets out how Enbridge's revenue requirement for the new CIS asset will be different under this Supplementary Settlement Proposal, over the years from 2013 to 2018, and also shows the difference through to the year 2019, which is the last year of the CIS asset's economic life.
24. If the values in row 3 (columns H to M) of the 2013 Template, which are based upon a January 1, 2013 opening rate base value for the new CIS asset at \$76.9 million, are approved by the Board, that approval will supersede the references at pages 13 and 14 of the 2007 Settlement Agreement which address the opening rate base value for the new CIS asset as of January 1, 2013.
- E. CIS-related costs for the 2013 to 2018 term
25. All of Enbridge's forecast CIS-related costs for the 2013 to 2018 term are set out in the top-right section of the 2013 Template. In total, the revenue requirement for Enbridge's CIS related costs from 2013 to 2018 is \$221,056,081. That total is derived by summing together the annual amounts set out in rows 3 to 6 of the 2013 Template.
26. There are no entries in rows 1 and 2 of the top-right section of the 2013 Template as those rows relate to costs that will not occur during the 2013 to 2017 period (because those rows refer to costs associated with Enbridge's legacy CIS asset).

27. The entries in row 3 for 2013 to 2018 related to the revenue requirement for the new CIS asset (totalling \$137.0M) are discussed above.
28. The entries in row 4 relate to New CIS Hosting and Support. This item represents the costs associated with the ownership and operation of the new Enbridge CIS. These costs include the cost of third party application support services, hardware maintenance and Enbridge's internal labour costs for system operations and support. The amounts in row 4 total \$50,252,248 over the 2013 to 2018 period. These amounts are based on inflation of costs that are set out in the same line of the 2007 Template over the 2013 to 2018 term.
29. The entries in row 5, related to CIS Backoffice (EGD Staffing). This cost is for Enbridge's internal staff associated with the maintenance and operation of the new Enbridge CIS software. This support function is involved in system helpdesk, defect management, system enhancement, system testing, system performance management, change management, testing and the update of related training materials. The amounts in row 5 total \$18,635,607 over the 2013 to 2018 period. These amounts are based on inflation of costs that are set out in the same line of the 2007 Template over the 2013 to 2018 term.
30. The entries in row 6 relate to SAP Licence Fees, which are annual licence fees payable by Enbridge to SAP in respect of ongoing system support and entitlement to periodic software patches and upgrades. These amounts, based on Enbridge's forecasts, total \$15,158,226 over the 2013 to 2018 period.
31. There are no entries in row 7 (SAP modifications), as those activities relate to the implementation of the new CIS (which is now complete), not to its ongoing operation.



CIS Replacement Project



Quality Assurance & Risk Management –
Project Close-Out Report
Published on: October 29, 2009



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- Project Background & Overview
- Budget
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- Conclusion & Next Steps



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Project Close-Out Report



Executive Summary





Executive Summary

Major Observations

- The project launch was extremely smooth and can be considered as one of the most successful in the industry
- The solution is of very high quality. Solution is functioning as designed. Pending deferred functionality, all of the original scope has been implemented in Release 1
- The project is forecasted to complete on budget after the budget was modified to include actual SI (Sapient) costs.
- EGD has the option to request additional SI costs of up to \$7.5M. The original budget included a place holder for SI costs because the SI contract was still being negotiated. If approved, the total project costs will come in on budget. *(The place holder amount was \$42M but the final amount totaled \$49.5)*
- Project was delivered 5 months behind schedule from the original timeline. Despite incurring delay early in the project, the project team worked really hard to gain time wherever possible without cutting corners
- Majority of all staffing for the project were made available at the required level and skill-set

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TMG Conclusions

- EGD was transparent, cooperative and provided full disclosure on all information to TMG
- EGD executive management applied adequate amount of oversight for this project
- Executive team was diligent in addressing project issues as they arose
- EGD demonstrated agility in solving all post Go-Live teething issues
- Project budget was managed through standard financial practices and stringent budget policies
- Quality was never compromised during the various decisions made through the course of the project

Next Steps

- Operate on 'Alert mode' for the next 6 to 12 months.
- Identify optimal time to roll-out new releases as top priority should be given to system and operational stability during 'Storm Period'
- Identify operational issues and triage them efficiently – do not let backlog build-up

Project Close-Out Report

3

Project Background & Overview





Project Background

- EGD management decided to replace their legacy CIS with SAP-CCS in Spring of 2006.
- The intervenors for the Ontario Energy board (OEB) engaged TMG to oversee EGD's CIS vendor selection process. The mandate is to:
 - Ensure the vendor selection process is fair and prudent
 - Assist intervenors to review the project budget that is comparable to industry standards based on size of the utility and other pertinent factors
- The intervenors approved funding for the CIS project that can be recovered through consumer rate base as part of the Customer Care settlement
- TMG was engaged to oversee risk management of the EGD's CIS replacement project. The mandate is to:
 - Report to intervenors and EGD President on status as seen by TMG; any potential risks and mitigating actions (if any) at various stages of the project
 - Engage at Operations Steering Committee (OSC) and Executive Steering Committee (ESC) to participate in key project decisions/issues resolution
 - Release risk report entailing areas including Budget, Scope/Quality, Schedule, Resources etc. and updated risk logs at regular intervals

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Project Close-Out Report



Project Overview

- EGD got approval to conduct vendor selection for CIS Replacement project in early 2006
- After an extensive and detailed vendor selection process with a short hiatus of 3 months, EGD selected Sapient in Feb/'07 to be the System Integrator for CIS project
 - TMG reviewed the selection process and released a report endorsing the fairness of the selection process and its conformance to industry norms
- CIS project commenced in Jun/'07 with a target completion date of Apr/'09 (a total duration of 22 months)
- A pre-approved budget of \$118.9M was allocated to this project
 - This original budget was arrived based on a combination of EGD's negotiated estimates from the vendor's proposal and TMG's per customer cost experience on similar projects that were implemented in the past
- EGD successfully completed the project by going live in Sep/'09
- This report is TMG's Close-Out report highlighting various key events/decisions of the project
 - For details on various stages of the project, please refer to our Risk Reports

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Project Close-Out Report



Budget





Budget

Budget Items

	<i>In \$1,000s</i>
Project Cost	\$98,600
IDC	\$5,300
OEB Contingency	\$15,000
Initial Project Budget	\$118,900
Inclusion of Rate Payer's share of TMG costs	\$1,323
Total Project Budget	\$120,223

Forecast as at Sep/30/'09

	<i>In \$1,000s</i>
Actual spending to date	\$119,484
Forecast to completion	\$7,870
Total Project spending	\$127,354

Net difference	- \$7,131
----------------	-----------

History of Contingency Draws

	<i>In \$1,000s</i>
OEB Contingency	\$15,000
1) Mar/'08 draw, to rebaseline budget after blueprint	-\$6,900
2) Jul/'08 draw, for key designates	-\$286
3) Feb/'09 draw, to re-baseline working budget	-\$4,491
Available Contingency since Feb/'09 re-baseline	\$3,324
Spending against contingency incl. Forecast	-\$10,455
Net Available Contingency	- \$7,131

Major Costs in the Forecast

	<i>In \$1,000s</i>
Sapient warranty milestone payment	\$4,950
Sapient estimated change orders	\$840
Miscellaneous costs (incl. recoveries)	\$2,080
Total Forecast to completion	\$7,870

- The project is forecasted to complete at \$7.131M over budget
- EGD has the option to request for additional contingency of up to \$7.5M at the end of the IR period. Their SI costs were at \$49.5M instead of the initial projection of \$42M (a difference of \$7.5M)
 - If approved, the total project costs will be below budget with a surplus of \$369k



Budget (Cont'd.)

- Following are TMG's observation of EGD's budget management:
 - EGD has been transparent with the project budget details to TMG
 - A robust project costing/forecasting process was carried out every month and all of the information was shared with TMG
 - A detailed spreadsheet was maintained for all costs incurred
 - Proper review, coding and approval of project expenses were followed throughout the project
 - Monthly review of Actuals, Forecast & Budget Variances were reviewed with OSC and with EMT members on a regular basis
 - TMG was invited to all key meetings that involved project decisions that impacted budget as well as any key budget changes made through the course of the CIS project
 - While the project was encountering delays, EGD did everything possible to minimize costs which included:
 - Challenging PMs, vendors and other service providers on all costs incurred and forecasted
 - Conducting two 'Budget Scrub' exercises to proactively find ways to conserve budget without compromising quality
 - TMG concludes by stating that EGD managed the budget diligently while applying standard financial practices and stringent budget policies to make prudent decisions





Schedule



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Project Close-Out Report



Schedule

ASAP Methodology Project Milestones	Original Plan		Actual		Cumm. Delay
	Start	End	Start	End	
Project Preparation	Jun/'07	Jun/'07	Jun/'07	Jun/'07	-
Blue-Print	Jul/'07	Nov/'07	Jul/'07	Feb/'08	3 months
Realization	Dec/'07	Dec/'08	Mar/'08	May/'09	5 months
Final Prep	Jan/'08	Mar/'09	Jun/'09	Aug/'09	5 months
Go-Live & Support (Warranty)	Apr/'09	Jul/'09	Sep/'09	Dec/'09	5 months

- Above timeline is a rough depiction of the original plan and the team's actual implementation timeline
 - This includes the forecast of completion of Warranty period on Dec/12/'09
- The cumulative delay represents the actual slippage of timeline in each phase of the project
 - The next slide provides an overview of events that led to the overall delay of the project by 5 months

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Project Close-Out Report

11



Schedule (Cont'd.)

- Following are key highlights of the schedule:
 - Overall project plan that was to be available at the end of 'Project Prep' phase was delivered two months after Blue-Print phase was initiated
 - Blue-Print concluded 3 months after its planned completion date
 - This was mainly due to acceptable quality of design deliverables being delivered at an acceptable pace
 - Also, workshops were not scheduled efficiently and there were delays encountered on making key design decisions
 - EGD business was not engaged effectively (Project team was not syncing with business)
 - All of the above issues were addressed and Blue-Print was signed off
 - Despite the delay, team made some significant progress by completing configuration and commencing Integration testing as per the original plan in Sep/'08
 - Integration test cycles (ITC) were delayed due to not achieving the desired test results. This was the main reason for the delay of Go-Live date by 5 months
 - This was mostly due to poor data quality generated by the Conversion team
 - This was also contributed due to Functional team's inability to spare the adequate amount of time required to oversee/assist the conversion team as they were busy completing the configuration activities
 - Defects were deferred to ITC3 and also led to introduction of ITC4 & ITC5
 - This also caused a 'Ripple-effect' for the rest of the pre Go-Live project activities
 - Conversion issues were addressed and the team was able to achieve desired results in the following Integration tests and other testing phases

Schedule (Cont'd.)

- TMG reviewed project plan for future code releases. Following are our observations:
 - There are currently 3 Releases planned for implementation
 - Release 2 and 3 will address the defects that were deferred to be fixed post Go-Live. They will be rolled out on Nov/7 and Dec/12 respectively
 - Release 4 will be rolled out at the end of Mar/'10. This release will address all the deferred functionalities that were not implemented as part of the original scope but not implemented for Go-Live in Sep/'09 (Release 1)
 - Sapien's project plan has factored in resource requirements for both EGD and Sapien while implementing these releases
 - It is not clear whether the following factors were considered while planning the Release plans
 - Impact to Operational and System stability while introducing new code
 - Impact to training material and need for refresher training if any due to changes made to the system
 - Given that the team already has a parallel stream to manage/roll-out emergency code changes as required, operational and system stability should be given paramount importance – this requires a more practical plan for new releases
- TMG's observation is that almost half of Release 2 scope has already been moved to Release 3 and Release 2 is slightly behind schedule



Scope/Quality



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Project Close-Out Report



Scope/Quality

■ Key highlights are as follows:

- Downstream Systems Modifications (DSS) was added to scope. Original assumption was UCIR will provide a 'shield' that will avoid modifications to DSS. In Nov/'07, the team realized that CIS cannot go live without DSS modifications
- Decision was made to create a custom solution for Open Bill (and not use the SD module). This decision was made in Feb/'08 to not include SD module as it would have required another new track, incurred additional spending and could have further impacted the schedule
- Sapient/EGD struggled with the QA process at the beginning of Blue-Print but an effective 'endorsement model' was implemented that alleviated the difficulties encountered during sign-off of deliverables and milestones.
- Data conversion issues posed significant challenges to both schedule and testing results. No compromises were made to various project activities while the team was addressing conversion issues
- Due to lack of time in schedule (to Go-Live before 'light-up season'), some functionalities and non-critical defect fixes were deferred to be addressed post Go-Live (Release 2, 3 & 4). EGD and Sapient have done extensive due-diligence in identifying impact and rolling out interim processes to cope with this.
- EGD maintained a stringent code/change freeze protocol during Go-Live preparation phase and implemented an effective change review process



Resources



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Project Close-Out Report



Resources

- TMG's observation is that majority of all staffing for the project were made available at the required level and skill-set
- There were a few resource challenges encountered in the project. This includes:
 - Replacement of EGD's project manager in Feb/'08
 - Replacement of Sapiient program manager in Feb/'08 and again in Mar/'09
 - Termination of Siemens contract during Realization phase
 - Some resources not available right when they were required. Sapiient's QA manager, UAT lead, Dress Rehearsal lead etc. are some examples
 - These challenges were normal for a large, long term project like CIS implementation. Moreover, SAP skilled resources are rare and availability has always been a challenge in the market
- Current staffing for EGD's support team is at the appropriate level
 - There are some logistical challenges encountered post Go-Live and this is normal especially when EGD is hosting SAP-CCS without any prior experience
- EGD has recently finalized its AMS (Application Management Support) contract with Sapiient (until end of 2012)



Conclusion & Next Steps



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Project Close-Out Report

Conclusion

- EGD has been extremely cooperative and transparent in sharing information. They facilitated with their partners ABSU and Sapien to extend the same courtesy to TMG
 - TMG was able to have access to key personnel as well as up-to-date project data/info as required
 - EGD's President was available bi-weekly to review status and risks with TMG
 - The Executive team was very receptive to issues/concerns raised and have acted on items requiring intervention/immediate action
- The Executive team was diligent in addressing project issues as they arose.
- Throughout the project, management decisions were made based on an open minded review of all available information.
 - Quality was not compromised while each project decision was made
- The project launch was extremely smooth and can be considered as one of the most successful in the industry
- EGD successfully closed the financials for 3rd Quarter end. Other than some teething issues and operational tweaks, the solution has been functioning as designed since Go-Live on Sep/13 (7 weeks)
 - This indicates that the overall solution is of very good quality



Next Steps

- EGD and partners demonstrated agility and quick problem resolution ability of the combined team for the last 7 weeks of post Go-Live
- It is less likely that the team will encounter big hurdles in the future. However, experience shows us that the team should be prepared for any future challenges/surprises that may arise
 - This means, there may be future challenges that would demand quick problem identification and resolution process in place
- Identify operational issues and triage them efficiently:
 - Assess impact and operational threshold/limitations
 - Quickly deploy interim process/work-arounds if any while maintaining effective communication between various operational departments
 - Determine final solution/fix and develop timeline before the operational threshold is reached
 - Implausibles/EMMA cases are some of the current challenges encountered
 - Ensure that a final solution is implemented before encountering major backlogs
- Operate on 'Alert mode' for the next 6 to 12 months
- Identify optimal time for rolling out future releases without disruption

Derivation of January 1, 2013 Opening Rate Base Amount for new CIS Asset

SECTION A- ESTIMATED 2013 REQUIRED RATE CHANGE

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15
Line No.	CIS Revenue Requirement Rates Impact														
	2008	2009	2010	2011	2012	08-12 Total	2013	2014	2015	2016	2017	2018	2019	13-19 Sub Total	08-19 Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
1	8.97	9.13	9.30	9.46	9.63	46.49	23.95	22.98	21.99	21.04	20.07	19.10		129.13	175.62
2							25.42	24.38	23.32	22.32	21.31	20.26	0.76	137.77	184.26
3	Estimated rate change required in 2013 (\$25.42 - \$9.63)						15.79								

SECTION B - OPENING RATE BASE 2013 Opening Net Book Value

4	As per page 13, paragraph 5 of App.F, Ex. N1, Tab 1, Schedule 1 of EB-2006-0034 (or as in the CIS Rev Req Summary April 7, 2010 file; line 8 , 2012 + 2013 amounts, $((77.3 + 65.4) / 2) = 71.4$)	71.40
5	Additional \$1.9M IDC less lower other CIS costs (\$0.4M) underage net book value (\$1.5M - \$0.488M) which is 39mos. of a 0.0125M monthly depr. (10 year monthly depr. of \$1.5M)	1.01
6	Additional System Integrator cost net book value (\$6.6M - \$2.145M) which is 39mos. of a 0.055M monthly depr. (10 year monthly depr. of \$6.6M)	4.46
7	Updated 2013 Rate Base opening net book value	76.87

Utility Owned CIS System
10 Year Life
Ontario Utility Capital Structure

CIS system
Original Agreement /
Adjusted in 2013 - 2019
to include incremental
Sys Int costs & IDC &
Other capital decrease

Line No.	Col. 1 Component	Col. 2 Indicated Cost Rate	Col. 3 Return Component	Col. 4 (4 dec.) Return Component
	%	%	%	%
1. Long-term debt	64.00	5.35	3.42	3.4240
2. Short-term debt	<u>0.00</u>	4.12	<u>0.00</u>	<u>0.0000</u>
3.	64.00		3.42	3.4240
4. Preference shares	0.00	5.00	0.00	0.0000
5. Common equity	36.00	8.39	<u>3.02</u>	<u>3.0204</u>
6.	<u>100.00</u>		<u>6.44</u>	<u>6.4444</u>

(\$Millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10 Year Total
Per CIS - CC Agreement												
7. Ontario Utility Income	6.67	9.87	-10.79	-10.93	-11.08	-11.23	-11.37	-11.52	-11.67	-11.82		Total
8. Rate base	112.98	101.09	89.20	77.31	65.42	53.52	41.63	29.74	17.85	5.96		<u>2009- 2019</u>
9. Gross sufficiency / (deficiency)	(0.95)	5.26	(25.89)	(24.91)	(23.95)	(22.98)	(21.99)	(21.04)	(20.07)	(19.10)		-175.62
10. 2009-2012 total				<u>(46.49)</u>								Total <u>2013- 2019</u> (129.13)
\$1.9M Additional IDC in service and \$0.4 million lower all other CIS project costs in service Sept 09 impact for 2013-2019												
11. Ontario Utility Income	-0.08	-0.19	-0.14	-0.15	-0.15	-0.15	-0.15	-0.15	-0.16	-0.16	-0.12	Total
12. Rate base	0.80	1.48	1.32	1.16	1.00	0.84	0.68	0.52	0.36	0.20	0.05	<u>2013-2019</u>
13. Gross sufficiency / (deficiency)	(0.20)	(0.45)	(0.36)	(0.34)	(0.28)	(0.27)	(0.25)	(0.24)	(0.24)	(0.23)	(0.16)	-1.67
14. 2009-2012 total				<u>(1.35)</u>								
\$6.6M Additional SI costs in service Sept 09 impact for 2013-2019												
15. Ontario Utility Income	1.05	0.61	-0.59	-0.60	-0.62	-0.63	-0.63	-0.64	-0.65	-0.65	-0.44	Total
16. Rate base	2.18	6.10	5.44	4.78	4.12	3.46	2.80	2.14	1.48	0.82	0.20	<u>2013-2019</u>
17. Gross sufficiency / (deficiency)	1.42	0.34	(1.47)	(1.42)	(1.19)	(1.13)	(1.08)	(1.04)	(1.00)	(0.93)	(0.60)	-6.97
18. 2009-2012 total				<u>(1.13)</u>								
19. CIS with original spend agreement impacts plus additional IDC impact / additional System Integrator cost 2013-2019 COS Revenue Requirements (lines 9 + 13 + 17)					<u>-25.42</u>	<u>-24.38</u>	<u>-23.32</u>	<u>-22.32</u>	<u>-21.31</u>	<u>-20.26</u>	<u>-0.76</u>	Total <u>2013-2019</u> -137.77

CUSTOMER CARE COSTS

A. Overview

1. The middle-right section of the 2013 Template sets out Enbridge's forecast CC related costs for the period from 2013 to 2018. In total, the revenue requirement for Enbridge's CC related costs from 2013 to 2018 is \$537,071,654. That total is derived by summing together the annual amounts for 2013 to 2018 set out in rows 8 to 15 of the 2013 Template. The most significant of these amounts relates to the costs associated with the update and extension of the CC services contract with Accenture (the "Customer Care Services Agreement", or "CCSA"), which would run until the end of 2017, with an option to extend to 2018 and 2019. Those costs are set out at row 10(a) of the 2013 Template. The update and extension of the current CCSA is conditional on receiving OEB approval for the recovery of costs that will be charged under that agreement.
2. As set out below, the stakeholder steering committee accepts that Enbridge has conducted an appropriate process to evaluate how best to acquire CC services for the five years after the current CCSA with Accenture expires at the end of 2012. The stakeholder steering committee agrees with Enbridge's decision to enter into an amended CCSA with Accenture under which Accenture will provide CC services until the end of 2017, with an option to extend to 2018 and 2019. The stakeholder steering committee agrees that the cost and terms of the updated and extended CCSA with Accenture for CC services from 2013 to 2018 are prudent and appropriate and the costs should be included in the 2013 Template and recoverable in rates.
3. Row 10 in the 2013 Template entitled "New Service Provider Contract Cost" summarizes costs associated with outsourced third party CC services. Costs

included in this line item are: (1) service fees in respect of the update and extension of the CCSA with Accenture for Billing, Call Centre and Collection Services, along with Enbridge's costs for large volume customer billing (\$318.6M), as set out in row 10(a); (2) the forecast cost of postage (\$69.6M), as set out in row 10(c); and (3) the forecast cost of meter reading services (\$110.1M), as set out in row 10(b). The contractual terms and costs associated with the five year extension of the CCSA, as set out in row 10(a) of the 2013 Template, have been reviewed and endorsed by the stakeholder steering committee and their expert consultant (Five Point). The other amounts (for postage and meter reading) are based on inflation of costs that are set out in the same row of the 2007 Template over the 2013 to 2018 term. There is not yet any agreement on those costs.

4. Enbridge's forecast of other CC-related costs for the 2013 to 2018 term are as set out in rows 11 and 12 of the 2013 Template. Those costs relate to items not included in Enbridge's CCSA with Accenture, such as CC licences, the costs associated with several minor computing applications that are used by the CC group in conjunction with CIS processes and Enbridge's back-office staffing and the costs pertaining to the Enbridge staff responsible for the delivery and management of CC services. There is not yet any agreement on the costs in rows 11 and 12.
5. As noted, the expert consultant retained by the stakeholder steering committee (Five Point) has reviewed and endorsed the update and extension of the CCSA with Accenture. A copy of the Five Point report on this subject is discussed in detail below, and is attached as Ex. B-4-2.
6. The update and extension of the CCSA with Accenture is conditional on approval being obtained from the OEB in respect of the cost consequences of the CCSA being recoverable in rates. The current CCSA comes to an end on April 1, 2012,

and Enbridge must provide at least six months notice if the Company wishes to extend the current CCSA. As a result, Enbridge requires OEB approval of the cost consequences of the update and extension of the CCSA by mid-September 2010, in order that Enbridge can seamlessly transition to the updated CCSA as of April 1, 2012. If OEB approval is not obtained in that timeframe, then Enbridge will have to exercise a renewal of the current (not updated) CCSA, which is more costly than would be the case under the updated and extended CCSA that has been negotiated.

B. Customer Care Services Agreement

7. After the OEB approval of the 2007 Settlement Agreement, the members of the stakeholder steering committee continued to receive information from Enbridge about the selection of Enbridge's CC and CIS service providers (through ongoing Request for Proposal ("RFP") processes) and about the implementation of those services, and continued to advise Enbridge of their perspective and concerns about such matters. The stakeholder steering committee was supported by Mario Bauer (of Five Point), who provided them with advice and assistance in respect of Enbridge's RFP processes and decisions.
8. Enbridge currently acquires the majority of its CC services from third party service providers, primarily Accenture. Accenture was chosen as a result of a RFP process run by Enbridge in 2007, which process was explained in the 2007 Settlement Agreement. The members of the stakeholder steering committee were involved in reviewing and commenting upon Enbridge's RFP process that resulted in the selection of Accenture for CC services.
9. The contracts under which these CC services are purchased (the current CCSA) will reach their normal expiry dates on March 31, 2012. As part of its acquisition of CC services beyond March 31, 2012, Enbridge will either have to execute an agreement

with Accenture for the provision of the existing CC service arrangements for a period beyond the scheduled termination of those arrangements (because any transition will take place after that date), enter into service agreements with alternate service providers, repatriate these business functions or trigger extension agreements to extend the existing arrangements with Accenture. Further, transitional agreements governing the transition from the existing to a new customer care service provider, or potentially to Enbridge itself would need to be put in place. All of those agreements will be referred to herein as the "Transition Agreements".

10. In recognition of the long lead times required to establish CC services, and in recognition of the magnitude and scope of those CC services that Enbridge currently acquires from Accenture, Enbridge embarked upon an initiative in early 2010 to assess its current customer care delivery arrangements and formulate a strategy to meet its CC requirements beyond March 2012. The objectives of this initiative were to:

- a. Review the Company's current CC service delivery arrangements (scope, cost, quality and comparative benchmarks).
- b. Establish Enbridge's future CC needs.
- c. Identify gaps between the Company's current CC delivery model and future needs.
- d. Formulate a customer service delivery strategy for 2012 and beyond.
- e. Align the strategy with Enbridge's regulatory/rates approach.

- f. Develop a plan to implement this strategy (approach, timelines, milestones, resources, costs and governance).
- 11. As part of the service delivery review, Enbridge canvassed internal business stakeholders and undertook an external review of industry trends and best practices with respect to CC service delivery strategy.
- 12. Interviews were conducted with seven external consulting firms to gain their perspectives on the CC outsourced services industry. Through this process Enbridge gained information as to current trends in business process outsourcing in the North American utility sector. Additionally, Enbridge determined that EquaTerra Inc. ("EquaTerra") was best suited to assist the Company in a more detailed comparison of Enbridge's CC operations to current industry best practices. EquaTerra was engaged by Enbridge to review the current CCSA and provide perspectives on how Enbridge's outsourced CC services compared to current market standards in terms of cost, service levels and other contract terms.
- 13. EquaTerra concluded that "in general", there are no major structural defects or omissions in the Enbridge / Accenture CCSA. There were however several items identified that Enbridge could address, strengthen or add in the event of an extension or renegotiation of the agreement:
 - a. Step in Rights or Performance Guarantee
 - b. Project Methodology
 - c. Continuous Improvement
 - d. Customer Satisfaction
 - e. Operation Procedures Manual

14. EquaTerra also found that the current CCSA applies a price per customer model, which is a preferred market methodology for utilities and that comparative market analysis revealed that the Normalized Base Price lies within market comparable market ranges. Additional analysis concluded that the Contracted Project Rate Card is within market norms.
15. Enbridge formalized its CC strategy after receiving the EquaTerra Study. The resulting Enbridge CC strategy took into account:
 - a. Internal perspectives with respect to how well the Company's current CC delivery arrangements were functioning.
 - b. Internal perspectives concerning future Enbridge CC business requirements.
 - c. External views with respect to the current state of the CC outsourced business services in the utilities market and North American trends in this market segment.
 - d. The specific findings and recommendations of EquaTerra with respect to the CCSA.
 - e. Notice requirements under the current CCSA, as well as the lead time required to conduct a market tender for the CC services procured under the CCSA and the time required to transition such services to a new vendor if required.
16. The strategy called for Enbridge to first issue a request to Accenture to provide the Company with a proposal for the extension of the CCSA beyond March 2012 that would address Enbridge's revised requirements as documented in its CC strategy.

Then, in the event that the Accenture CCSA extension proposal was not acceptable, Enbridge intended to proceed with a market tendering process which would have commenced late in 2010. A copy of the Enbridge CC Strategy, which appends the EquaTerra Study, is attached as Ex. B-4-3.

17. As contemplated by the CC Strategy, from July through December 2010 Enbridge was engaged in negotiations with Accenture for the revision and extension of the CCSA.
18. Ultimately, Enbridge and Accenture were able to agree upon a revised and extended CCSA that would run from January 1, 2011 to December 31, 2017, along with an Enbridge extension option for 2018 and 2019. The revised and extended CCSA that Enbridge negotiated adopts recommendations from EquaTerra about contractual terms and conditions, contains enhanced service levels and is priced at a competitive level. Review and comment on the terms, conditions and pricing of the revised and extended CCSA can be found in the Five Point report that is appended as Ex. B-4-2, and discussed below.
19. The extended CCSA between Enbridge and Accenture is conditional on internal Enbridge Board of Director approvals (which have been received), and on approval being obtained from the OEB in respect of the cost consequences of the CCSA being recoverable in rates. As noted, Enbridge requires OEB approval of the cost consequences of the five year extension of the CCSA by mid-September 2011, in order that Enbridge can seamlessly transition to the updated CCSA as of April 1, 2012.
20. The total cost associated with the extended Accenture contact (the CCSA) is approximately \$430M, from January 1, 2011 to December 31, 2017. As the

Company's CC costs for 2012 are already addressed in the 2007 Settlement Agreement and the 2007 Template, Enbridge is not seeking any approval of the 2012 costs associated with the CCSA.

21. The costs associated with the extended CCSA with Accenture are included as part of row 10 of the 2013 Template, in what is included as row 10(a) for 2013 to 2018.

C. Endorsement of the Stakeholder Steering Committee for the new CCSA

22. Throughout the process described above Enbridge kept the stakeholder steering committee apprised of its strategy concerning Accenture and the progress in its discussions with Accenture concerning the potential extension of the CCSA. The stakeholder steering committee agreed to review Enbridge's progress, and provide a stakeholder perspective on any decisions proposed by Enbridge. To assist in these activities, Enbridge and the members of the stakeholder steering committee agreed upon a Statement of Principles to guide their efforts. A copy of the Statement of Principles is attached as Ex. B-4-4.

23. As set out in the Statement of Principles, the stakeholder steering committee agreed to work together to see if an agreement could be reached with Enbridge on the following:

- a. That the process followed by Enbridge to determine whether to re-contract its CC services with Accenture, or to proceed to an RFP process, or to repatriate CC operations within Enbridge, was appropriate in the circumstances and conformed to recognized best practices.
- b. The prudence of Enbridge's decision to re-contract its CC services with Accenture, or to proceed to an RFP process, or to repatriate CC operations within Enbridge.

- c. If applicable, that the RFP process followed by Enbridge was appropriate in the circumstances and conformed to recognized best practices.
 - d. The prudence of any required Transition Agreements.
 - e. The prudence of Enbridge's CC service arrangements for the period from April 1, 2012 through to at least December 31, 2017, including the project schedule, cost and spending.
24. The stakeholder steering committee also enlisted the assistance of its expert Mario Bauer of Five Point. The stakeholder steering committee retained Five Point to assist the Committee in the evaluation of the Enbridge CC strategy and the CCSA extension proposals brought forward by Accenture. As part of this work, Five Point reviewed the Enbridge CC strategy, the EquaTerra Study and the final negotiated extension and amendments to the CCSA between Enbridge and Accenture. Five Point has commented favourably with respect to these items. A copy of the Five Point Report to the stakeholder steering committee is attached as Ex. B-4-2.
25. Among other things, the Five Point Report states that:
- a. Enbridge's approach to determining how to obtain CC services after the expiry of the current CCSA was "appropriately timed" and logically sequenced, in terms of first looking to renegotiate and extend the arrangements with Accenture, before looking at other options.¹

¹ Ex. B-4-2, Five Point Report, at slides 6 and 7.

- b. Enbridge has been transparent and cooperative in its dealings with Five Point.²
- c. "Five Point believes that EGD was successful in striking a contract extension deal with ABSU for almost the same price as the current CCSA agreement but with many improvement items incorporated in the new contract."³
- d. The year-over-year increase in annual price through the course of the 7-year contract is within the market norms.⁴

26. Based on all the foregoing, the stakeholder steering committee has now concluded that:

- a. The process followed by Enbridge to determine whether to re-contract its customer care services with Accenture, or to proceed to an RFP process, or to repatriate customer care operations within Enbridge, was appropriate in the circumstances and conformed to recognized best practices.
- b. Enbridge's decision to re-contract its customer care services with Accenture is prudent and appropriate.
- c. The contract extension that Enbridge has negotiated with Accenture to provide customer care service arrangements for the period from April 1, 2012 through to at least December 31, 2017, including the project schedule, cost and spending, is prudent and appropriate.

² Ex. B-4-2, Five Point Report, at slide 28.

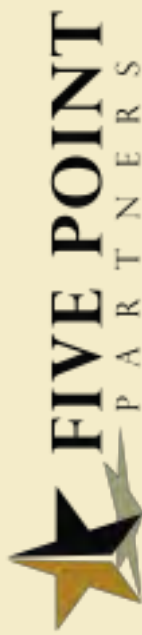
³ Ex. B-4-2, Five Point Report, at slide 28.

⁴ Ex. B-4-2, Five Point Report, at slide 28.

D. Enbridge's Customer Care costs for the 2013 to 2018 term

27. All of Enbridge's forecast CC-related costs for the 2013 to 2018 term are set out in the middle section of the 2013 Template. In total, the revenue requirement for Enbridge's CC related costs from 2013 to 2018 is \$537,071,654. That total is derived by summing together the annual amounts set out in rows 8 to 15 of the 2013 Template. Bad debt costs are not included in the 2013 Template, and will be considered separately as part of the Company's rates that are set through an IRM or cost of service approach.
28. There are no entries in rows 8 and 9 of the 2013 Template as those rows relate to costs that will not occur during the 2013 to 2017 period (because those rows refer to transition costs related from Enbridge's move to Accenture from CWLP in 2007 and 2008).
29. The entries in row 10 relate to the CC service provider costs, and other related costs. These amounts total \$498,307,159 over the 2013 to 2018 period. Costs included in this row item are: (1) service fees in respect of the update and extension of the CCSA with Accenture for Billing, Call Centre and Collection Services, and costs related to Enbridge's costs for large volume customer billing services (\$318.6M), as set out in row 10(a); (2) the forecast cost of postage (\$69.6M), as set out in row 10(c); and (3) the forecast cost of meter reading services (\$110.1M), as set out in row 10(b). As noted, the contractual terms and costs associated with the update and extension of the CCSA have been reviewed and endorsed by the stakeholder steering committee and their expert consultant (Five Point). The other amounts (for postage and meter reading) are based on inflation of costs that are set out in the same row of the 2007 Template over the 2013 to 2018 term.

30. The entries in row 11 relate to CC Licences. These amounts total \$9,320,833 over the 2013 to 2018 period. These amounts are based on Enbridge estimates.
31. The entries in row 12 relate to CC Backoffice (EGD Staffing). These amounts total \$29,443,662 over the 2013 to 2018 period. The amounts set out in row 12 are based on inflation of costs that are set out in the same row of the 2007 Template over the 2013 to 2018 term.
32. There are no entries in rows 13, 14 and 15 (transition and procurement costs), as the activities anticipated under these categories are not needed in the circumstance where Accenture will continue to be the CC service provider.



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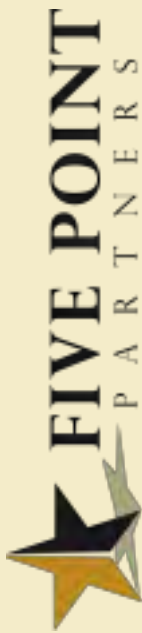
EGD Customer Care Consultative 2010 Final Report



Filed: 2011-06-20, EB-2011-0226
Exhibit B, Tab 4, Schedule 2

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Introduction & Background

Introduction

- ❖ EGD's Customer Care Service Agreement (CCSA) is expiring on Mar/31/12
- ❖ EGD's executive management decided not to leverage the two-year extension clause in the current contract
- ❖ EGD opted to renegotiate its contract with Accenture Business Services for Utilities (ABSU) for seven years starting in Jan/'11 (ending in Dec/'17)
- ❖ EGD approached the same consultative group that negotiated the IR settlement and the related statement of principles with EGD for the 5-year IR period (2007 – 2012) to review the approach for fairness and objectivity of the CCSA contract extension process with ABSU
- ❖ The consultative group advised EGD to present/share their overall procurement strategy prior to approval of any particular option(s).
- ❖ The consultative group also engaged FivePoint on a 'Fact Finding' study to review EGD's approach.
 - ◆ EGD and the consultative group agreed that the most effective regulatory approach would be for the existing consultative group to continue to work with EGD with respect to its CCSA strategy and that the costs of doing so would be recoverable in EGD rates
- ❖ This is FivePoint's report outlining our observations of the consultative process

Background

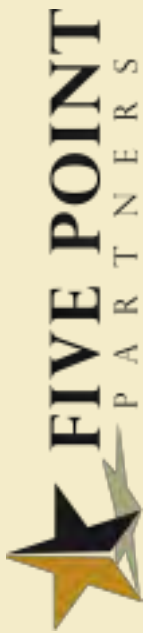
- ❖ EGD investigated its possible options to consider at the end of its current contract with ABSU. They are:
 - ◆ Contract extension with ABSU
 - ◆ Conduct a full-blown RFP process
 - ◆ Repatriate all or part of its customer care functionalities in-house
 - ◆ Or a combination of the above three options
- ❖ EGD engaged the Customer Care Delivery Strategy team in early 2010 to investigate which option best suits its future needs while also being cost effective
 - ◆ This team also looked at current state of the delivery model and its future needs
 - ◆ They also listed gaps between current state and future needs to identify additional requirements
- ❖ EGD also engaged EquaTerra to review EGD's 2007 CCSA to conduct comparative analysis on pricing, T&C and SLAs

Background (Cont'd.)

- ❖ EGD's management chose not to leverage the option years in the current CCSA because:
 - ◆ EGD requires pre-determined costs for the next five years (post 2012) so that it is set in the IR period starting 2013 (and ending in 2018)
 - ◆ Changes to current operating landscape like new CIS system implementation, in-house hosting of CIS and customer care necessitated a revision to the current contract
 - ◆ EGD also introduced service level enhancements prior to the end of the current CCSA
- ❖ FivePoint believes that EGD has appropriately timed the strategy study to investigate its options – assuming the scenario with the longest lead time will take approximately two years (and would end at almost the same time as the end of the current CCSA)
 - ◆ EGD commenced investigation of the three options by logically sequencing them in the following order:
 - Firstly, conduct RFP process for contract extension with ABSU. If it fails;
 - Secondly, initiate a full-blown RFP process by including other vendors. If this fails;
 - Finally, repatriate all customer care functionalities in-house

Background (Cont'd.)

- ❖ EGD's approach was to issue an RFP to ABSU with requirements that would increase flexibility, control and quality; decrease costs while maintaining the same degree of risk sharing (between EGD and ABSU)
 - ◆ This was done by incorporating lessons learned during execution of the current contract, inputs from the Customer Care Delivery Strategy team and recommendations from EquaTerra based on their review of the current contract in Aug/'10
 - ◆ Note that the requirements from these three inputs were not mutually exclusive but only very little commonality was observed
- ❖ Initial quote was very high and based on subsequent counter-proposals and extensive negotiations, the final quote from ABSU was \$430M (including LVB) over a 7-year contract term
 - ◆ This was achieved by tweaking scope, adjusting SLA levels and fine-tuning terms and conditions
 - ◆ EGD is awaiting approval from interveners and OEB to execute the extension clause of the contract



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What's been done so far

What's been done so far

- ❖ EGD kicked off the Customer Care Delivery Strategy initiative in Jan/'10
- ❖ EGD met with the consultative group in March 2010 to go over its high level game plan in selecting the right option after the expiry of the current CCSA
- ❖ EGD commissioned EquaTerra in Jun 2010 to review the current CCSA contract to identify possible gaps in SLAs and T&Cs and to conduct a comparative price analysis with the current market
- ❖ A sole-sourcing RFP was issued to ABSU on Jul/5/'10 with additional requirements collected from EquaTerra and the strategy team
- ❖ EGD approached the consultative group in mid-July 2010 to review EGD's approach on sole-sourcing RFP to ABSU and approve the outcome
 - ◆ Consultative group engaged FivePoint in mid-July 2010 for a 'Fact Finding' study
- ❖ ABSU replied with a proposal on Jul/23/'10 with a price 26% higher (\$7.4M/year) than current CCSA pricing (due to incremental SLA additions, more stringent T&Cs and also changes to scope of services)
- ❖ Consultative meeting was held on Aug/12/'10 for status update

What's been done so far (Cont'd.)

- ❖ Given the price quote was unacceptable, EGD negotiated and also removed/reduced many of the SLAs to bring the price down to what they perceive to be an acceptable figure to complete the negotiations
- ❖ EGD conducted first round to consolidate SLA list and scope; ABSU issued an addendum to the original proposal on Aug/27/10
 - ◆ The pricing in that proposal was still significantly higher than current CCSA contract
- ❖ Another consultative meeting was held on Sep/17/10
 - ◆ EGD presented a proposal with a total contract value of \$457.44M over 7 years.
- ❖ Consultative group suggested an 'end outcome' for a total contract value of \$421.02M
- ❖ EGD released a counter proposal to ABSU on Sep/23/10
 - ◆ It was very close to the acceptable 'end point' – a total contract value of \$422M over 7 years
- ❖ EGD conducted second round to consolidate SLA list and T&C. This was finalized on Oct/14/10

What's been done so far (Cont'd.)

- ❖ ABSU released their 'best and final' offer on Oct/19/'10. Their total price for the 7 year contract was \$437.9M
- ❖ EGD forwarded this document to EquaTerra for analysis – both price comparative analysis and SLA & T&C review
- ❖ A consultative meeting was held on Oct/25/'10 where EGD presented ABSU's 'best and final' offer
 - ◆ The consultative group recommended that EGD work with FivePoint to identify scope reduction items that would bring down the overall contract price (the consultative recommended outcome and ABSU's 'best and final' offer - a total gap of approx. \$17M)
- ❖ EGD provided their preliminary cut on potential scope reduction items to FivePoint on Nov/4/'10 – a total savings of approx. \$1.5M
- ❖ EGD also presented their final report from the customer care delivery strategy project to FivePoint on Nov/5/'10
- ❖ EquaTerra reviewed the response with ABSU, conducted some interviews with EGD staff and released a report on Nov/8/'10

What's been done so far (Cont'd.)

- ❖ After reviewing all pertinent documents, FivePoint released a memorandum to EGD on Nov/18/10 outlining a list of potential contract items (to be revised, excluded or kept the same as the current CCSA) that would further decrease the overall cost of the contract
 - ◆ This was reviewed with the consultative group prior to forwarding to EGD
 - ◆ It estimated a savings of approximately \$14M if these items were revised/executed bringing the total contract value to \$424M
- ❖ On Nov/19/10, EGD and consultative group agreed to \$430M as an acceptable contract value for the CCSA extension (over 7 years)
- ❖ EGD further negotiated with ABSU for a total contract price of \$430
 - ◆ This is a conditional agreement and details will be discussed later in this report
- ❖ EGD presented the latest proposal to the consultative group on Jan/13/11
 - ◆ After reviewing the details, the consultative group suggested that EGD populates these amounts along with the customer care costs in the IR settlement template for the period of 2013 thru' 2018
 - ◆ This is to ensure that the consultative group better understand the overall impact of the contract in the next IR period and to eliminate any redundancies in cost estimation



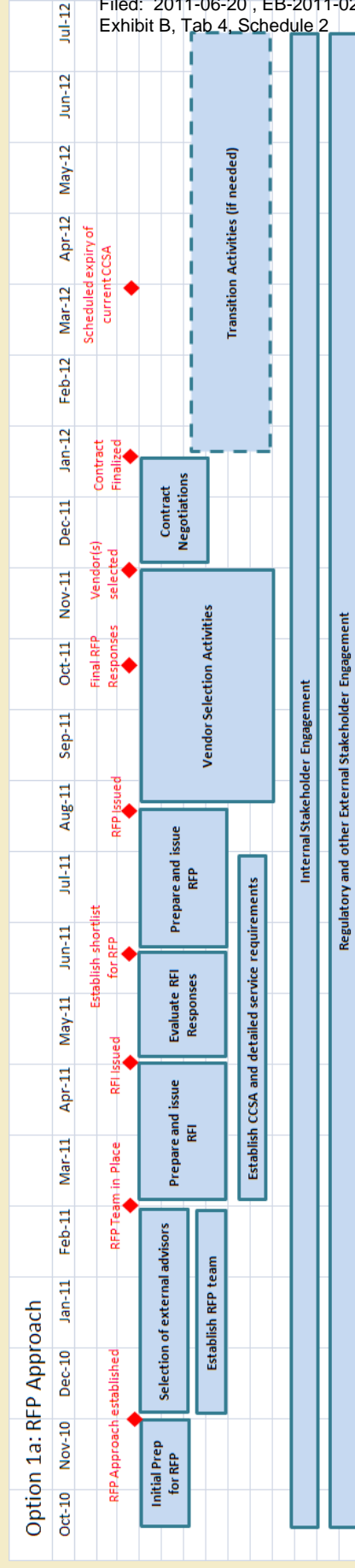
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EGD's approach

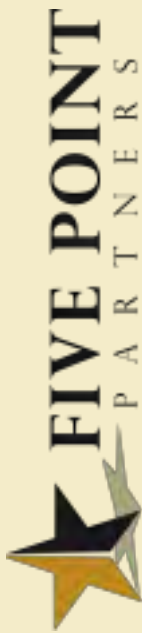
EGD's approach

- ❖ EGD commenced the discussions with the consultative group in Jul'10 in conjunction with the release of the sole-sourcing RFP to ABSU
- ❖ EGD's plan was to complete discussions with ABSU in mid-Oct'10
 - ◆ If this fails, EGD would kick-off full-blown RFP process (event with the longest lead time) while assessing the option to repatriate
 - ◆ The intent is to execute one of the three options before the expiration of the current CCSA contract



EGD's approach (cont'd.)

- ❖ The rationale to consider extension of contract with ABSU as the primary option is based on two major reasons
 - ◆ The costs associated with conducting a full-blown RFP process and the transitioning from ABSU to another service provider will amount to anywhere from \$15M - \$20M
 - Even if EGD were to get a better pricing from a new service provider, these costs could compound to a overall amount that may not be desirable
 - ◆ There are risks associated with running a full-blown RFP process of repatriation of functionalities in-house
 - Operational risks in transitioning these services and a possibility that it may not be transparent to the consumers/rate payers
 - There could be possibility that not many vendors would respond to the RFP or the prices quoted by various vendors could end up higher than ABSU's current price
- ❖ EGD elected to consider all three options equally without being biased due to any perceivable risks



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EquaTerra's assessment

EquaTerra's assessment – 2007 CCSA

- ❖ EGD commissioned EquaTerra to review the 2007 CCSA contract for the following two major reasons:
 - ◆ Identify gaps in SLAs, T&Cs and weakness in the current contract (that can be addressed as part of the extension)
 - ◆ Compare ABSU pricing against current market
- ❖ EquaTerra submitted a detailed report with following highlights:
 - ◆ Contractual terms: In general, there are no major structural defects or omissions in the agreement
 - ◆ Service levels: Service Levels are generally in alignment with market standard. With the exception of the Billing, the service levels align and measure scope of work
 - ◆ Pricing/pricing terms: Overall contract pricing structure includes many key items typical of an outsourcing contract
 - ◆ Comparative Market Analysis revealed that the Normalized Base Price lies within market comparable market ranges for both a Fully Normalized Peer Base

EquaTerra's assessment – 2007 CCSA (Cont'd.)

- ❖ EGD's price was first normalized and then compared to 5 customer care outsourcing deals that were signed in the last 3 years. Of which, 4 of them were in Canada; 1 in the US
 - ◆ However, we were unable to ascertain the identity of these 10 market comparatives
- ❖ EGD's normalized cost was \$18.9/customer
 - ◆ FivePoint's assessment suggests that it is on the higher side of the bandwidth (\$15 - \$20)
 - ◆ Note that EquaTerra's preferred comparatives is in first row (circled) where geographic location (whether being outsourced on-shore or off-shore) and workforce characteristics (like Union environment etc.) need to be factored while normalizing costs

Annual Cost Per Customer (In CAD)	Lowest	Highest	EGD
Market Comparisons Normalized for Service Levels, Scope, and Location of Services/Workforce Characteristics	\$15.00	\$20.00	\$18.90
Market Comparisons Normalized for Service Levels and Scope	\$15.00	\$28.00	\$18.90

EquaTerra's assessment – 2007 CCSA (Cont'd.)

- ❖ FivePoint also learned that EquaTerra was not mandated to review EGD's operational statistics against the current contract. If conducted, this would have:
 - ◆ Identified SLAs, T&Cs and other aspects of the contract that is contributing to the performance and quality but increase contract costs
 - ◆ Provided an opportunity to fine-tune requirements more in synch with EGD's operational needs while having an overall perspective to what the market norm is
- ❖ As a result, EquaTerra could only make suggestions to supplement the attributes list by identifying gaps in the contract but was unable to rationalize EGD's overall requirements – SLAs, Pricing and T&Cs
 - ◆ This was evident as ABSU's initial response to the RFP had a pricing that is 26% higher than the current CCSA contract cost

EquaTerra's assessment – ABSU's current proposal

- ❖ EGD engaged EquaTerra in Nov/'10 to evaluate (and report on) ABSU's contract proposal. Their final report states that:
 - ◆ Progress has been made by EGD through the negotiation process with Accenture
 - ◆ EquaTerra had a face to face review with EGD to understand the Accenture proposal better and get clarifications on certain points however:
 - Some pricing discrepancies remain. EGD is aware and is reviewing.
 - EquaTerra did not participate to the negotiation process therefore some of the comments made hereafter might have been addressed already and already agreed to.
 - EquaTerra did not participate in the internal assessment of the company's satisfaction with Accenture's performance therefore some scope/SLAs/terms additions might have been requested based on that evaluation to remedy real or perceived quality issues

EquaTerra's assessment – ABSU's current proposal (Cont'd.)

- ❖ EquaTerra applied the same methodology to normalize EGD's contract price to conduct a Market Comparative Analysis.

Updated Market Comparative Analysis (using ABSU's current contract proposal)			
Annual Cost Per Customer (In CAD)	Lowest	Highest	EGD
Market Comparisons Normalized for Service Levels, Scope, and Location of Services/Workforce Characteristics	\$15.00	\$20.00	\$19.00
Market Comparisons Normalized for Service Levels and Scope	\$15.00	\$28.00	\$19.00

- ❖ Note that EGD's normalized cost is \$19.0/customer per year. This analysis was conducted when the total contract price was \$437.9M – this was further reduced to \$430M, which will bring the cost back to approximately the same as that of the current CCSA (\$18.9/customer per year)
- ♦ EGD was successful in including more scope, more stringent SLAs and T&Cs and managed to keep the cost at the same level as in the current contract



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EGD – ABSU negotiations end
outcome

EGD – ABSU negotiations end outcome

- ❖ EGD and ABSU concluded their negotiations and arrived at an agreement to extend the CCSA contract that will expire in 2017
- ❖ Given that approval has not been provided and the contract commencement date is already here, EGD's lawyers developed two amendments to the original CCSA contract
- ❖ Amendment 2 (Amendment 1 already in place since 2008) - Effective Jan/1'11
 - ◆ Amends current CCSA with respect to:
 - Scope, service level and contract terms & conditions changes
 - No change to term of the agreement or extension options (expires at the same time as the 2007 CCSA)
- ❖ Amendment 3: Extends the amended CCSA to the end of 2017 (Dec/31)
 - ◆ The two 2007 contract extension options maintained
 - ◆ Conditional on EGD Board, EI Board & OEB approvals

EGD – ABSU negotiations end outcome (cont'd.)

- ❖ Following are the scope changes that were entertained as part of the contract extension – some of them were introduced to arrive to arrive at the desired \$430M contract (without impacting operations)
 - ◆ Large Volume Billing (LVB), Sundry Account Collections* and Cash Reconciliation functions* to be repatriated to EGD and removed from CCSA scope
 - ◆ Removal of soft skills training and town hall meetings from the original requirements list*
 - ◆ Maintain call QA functionality in Manila* (and not bring back on-shore)
 - ◆ Downgrade some of the low priority SLAs, relief times and penalties*
 - ◆ Scope revised to reflect EGD owned & operated CIS
 - ◆ Most ongoing change orders rolled into CCSA scope (existing change orders that were being paid for separately are now included in CCSA Base Fees)
 - ◆ Work Pool Hours to allow for additional process/system improvements
 - These are professional consulting hours (a total of 39,000 hours over 7 years) that are over and above the hours allocated for change orders

* Changes required to meet seven year cost target

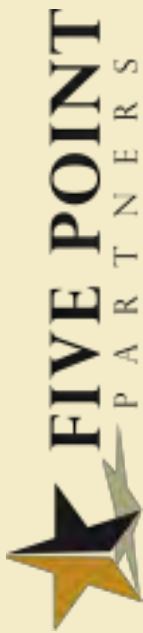
EGD – ABSU negotiations end outcome (cont'd.)

- ❖ EGD may have taken on small incremental risk in the new contract
 - ◆ The shift is related to third party contracts and repatriation of Sundry Account collection & cash reconciliation functions
 - ◆ This is not uncommon in 3rd generation outsourcing contracts for utilities to be proactive in finding ways to save costs by tweaking the risk portfolio
- ❖ The contract extension is conditional based on EGD's commitment to implement CIS enhancements within specified target dates
 - ◆ EGD to implement 9 identified CIS enhancements with target dates anywhere from Dec/31/11 to Dec/31/12
 - ◆ If target not met within these times, ABSU's base rate will increase amounting to approximately \$1M/year in penalty for EGD
 - ◆ EGD to use the Accenture consulting hours allocated in this CCSA contract to address some of the CIS enhancements
 - ◆ Details around the total capital investment and the overall benefits (tangible and intangible) associated with these investments are unknown

EGD – ABSU negotiations end outcome (cont'd.)

- ❖ Service Level improvements introduced in the new contract
 - ◆ Changes to improve billing accuracy and quality
 - Addition of Back office quality service levels (Accuracy & Turnaround Time)
 - Addition of collection quality service level
 - SLA added to ensure 100% of work is completed*
 - ◆ Changes to improve the customer experience
 - After call survey to be completed by third party
 - Improvement to turnaround time for responses to mail, faxes and email
 - Addition of Escalations to supervisor service level and addition of turnaround time for Ombud service levels
- ❖ Contract changes (improvements) introduced in the new contract
 - ◆ Improved parental guarantee*; reduced fees for termination for convenience*; further reduction if termination results from a government order*; new (lower) rate card for offshore work*; project spend rebate*; better definition of key personnel and clarity on who and what is charged for on a change order; inclusion of client satisfaction incentive; revised locations of delivery; third party contracts; payment terms

* EquaTerra recommendation



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FivePoint's observations

FivePoint's observations

- ❖ EGD has been transparent and cooperative in providing us information promptly to complete our study
- ❖ FivePoint believes that EGD was successful in striking a contract extension deal with ABSU for almost the same price as the current CCSA agreement but with many improvement items incorporated in the new contract
 - ◆ This is in synch with market norm on a 3rd generation outsourcing agreement where the vendor achieves some operational efficiencies that can be transferred back to the company by a lesser price
 - ◆ EGD may take on small incremental risks but these shifts in the risk portfolio are not uncommon while extending outsourcing contracts
- ❖ Our calculations indicate that the year-over-year increase in annual price through the course of the 7-year contract is within the market norms (not inclusive of option years)
 - ◆ EGD was able to draw more out of the extension compared to 2007 CCSA contract

FivePoint's observations (Cont'd.)

- ❖ EGD did not engage a consulting company to conduct the RFP process
 - ◆ This is not typical in contract extension phase of large outsourcing deals where the company takes on negotiation on their own hands without engaging an expert
 - ◆ EGD may have benefited by engaging a consulting company like EquaTerra to gather requirements and develop/manage RFP process and take on the role of a 3rd party contract negotiator (on behalf of EGD)
- ❖ The overall contract price is predominantly based on EGD's customer growth projections
 - ◆ Variations to these projections against 'actual figures' will significantly impact/change the total contract price
 - ◆ It is recommended that a quick analysis of the 'actual versus forecast' of customer growth in the last IR period is a worthwhile exercise to better assess its impact on contract cost

FivePoint's observations (Cont'd.)

- ❖ ABSU's pricing includes COLA (Cost of Living Allowance) included as part of the rates
 - ◆ According to best practices COLA should be outside the price and vendors don't give out COLA to all staff and not for all years
 - ◆ Since COLA is not automatically adjusted to staff in the vendor's organization, it should be reflective of market price or adjusted later every year based on an accepted term price (not increased each year at a fixed rate)
- ❖ FivePoint noticed that ABSU has increased the year-over-year base rate steeply at the beginning of the option years
 - ◆ It is in EGD's best interest to plan for contract extension or full-blown RFP assuming not to leverage these option years (use it only as a contingency)

Year	2011	2012	2013	2014	2015	2016	2017	Option Years	
								2018	2019
Price/Customer (MM)	\$ 5.83	\$ 6.04	\$ 6.21	\$ 6.30	\$ 6.37	\$ 6.43	\$ 6.49	\$ 6.78	\$ 7.00
Price Increase (%)		3.60%	2.81%	1.45%	1.11%	0.94%	0.93%	4.47%	3.24%

* Typical calculations shown for Mass Market rates only

FivePoint's observations (Cont'd.)

- ❖ EGD has introduced professional consulting hours (work pool hours) over and beyond the allocation of person hours for change orders
 - ◆ There is a total of 8,000 hours per year for change orders that is consistent with the 2007 CCSA
 - ◆ There are also consulting hours (a total of 39,000 over the 7-year contract term) introduced in the new term. This is not typical in an outsourcing contract
 - ◆ These hours are introduced on a `Use it or lose it` basis and cannot be leveraged for projects of other nature
 - ◆ It is recommended that EGD introduces a mechanism to effectively apply, track and report the usage of these hours

Consulting hours by year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Business Analyst - Hours (per year)	6,200	6,000	5,800	5,600	5,400	5,100	4,900	39,000
Business Analyst - Rate (\$/hour)	\$154	\$160	\$166	\$173	\$180	\$187	\$195	
Fees	\$954,800	\$960,000	\$962,800	\$968,800	\$972,000	\$953,700	\$955,500	\$6,727,600

FivePoint's observations (Cont'd.)

- ❖ As part of the effort to bring its overall contract cost within \$430M, EGD has opted to repatriate Large Volume Billing (LVB), Sundry Account Collections and Cash Reconciliation functions
 - ◆ EGD has estimated the total cost to run these repatriated functions in-house will be the same as the fees associated with outsourcing them to ABSU – a total of \$19.2M over the 7 years
 - ◆ FivePoint has not conducted any analysis to confirm these calculations
 - ◆ Also, it is not clear how much of this amounts to transitioning these functionalities

Enbridge Gas Distribution - Accenture - Customer Care Services Agreement - Amended & Extended Cost Summary									
Year	2011*	2012*	2013	2014	2015	2016	2017	Totals	
Total CCSA Cost - Billing, Call Centre, Collections & Shared Services	\$ 56.5	\$ 57.6	\$ 59.4	\$ 61.2	\$ 63.2	\$ 65.1	\$ 67.1	\$ 430.0	
Cost - Large Volume Billing	\$ 2.3	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.9	\$ 3.0	\$ 3.2	\$ 19.2	
Net CCSA Cost	\$ 54.2	\$ 55.1	\$ 56.8	\$ 58.5	\$ 60.3	\$ 62.0	\$ 63.9	\$ 410.8	

* Note: Total cost higher than 2007 CCSA equivalent.

** Attached table was provided by EGD



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Revenue requirement for nCLS project

Revenue requirement for nCLS project - Background

- ❖ EGD replaced its legacy CIS with the SAP-CCS CIS solution. The nCLS project commenced in May 2007 and the new solution went live in October 2009 (it was delayed by 5 months)
- ❖ The consultative group oversaw the vendor selection process for the nCLS initiative for fairness and objectivity.
 - ◆ They engaged FivePoint to review the proposals from various vendors and to assess the costing model based on industry standards
 - ◆ EGD selected Sapiant as their System integrator and proposed a total cost of \$118.9M. It was conditionally pre-approved provided FivePoint will be engaged to oversee the appropriateness and diligence of EGD's execution of this implementation
 - ◆ This budget included \$113.6M capital spend with a \$5.3M allocated for IDC (Interest During Construction)
- ❖ This section will cover how the nCLS costs are calculated in the IR template for revenue recovery

Revenue requirement for nCLS project – Background (Cont'd.)

- ❖ EGD presented its nCLS investment revenue requirement for the current IR period (2007 – 2012) and the future 5-year IR period starting in 2013
 - ◆ This was done based on request from the consultative group to have the IR settlement template for the next period populated CCSA costs and all other known costs (which included nCLS costs)

Revenue requirement for nCIS project – EGD’s calculations

- ❖ EGD has calculated the total revenue requirement for the nCIS project based on the following cost items
 - ◆ These amounts were provided by EGD as part of FivePoint’s review of their revenue requirement calculations
- ❖ EGD requires a total of \$175.62M of revenue over the 10-year life of nCIS (to recover \$124.20M of capital cost) according to Ontario Utility Capital Structure - see line 3 in the settlement template (New CIS Capital Cost @ Board Approved 36% Equity)
 - ◆ EGD stated that this amount (\$175.62M) includes return on investment, carrying cost, depreciation, procurement costs and related taxes
 - ◆ EGD also pointed out page 30 of the ‘Settlement Proposal For Customer Care and Customer Information System (“CIS”) Issues’ document; EB-2006-0034, Exhibit N1, Tab 1, Schedule 1, Appendix F where the total revenue recovery for the nCIS investment is calculated as \$175.18M (see embedded document in Appendix 1)
 - There is a variance of \$0.44M between the two estimates. EGD explained that this variance is between original place-holder and the actual true-up that was later approved in 2008

Cost Item	Cost (\$M)
Capital Spend	\$113.60
IDC	\$5.30
Procurement	\$5.10
Capital Tax	\$0.20
Total	\$124.20

Revenue requirement for nCIS project – EGD’s calculations (Cont’d.)

- ❖ EGD also introduced three additional items to the nCIS revenue requirement calculations
 - ◆ IDC due to the delay in the system implementation (Go-Live date) that amounted to \$1.9M
 - ◆ There is a credit of \$0.4M due to cost avoidance from ‘Other Capital’ cost category. FivePoint did not ascertain these calculations (as per EGD’s statement)
 - EGD stated that credit was shown as credit in IDC for simplification purposes
 - ◆ Additional SI cost of \$6.6M. There is a provision in the original CIS settlement deal where additional SI costs incurred in the project can be claimed for revenue recovery
- ❖ Following is FivePoint’s summarized version of EGD’s nCIS investment revenue requirement

<i>Cost Item</i>	<i>Actual Cost (\$M)</i>	<i>Revenue Recovery (\$M)</i>
CIS Cost	\$124.20	\$175.62
Other Capital Cost Avoidance	-\$0.40	\$1.67
Incremental IDC	\$1.90	
Additional SI Costs	\$6.60	\$6.97
<i>Total</i>	<i>\$132.30</i>	<i>\$184.26</i>

Revenue requirement for nCLS project – EGD’s calculations (Cont’d.)

- ❖ EGD also stated that based on the consultative group’s suggestion, EGD recovered full benefit of the tax deduction capital cost allowance in the first four years of the 10-year life of the CLS solution
 - ◆ FivePoint was informed that the total tax deduction allowance amounted to approximately \$40M (have not seen the actual calculations)
- ❖ This is reflected in the IR period 2007 – 2012. To keep the rates at a steady state, the revenue recovery estimates were smoothed during this period
- ❖ There is a significant jump in the revenue recovery estimates for the IR period 2013 – 2018
 - ◆ EGD stated that the smoothing of the estimates in the current IR period due to realization of the tax deduction capital cost allowance lead to this jump in the rate base

Revenue requirement for nCLS project – FivePoint's findings

- ❖ According to EGD, following are the breakdown in nCLS investment revenue recovery in the next seven years

Year	IR Period 2007 - 2012						IR Period 2013 - 2018						Grand Total	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
CIS Revenue Requirement	\$0.00	\$0.00	\$0.95	-\$5.26	\$25.89	\$24.91	\$25.42	\$24.38	\$23.32	\$22.32	\$21.31	\$20.26	\$0.76	
Total Revenue Requirement = \$46.49M							Total Revenue Requirement = \$137.01M							\$0.76M

- ❖ EGD has included procurement costs of \$5.1M and Capital tax of \$0.2M
 - ◆ EGD stated that these cost items were included as part of the original 2007 settlement agreement
- ❖ FivePoint was notified that the \$0.44M variance between the revenue recovery estimates in the 2007 agreement and the figures in the settlement template was due to true-up and was approved in 2008 by the board
- ❖ EGD pointed out the supporting documentation for an already agreed revenue recovery calculation for nCLS project

Revenue requirement for nCLS project – FivePoint's findings (Cont'd.)

- ❖ EGD has included an additional \$1.9M for IDC in the revenue recovery calculations
 - ◆ It was explained that this is due to the delay in completing the project (original Go-Live date was April/2009)
- ❖ EGD has also included \$6.6M additional SI (System Integrator) costs due to delay of the project
 - ◆ EGD explained that this additional cost can be recovered based on the original settlement proposal for customer care and CLS
- ❖ EGD also showed a \$0.4M reduction in 'Other Capital' costs



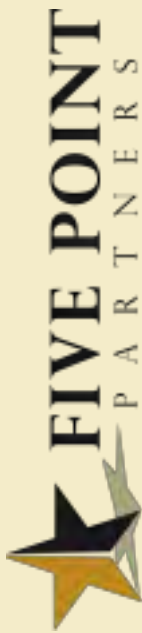
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Next steps

Next Steps

- ❖ Investigate cost, feasibility and risk of bringing Large Volume Billing (LVB) operations in-house
 - ◆ According to EGD, this is already in motion – to be completed in May/’11
- ❖ Develop procurement strategy for the next contract without leveraging the option years in the current contract – 2018 and 2019
 - ◆ Fees increases by 4.47% from 2017 – 2018; 3.24% from 2018 – 2019
 - ◆ All increases prior to 2018 averages to 1.81%
- ❖ Deploy mechanism to effectively apply, track and report the usage of the consulting (work pool) hours built in the contract
- ❖ Get approval from Interveners and OEB
- ❖ Get OEB approval for the CCSA Third Amending Agreement
- ❖ Investigate CLS investment revenue recovery mechanism in details (if required)
- ❖ EGD and the Consultative Group complete the negotiation of an extension of the 2007 Customer Care and nCLS regulatory settlement agreement in whole or in part.



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Appendix 1 – Supporting Documentation

Appendix 1 – Supporting Documentation

- ❖ ‘Settlement Proposal For Customer Care and Customer Information System (“CIS”) Issues’ document; EB-2006-0034, Exhibit N1, Tab 1, Schedule 1, Appendix F
- ❖ Filed: March 21, 2007



Settlement
al for EGD Custom

Customer Care Service Delivery Strategy

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1 Executive Summary

This section provides a quick, high-level summary of the key outputs of the Customer Care Service Delivery Strategy initiative, undertaken in 2010 by EGD's Customer Care department. Details and other supporting material are provided in the rest of the sections of this document.

Purpose & Objectives of the initiative:

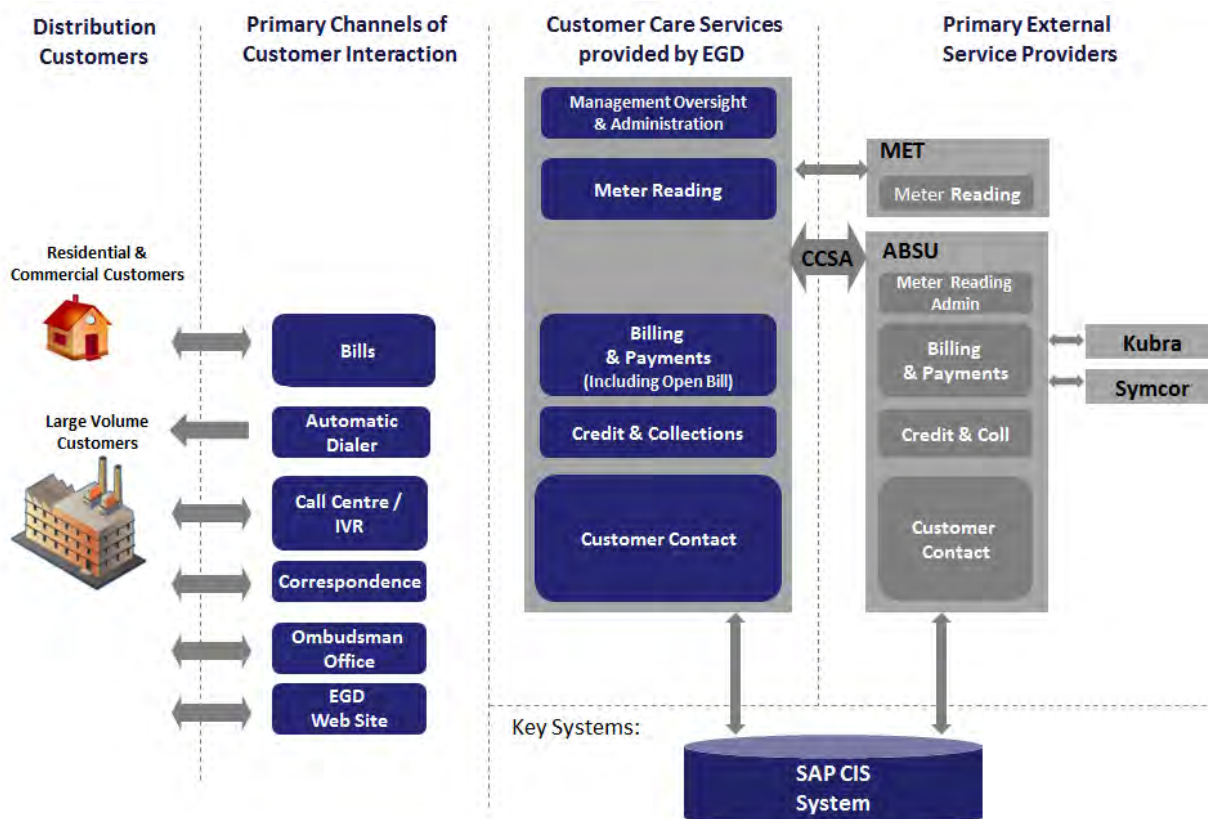
The project was undertaken to ensure that EGD is well-positioned to effectively meet its future customer care needs.

The specific objectives of the project were:

- Review the current state of EGD's customer care service delivery model
- Establish future customer care needs
- Identify gaps between the current state and future needs
- Formulate a customer service delivery strategy for the future (2012 and beyond)
- Align the strategy with the regulatory/rates approach
- Develop a plan to implement the strategy

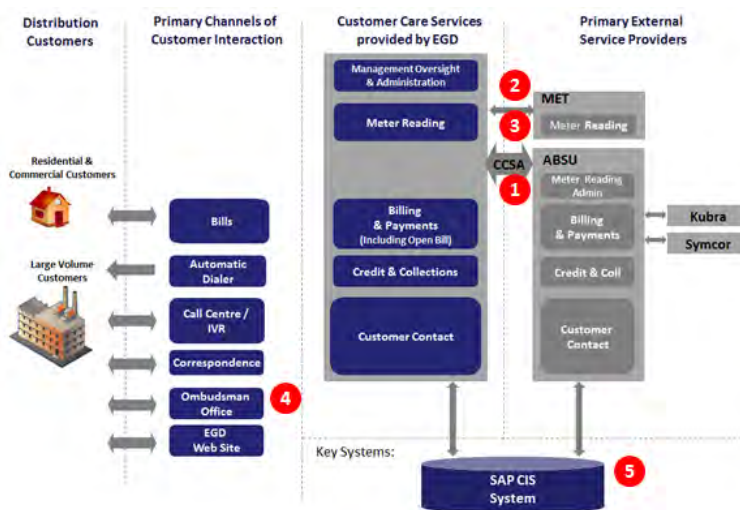
Review of the current state:

The following is a high-level depiction of the current state context:



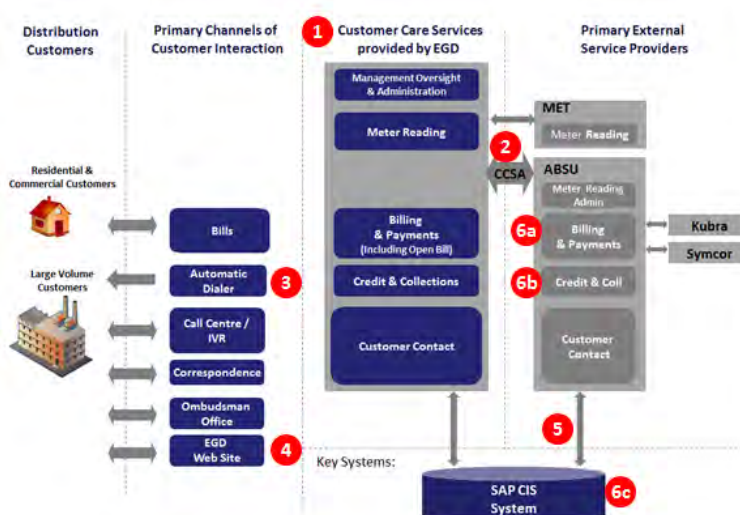
The four key areas of services include Meter Reading, Billing & Payments, Credit & Collections, and Customer Contact. The operation of these services is largely out-sourced. Meter Reading services are primarily provided by MET Utilities Management Ltd. ("MET"), while Accenture Business Services For Utilities Inc. ("ABSU") provides most of the other services. A CCSA (Customer Care Services Agreement) is in place with each of these external service providers. The current CCSAs are based on a five year term that expires in March, 2012. Within this context, the following are some of the key themes from interviews with EGD staff around assessing the current state.

Things going well today:



1. Third Generation of the CCSA considered to be a big and positive leap forward from the last one
2. Great value being derived from the Meter Reading Agreement
3. Relationship with service providers is good, and improving
4. Ombud office is seen as an effective means of addressing customer escalations
5. New CIS presents opportunities (and challenges)

Challenges and areas of improvement:



1. Customer Care activities is not well integrated with other organizational efforts (such as new BD programs)
2. Limited flexibility and control of customer care activities of the current outsourced service delivery model
3. Improvements needed to some of the channels in order to enhance customer interaction – IVR, Dialer, Web Site
4. Ownership of content on the EGD web site is fragmented
5. In-house CIS increases the complexity of interaction with the CC service provider
6. Opportunities & Challenges with quality/value of specific functions
 - a) Billing Exceptions, Large Volume Billing & Open Bills
 - b) Collections
 - c) Application support of CIS system

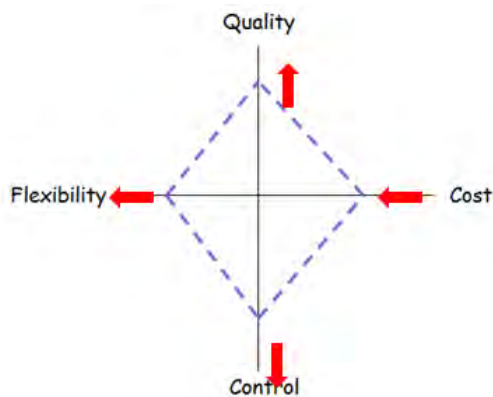
Relevant assumptions around future business direction (5 years out):

Based on discussions with EGD's management team, the following are some of the key assumptions that were used to understand EGD's customer care needs for the period 2012 through 2017

1. EGD will enter into another 5-year incentive regulation program beginning in 2013
2. It will be difficult for EGD to recover significant customer care cost increases in rates
3. There will be no major changes in EGD's external landscape (Ontario economic & demographic environment, regulatory model, Enbridge Inc business structure)
4. EGD's business model will not change significantly. Natural gas distribution will continue to be the core business.
5. Customer attachments growth will stay relatively constant
6. Increased requirements for meter exchanges due to government inspection requirements will be in effect within 5 years
7. Customer expectations will continue to evolve (customers will be looking for more communication channels with EGD, as well as more self-serve choices)
8. EGD's CIS system and web site will continue to be hosted and managed in-house.
9. The IVR will continue to be managed by the service provider that provides contact centre services.

Business drivers for changes to the current state:

The business drivers can be categorized into the four inter-dependent variables shown below.



In addition to scope, cost of outsourced services is impacted by expectations around quality and the degree of flexibility & control desired

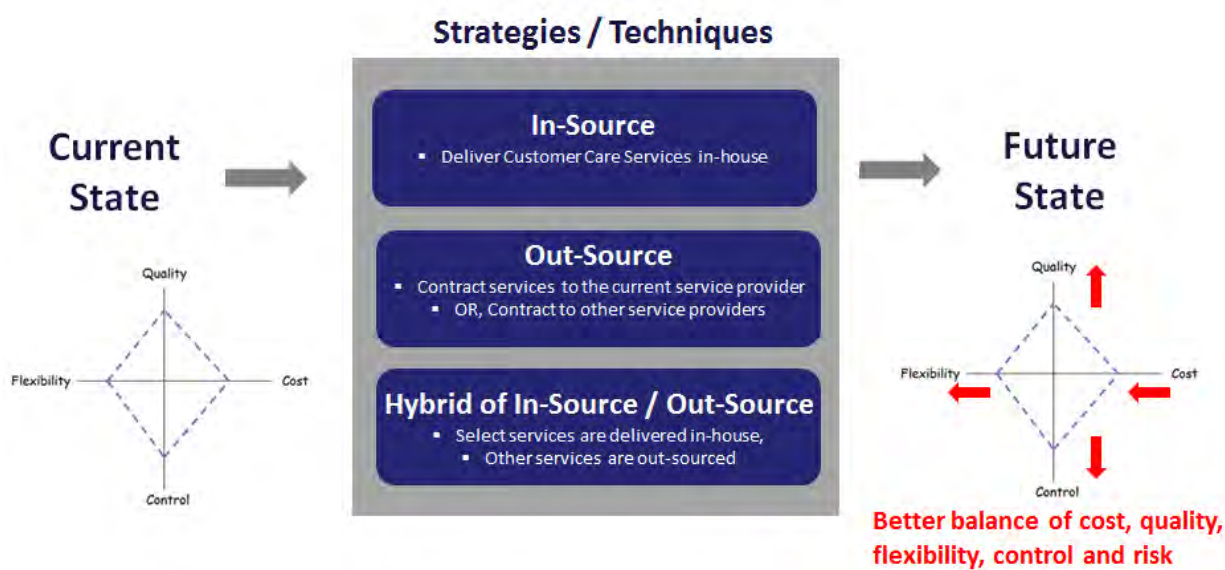
Hence, the primary goal is to **have the right balance of cost, quality, flexibility, control** and risk in relation to the delivery of customer care services, in order to effectively meet the strategic and operational needs of EGD in the future

To the extent possible, the objectives are to increase flexibility, quality and control,

- while reducing cost
- without taking on significant risk

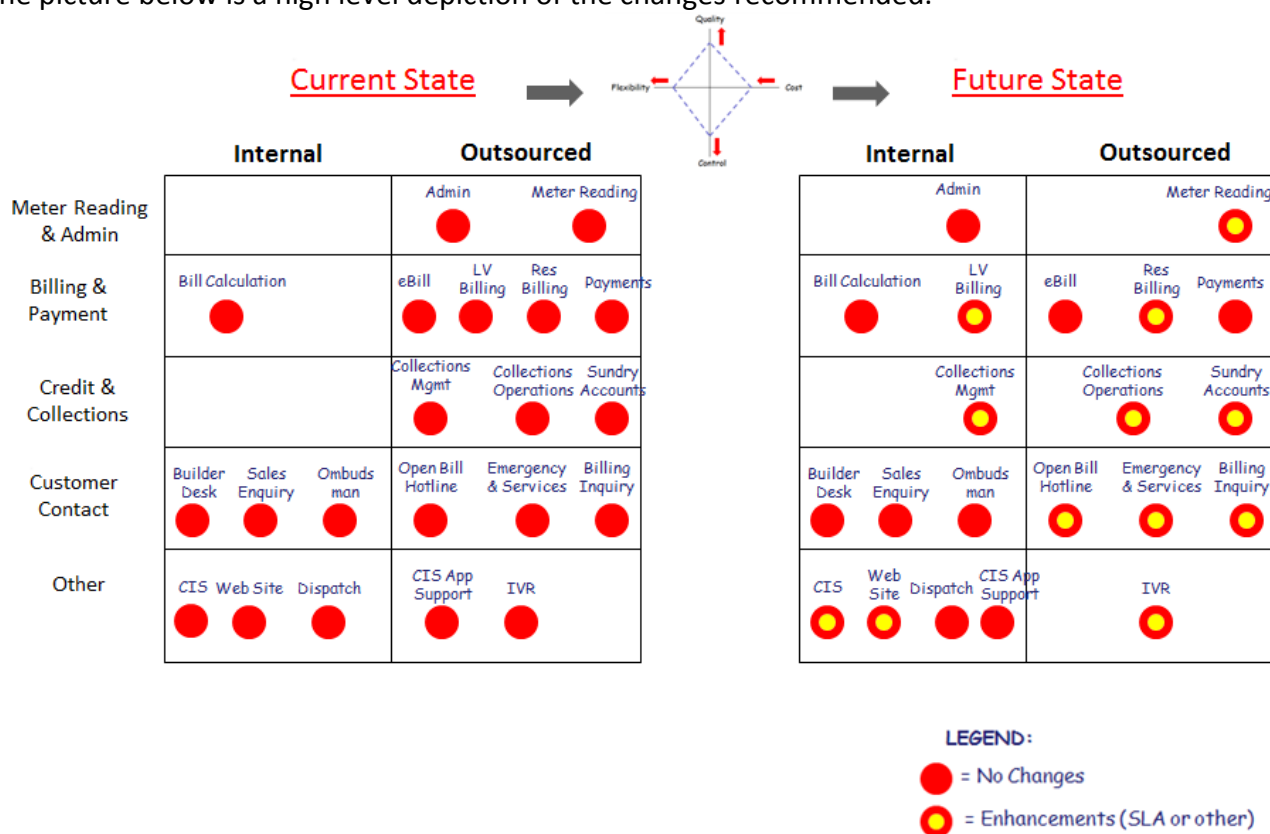
Options for Change:

There are essentially two major Customer Care Service Delivery options; Insource or Outsource. In EGD's case, the available outsourcing options are to continue with the current service providers, or to look to the market for other potential service providers. Insourcing would require a significant change in EGD's operations, entail significant lead time and capital cost. A third potential option could be some combination of outsourcing along with the repatriation of some services. In general outsourcing limits flexibility and control while insourcing provides more flexibility and control all be it at a higher level of risk. Under any of these options, the scope of services and service levels would be revised to accommodate current and unanticipated future business needs.



Summary of Changes Recommended:

The picture below is a high level depiction of the changes recommended.



The overall recommendation here is to repatriate large-volume billing, continue outsourcing other services that as they are today, subject to a marginally revised scope of work and certain service level improvements. The following tables provide an overview of recommended changes by area of customer care.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Meter Reading & Administration	Rationalize meter reading administration.	Efficiency gain should be reflected in costs associated with any future customer care outsourced service agreements.	EGD's new CIS has automated reports for meter reading admin functions, thereby reducing the manual effort required to put these reports together. Any future customer care outsourced service agreements to include revised statement of work responsibilities and accountabilities to address new CIS procedures in any future outsourcing agreements.
	Leverage meter readers to perform other services.	Opportunity to reduce costs by transferring work from other functions that involve door to door non-critical activities to meter reading contractors.	Specific incremental services to be incorporated in future meter reading service agreements.
	Revise SLAs to ensure better capture of meter status.	Reduce the number of billing exceptions which need to be manually worked, which in turn will increase the quality and timeliness of billing.	Revise Meter Reading statement of work items in any future customer care outsourcing service agreement.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Billing & Payments	Repatriate Large Volume Billing and related Customer Care activities.	Better customer care support of EGD's largest business-to-business customers (e.g. more timely correction of billing exceptions, better integration with system measurement and Direct Purchase groups, reduced collection risk by closer contact with these customers, better customer satisfaction with LV customers).	Any future customer care outsourcing service agreements will set out LVB and Collective account billing service as a separate category of work (SOW, Service Levels and fees) such that EGD can opt to repatriate these business functions.
	Enhance process around Large Volume new customer set-up and change of ownership.	Reduction of collection risk by more timely billing of new business owners and capture of accurate legal names on contracts and billing records. Improved customer satisfaction and gas marketer satisfaction. Reduced administrative effort in the Direct Purchase Group pertaining to retroactive contract and billing adjustments.	
	Improve timeliness and accuracy of billing back-office functions such as billing exceptions.	More accurate and timely billing. Improved customer satisfaction.	To be addressed through new and/or revised service levels in any future customer care outsourced service agreements.
	Establish direct contract with Kubra & Symcor.	EGD will have increased transparency of significant third party activity and cost. Opportunity to explore operational and financial efficiencies with current third party service providers.	To be addressed through revised service delivery structure and contract terms in any future customer care outsourced service agreements.

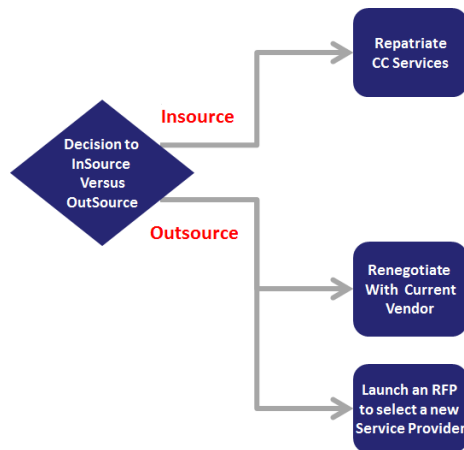
Area of Change	Recommended Change	Benefit	Attainment Strategy
Credit & Collections	Repatriate management of Collections activities.	Additional control of collection activities which would provide the opportunity to reduce the bad debt expense activity. Provide direct control over the cost of the collections business function by potentially moving to a unit fee per collection service.	To be addressed through revised service levels in any future customer care outsourcing service agreements.
	Improvements to outbound dialer infrastructure.	Improving Mass Market Collections performance through increased capacity for telephone collections.	To be addressed through revised service levels in any future customer care outsourced service agreements.
	Review and revise SLAs around Collections of Sundry accounts.	Improved sundry account collections performance.	To be addressed through revised service levels in any future customer care outsourced service agreements. Or, potentially repatriate this function to EGD.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Customer Contact	Enhance CSR training.	Improved customer experience and satisfaction.	To be addressed through additional statement of work items and revised service levels in any future customer care outsourced service agreements.
	Enhance Communication and engagement with CSRs.	Better informed customer contact personnel will result in improved customer satisfaction and more effective roll-out of EGD programs.	To be addressed through additional statement of work items and revised service levels in any future customer care outsourced service agreements.
	Changes to processes and service levels related to validation of customer identity.	More complete and accurate customer information and better adherence to privacy legislation.	To be addressed through revised service levels in any future customer care outsourced service agreements.
	Enhance IVR.	Improved customer experience and satisfaction.	To be addressed through additional statement of work items and revised service levels in any future customer care outsourced service agreements. Ongoing initiative to redesign EGD IVR menus to be implemented in late 2010 or early 2011.
	Customer self-serve thru website.	Improved customer experience and satisfaction.	EGD to address directly through potential enhancement of CIS and customer facing internet based systems.
	Limit number of customer escalations referred to Ombudsman's office.	Improved customer experience and satisfaction. Avoided potential of incremental cost associated with the ombudsman office.	To be addressed through revised service levels in any future customer care outsourced service agreements (Call Centre escalation handling, turnaround time standards for EGD and EGD Ombudsman Office information and account transaction requests).
	Improve responsiveness to EGD requests for customer information and customer account update requests.	Improved customer experience and satisfaction as it relates to EGD requests for information or resolution of customer related issues.	To be addressed through revised service levels in any future customer care outsourced service agreements.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Other	Tighten and clarify contract terms with respect to the applicability of customer care service agreement service levels.	Consistency of customer care services contracted to the service provider (i.e. no loop-holes in the contract with respect to the application of service levels).	Revise any future customer care outsourced service agreements to confirm that all service levels apply to all activities and all customers (including Open Bill)
	Strengthen EGD step in rights or performance guarantee in any future customer care outsourced service agreements.	Reduced exposure to EGD in the event of service provider failure to provide services at prescribed service levels over an extended period of time.	To be addressed through revised contract terms in any future customer care outsourced service agreements.
	Attempt to capture potential benefits from customer self-serve thru website.	Opportunity to leverage financial efficiencies associated with increased automation of customer enquiries through a web site.	Include current CCSA Change Order requirements in any future customer care outsourced service agreements.

Implementation Options:

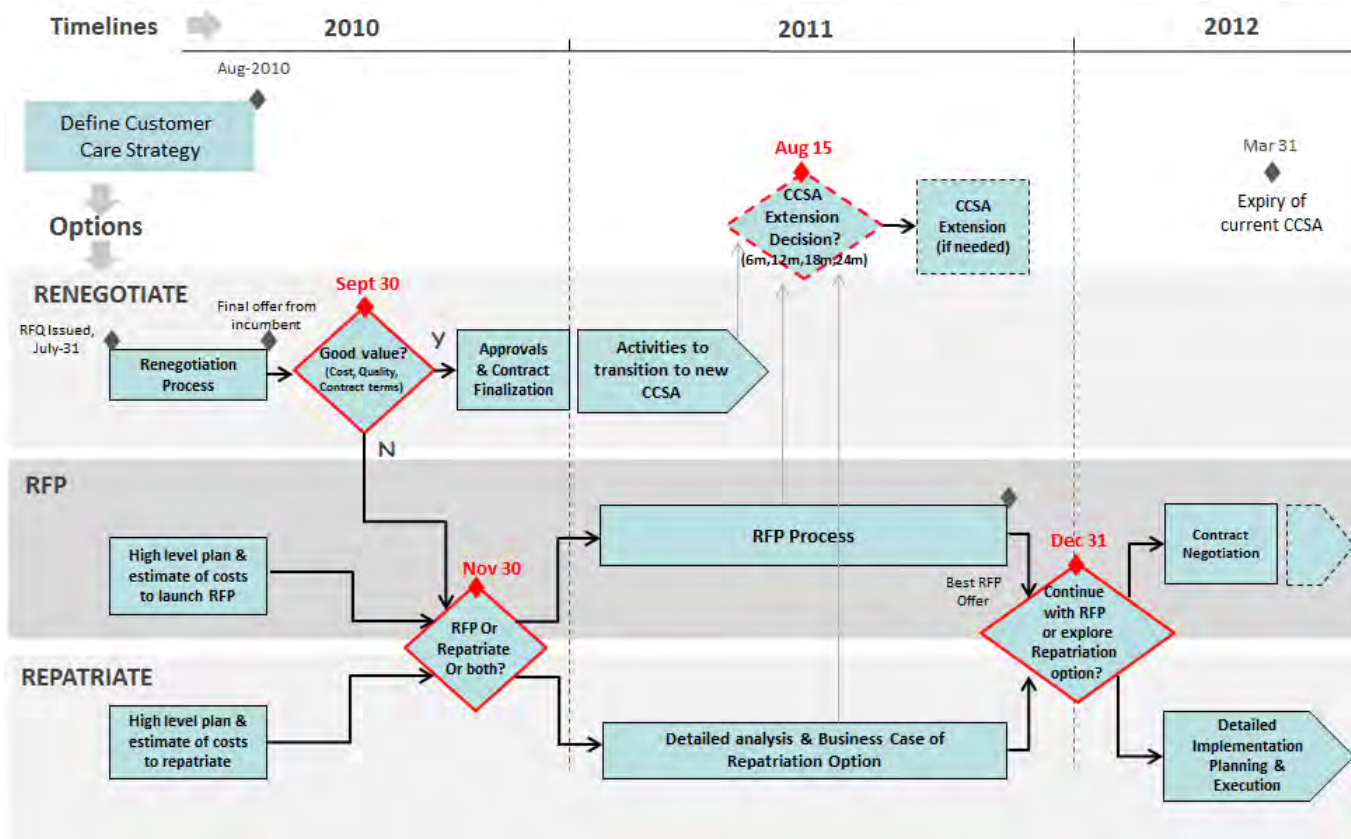
There are essentially 3 routes that can be taken for implementation:



Based on an analysis of the three options, the following is a summary of how these options compare:

Option	Timeframes (Approx)	Cost (High-level Estimate)	Pros	Cons
RFP	15 months	\$5M to \$7M	<ul style="list-style-type: none"> • Achieves competitive price for services • Lowest regulatory risk of acceptance 	<ul style="list-style-type: none"> • Significant investment of time and \$ needed (as compared to renegotiation option) • Possibility that this option may not deliver a better cost structure and contract terms than the renegotiation option • Significant cost involved in transitioning to a new service provider
Renegotiate with current service provider	4-5 months	\$1.2M	<ul style="list-style-type: none"> • Lower effort and cost • Minimal transition risk (and hence avoided costs to rate payers) 	<ul style="list-style-type: none"> • Costs are not established through a competitive bidding process • Higher regulatory risk of acceptance
Repatriate services	24 months	\$65M	<ul style="list-style-type: none"> • Most flexibility and control • Cost, scope and quality directly under the company's control 	<ul style="list-style-type: none"> • Significant financial and operational risk during and after the transition process • May not deliver a better cost structure than an outsourced model • More cost/quality trade-offs

Since each of these options have specific pros and cons, the following is the recommended implementation plan which combines elements of each option into a logical decision path.



Recommendations around regulatory engagement:

Regulatory acceptance of EGD's decisions on future Customer Care service delivery and the recovery of related costs is an essential element of EGD's Customer Care strategy. It is the company's view that this can be best achieved through a consultative approach that enables the company to engage its regulatory stakeholders in a meaningful way that gives them clear insight into EGD's decision-making process.

Since Transparency and Engagement are critical to this process, this should be accomplished by keeping regulatory stakeholders informed on:

- Requirements & rationale for proposed changes to Customer Care Service Delivery
- Decision-making process
- Relevant discussions with service providers
- Related Management decisions

This can be accomplished by sharing relevant information with interveners through regular meetings and communications and supporting Intervener-selected independent advisors that can monitor,

comment on and advise the interveners with respect to the decision making process employed by the Company.

2 Introduction

2.1 Background and Context

The landscape in which EGD operates is continuing to evolve. Changes in the economy, green energy, technology and demographic trends within our franchise area are some of the many factors that will continue to evolve and influence the expectations that customers have of EGD.

EGD currently has an out-sourced service delivery model for a majority of its customer care operations. In 2007, ABSU was chosen as the service provider through a competitive bidding process. The service agreement was for a 5-year term. This agreement, which includes two extension options covering up to two additional contract years, is effective until March 31, 2012.

Another significant development since 2007 is the implementation and deployment of a new CIS system by EGD in September 2009. The new SAP technology based CIS replaced the old mainframe based CIS system in September 2009. The legacy CIS was provided to EGD as an outsourced service by ABSU, whereas the new CIS is owned and hosted by EGD.

These three factors – evolving customer expectations, impending expiry of the current customer care service agreement, and EGD's ownership of the new CIS prompted the need to pursue a customer care service delivery strategy.

EGD's customer care strategy needs to address key questions for the future:

- How effectively is the existing service delivery model meeting our current needs?
- How will our needs be different in the future?
- What are the gaps in our current model?
- How should we fill in these gaps?
 - Should we alter the existing mix of services that we outsource?
 - Should we alter our service level metrics?
- What do we need to do to prepare for the future

The best timing for such an exercise is 2010, well in advance of the expiry of the current service agreement. In December 2009, the decision was made to launch the "Customer Care Service Delivery Strategy" initiative. A small team was put together under the direction of Steve McGill to conduct this initiative.

2.2 Overview of the Initiative

The following is a description of the Purpose, Objectives and Approach of the initiative:

Purpose:

Ensure that EGD is well positioned to effectively meet its future Customer Care needs beyond March 2012.

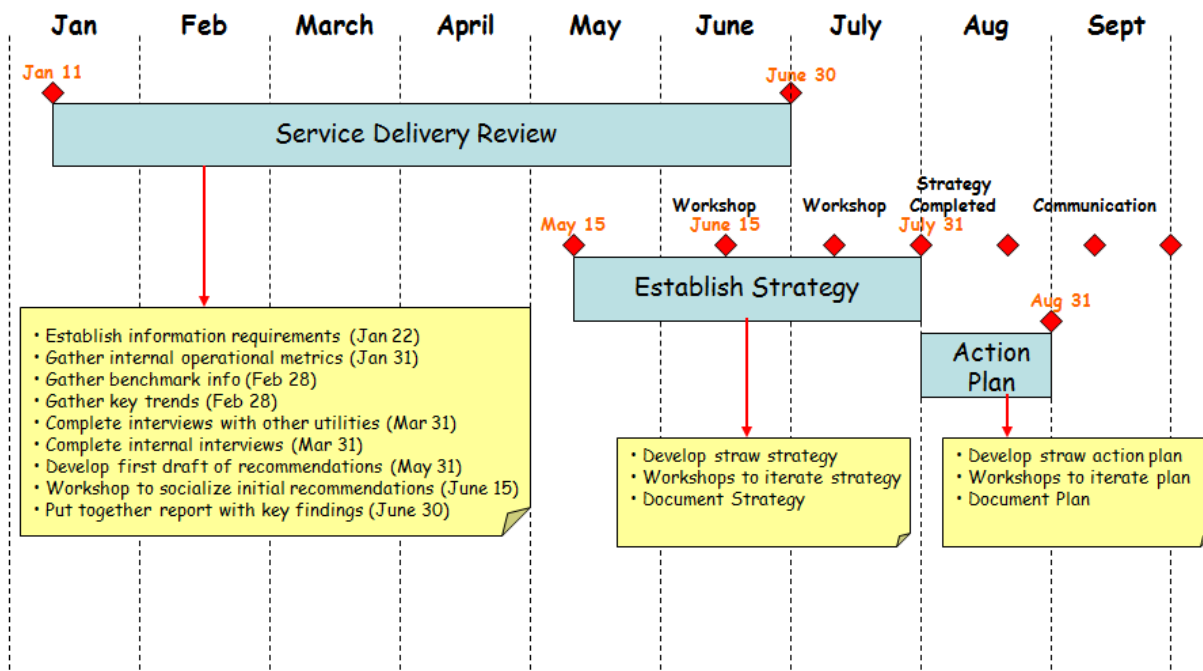
Objectives:

- Review the current customer care service delivery operation (scope, cost, quality and comparative benchmarks)
- Establish the future customer care needs
- Identify gaps between our current customer care delivery structure and future needs
- Formulate a customer service delivery strategy to meet these for the future (2012 and beyond)
- Align the strategy with the regulatory/rates approach
- Develop a plan to implement the strategy (approach, timelines, milestones, resources, costs and governance)

Approach:

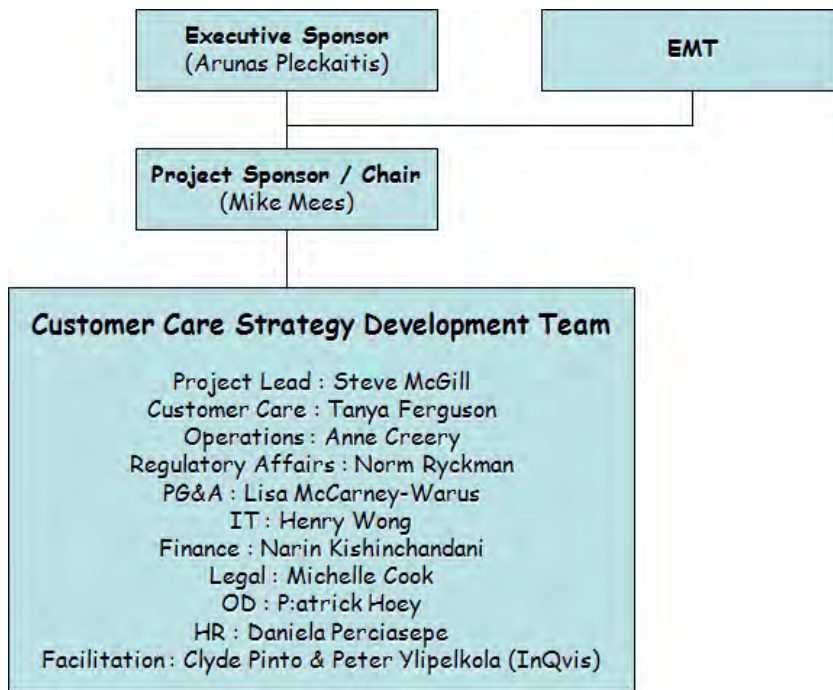
The initiative was conducted through three major activities, as depicted in the picture below

1. Review the current service delivery model
2. Establish the strategy
3. Establish an action plan



As part of the service delivery review, interviews were held with over 50 stakeholders from different parts of the organization. A cross-functional working group was put together, and engaged through workshops to validate ideas and provide feedback and input into the strategy.

The following picture depicts the team composition and governance structure:



2.3 Document Outline

The rest of this document is arranged in four parts:

- Chapter 3 - Review of the current state : This section provides an introductory overview of EGD's customer care operation, assesses current operations (based on key themes from interviews and other material), and assesses the current service agreement
- Chapter 4 – External Scan: This section describes industry trends and development that are relevant to customer care. This material was put together through research and conversations with external consultants
- Chapter 5 – Recommendations for the Future State: This section describes the requirements for the future, and recommendations around how to meet those requirements
- Chapter 6 – Recommended Action Plan: This section describes the various implementation options that are feasible, and provides a recommended roadmap

All other supporting documents that are relevant to the content in the four chapters listed above are included as appendices.

3 Review of the Current State

3.1 Profile of EGD's Current Customer Care Business Function

3.1.1 Customers

EGD provides natural gas distribution for approximately 1.9 million mass market (residential and commercial/industrial) and approximately 11,000 large commercial and industrial customers in Ontario. The Company continues to grow by 30,000 to 40,000 customers per year.

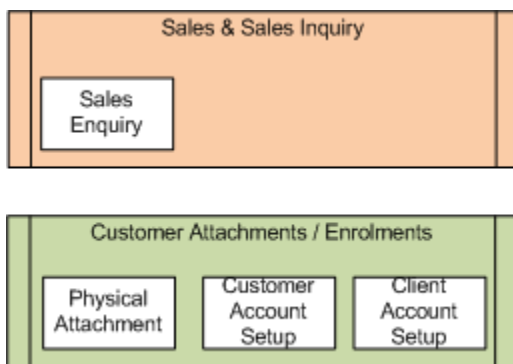
Bills are issued to all customers on a monthly basis. Billing is based on consumption calculations which are based on either actual meter readings or estimated meter readings. Actual meter readings are gathered for the majority of customers every second month. Actual monthly, daily or hourly meter readings are acquired for a portion of commercial and industrial customer accounts. Here are some key points regarding the customer billing:

- All regular monthly bills are generated by the EGD CIS.
- Approximately 50% of EGD's residential customers are enrolled in the equal billing plan
- Approximately 1.4 million of customers are billed for third party non-commodity charges (Open Bill).
- Of the customer base, approximately 600 thousand customers purchase their commodity gas through other retailers.
- Approximately 67,000 customers receive their bills electronically (E-Bill), and
- Approximately 385,000 customers are registered for pre-authorized payment processing.
- Back-office billing support (bill investigations, quality control, manual billing transactions and bill correction) is provided by an external service provider under a business process outsourcing agreement.

3.1.2 Customer Care Services

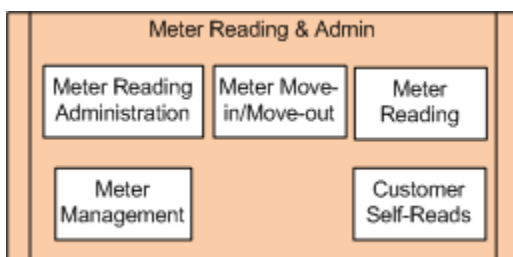
EGD Customer Care Services include the following:

Sales Enquiry, Customer Attachments and Customer account set-up and configuration



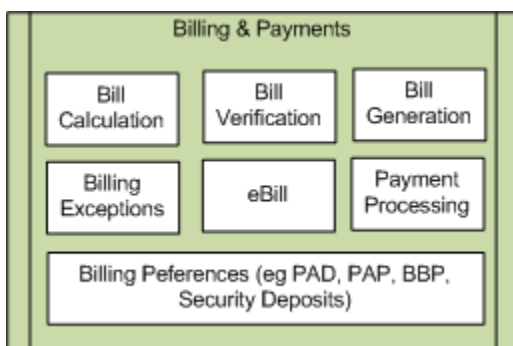
- The Sales Enquiry function handles new customer attachment requests as well as EGD marketing program inquiries from prospective and existing customers.
- The Physical Attachment function is responsible for initiating new customer attachments to the EGD distribution network.
- The Customer Account Setup function deals with setting up new customers in EGD's Customer Information System (CIS).
- The Client Account Setup function deals with establishing other EGD clients (Open-Billers, Commodity Gas Retailers, etc) in EGD's information systems (CIS, EnTrac, etc).

Meter Reading and Administration



- The Meter Reading Administration function is responsible for coordinating meter reading routes and associated meter reading schedules.
- Meter Move-in/Move-out deals with administration of meter readings that are associated with customer moves and service disconnections / reconnections.
- Meter Reading is the function that performs the physical readings.
- Meter Management is a function that deals with maintaining meters in EGD's distribution network, including inspections, repairs and replacement.
- Customer Self-Read is a function that allows for the capture and management of customer provided meter readings.

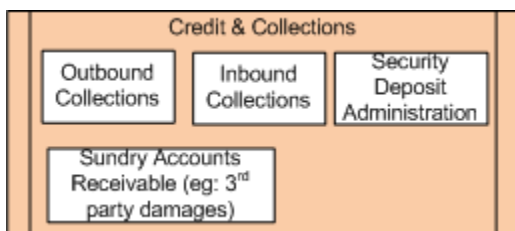
Billing and Payment processing



- Bill Calculation is the function that performs calculations on the billing components that make up a customer's bill.

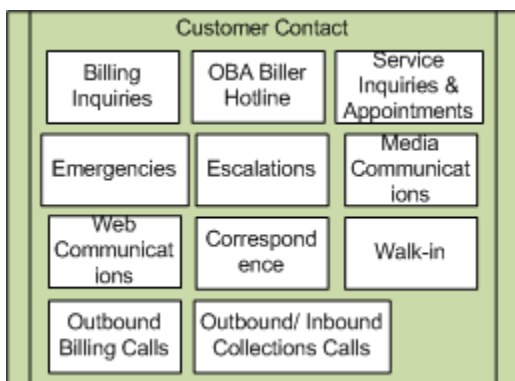
- Bill Verification is the function that performs verification of the customer bills to ensure accuracy and appropriateness.
- Bill Generation is the function responsible for generating the customer's bill (bill composition, printing / inserting and mailing).
- Billing Exceptions is the function that addresses any issues or problems that are encountered during the Bill Calculation, Bill Verification or Bill Generation activities or through customer communication that require investigation and or revision.
- eBill is the function that provides electronic bill delivery to EGD's customers via email.
- Bill Presentment is a function the renders Bill images of customer bills for review of customer billing components and for bill generation purposes.
- Payment Processing is the function that addresses the gathering of customer payments, bank deposits, posting of payments to customer accounts and reconciliation of cash with the bank and the CIS.
- Billing Preferences is responsible for establishing and managing customer specific configuration options in the Customer Information System, such as Equal Billing Plan participation, Pre-Authorized Debit configuration, security deposit calculation, etc).

Credit & Collections



- Outbound Collections is the function that manages EGD-initiated customer collections activities.
- Inbound Collections is the functions that handles inbound customer contacts in relation to collections activities.
- Security Deposit Administration deals with the determination of, collecting and maintaining security deposits from EGD customers.
- Sundry Accounts Receivable is the function that deals with handling the collections activities associated with sundry account accounts, (collection of 3rd party damage claims etc).

Customer Contact



- Billing Inquiries is the function responsible for responding to customer inquiries concerning charges that have been invoiced on their EGD bill.
- OBA Biller Hotline is a function that deals with 3rd party billing client inquiries regarding 3rd party charges appearing on a customer's bill.
- Service Inquiries & Appointments manages inquiries and requests for service work and initiates service activities.
- Emergencies, is the function that handles emergency calls and is responsible for initiating emergency response activities.
- The Escalations function is responsible for dealing with customer contact escalations.
- Media Communications is responsible for managing communications activities with the media.
- Web Communications is responsible for the EGD website content.
- Correspondence is a function that administers customer correspondence activities.
- Walk-in addresses customer contact activities that are initiated via walk-ins to EGD's offices.
- Outbound Billing Calls is a call centre function that handles outbound customer contact activities related to billing items.
- Outbound/Inbound Collections Calls is a call centre function that handles customer contacts related to collections activities.

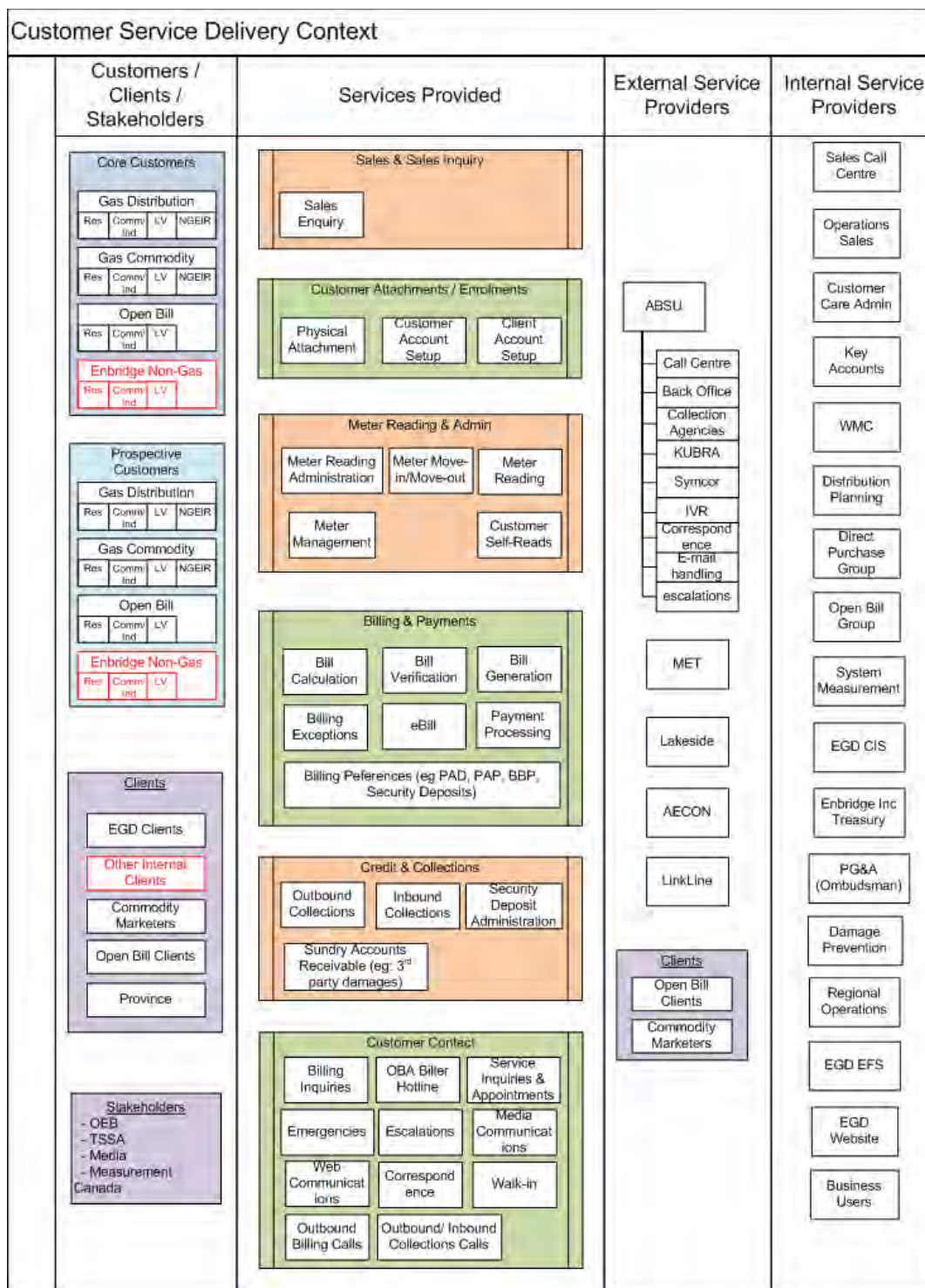
Customers can interact with EGD via any of the following channels:

- Phone (talking directly to a CSR or interacting with the IVR)
- Mail correspondence, fax and e-mail
- Website (to view information and submit forms)
- Office of the Ombud (walk-ins)
- Media communications
- The bill (and associated billing inserts) contains information that is used as a channel to convey information to customers

3.1.3 Customer Care Service Delivery Model

Context

The following diagram provides an overview of the customers, the services provided and the organizations (external as well as internal) that are involved in customer care service delivery.

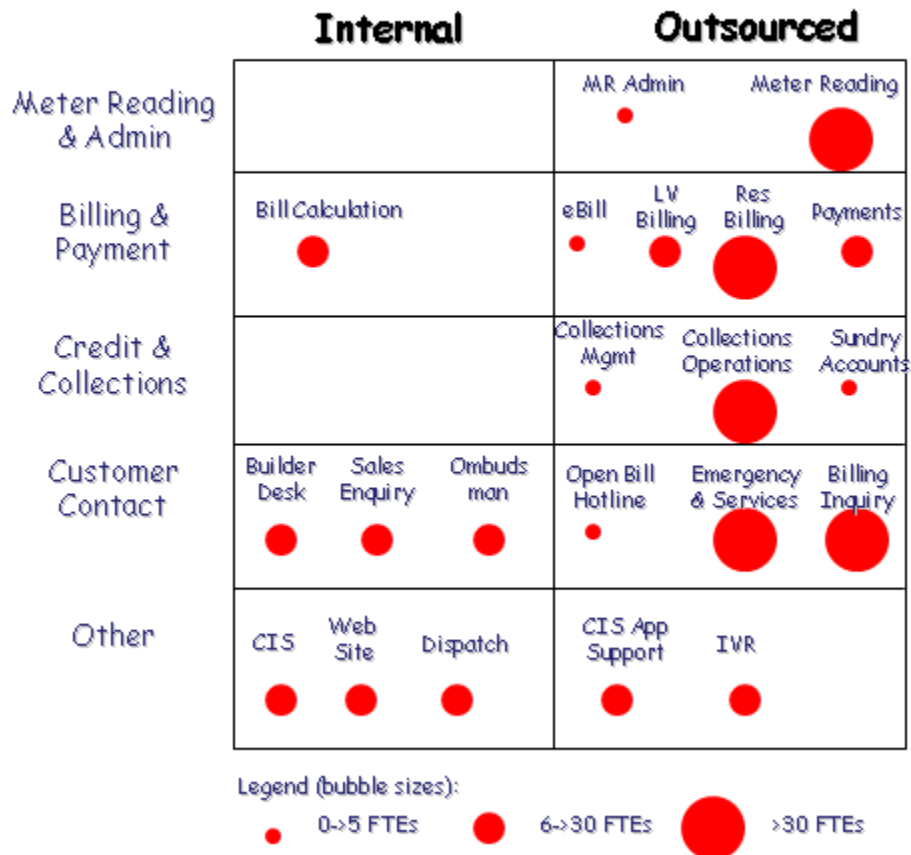


EGD Confidential – Draft for discussion prepared by InQvis Inc on behalf of EGD Customer Care

Internal versus Outsourced Functions

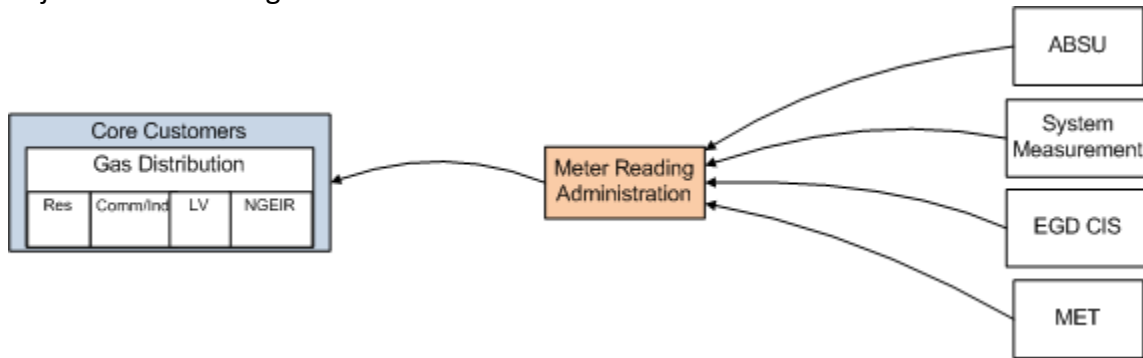
The following is a representation of the current state service delivery model from an internal versus outsourced perspective. For each of the major customer care service “towers”, it depicts which functions are currently performed internally or via an outsourced provider, along with a high level approximation of the relative ongoing work effort in Full-Time Equivalent (FTE) resources needed to perform the function.

Current State

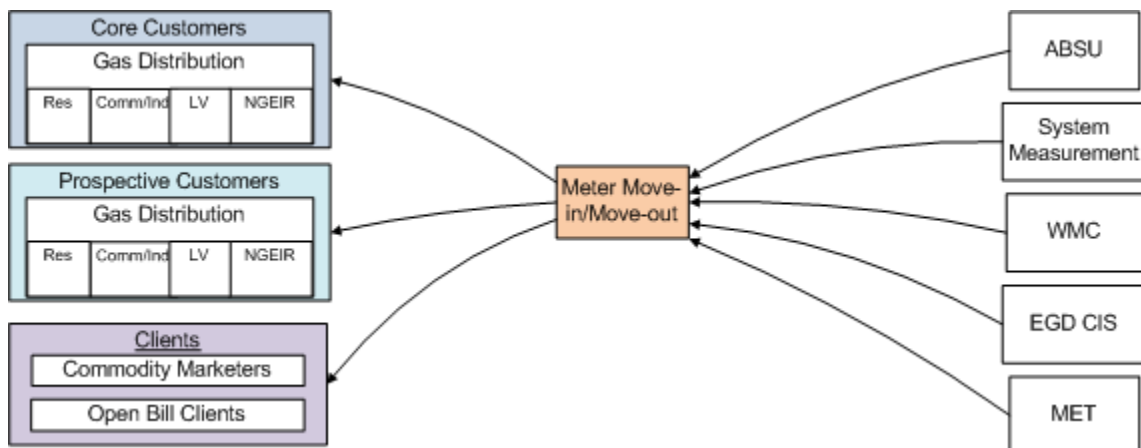


Meter Reading & Admin Functions

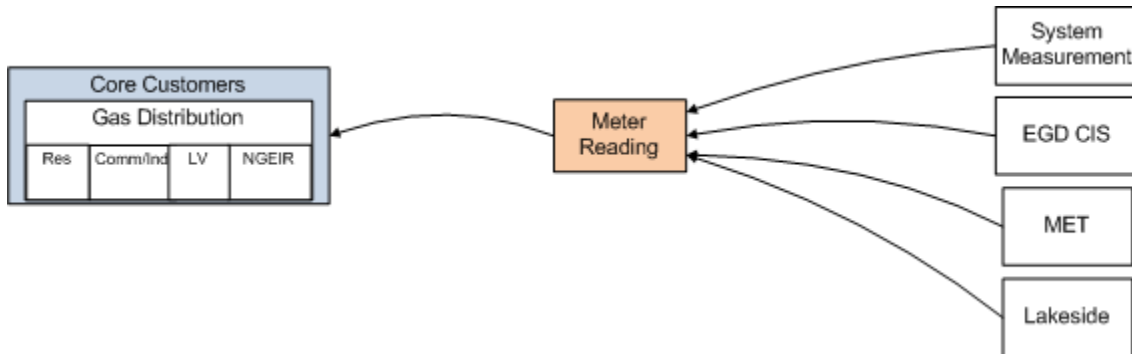
Meter Reading Administration activity is coordinated by ABSU for Residential and Commercial/Industrial customers using EGD's CIS, and by EGD System Measurement for Large Volume customers. EGD's meter reading services contractor, MET works in conjunction with EGD and ABSU to set and adjust meter reading routes.



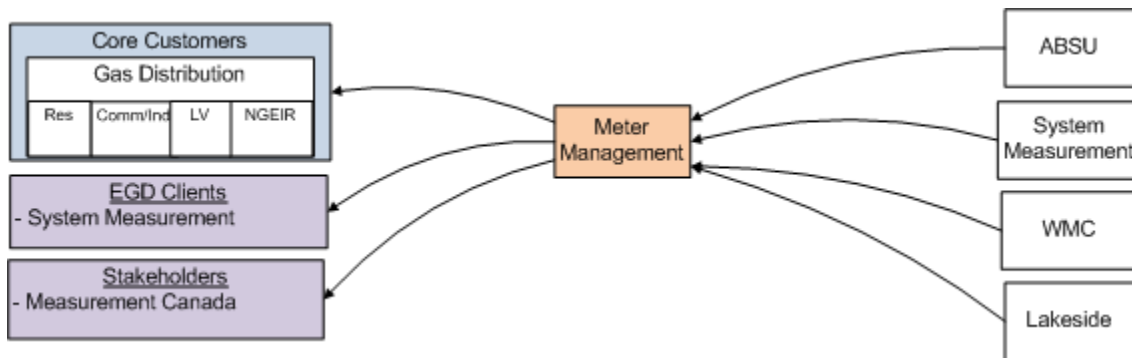
Meter Move-in/Move-out administration is conducted by ABSU for Residential and Commercial/Industrial customers using EGD's CIS, and by System Measurement for Large Volume customers. MET is involved in physical meter reading and meter locking activities and the Work Management System (WMS) is used to route unlock requests to qualified technicians. EGD System Measurement utilizes the Enmar system to manage meter readings and consumption calculation for large commercial and industrial accounts. Other client groups also receive information related to move-in/move-out activity for customers that they have relationships with.



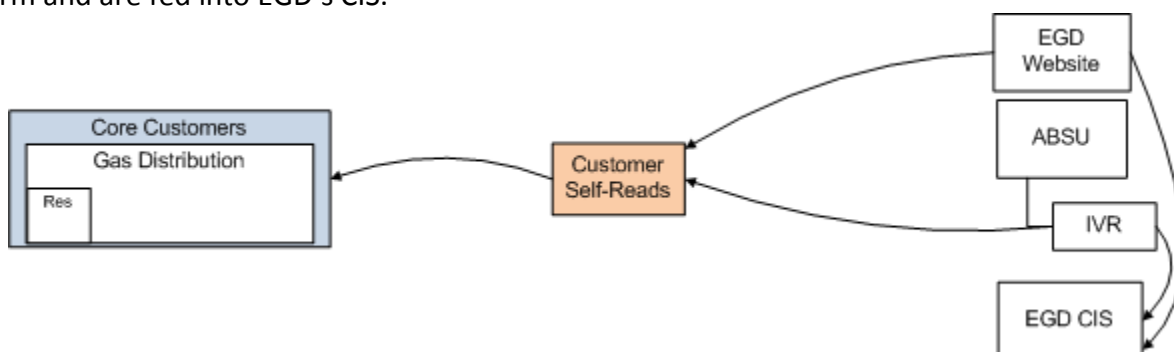
Meter Reading activities are initiated by EGD's CIS for Residential and Commercial/Industrial customers, and by System Measurement for Large Volume customers. MET, EGD and Lakeside (Operation's service outsource service provider) perform the physical meter reading activities.



Meter Management activities are co-ordinated by ABSU for customer or billing-related meter work, and by System Measurement for government inspection and meter replacement work. The Work Management System is used to coordinate technician activities.

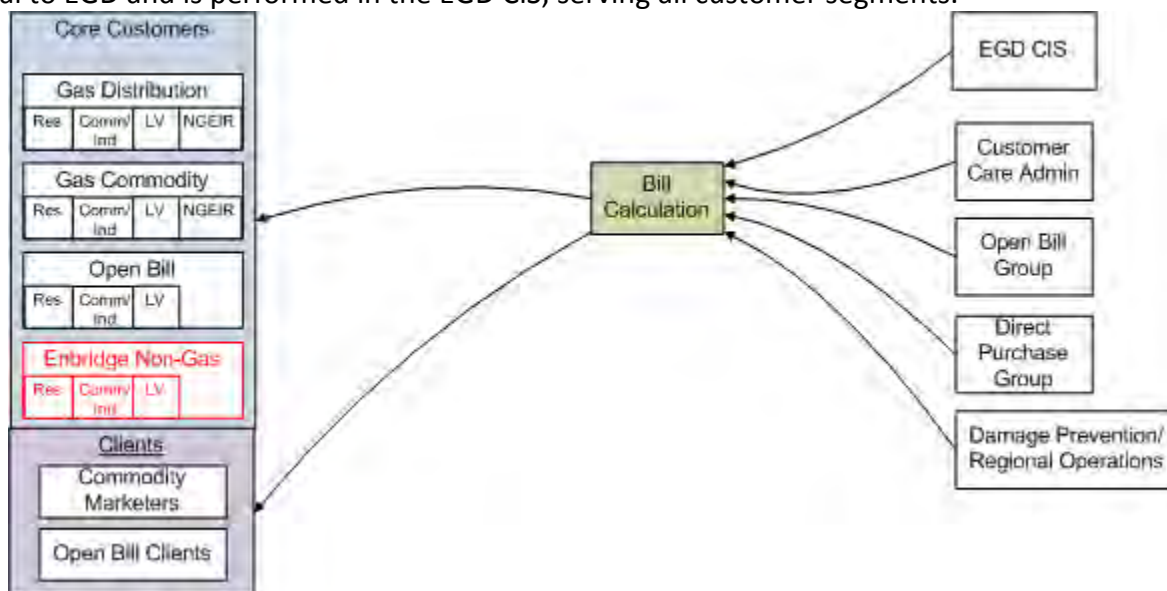


Customer Self-Reads for Residential customers are received via the EGD website or ABSU's IVR platform and are fed into EGD's CIS.

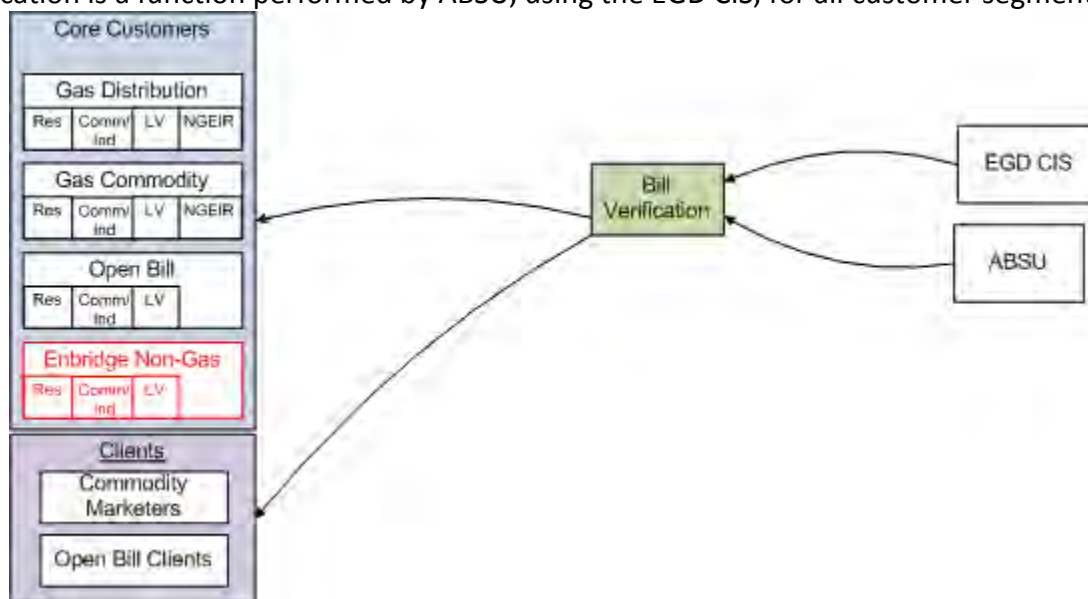


Billing & Payment Functions

Bill Calculation is the task of calculating charges to appear on the EGD monthly invoice. This function is internal to EGD and is performed in the EGD CIS, serving all customer segments.

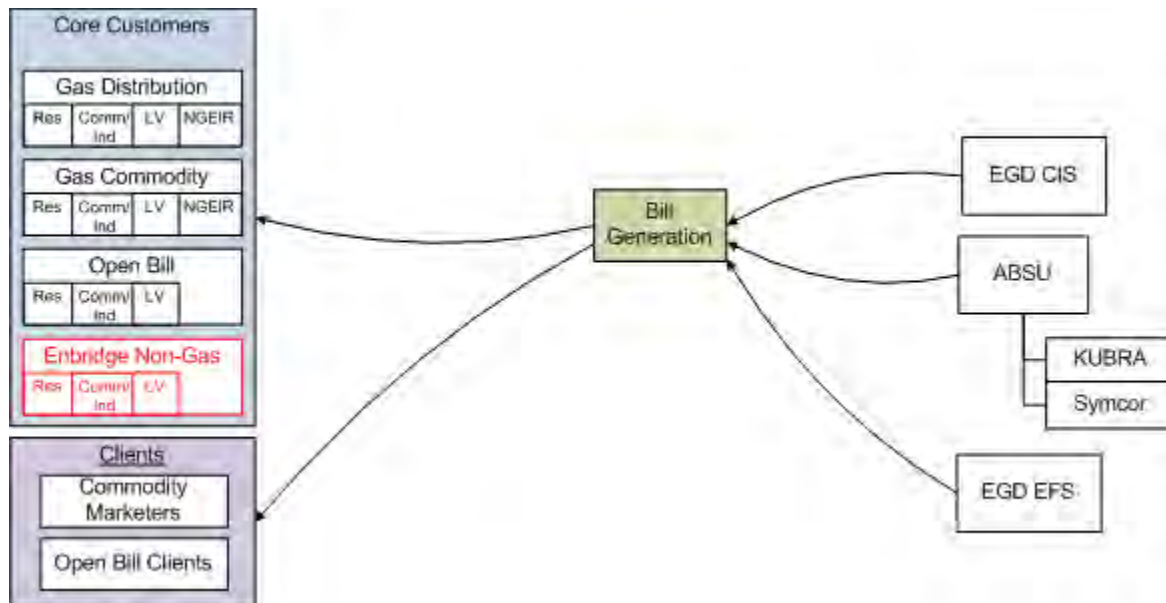


Bill Verification is a function performed by ABSU, using the EGD CIS, for all customer segments.

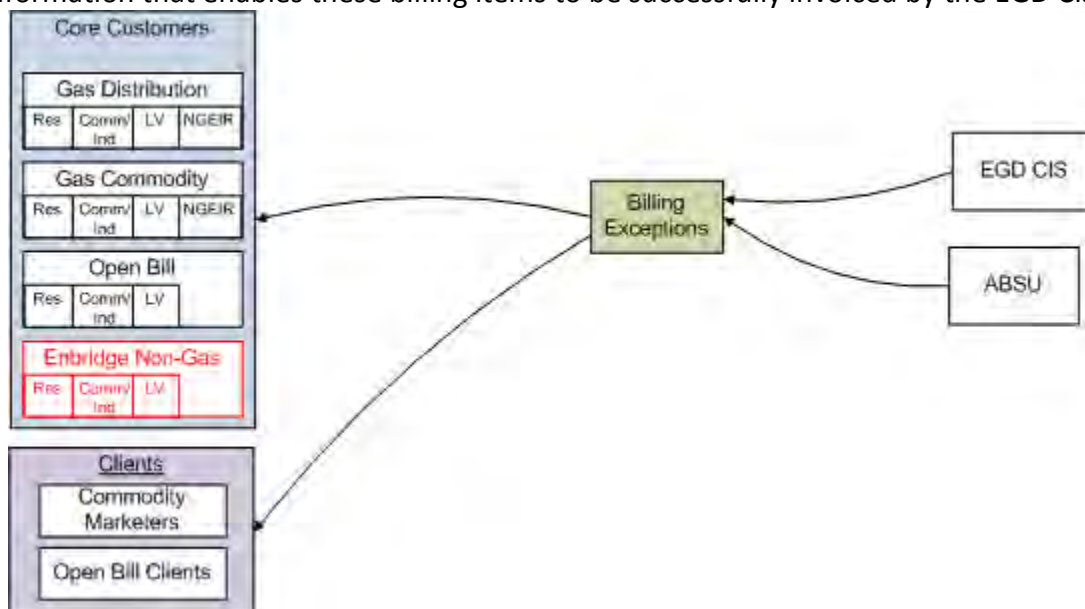


Bill Generation is the task of translating billing information that is to appear on EGD monthly invoices into the bill format (PDF) and either printing a paper invoice and delivering it to the postal service or conveying the invoice to the customer electronically via email. This function is managed by ABSU leveraging ABSU's sub-contracted relationships with KUBRA and Symcor to create bill images / print paper bills. EGD Sundry account invoices are generated by the Enbridge Financial System (EFS). The

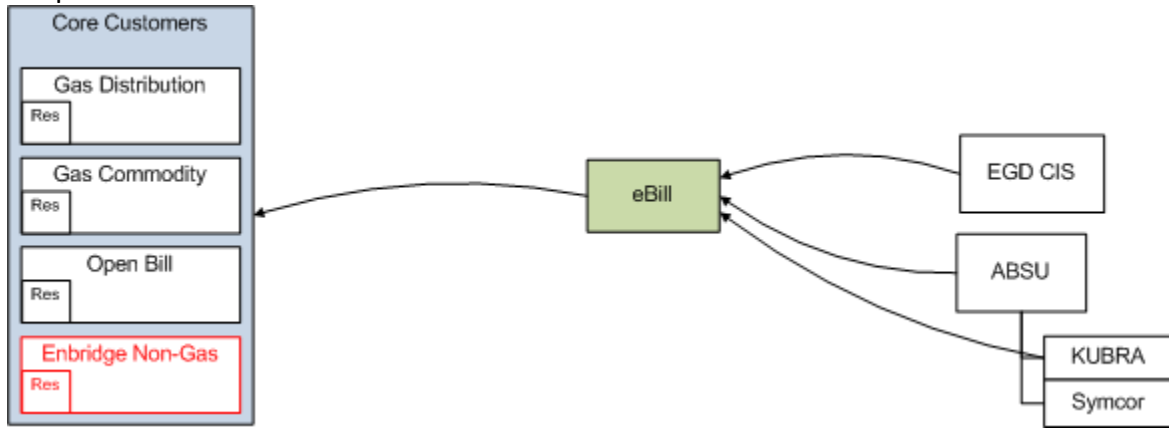
Bill Generation function also includes a bill production quality control function based on a daily sampling of EGD invoices produced.



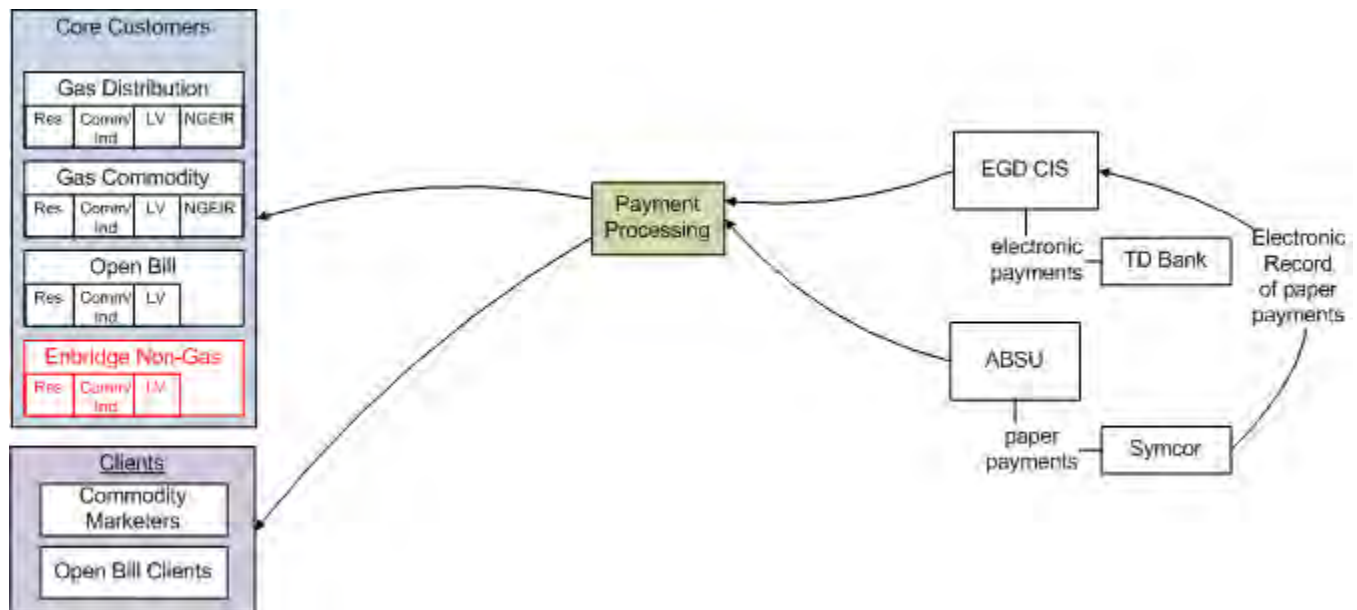
Billing Exceptions are billing items that have not passed internal EGD CIS edit checks and are identified in manual work queues generated by the EGD CIS or through customer communication. ABSU personnel carry out analysis and perform manual transactions in the EGD CIS to post adjustments or correct information that enables these billing items to be successfully invoiced by the EGD CIS.



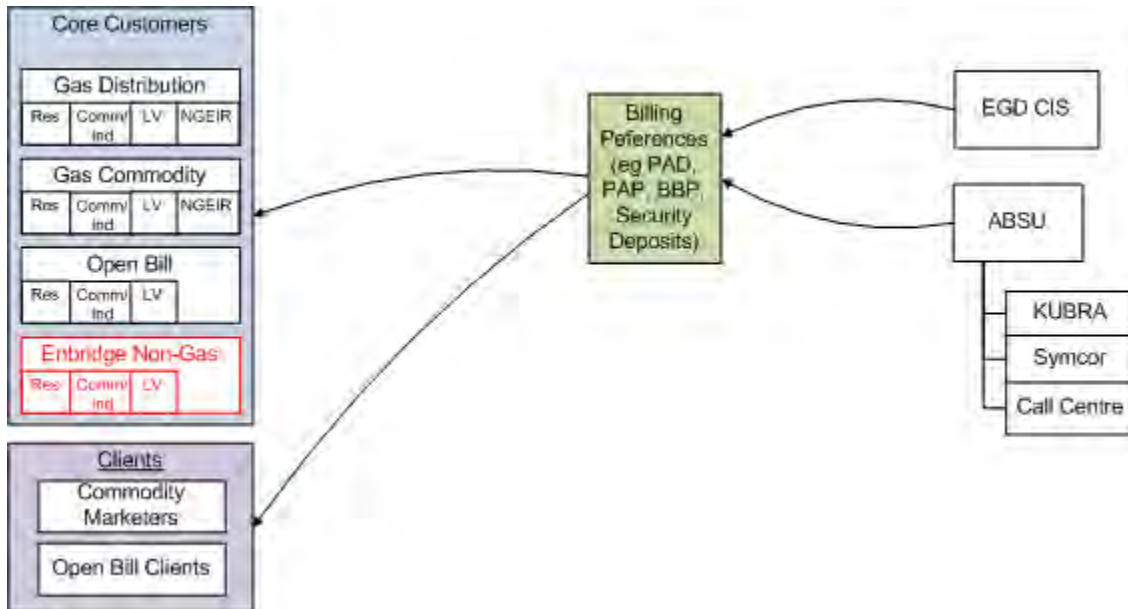
eBill is the task of electronically conveying electronic EGD invoices (PDF files) to the customer electronically via email. This function is managed by ABSU leveraging ABSU's sub-contracted relationships with KUBRA.



Payment Processing is a function managed by ABSU thru its sub-contractor Symcor for paper-based payments and thru EGD's relationship with TD Bank for electronic payments.

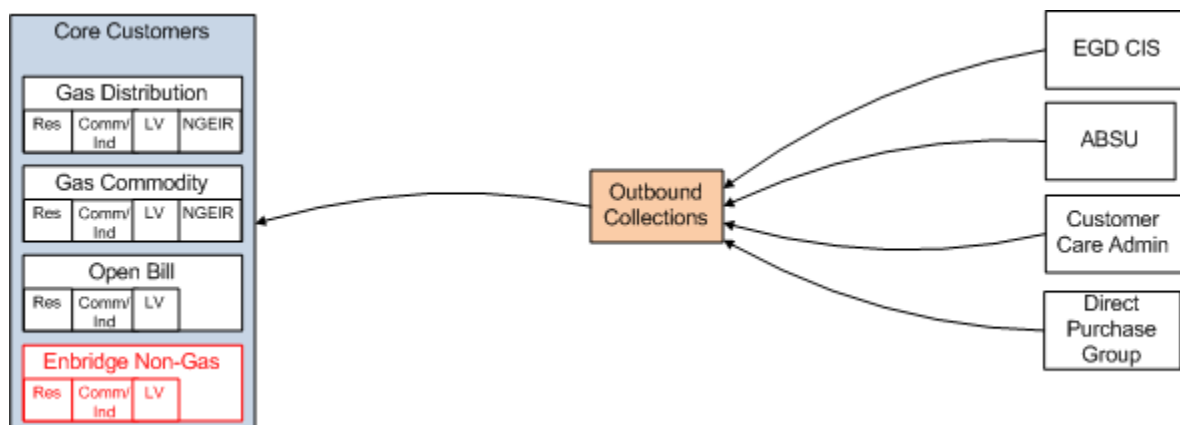


Billing Preferences are billing options that are made available to EGD customers (e.g. Pre-Authorized Debit (payment) ("PAD"), Pre-Authorized Payment ("PAP"), and Budget Billing Plan ("BBP")). The Billing Preferences function is administered by ABSU via its call centre interactions with customers, using a combination of EGD's CIS and ABSU's subcontractor's systems to capture customer billing preferences and account configuration information.

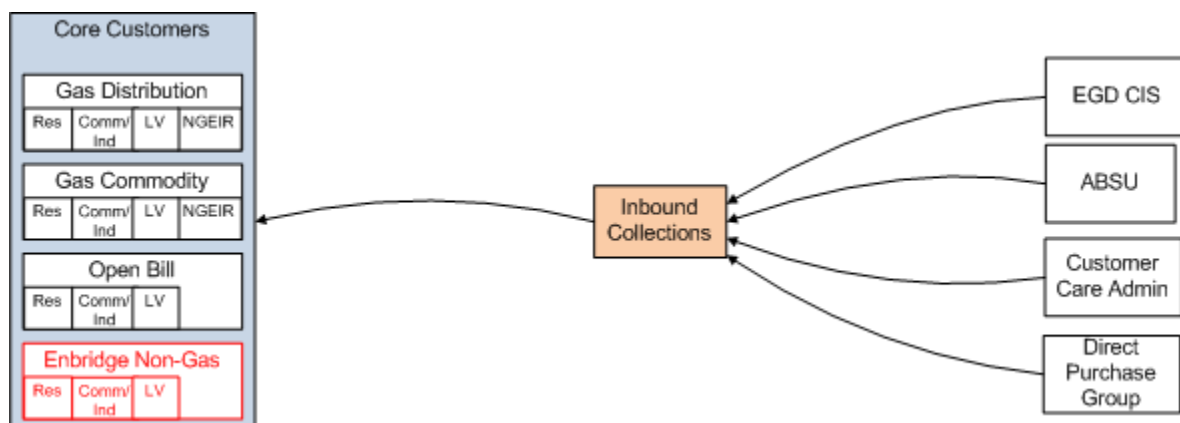


Credit & Collections Functions

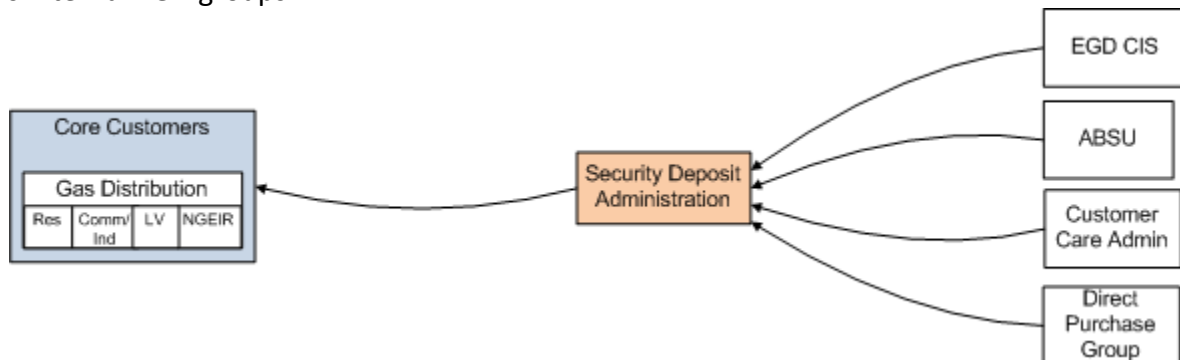
Outbound Collections Telephone Calling is a function performed by ABSU using information from EGD's CIS, and ABSU's automated dialling technology in consultation with input and direction from various internal EGD groups. Its purpose is to collect past due accounts.



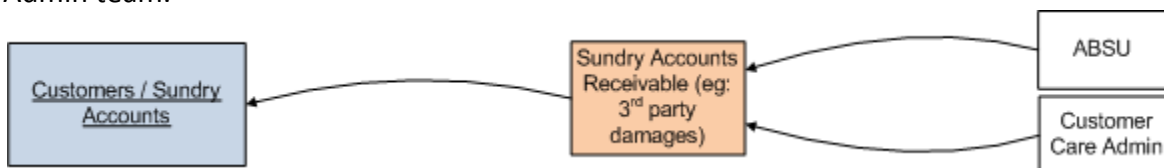
Inbound Collections Telephone Call Handling is a function performed by ABSU using information from EGD's CIS, and ABSU's Interactive Voice Response ("IVR") technology in consultation with input and direction from various internal EGD groups. Its purpose is to respond to customer inquiries initiated through collection actions including Outbound Collections Telephone Calling.



Security Deposit Gathering and Administration is a function performed by ABSU for EGD's gas distribution customers using information from EGD's CIS, in consultation with input and direction from various internal EGD groups.

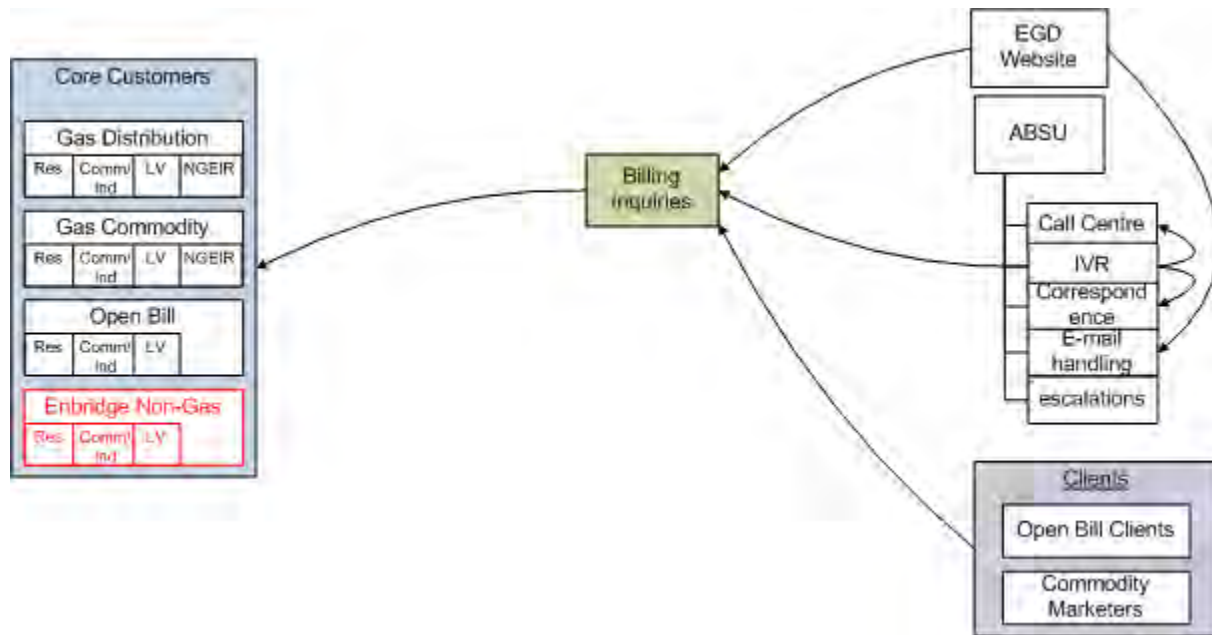


Sundry Accounts Receivable is performed by ABSU and is the function of collecting EGD's past due sundry accounts receivable (outside of EGD's CIS) in consultation with the internal Customer Care Admin team.

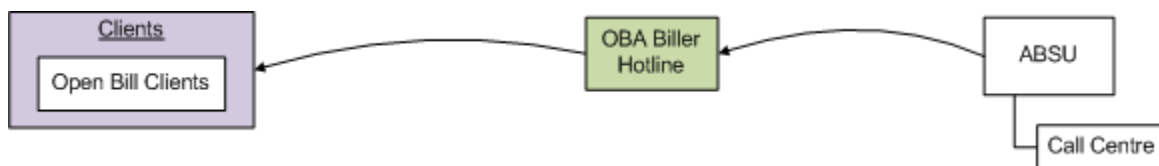


Customer Contact Functions

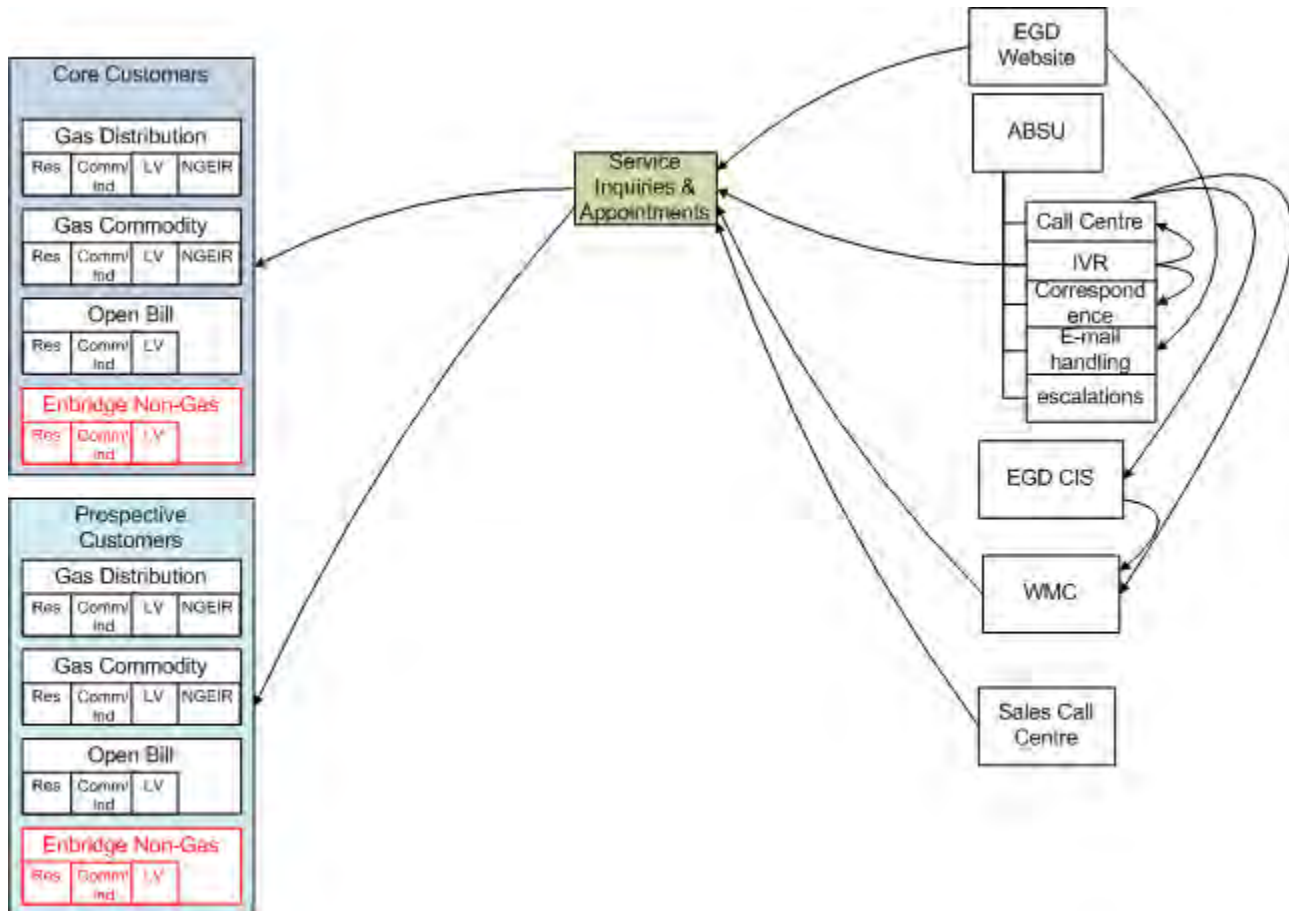
EGD Customer Billing Inquiries (telephone, email, fax and Royal Mail) are handled by ABSU, leveraging call centre personnel via direct communications with customers and other associated customer contact channels (EGD's website, ABSU's IVR platform, E-mail). ABSU Customer Contact personnel also respond to customer billing inquiries and requests referred from the EGD Ombud Office.



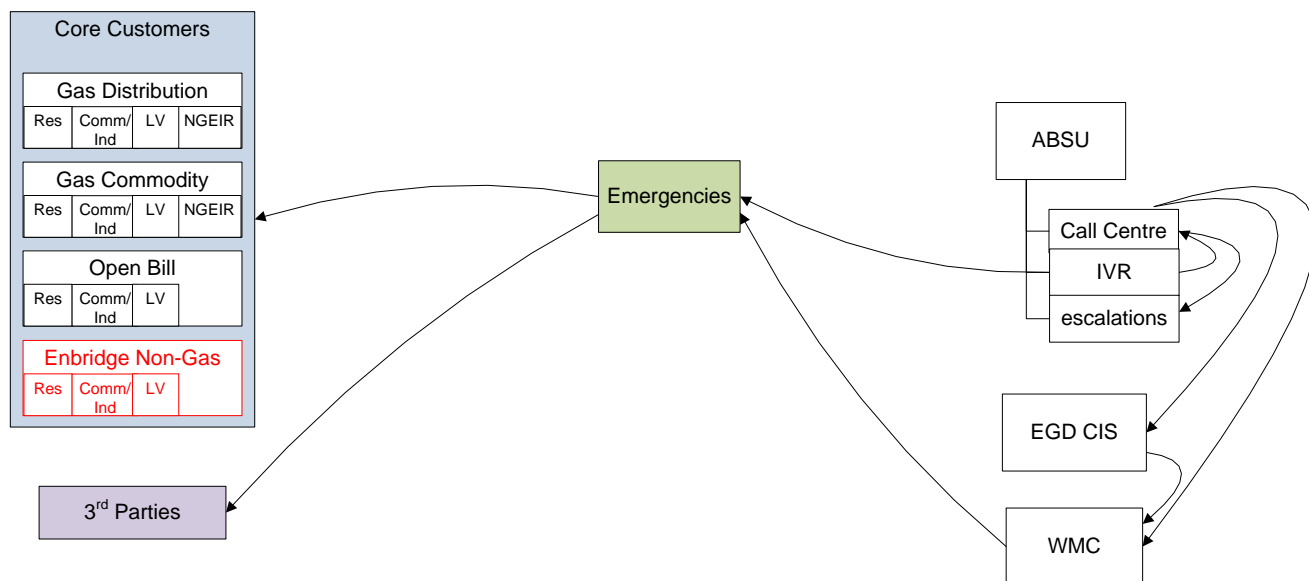
The Open Bill Access ("OBA") Biller Hotline is a contact point provided by ABSU for EGD's OBA provided by ABSU call centre personnel. Its function is to answer OBA client inquiries concerning their OBA charges that have been billed for them by EGD.



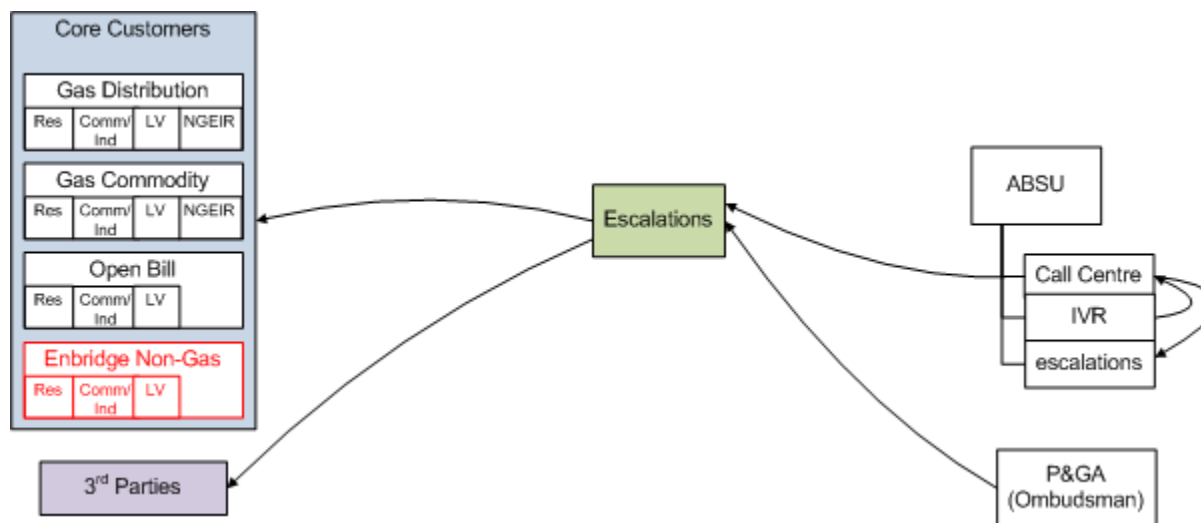
EGD Customer Service Inquiries (telephone, email, fax and Royal Mail) and Service Appointments are handled by ABSU, leveraging call centre personnel via direct communications with customers and other associated customer contact channels (EGD's website, ABSU's IVR platform, E-mail). ABSU and the Sales Call Centre can initiate service work and follow-up as necessary. Service work is scheduled and managed by the EGD Work Management Centre. ABSU Customer Contact personnel also respond to customer service inquiries and requests referred from the EGD Ombud Office.



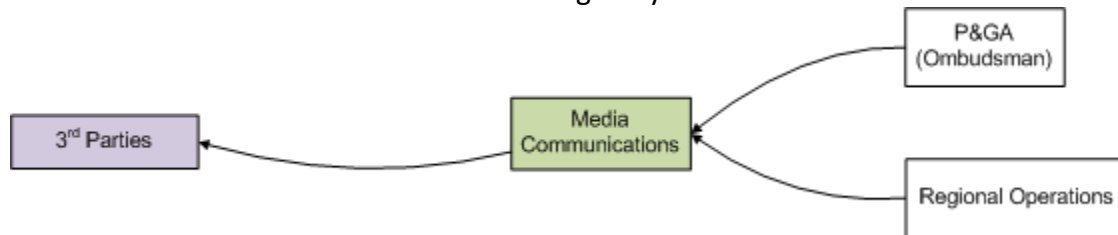
EGD Customer Emergency Inquiries (telephone, email, fax and Royal Mail) and Service Appointments are handled by ABSU, leveraging call centre personnel via direct communications with customers and other associated customer contact channels (EGD's website, ABSU' IVR platform, E-mail). ABSU initiates emergency response work and follows-up as necessary. Emergency work is dispatched and managed by the EGD Work Management Centre.



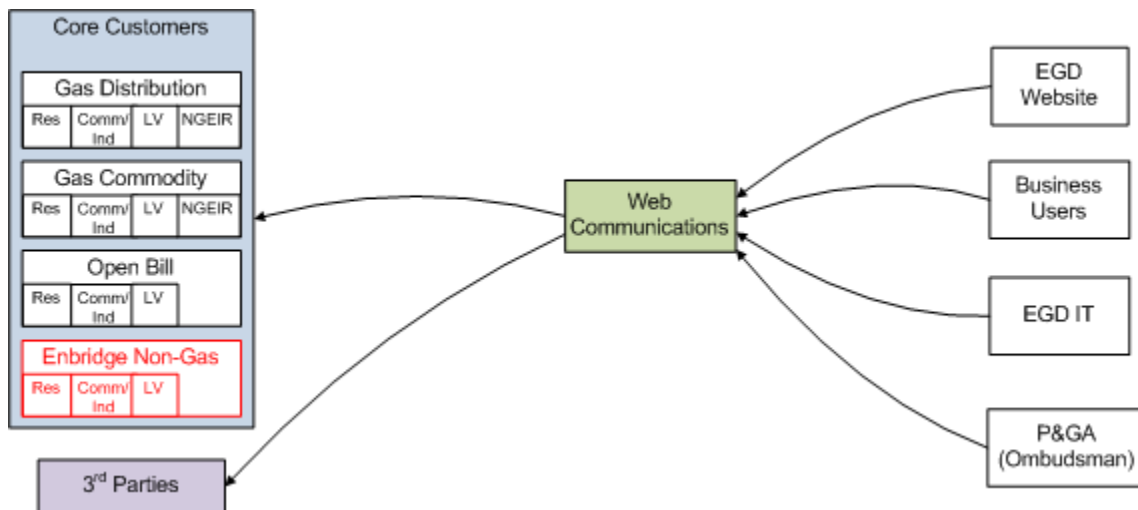
Escalated Customer Inquiries are generally handled by ABSU call centre supervisory staff. Customer inquiries are escalated when the initial ABSU customer contact representative cannot satisfy the customer's concern or request. Some escalations may be fielded directly by the EGD Ombud Office.



Media Communications is an internal function managed by EGD.



Web Communications is an internal function managed by EGD.



3.1.4 Key Performance Measures

Key performance measures used at EGD to assess customer care performance fall into one of three categories:

- Regulatory Measures
- Service Level Measures
- Customer Satisfaction Measures

Regulatory Measures

The Ontario Energy Board (OEB) sets regulatory policies and approves EGD's rate structures and associated cost inputs. Under the current regulatory policy, EGD is required to report to the OEB annually through the "Reporting and Record Keeping Requirements for Natural Gas Distributors and Natural Gas Marketers" ("RRR") on the following service indicators (as defined by the OEB):

- Telephone Answering Performance¹
A natural gas distributor is required to answer all calls made to their general inquiry phone number within 30 seconds at a yearly average of 75%, with a minimum monthly standard of 40%. A call is considered answered when either the customer successfully reaches a live operator or has been satisfied with the information provided by an IVR system.
- Billing Performance²
A natural gas distributor is expected to perform audits to verify the accuracy of their customer billing. The requirement states that utilities should complete manual checks of their bills to verify data when a meter read demonstrates excessively high or low usage. There is no established performance metric to be met for this requirement.
- Meter Reading Performance³
A natural gas distributor is required to ensure that meters are read on a regular basis. To encourage regular readings, the number of meters that have not been read for four or more consecutive months may not exceed 0.5% of the total number of meters on a yearly basis.
- Appointments Met Within Designated Time Period⁴

¹ Definition of Telephone Answering Performance obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 6.

² Definition of Billing Performance obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 8.

³ Definition of Meter Reading Performance obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 9.

⁴ Definition of Appointments Met Within Designated Time Period obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 10.

A natural gas distributor is required to schedule a specific 4 hour window to meet with a customer, if requested by the customer at the designated service location of the customer. The distributor must then arrive for the appointment at such location, during the designated window 85% of the time, on a yearly average.

- Time to Reschedule a Missed Appointment⁵

If a natural gas distributor fails to meet with the customer at the designated time, it must ensure that it reschedules the appointment promptly. For this reason the Board has established a service quality requirement that states that the distributor must contact the customer to reschedule work within 2 hours of the end of the original appointment time. The performance standard for this metric is 100% of the time on yearly basis.

- Percentage of Emergency Call Responded to in One Hour⁶

A natural gas distributor is required to respond to calls concerning gas emergencies within one hour 90% of the time on yearly basis. The response time is calculated from the time the utility receives a call concerning an emergency to the time a gas utility's representative arrives at the site of the emergency.

- Number of Days to Provide a Written Response⁷

A natural gas distributor is required to provide a substantive written response to a customer complaint within 10 days of receiving the complaint in writing. They must meet this 10 day metric 80% of the time on a yearly basis.

- Number of Days to Reconnect a Customer⁸

A natural gas distributor must reconnect a customer who has been disconnected for non-payment within 2 business days of the customer bringing their utility account into good standing. The performance metric for this requirement is that 85% of the reconnections must be completed within 2 days, as measured on a monthly basis.

⁵ Definition of Time to Reschedule a Missed Appointment obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 10.

⁶ Definition of Percentage of Emergency Call Responded to in One Hour obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 12.

⁷ Definition of Number of Days to Provide a Written Response to in One Hour obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 13.

⁸ Definition of Number of Days to Reconnect a Customer obtained from OEB report "OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf", page 15.

Service Level Measures

For the outsourced service delivery activities, service agreements are in place with the external service providers. These agreements include service level metrics that the service provider is contracted to meet. Service Levels are used to manage the following aspects of the customer care services:

- Service Reports – content and frequency provided to EGD
- Change Order Process - responsiveness
- Governance – incidence management resolution timing
- Regular Meter Reading – coverage and accuracy
- Special and Final Meter Reading – timeliness
- Service Disconnection – timeliness
- Refund Management – accuracy
- Bill Production & Delivery – timeliness and accuracy
- Payment Processing – timeliness
- Billing Exception Handling & Adjustments – timeliness
- Security Deposit Administration – compliance and completeness
- New Customer Account Setup – timeliness and completeness
- Collections – amount of arrears flow-thru and write-offs
- Call Management – Telephone Service Factor, abandons, call quality
- Customer Satisfaction – 1st call resolution rates, survey results
- Escalated Complaints – turnaround timeliness
- Correspondence Management – turnaround timeliness
- Lawyer Letter management – turnaround timeliness

Service Level measures are documented in detail in the Service Provider outsourcing agreements (Customer Care Services Agreement and Meter Reading Services Agreement) with the Service Providers. A detailed listing of Service Level measures can be found in Appendix C of this document.

Customer Satisfaction Measures

Customer satisfaction is measured using the long-standing annual EGD composite customer satisfaction scores as accumulated through residential customer telephone interviews conducted on samples of customers. 720 interviews are conducted per quarter; 120 each taken from one of the following six categories of interaction with EGD⁹:

- General (no particular interaction within the past year)
- Billing Inquiry
- Customer Initiated Service
- Emergency Service
- Company Initiated Service

⁹ Customer Satisfaction measures are obtained from annual Customer Relationship Studies that accumulate the information from each of the sets of telephone interviews that are conducted quarterly (CR-513).

- **Customer Attachment**

The Composite Index measures the percentage of respondents answering Excellent or Very Good (top 2 boxes out of 5) in the surveys. The Composite Index is calculated from the combined ratings of scores on Image Quality, Touchpoint Satisfaction, and Touchpoint Quality. Combining the results from the three measures creates a more concrete and stable index in which to gauge significant changes in customer satisfaction and perception¹⁰.

This composite score reflects customer satisfaction with EGD as a whole and, as such, it reflects upon more than just Customer Care services. This may not be the most effective mechanism for measuring customer satisfaction related specifically to Customer Care services, but it is the best available source for trending information available at this time.

In an ideal situation, customer care service delivery processes should result in a level of customer satisfaction that is appropriate for a regulated utility. Implementing this ideal can pose a potential risk depending on how customer satisfaction is actually measured and in how effectively it can be correlated to customer care service delivery activities.

Inbound (post call) Customer Satisfaction Survey

At the conclusion of a customer billing, service or sales telephone inquiry the customer is offered a brief telephone survey that allows them to register their degree of satisfaction with respect to how well they believe their inquiry was handled by the customer contact person who responded to their call. ABSU then reviews the survey information monthly and uses it to determine coaching requirements for specific contact centre personnel.

Customer Care Costs

Cost is another aspect of customer care performance measurement. Customer Care costs are measured as an annual cost per customer for all of the activities involved in delivering customer care services divided by the number of active customers at year end. This includes costs associated with:

- **Outsourced Customer Support Charges:**
 - Meter Reading Services
 - Credit and Collection Services
 - Call Centre Services
 - Bill and Payment Production
 - Postage of Bills

¹⁰ Definition of Customer Satisfaction Composite Index obtained from Customer Relationship Study 2009 – Year end Report – Final (CR-513).

- EGD Customer Support Charges

Related costs that are excluded from customer care performance analysis statistics are:

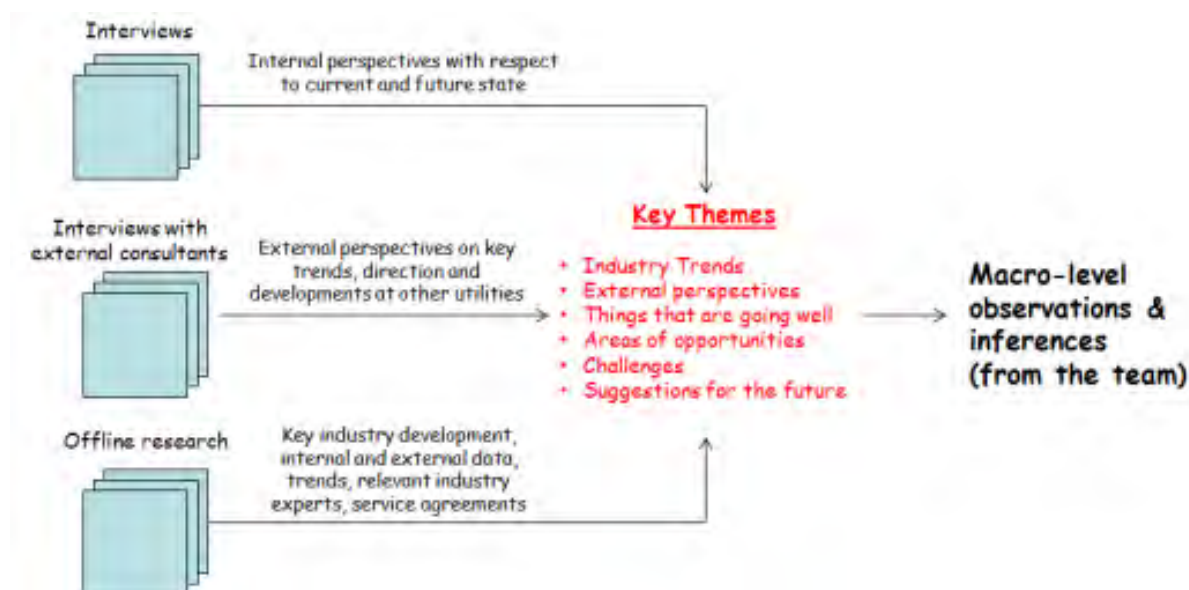
- CIS application fees
- CIS depreciation
- licensing fees
- provision for uncollectables
- EGD IT charges

3.2 Assessment of Current Operations

3.2.1 Approach

The following is a depiction of the approach that was used to assess the current state of Customer Care service delivery at EGD. Three sources of inputs were gathered and analysed to arrive at “key themes”:

- Interviews were conducted with 45 internal EGD stakeholders to gain internal perspectives on the current and future state
- Interviews were conducted with 7 external consultants to gain industry perspectives and trends
- Offline research was conducted to obtain available internal and external data relevant to customer care service delivery



3.2.2 Key Themes from interviews with internal stakeholders

Things we are doing well

Below is a synopsis of some of the things that were identified as being done well by EGD:

- The third generation of the Customer Care Services Agreement (CCSA) with ABSU is seen as a significant leap forward from its predecessors. Many issues encountered in EGD’s first and second generation CCSAs have been addressed with more favourable contract terms and conditions, more extensive service level measures and associated service level failure remedies. These changes have driven an overall higher level of service provider performance and consistency in services delivered and lower cost. More specifically:
- Repatriation of Sales Enquiry and Builder Admin seen as a positive move
- Great value seen from the separate meter reading agreement with MET
- Relationships with vendors is good, and improving
- MET quite flexible and willing to work hard for the business

- ABSU has made significant efforts to accommodate the new CIS
- Symcor and Kubra quite accommodating
- Office of the Ombudsman is seen as an effective means of satisfying customer escalations; the number of customers seeing the Ombudsman office is rising.

Areas of Challenges

Below is a synopsis of some of the key themes that were gathered through the internal interview process concerning perceived areas of challenge or potential improvement:

- Customer Care activity is not well integrated with other organizational efforts
 - Customer facing channels are under-utilized or disconnected from other areas of company activity such as business development, sales, marketing and DSM programs. We are missing out on the opportunities to reinforce the EGD brand and gain efficiencies.
 - There is little contact or integration of customer care with regional offices. This creates an issue of who is accountable for various customer-facing activities.
- New CIS presents opportunities and challenges
 - The new CIS has entered into a phase of continuous improvement which will resolve remaining post implementation issues that need to be ironed out, mandatory change (e.g. Harmonized Provincial / Federal Sales Tax) and pursuit of other areas of improvement. This is occupying significant share of EGD's customer care personnel's focus at this time and will continue to do so over the next one to two years.
- CIS Application Maintenance Services Contract
 - A disproportionately large amount of time spent discussing whether a change requested is an enhancement or a defect.
 - Responsiveness to changes is poor.
 - Long lead times to implementation of changes.
 - Significant cost.
- An In-house CIS system increases the complexity of interaction with the outsourcer
- Opportunities related to the new CIS
 - ABSU meter reading admin support can be done in-house through the use of CIS reports, instead of ABSU.
 - PAP and PAD can be accomplished through the use of CIS, instead of having Symcor or Kubra process it.
 - Connect the web site to CIS to promote customer self-serve.
- Perceived Limitations of the current model of outsourced Customer Care services
 - CCSA fee structure is not broken down at a level of detail to facilitate feasibility analysis of alternative service models (e.g. quantifying the efficiency of repatriating meter reading admin).
 - In some cases, performance measures primarily driven by efficiency of activities, rather than business results (e.g. Collections).
 - Performance measures not at sufficient level of detail to promote desired vendor behaviour and results (e.g. Collections).

- Perception that cost efficiencies come at the cost of quality of customer experience.
- Complexity of the ABSU change management (RMT Process) constrain flexibility and control resulting in the CCSA change process to being time consuming and cumbersome. Having ABSU act as a middleman between EGD and Kubra and Symcor limits EGD's ability to deal directly with them to resolve issues.
- Improvements needed to Customer Care service channels and related technology
 - IVR is considered difficult to use
 - Current dialer technology (used by collections) doesn't provide enough outbound calling capability or the capability for customers to transfer directly to a live agent when contact has been made.
 - Web site doesn't have adequate content – could help reduce call centre volume
 - Ownership of content on the web site is fragmented. An IT request is required to make changes to the web site content.
- Opportunities and Challenges with quality/results/value of certain services
 - Collections
 - Spend \$15M per year in fees, \$17.5M of bad debt
 - Hard to get ABSU to commit to the results (risk on \$ recovered) instead of collections activity
 - A/R Recovery timelines are too long
 - Only one agent assigned to recovery of sundry accounts. This is inadequate
 - Assignment of junior collection agents to large customers
 - Billing exceptions
 - Quality of work done in the back-office is a concern
 - Large-volume Billing
 - Process and resulting turnaround time to address change in ownership and new customer set-up (linked to bad debt and delayed revenue) Streaming Large Volume customer billing inquiries through the Mass Market Call Centre does not provide these customers with access to adequately trained personnel.
 - Streaming Large Volume billing adjustments through a common billing back office does not provide these customers with access to adequately trained personnel.
 - Open Bill services
 - ABSU is not aligned with EGD in terms of the applicability of CCSA terms and conditions with respect to accommodation of OBA billing transactions.
 - Open Bill hotline is under-resourced
 - Customer Attachment
 - Huge lags in paperwork from Lakeside
 - Records issues have a downstream impact on customer account activation

Suggestions for the future

Below is a synopsis of the suggestions that were gathered during the interview process, some of which are beyond the scope of this customer care strategy development exercise:

- Repatriate Collections and Meter Reading Administration
- Many interviewees expressed the view that we should repatriate most services (except Meter Reading) to re-gain flexibility and control
- Contract with Kubra and Symcor directly
- Repatriate CIS support for flexibility and control (AMS contract)
- Revise CCSA to reflect efficiencies of in-house CIS
- Enhance customer self-serve opportunities, capabilities and choices.
- Pursue further automation leveraging the web site, IVR and CIS
- Find ways to enhance 3rd party employee engagement model to enhance their utility knowledge and to effectively represent the Enbridge brand

It is important to note that the Areas of Challenge and Suggestions for the future that are identified in this section of this report are based upon the thoughts and suggestions captured during the internal interview process. Although these comments were considered during analysis activities, they are not necessarily be supported by quantitative evidence and do not necessarily translate into strategy recommendations.

3.2.3 Performance Results

Regulatory Measures

The “Reporting and Record Keeping Requirements for Natural Gas Distributors and Natural Gas Marketers” (“RRR”) report from 2009 provided results for 2007 and 2008 on the following service indicators reported to the OEB:

- Telephone Answering Performance – EGD was in compliance with the performance metric for 2007 and 2008.
- Billing Performance – There is no established performance metric to be met for this requirement. EGD completed over 630,000 manual checks of its bills in 2007 and 408,000 manual checks in 2008. This equates to 2.8% and 1.8% of its total billings for those years.
- Meter Reading Performance - Enbridge explained that it failed to meet the standard in 2007 due to the fact that they changed meter reading providers mid year. For 2008, Enbridge stated that record breaking snowfalls caused many meters to be inaccessible contributing to the majority of the missed reads. Enbridge also reported that they have undertaken several initiatives to improve performance. These include upgrading handheld devices and meter reading software, increasing the number of “off cycle” reads that have been completed, and contacting customers to arrange access to meters.¹¹

¹¹ Definition of Meter Reading Performance obtained from OEB report “OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf”, page 9.

- Appointments Met Within Designated Time Period - EGD was in compliance with the performance metric since it implemented its monitoring system in Q4 2007 and 2008.¹²
- Time to Reschedule a Missed Appointment – Due to inconsistencies in the application and interpretation of this requirement, no results were reported for 2007 and 2008.¹³
- Percentage of Emergency Call Responded to in One Hour – EGD was in compliance with the performance metric for 2007 and 2008. EGD reported that they received over 56,000 emergency calls in 2007, which they responded to within an hour 92% of the time. In 2008, they reported experiencing over 48,000 emergency calls, which they responded to 94% of the time.¹⁴
- Number of Days to Provide a Written Response - EGD was in compliance with the performance metric for 2007 and 2008.
- Number of Days to Reconnect a Customer - EGD was in compliance with the performance metric since it started monitoring it in Q4 2007 and for 2008.¹⁵

Service Level Measures

For 2009, the external service providers generally met the service level metrics as per their contractual obligations, however, there a few “misses” in 2009. The following aspects of the customer care services were reported on¹⁶:

- Service Reports – content and frequency provided to EGD
Service Levels were met
- Change Order Process – responsiveness
Service Levels were met
- Governance – incidence management resolution timing
Service Levels were met
- Regular Meter Reading – coverage and accuracy
SL 2.1.2: Meter Reading Accuracy – although close, the monthly target of 99.9% was missed for 5 of the 12 months (Jun 99.8, Jul 99.8, Aug 99.7, Nov 99.4, Dec 99.5)

¹² Definition of Appointments Met Within Designated Time Period obtained from OEB report “OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf”, page 10.

¹³ Definition of Time to Reschedule a Missed Appointment obtained from OEB report “OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf”, page 12.

¹⁴ Definition of Percentage of Emergency Call Responded to in One Hour obtained from OEB report “OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf”, page 12.

¹⁵ Definition of Number of Days to Reconnect a Customer obtained from OEB report “OEB_Nov2009_RRR_RPC_NaturalGas_20091111.pdf”, page 15.

¹⁶ Service Level results for 2009 obtained from file: EGD Monthly Service Levels Results JAN - DEC 2009.xls.

SL 2.1.4: Attempted Meter Reads – the monthly target of 99% was missed for 2 of the 12 months (Jan 97%, Feb 98%)

- Special and Final Meter Reading – timeliness
Service Levels were met
- Service Disconnection – timeliness
Service Levels were met
- Refund Management – accuracy
Service Levels were met for the period Jan to Aug*.
- Bill Production & Delivery – timeliness and accuracy
SL 3.2.1: Bill Delivery for Mass Market/Large Volume/Monthly Statement Accounts – there was only 1 miss on Sep 3rd, attributed to the new CIS implementation cutover window*.
- Payment Processing – timeliness
Service Levels were met*.
- Billing Exception Handling & Adjustments – timeliness
Service Levels were met for the period Jan to Aug*.
- Security Deposit Administration – compliance and completeness
Service Levels were met*.
- Collections – amount of arrears flow-thru and write-offs
SL 4.1: Collection of Large Volume – Service levels prior to the new CIS implementation were met. New CIS reporting results are under review/being redefined.
SL 4.2: Collection of Mass Markets - Service levels prior to the new CIS implementation were met. New CIS reporting results are under review/being redefined.
SL 4.3: Collection of Sundry Accounts – Annual target of <=5% of sundry accounts in arrears is under review (current report result shows 26%).
- Call Management – Telephone Service Factor, abandons, call quality
This category addresses the largest component of customer contact work performed by the external service provider.
SL 5.1.1: Emergency Calls – The monthly service levels of 95% of calls answered within 30 seconds were met.
SL 5.1.2: Emergency Calls – The daily service levels of 90% of calls answered within 30 seconds were missed in 2 of the 12 months (Aug: 30 of 31 days met, Nov: 29 of 30 days met).
SL 5.1.3: Incoming Calls (Billing, Service, Collections) (SQI) – The monthly service levels of 75% of calls answered within 30 seconds were missed in 2 months (Sep 44%, Oct 49%) during the new CIS “storm” period; All other targets were met.
SL 5.1.4: Incoming Calls (Billing, Service, Collections) (SQI) – The daily service levels of 65% of calls answered within 30 seconds with no more than 25 daily misses in the year was missed (40 daily failures); however a number of these were “allowed” due to the new CIS implementation.
SL 5.1.5: Incoming Calls exclusive of IVR (SQI) - Abandon rate – The annual service levels were met.
SL 5.1.6: Quality - Emergency – The monthly service levels were met.
SL 5.1.7: Quality - Billing, Service, Collections – The monthly service levels were met.
SL 5.1.8: Outbound call notification – The monthly service levels were met.
- Customer Satisfaction – 1st call resolution rates, survey results

SL 5.2.2: 1st Call Resolution - the monthly target of 80% was missed for 2 of the first 8 months (Feb 79%, Apr 79%). The reduced new CIS “storm” period targets for the last 4 months were met, and all other Service Levels for this category were met.

- Escalated Complaints – turnaround timeliness
Service Levels were met.

- Correspondence Management – turnaround timeliness

SL 5.4.5: Turnaround Time for Web Forms – the monthly target of 95% was missed for 1 of the 12 months (Feb 87%). All other Service Levels for this category were met.

- Lawyer Letter management – turnaround timeliness

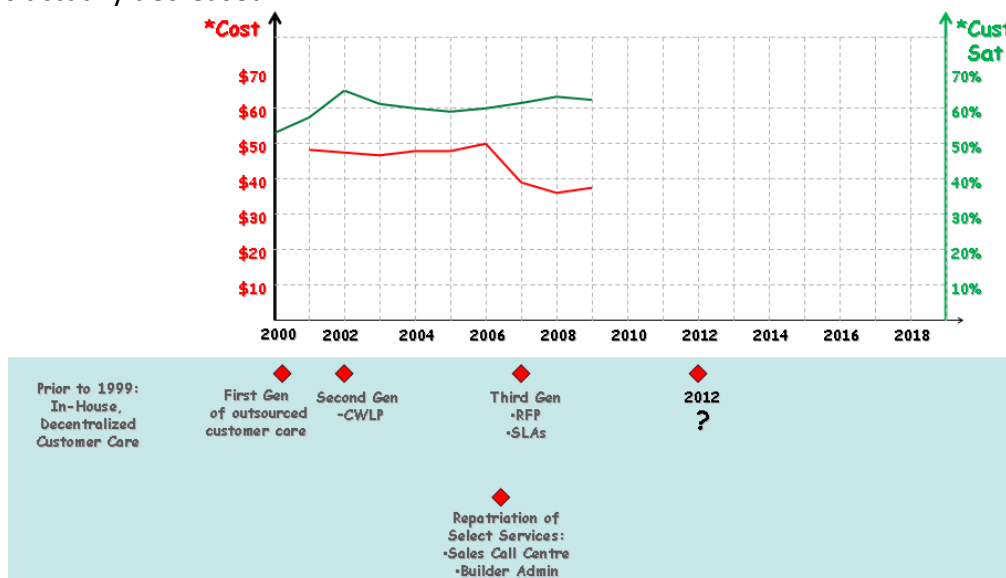
SL 5.5.1: Response Time for Lawyer Letters – the monthly target of 95% was missed for 1 of the 12 months (Feb 93%)

*Note: As a result of the new CIS implementation (and associated repatriation of the platform to EGD), a number of these service level metrics require redefinition.

It should also be noted that service level relief, in the form of targeted service level reductions, was implemented for the 4th quarter of 2009 and was phased out over the course of the following nine months in recognition of the “storm” period following the new CIS Implementation.

Customer Care Costs versus Customer Satisfaction Trends

The chart below depicts customer satisfaction and annual cost per customer since 2000, along with a chronology of the evolution of the outsourcing arrangements. During the current outsourcing services agreement period, since 2007, customer satisfaction has remained relatively steady while cost per customer has actually decreased.



3.3 Assessment of the Customer Care Service Agreement

3.3.1 Approach

In addition to performing an internal review, this initiative also sought to gain an external perspective on Customer Care service delivery at EGD as compared to industry trends and best practices. To that end, as part of the work that was conducted to understand industry trends, EGD interviewed 7 external consulting firms to gain their perspectives on the industry. In addition to gaining information as to current trends in business process outsourcing in the North American utility sector EGD determined that Equaterra was best suited to assist in a more detailed comparison of EGD's Customer Care operations to industry best practices as part of the interview process.

Equaterra was specifically engaged to:

- Review the current contract and provide perspectives on how EGD's outsourced customer care services other than meter reading compare to current market standards in terms of cost, service levels and other contracted terms for similar outsourced services. Key findings from this activity are summarized in the next two sections.
- Provide perspectives on relevant industry trends. Key findings are included in the external scan section 4 of this document.

3.3.2 Comparison of service levels and pricing against industry benchmarks

As part of its evaluation, Equaterra compared the service levels contained in the current CCSA to industry "norms" and concluded that "Service Levels are generally in alignment with market standard":¹⁷

- The current CCSA service level remedy methodology is more favorable to EGD than typical. Equaterra was of the view that a restructured service level remedy framework that would be more in line with current market trends may be of benefit to EGD
 - Some of the Call Center Service Levels are above market range
 - The Annual Telephone Service Level is at low range of market
 - Collections service levels are an area for improvement
 - Email and correspondence response time service levels are below market
- With the exception of the Billing, the service levels align and measure scope of work, Equaterra suggested the introduction of service levels to address the quality and timeliness of billing back office functions and processing of transactions on Large Volume accounts.

¹⁷ From Equaterra report entitled "Enbridge Meter-to-Cash Outsourcing, Market Assessment", June 2010, pg 4.
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Further details on Equaterra's findings can be found in the Equaterra report in Appendix A.

3.3.3 Review of business terms and conditions

Equaterra also compared the contractual terms and conditions contained in the current CCSA to industry "norms" and concluded that "In general, there are no major structural defects or omissions in the agreement although there are some concerns with certain terms that should be addressed, strengthened or added in the event of an extension or renegotiations."¹⁸

Additional comments provided by Equaterra include:

- Though Equaterra has not found significant structural defects or major risks or there are omissions or clauses which or not in-line with Market
 - Step in Rights or Performance Guarantee
 - Project Methodology
 - Continuous Improvement
 - Customer Satisfaction
 - Operation Procedures Manual
- The structure of the contract is confusing and sometimes difficult to follow as elements are addressed in multiple places (e.g. termination rights). It might be beneficial to reorganize the agreement for ease of governance or in case of a governance transition should it happen.
- Overall contract pricing structure includes many key items typical of an outsourcing contract¹⁹.
- The contract applies a Price per Customer model, which is a preferred market methodology for Utilities.
- Comparative Market Analysis reveals that the Normalized Base Price lies within market comparable market ranges for both a Fully Normalized Peer Base, and a Peer Base that excludes consideration for Workforce Location/Labor Characteristics. Additional analysis concludes that the Contracted Project Rate Card is within market norms.
- Enbridge may benefit from increased transparency with respect to certain aspects of the Agreement (bundling of Call Center fees in the Billing component, embedded Transition/Implementation and COLA costs and the omission of a Personnel Projection Matrix).

¹⁸ From Equaterra report entitled "Enbridge Meter-to-Cash Outsourcing, Market Assessment", June 2010, pg 3.

¹⁹ From Equaterra report entitled "Enbridge Meter-to-Cash Outsourcing, Market Assessment", June 2010, pg 5.

4 External Scan

4.1 Relevant industry developments

Information gathered from interviews with external parties and analysis of available research has identified the following industry developments that are relevant to the customer care service delivery function:

- Terasen Gas Inc has just gained regulatory approval to proceed with repatriating their CIS, billing collection and call centre functions (to be implemented in January 2012 timeframe)
 - Key driver here is strategic, to gain more flexibility and control of their customer interactions, and to position themselves to be more responsive to changing customer needs
- ABSU's Customer Care services business has declined
 - Impact of a reduced client base is not clear at this time; could it diminish ABSU's ability to provide efficiencies of scale and scope across multiple utilities? In an effort to protect margins, will they do more off-shore? Potential risk that ABSU decides to exit the business of providing outsourced customer care services to utilities
- Hydro Quebec starting to look at outsourcing as an option for some functions
- Hydro One has recently entered into an amended and extended (to 2015) outsourced Customer Care service delivery model with the incumbent service provider
- Due to changes in regulation, EGD's meter exchanges are expected to increase from approximately 90K to 140K per year by 2014
 - Will have a ripple effect resulting in an increased number of customer inquiries directed to the EGD (ABSU) call-centre

4.2 Relevant industry trends

Information gathered from interviews with external parties and analysis of available research has identified the following key themes about relevant industry trends that are applicable to the customer care service delivery function:

- Declining load growth
 - Declining growth rate in the past few years, related to the economic slump
 - Declining average use due to attrition in older less energy efficient gas fired appliances, the movement to "green energy" and other energy conservation initiatives.

- Customer expectations are rising, Customers are looking for;
 - more channels of interactive engagement,
 - self-serve opportunities,
 - faster resolution of issues (first call),
 - more information about their energy consumption patterns,
 - Information concerning higher efficiency appliances, alternate energy opportunities and conservation.
- Customer demographics are evolving
 - The Greater Toronto Area (“GTA”) has become and continues to become multi-cultural, more diversity of languages
 - Larger percentage of customers are web-savvy
- No identifiable definitive swings within the industry towards outsourcing or keeping services in-house
- Tough economic environment, especially in the US is affecting utilities
 - Pressure to keep customer care costs low
 - Political pressure to retain and protect local jobs
 - Billing defaults and bad debt expense is increasing
- Limited set of end-to-end service providers
 - Impact is that it limits our choices and leverage
 - Reduces potential economic benefit of outsourcing
 - Multiple outsource service providers requires more utility involvement and management intervention
 - Splitting business processes across a principle and multiple service providers can introduce inefficiencies and add business risk

Equaterra included in its report the following insights on key market trends:

Customer Service Outsourcing Trends²⁰

- **On-Shoring**- the industry is mature, providers under cost pressure - most programs are onshore and those that are high touch or are heavily regulated tend to remain onshore.
- **Work-at-Home Agents** – growing trend. This is not for financial drivers but for staffing reasons. Accessibility for peak staffing needs, reduced turnover, reduce recruitment costs, improved productivity with at home agents
- **Off-Shoring**- Continued trend. Currently 20%-40% depending on industry and 40-50% of future deals will be offshore. Move from India to more “speech natural locations”.

²⁰ From Equaterra report entitled “Enbridge Meter-to-Cash Outsourcing, Market Assessment”, June 2010, pg 42.
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- **Use technology to reduce costs and improve service (24/7)-** “ Natural Speech Recognition is moving calls handled by live agents to self service at 33% of the cost. VOIP has enabled Virtual Agents to operate at home- 10% less than brick and mortar US centers
- **Measuring customer satisfaction and focus on customer loyalty** – 80% or more of callers will buy again if their complaint is handled well. (SOCAP). There is a direct correlation between agent satisfaction and customer satisfaction and loyalty (ICMI)
- **Business Intelligence-** integrating voice of the customer and developing CRM initiatives

Utility Meter-to-Cash Outsourcing Trends²¹

- Cost pressures from both reduced revenue and increasing fuel and labour costs will continue to drive Utilities to examine cost cutting measures.
- Outsourcing will continue to be a vehicle for cost reduction; however, given the regulatory and political pressures for job growth within the communities they serve, Utilities will be cautious in their strategy to outsource especially to offshore.
- Interest in multi-tower outsourced deals has decreased
- Increased interest in credit and collections process outsourcing
- Full in-sourcing not a trend in the marketplace
- In-sourcing “strategic” areas, e.g. key business customer relationships
- Four of the nine major meter-to-cash outsourcing contracts have been renegotiated in past two years
- Continued reluctance to offshore voice (Washington Gas exception)

Customer Care Technology Trends²²

- Use of technology to reduce costs and improve service - “Natural Speech” Recognition is moving calls handled by live agents to self service at 33% of the cost although this technology is receiving mixed acceptance.
- VOIP has enabled Virtual Agents to operate at home - 10% less than brick and mortar US centers
- Web chat is becoming more of a main stream offering
- Social Media still experimental. Uses include:
 - Outage reporting
 - Brand Management/Enhancement

Regulatory Trends & Impact on Customer Care²³

- Focus of Green Energy Act on Energy Efficiency will require utility companies to consider how to incorporate this requirement in their customer service organization.
- Enhanced skills of agents will be needed to be able to analyze use, proactively identify and communicate energy efficiency programs/products to customers.

²¹ From Equaterra report entitled “Enbridge Meter-to-Cash Outsourcing, Market Assessment”, June 2010, pg 43.

²² From Equaterra report entitled “Enbridge Meter-to-Cash Outsourcing, Market Assessment”, June 2010, pg 44.

²³ From Equaterra report entitled “Enbridge Meter-to-Cash Outsourcing, Market Assessment”, June 2010, pg 47.

- Setting up an “energy efficiency” customer services team (potentially a separate phone number) to provide more specialized service in this area could enhance Enbridge brand/image.
- Providing customized service to Key Business Customers via higher level service levels and more “personalized” contact management can create added value with this critical group of customers.
- As energy policy agendas continue to evolve, e.g. “smart gas strategy”, potential carbon tax, conservation programs, green jobs, agents will need to be educated on these issues to ensure that they can communicate knowledgeably with Enbridge customers. This will need to be done but not at the expense of ensuring superior service delivery of “core” business.

Utility Customer Service Delivery Model Scenarios²⁴

- Utilities with outsourced meter to cash functions have generally kept live inbound contact handling On Shore while using Off Shore resources for back office functions. On Shore services are usually provided from utility-owned sites but providers may prefer their own location so they can control the work environment and showcase the location for potential customers.
- Utilities with mostly in-sourced customer care functions will sometimes send some calls (collection, overflow outage, etc.) to a provider with Near Shore locations.
- While other industries have outsourced call centre functions Off Shore, live inbound contact handling work being performed off shore has been implemented in only two US regulated utilities.
- Deregulated utilities are off shoring live inbound and outbound contact handling.

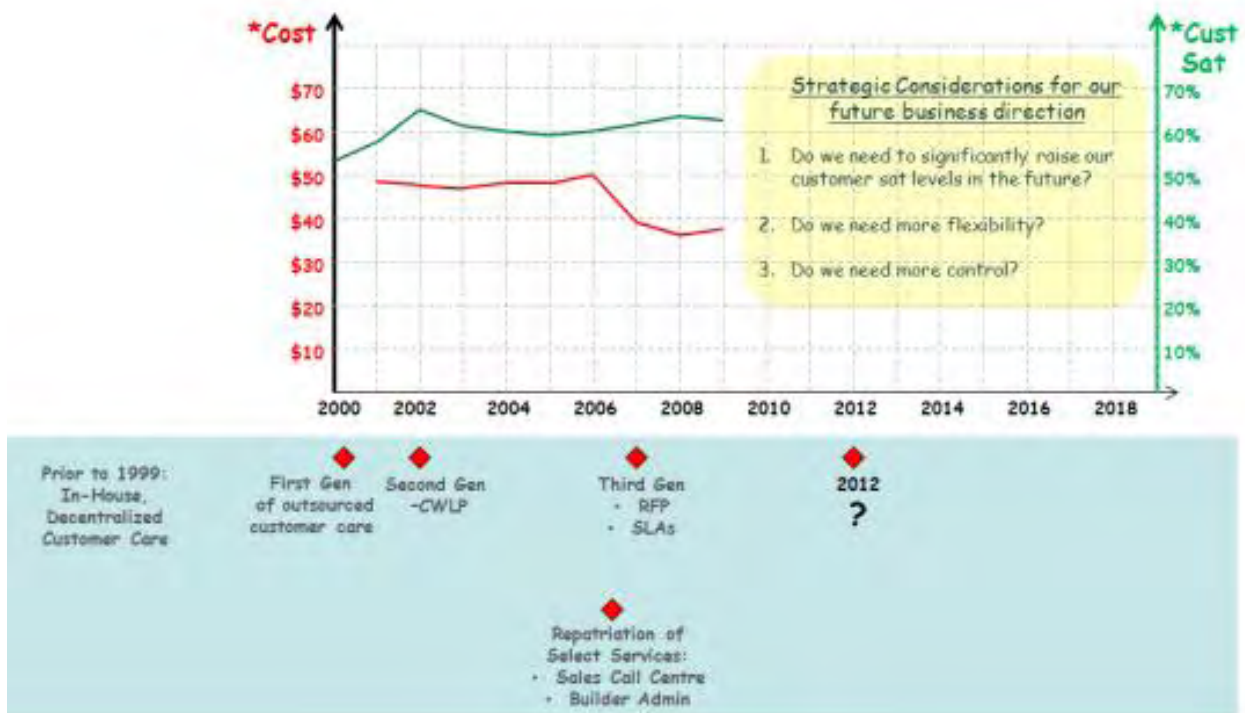
²⁴ From Equaterra report entitled “Enbridge Meter-to-Cash Outsourcing, Market Assessment”, June 2010, pg 49.
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5 Recommendations for the Future State

5.1 Requirements for the future

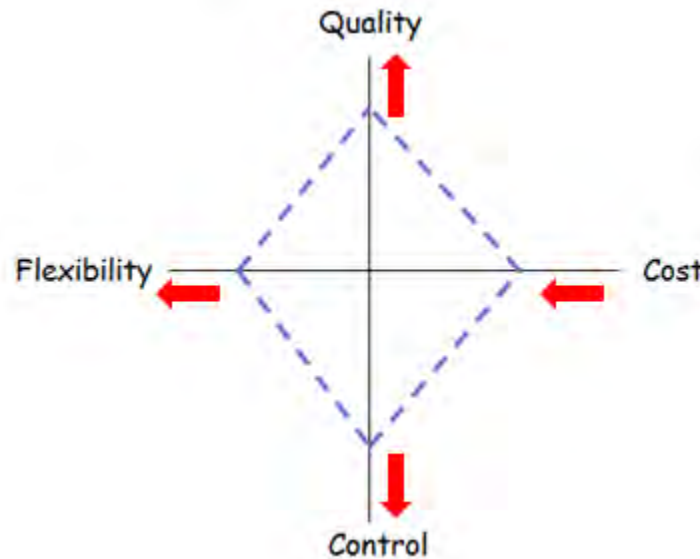
5.1.1 Context

A key insight that can be drawn from the chart depicted below is that customer satisfaction has remained relatively stable over this period while at the same time costs for delivering customer care services have trended in a downward direction. When strategizing for the future state, consideration needs to be given to how the customer satisfaction and costing trends should evolve over the next 5 to 10 years.



5.1.2 Drivers and Guiding Principles for Change

In addition to scope, determination of recommendations to address identified opportunities is based on analysis of the expectations around quality and the degree of flexibility & control desired in order to achieve the right balance of cost, quality, flexibility, control and risk to effectively meet the strategic and operational needs of EGD in the future. To the extent possible, the goal should be to increase flexibility, quality and control while reducing cost without taking on significant risk.



- **Cost**
Costs for providing customer care services should be at a level that is consistent with industry standards and reasonable for all impacted stakeholders given the desired level of quality, flexibility, control, and risk.
- **Quality**
Quality is measured largely through customer satisfaction which is a function of service levels that are in place to ensure a consistent delivery of quality service.
- **Flexibility**
The amount of flexibility that is incorporated into a service delivery arrangement should be appropriate to enable accommodation of future changes in an effective and seamless manner.
- **Control**
An adequate degree of control over business functions is required to ensure that an organization can effectively direct its customer care operations in order to meet its business, cost and customer requirements.

An additional factor that cuts across all four of these elements is risk. For business functions carried out internally within an organization performance and cost risk lay solely with that organization.

Where business functions have been outsourced these risks are addressed through service levels and contract terms and conditions.

The degree of risk a principle takes on in an outsourcing arrangement is directly proportional to the level of control and flexibility required by that party. The optimal balance point across cost, quality, flexibility and control will be different for every organization and will be a function of the market that entity serves and its ability to manage service providers by way of appropriate service levels and effective contract terms and conditions. Control and flexibility should be managed through service levels and contract terms and conditions that tie performance and cost risks to the service provider and negate the need for the principle to exercise control over the deliver of outsourced business functions.

5.1.3 Assumptions around EGD Business Direction

The following key assumptions about the future business state have been used during development of the customer care service delivery strategy and its associated recommendations.

Assumption 1: Over the course of the next 5-10 years EGD will begin to evolve into a more diversified energy delivery company

- Requirements for Customer Care services will be primarily driven by Gas Distribution needs taking into account organic customer growth and declining average use per customer
- While the business diversifies and expands by introducing new products and services, the nature of requirements for customer care services will not vary significantly from those of today

Assumption 2: There is no capacity for significant increases in customer care costs

Assumption 3: The overall nature and volume of customer care activity won't change significantly

- EGD total customer base will increase by 30,000 to 40,000 per year
- No drastic / unanticipated change volumes of in customer care activities on a per customer basis
- Increased number of annual meter exchanges due to government inspection requirements will be in effect within 5 years
- No drastic changes to regulation or other factors that will significantly change volume of work

Assumption 4: Further enhancement of Customer Satisfaction is still a business priority and requirement for Customer Care

Assumption 5: a reasonable degree of flexibility in customer care service delivery will be required to accommodate evolving customer expectations

5.2 Recommendations around scope of services, delivery model and measures

5.2.1 Approaches to Recommendations

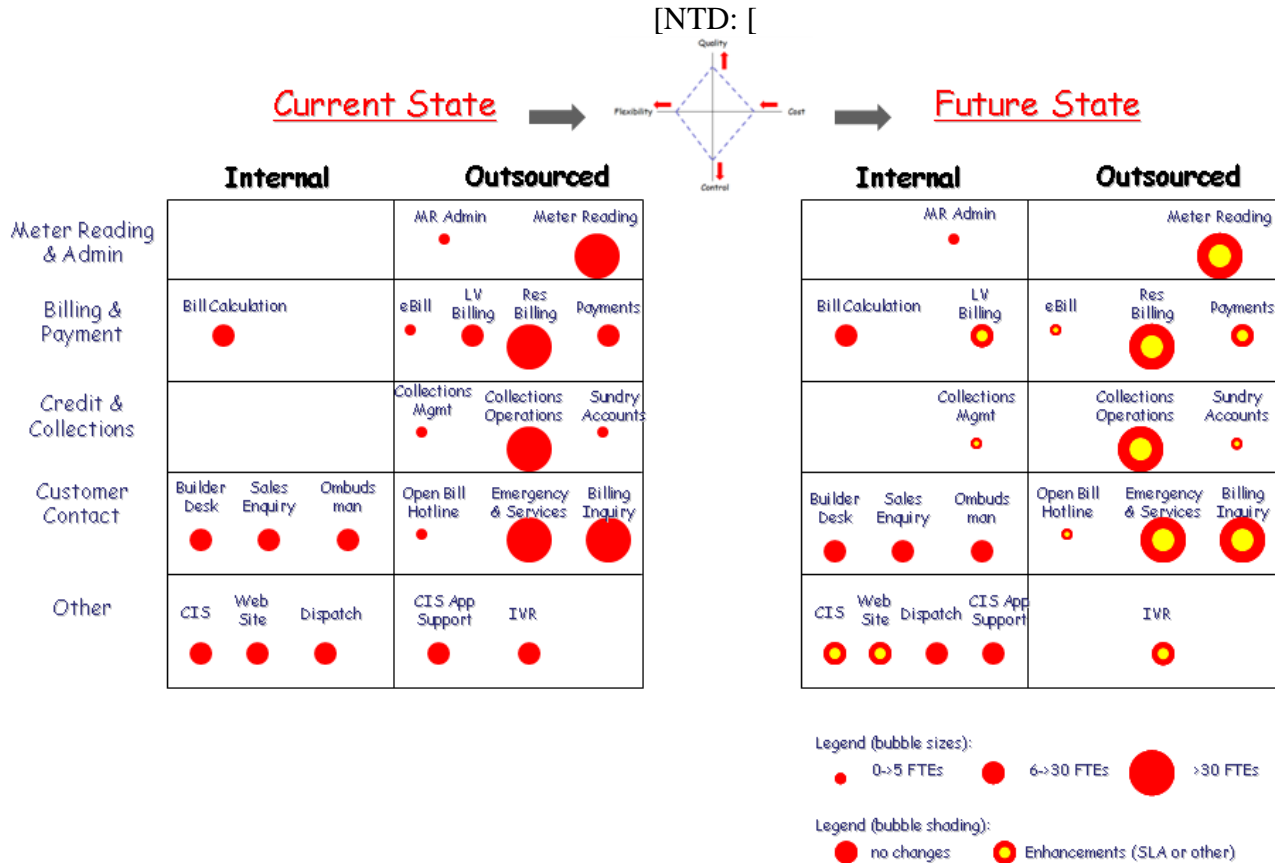
Different strategies and techniques may be available to meet our business drivers:

- Alter the scope of current CC services
 - Rationalize current services
 - Rationalize volume of activity

A combination of these techniques may need to be employed for different areas of customer care.
- Alter the Sourcing model for CC services
 - Out-Source specific Services
 - Split Services across additional service providers
 - In-Source specific Services
- Alter the contract for outsourced services
 - Realign scope of work
 - Revise Service Levels
 - Revise terms & conditions
 - Change Service Providers
 - Negotiate revised fees
- Other Efficiencies
 - Automation
 - Technology enhancements
 - Vendor Management
 - Organisational Structure Changes
 - Other

5.2.2 Summary of recommended changes

The illustration below depicts the high-level summary of the recommendations for the customer care service delivery towers. The left-side table reflects the size and delivery model of customer care service delivery functions in the current state while the right-side table reflects the “recommended” future state based on this strategy.



Given the current conditions and the assumptions around the future state of EGD’s business, there is no significant driver to dramatically alter the current customer care service delivery model. However, as the illustration above depicts, there are areas in the delivery model that would benefit from further refinement in order to continue the evolution of the model and to realize additional advantages for EGD.

Please refer to the recommendations as outlined in Section 5.2 for each specific recommendation that is being proposed. These tables provide a summary of the key recommendations for each of the customer care service delivery towers.

5.2.3 Meter Reading and Admin

Function	Current State	Benefit Driver				Recommendations			
		Cost	Quality	Flexibility	Control	Insourced		Outsourced	
						Status Quo	Enhance	Status Quo	Enhance
Meter Reading Administration	Outsourced - ABSU	✓					✓		
Meter Move-in/Move-out	Outsourced – ABSU/ MET							✓	
Meter Reading	Outsourced – MET/ Lakeside	✓		✓	✓				✓
Meter Management	Joint – EGD / ABSU / Lakeside							✓	
Customer Self-Reads	Outsourced - ABSU		✓				✓	✓	

Key Recommendations:

- Realign Meter Reading Administration
- Explore additional opportunities with EGD meter reading service provider to leverage meter readers to perform other services (e.g. communication, inspections and other routine tasks that need to be performed at the customer's premises)
- Rationalize meter reading status codes (already underway). Revise SLAs to ensure better capture of meter status
- Revisit SLA terms around meter reading SQRs (meter reading services agreement)

5.2.4 Billing and Payments

Function	Current State	Benefit Driver				Recommendations			
		Cost	Quality	Flexibility	Control	Insourced		Outsourced	
						Status Quo	Enhance	Status Quo	Enhance
LV Back-Office Billing	Outsourced - ABSU		✓		✓		✓		

Key Recommendations:

- Repatriate Large Volume Billing and related customer care activities to achieve strategic goals and operational efficiencies
 - Expect repatriation to be cost neutral
 - Increased control of LV billing activities will result in:
 - Improvements to LV customer relationship and satisfaction
 - Enhanced capability to retain Large Volume customers in a competitive environment
 - Better opportunity to improve LV business processes
 - Opportunities to integrate with Direct Purchase group and System Measurement, which will help streamline end-to-end processes
 - Reduction in bad debt exposure due to improved processes
 - Opportunities for more effective marketing
 - Ability to develop staff and retain relevant customer care operating knowledge

Function	Current State	Benefit Driver				Recommendations			
		Cost	Quality	Flexibility	Control	Insourced		Outsourced	
						Status Quo	Enhance	Status Quo	Enhance
Customer Account Setup	Joint - EGD / ABSU		✓				✓		✓
Bill Calculation	Internal - EGD CIS					✓			
Bill Verification	Outsourced - ABSU	✓	✓		✓				✓
Bill Presentment & Production	Outsourced - ABSU			✓	✓		✓		
Billing Exceptions	Outsourced - ABSU		✓		✓		✓		✓
eBill	Outsourced - ABSU	✓							✓
Payment Processing	Outsourced - ABSU						✓		
Billing Preferences	Outsourced - ABSU							✓	

Key Recommendations:

- Review and enhance processes around large volume new customer setup and change in ownership

- Revise contractual service levels and terms around back-office functions such as billing exceptions
- Establish direct contracts with Kubra and Symcor
- Further promotion of eBill option

5.2.5 Credit & Collections

Function	Current State	Benefit Driver				Recommendations		
		Cost	Quality	Flexibility	Control	Insourced		Outsourced
						Quo	Status	Enhance
Outbound Collections	Outsourced - ABSU	✓	✓	✓	✓		✓	✓
Inbound Collections	Outsourced - ABSU							✓
Security Deposit Administration	Outsourced - ABSU		✓					✓
Outbound/ Inbound Collections Calls	Outsourced - ABSU	✓	✓	✓	✓			✓
Sundry Accounts Receivable	Outsourced - ABSU	✓	✓		✓			✓

Key Recommendations:

- Review and revise collections process and policy
- Repatriate the management of collections activity and related data analytics. The execution of collections activity can stay outsourced
- Improvements to dialer infrastructure to support higher volume of activity, and accommodate direct contact with CSRs
- Review and revise contract terms and service levels around collections of sundry accounts

5.2.6 Customer Contact

Function	Current State	Benefit Driver				Recommendations			
		Cost	Quality	Flexibility	Control	Insourced		Outsourced	
						Quo	Status Enhance	Quo	Status Enhance
General Customer Contact Items	Outsourced - ABSU	✓	✓	✓	✓				✓
Billing Inquiries	Outsourced - ABSU		✓						✓
OBA Biller Hotline	Outsourced - ABSU		✓						✓
Service Inquiries & Appointments	Outsourced - ABSU	✓	✓						✓
Emergencies	Outsourced - ABSU		✓						✓
Escalations	Joint - EGD / ABSU	✓	✓				✓		✓
Media Communications	Internal					✓			
Web Communications	Internal	✓	✓				✓		✓
Correspondence	Outsourced - ABSU							✓	
Walk-in	Internal					✓			
Outbound Billing Calls	Outsourced - ABSU							✓	
Outbound/ Inbound Collections Calls	Outsourced - ABSU	✓	✓	✓	✓				✓

Key Recommendations:

- Enhance Service Provider CSR and management training
- Enhance communication and engagement with CSRs
- Process changes and related service levels to validate customer identity when CSRs interact with them
- Enhance IVR to improve quality and effectiveness of customer contact
- Provide more customer self-serve through the web site. Add additional contractual language to support increased e-mail handling by CSRs and to ensure EGD benefits from related efficiencies and reduced call volumes due to increased use of self-serve channels
- Introduce SLA designed to improve responsiveness to EGD requests

5.2.7 Other areas

This section captures recommendations that don't fit specifically into one of the four customer care service delivery towers.

Key Recommendations:

- Revise outsourcing contracts to establish a framework that provides EGD the opportunity to benefit from customer self-serve and related efficiencies. Establish a set of activity-based and/or volume-based unit rates that would apply to specific contracted services
- Revise outsourcing contracts to address the operational and financial risk associated with unanticipated exit of the service provider where transition obligations cannot be met

- Revise outsourcing contracts to confirm that all services apply to all EGD customers and related transactions

These items are not in the scope of the Customer Care Service Delivery Strategy initiative, but they have been documented here as a means of capturing them.

- Repatriate the CIS Support function to in-house EGD-IT, or put it out to bid
- Confirm alignment of the Web strategy with Customer Care Strategy
- Explore opportunities to rationalize the end-to-end customer service process across Service Call Centre, WMC and Operations
- Launch an initiative to explore ideas to link SAP, IVR and CSRs with the web site to support customer self-serve

5.3 Benefits of recommended changes

The following is a summary of the key changes recommended, and the rationale behind them.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Meter Reading & Administration	Rationalize meter reading administration.	Efficiency gain should be reflected in costs associated with any future customer care outsourced service agreements.	EGD's new CIS has automated reports for meter reading admin functions, thereby reducing the manual effort required to put these reports together. Any future customer care outsourced service agreements to include revised statement of work responsibilities and accountabilities to address new CIS procedures in any future outsourcing agreements.
	Leverage meter readers to perform other services.	Opportunity to reduce costs by transferring work from other functions that involve door to door non-critical activities to meter reading contractors.	Specific incremental services to be incorporated in future meter reading service agreements.
	Revise SLAs to ensure better capture of meter status.	Reduce the number of billing exceptions which need to be manually worked, which in turn will increase the quality and timeliness of billing.	Revise Meter Reading statement of work items in any future customer care outsourcing service agreement.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Billing & Payments	Repatriate Large Volume Billing and related Customer Care activities.	Better customer care support of EGD's largest business-to-business customers (e.g. more timely correction of billing exceptions, better integration with system measurement and Direct Purchase groups, reduced collection risk by closer contact with these customers, better customer satisfaction with LV customers).	Any future customer care outsourcing service agreements will set out LVB and Collective account billing service as a separate category of work (SOW, Service Levels and fees) such that EGD can opt to repatriate these business functions.
	Enhance process around Large Volume new customer set-up and change of ownership.	Reduction of collection risk by more timely billing of new business owners and capture of accurate legal names on contracts and billing records. Improved customer satisfaction and gas marketer satisfaction. Reduced administrative effort in the Direct Purchase Group pertaining to retroactive contract and billing adjustments.	
	Improve timeliness and accuracy of billing back-office functions such as billing exceptions.	More accurate and timely billing. Improved customer satisfaction.	To be addressed through new and/or revised service levels in any future customer care outsourced service agreements.
	Establish direct contract with Kubra & Symcor.	EGD will have increased transparency of significant third party activity and cost. Opportunity to explore operational and financial efficiencies with current third party service providers.	To be addressed through revised service delivery structure and contract terms in any future customer care outsourced service agreements.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Credit & Collections	Repatriate management of Collections activities.	Additional control of collection activities which would provide the opportunity to reduce the bad debt expense activity. Provide direct control over the cost of the collections business function by potentially moving to a unit fee per collection service.	To be addressed through revised service levels in any future customer care outsourcing service agreements.
	Improvements to outbound dialer infrastructure.	Improving Mass Market Collections performance through increased capacity for telephone collections.	To be addressed through revised service levels in any future customer care outsourced service agreements.
	Review and revise SLAs around Collections of Sundry accounts.	Improved sundry account collections performance.	To be addressed through revised service levels in any future customer care outsourced service agreements. Or, potentially repatriate this function to EGD.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Customer Contact	Enhance CSR training.	Improved customer experience and satisfaction.	To be addressed through additional statement of work items and revised service levels in any future customer care outsourced service agreements.
	Enhance Communication and engagement with CSRs.	Better informed customer contact personnel will result in improved customer satisfaction and more effective roll-out of EGD programs.	To be addressed through additional statement of work items and revised service levels in any future customer care outsourced service agreements.
	Changes to processes and service levels related to validation of customer identity.	More complete and accurate customer information and better adherence to privacy legislation.	To be addressed through revised service levels in any future customer care outsourced service agreements.
	Enhance IVR.	Improved customer experience and satisfaction.	To be addressed through additional statement of work items and revised service levels in any future customer care outsourced service agreements. Ongoing initiative to redesign EGD IVR menus to be implemented in late 2010 or early 2011.
	Customer self-serve thru website.	Improved customer experience and satisfaction.	EGD to address directly through potential enhancement of CIS and customer facing internet based systems.
	Limit number of customer escalations referred to Ombudsman's office.	Improved customer experience and satisfaction. Avoided potential of incremental cost associated with the ombudsman office.	To be addressed through revised service levels in any future customer care outsourced service agreements (Call Centre escalation handling, turnaround time standards for EGD and EGD Ombudsman Office information and account transaction requests).
	Improve responsiveness to EGD requests for customer information and customer account update requests.	Improved customer experience and satisfaction as it relates to EGD requests for information or resolution of customer related issues.	To be addressed through revised service levels in any future customer care outsourced service agreements.

Area of Change	Recommended Change	Benefit	Attainment Strategy
Other	Tighten and clarify contract terms with respect to the applicability of customer care service agreement service levels.	Consistency of customer care services contracted to the service provider (i.e. no loop-holes in the contract with respect to the application of service levels).	Revise any future customer care outsourced service agreements to confirm that all service levels apply to all activities and all customers (including Open Bill)
	Strengthen EGD step in rights or performance guarantee in any future customer care outsourced service agreements.	Reduced exposure to EGD in the event of service provider failure to provide services at prescribed service levels over an extended period of time.	To be addressed through revised contract terms in any future customer care outsourced service agreements.
	Attempt to capture potential benefits from customer self-serve thru website.	Opportunity to leverage financial efficiencies associated with increased automation of customer enquiries through a web site.	Include current CCSA Change Order requirements in any future customer care outsourced service agreements.

6 Recommended Action Plan

This section outlines the proposed action plan to implement the Customer Care Service Delivery Strategy.

6.1 Implementation Options

Three main options have been proposed for consideration:

Option 1a – RFP Approach

This option proposes that the business processes covered by the current CCSA be put out to tender via an RFP (Request for Proposal) approach. This approach would solicit bids from qualified candidate service providers with the goal of selecting the most appropriate provider to contract with for these services. This option could involve a transition from one service provider to another resulting in a moderate to high degree of risk.

Option 1b – Renegotiation Approach

This option is one of renegotiating with the current service provider to seek an optimum adjustment to the current CCSA in order to achieve the strategic goals while at the same time minimizing the costing impact. This option is the least disruptive option from a service continuity/transition perspective as the same service provider is retained to perform largely the same services that it currently performs. This option represents the lowest relative degree of operational and financial risk.

Option 1c – Repatriation Approach

This option proposes that the business processes covered by the current CCSA be repatriated to EGD. This approach would involve moving from a vendor management perspective to the establishment, staffing and day to day management of the customer care service delivery operations within the organization and would involve a transition from the current service provider to EGD. This option represents the highest relative degree of operational and financial risk of the three options identified.

6.2 Regulatory & Legal considerations

Regulatory considerations have been considered in conjunction with each of the customer care service provisioning options that have been proposed. Regulatory involvement is proposed and has been carried out through continuing discussions with the New CIS / Customer Care Regulatory Consultative Group (the “Consultative”) that has been in place since 2006.

It is EGD’s plan to update the mandate of the Consultative by way of a revised Statement of Principles setting out revised the objectives, mandate and operating guidelines for this group. EGD’s overall objective for the consultative process is to reach a consensus with key regulatory stakeholders in support of action chosen by the

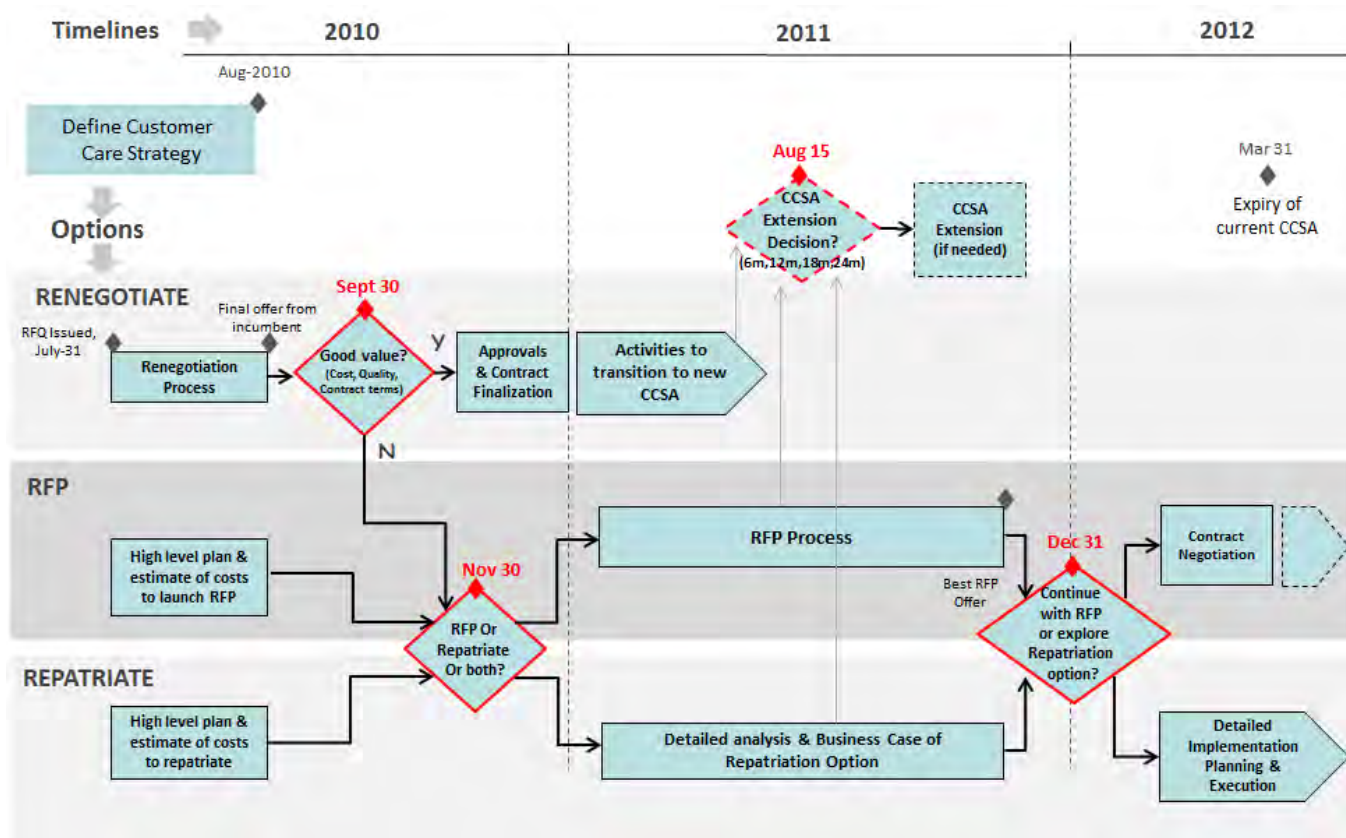
Company concerning its sourcing of future customer care services and Ontario Energy Board acceptance of the cost consequences of such actions in terms of EGD rate recovery.

Legal considerations concerning future potential outsourcing arrangements have been addressed as part of the development of EGD's future customer care requirements and are reflected in the recommendations set out in this document. EGD has engaged both internal and external legal representatives to assist it in formulating these requirements in proposed contract language that EGD will seek to have included in any future customer care outsourcing agreements.

6.3 Key Activities, Timelines and Milestones

Decision Process:

The decision process regarding which option(s) to implement has 4 key decision points:



The sub-sections that follow provide further detail (high-level estimates) on each of the three customer care service provisioning options depicted in the decision diagram above. Although not explicitly called out in the sub-sections, Regulatory, EGD and other stakeholder engagement activities are implicit within each of the options.

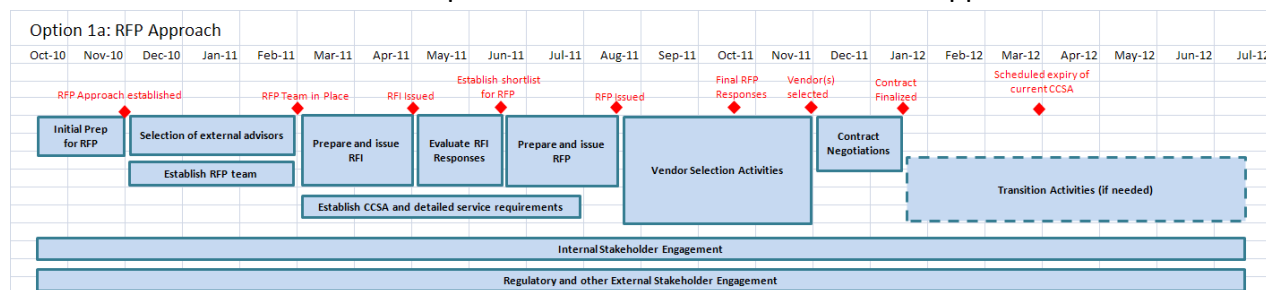
6.3.1 Option 1a – RFP Approach:

This approach would commence following a decision to proceed with competitive market tendering process for acquisition of the range of customer care services now provided to EGD by ABSU. This process would be conducted by way of a formal Request For Proposal (RFP). It is EGD's intention to commence the RFP, if required, on or before the end of December 2010. Depending on the outcome

of the RFP, the RFP process could require up to a period of up to 21 months to complete including time required for transition to a new service provider(s). An RFP would involve the following key steps:

- Perform initial preparation activities (establish RFP process and logistics)
- Select external advisors that can assist in the RFP process
- Establish the internal RFP team
- Engage Regulatory Stakeholders
- Conduct the Request For Information (RFI) process to determine suitably qualified service provider candidates to short-list for the RFP
- Finalize the detailed customer care service delivery requirements
- Issue the RFP and conduct vendor selection activities
- If required execute short term CCSA extension agreements with incumbent service providers
- Perform detailed contract negotiations with the selected vendor(s)
- Transition to the new service provider (if needed)

The chart below illustrates the sequence of activities involved with this approach:



6.3.1.1 Estimated Resources & Costs

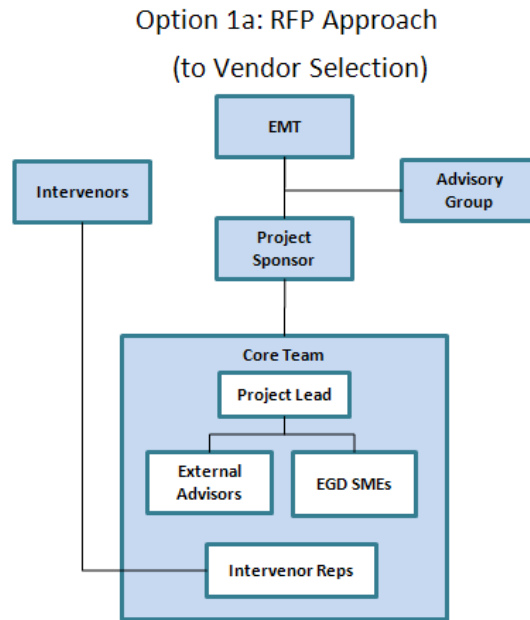
The high-level resourcing cost estimate for this option is approximately \$22 million, including potential costs for transition to new service providers. This is based on internal and external resource estimates and includes a contingency of 20%. Approximately \$16 million is attributable to the estimated transition costs.

The following table provides a high-level breakdown of the costing structure estimated for this option:

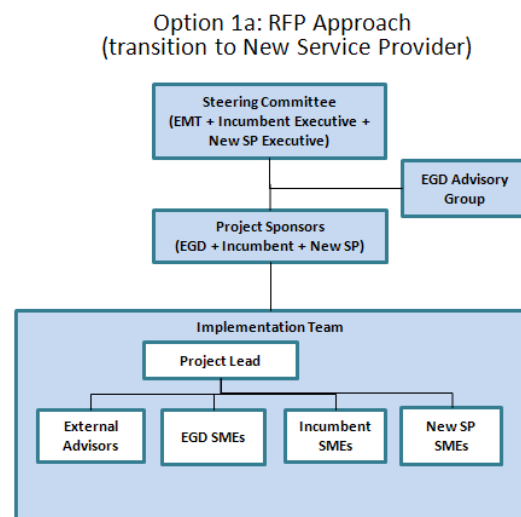
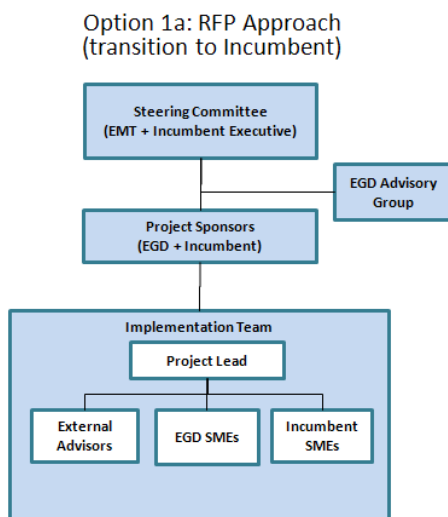
Option 1A - RFP Option		Resource Requirements				
	Duration (months)	Internal effort (MM)	External effort (MM)	Other Costs (\$000)	Estimated Activity Cost (\$000)	Resource Assumptions
High-Level Activities						
Initial Prep for RFP	1.5	1.5	3.8	\$ -	\$ 203	1 internal, 2.5 external
Establish RFP team	3.0	3.0	0.0	\$ -	\$ 30	1 internal
Select External Advisors	3.0	3.0	0.0	\$ -	\$ 30	1 internal
Prepare and issue RFI	2.0	6.5	2.5	\$ -	\$ 190	3 internal, 2.5 external @ 50%, .5 internal legal @ 50%
Evaluate RFI Responses	1.5	10.5	3.8	\$ -	\$ 293	10 internal (4@ 100%, 6 @ 50%), 2.5 external
Establish CCSA and detailed service requirements	5.0	1.3	1.0	\$ 100	\$ 163	1 internal @ 25%, 2 external @ 10%, .5 external legal (1MM)
Prepare and issue RFP	2.0	3.0	6.0	\$ -	\$ 330	3 internal @ 50%, 6 external @ 50%
Vendor Selection Activities	3.5	35.0	21.0	\$ -	\$ 1,400	12 internal (8@ 100%, 4 @ 50%), 8 external (4 @ 100%, 4 @ 50%)
Contract Negotiations	1.5	4.5	3.0	\$ 300	\$ 495	3 internal, 2 external, 2 external legal
Internal Stakeholder Engagement	21.0	21.0	5.3	\$ -	\$ 473	2 internal @ 50%, 1 external @ 25%
Regulatory and other External Stakeholder Engagement	21.0	21.0	21.0	\$ -	\$ 1,260	2 internal @ 50%, 2 external @ 50%
sub-total		110.3	67.3	\$ 400	\$ 4,865	
contingency (20%)					\$ 973	
RFP Total					\$ 5,838	
Transition Activities (if needed)	6.0	45.0	12.6	\$ 12,374	\$ 13,454	Svc Provider: monthly rate * 50% for 6 months, 10 internal resources @ 75%, 3 external @ 70%
contingency (20%)					\$ 2,691	
Transition Total					\$ 16,145	
Overall	21.0				\$ 21,983	
Start	10/15/2010					
Finish	7/15/2012					
Assumptions:						
Don't have to pay RFP participants for their involvement						

6.3.1.2 Proposed Governance Structure

The following chart depicts the proposed governance structure up to the point of vendor selection:



The following charts depict the proposed governance structure after a vendor has been selected. There would be a different model proposed depending on which service is chosen:



6.3.1.3 Key Risks and Mitigation Plan

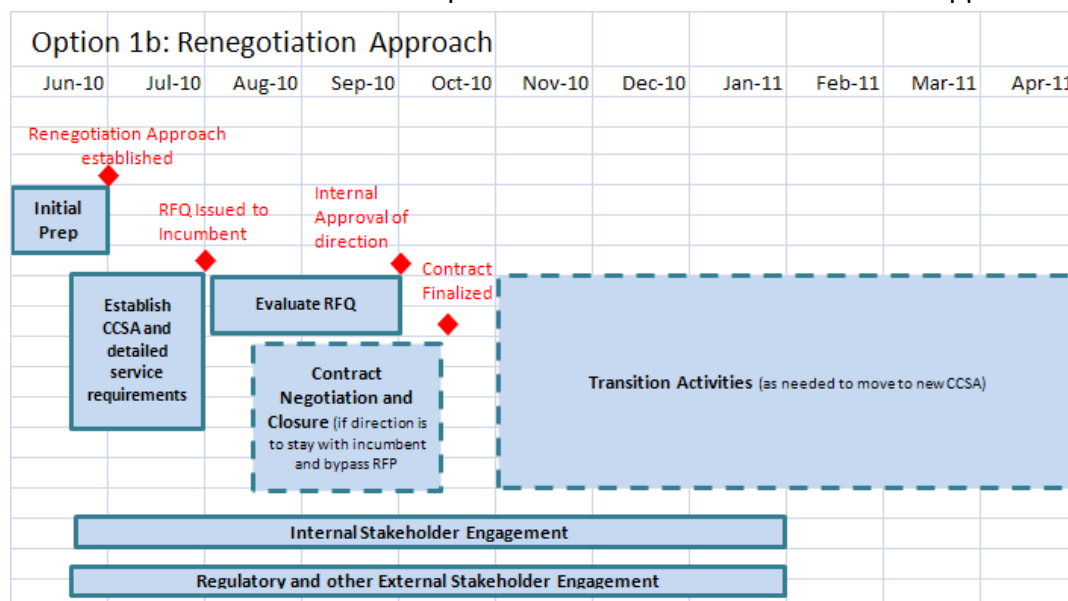
Option 1A - RFP Approach				
	Risk Statement	Probability	Impact	Mitigation Strategy
1	May not be able to fulfill resource requirements (quantity/ quality) to perform RFP activities	High	High	Either take more time to reduce the level of dedication, or bring in more external resources to fill the gap (extra costs).
2	Initial storm period during transition (if new service provider) - translates to operational risks	High	Medium	Extend incumbent services to fill in gap areas (extra transition costs)
3	The detailed requirements may uncover additional complexity / cost than initially anticipated	Low	Medium	Address this thru contract language to allocate risk to service provider.
4	May not get adequate participation from potential Vendors	Medium	High	May need to compensate Vendor participants to RFP (extra costs); Maybe explore dividing services into discrete packages targeted to best-of-breed Vendor groups (hybrid approach, more complex outsourcing model with more handoffs, more vendor management needs, potentially more costs)
5	RFP result may not change desired costing	Low	High	Explore ways of early determination of cost boundaries and exit RFP approach if not appropriate to continue.
6	Transition to new Service Provider may not be complete before the initial end date of the current CCSA.	High	Low	Assume that at least one six month extension of the CCSA will be required. Embed a milestone within the plan to make a decision on extension of the CCSA.

6.3.2 Option 1b – Renegotiation Approach:

This approach has already commenced and has been conducted in parallel with the development of this strategy. It is the first set of civilities that are being conducted to determine if a suitable outcome can be achieved with the incumbent service provider which would lead into the decision in Oct 2010 to either continue with the incumbent or to pursue other options. This approach involves the following key steps:

- Perform initial preparation activities (establish approval process and logistics)
- Finalize the detailed customer care service delivery requirements and any changes to the delivery model
- Evaluate the incumbent’s proposal to meet the updated requirements
- Perform detailed contract negotiations with the incumbent
- Transition to the new delivery model (if needed)

The chart below illustrates the sequence of activities involved with this approach:



6.3.2.1 Estimated Resources & Costs

The high-level resourcing cost estimate for this option is approximately \$1.2 million. This is based on internal and external resource estimates and includes a contingency of 10%. Approximately \$100 thousand is attributable to the estimated transition costs.

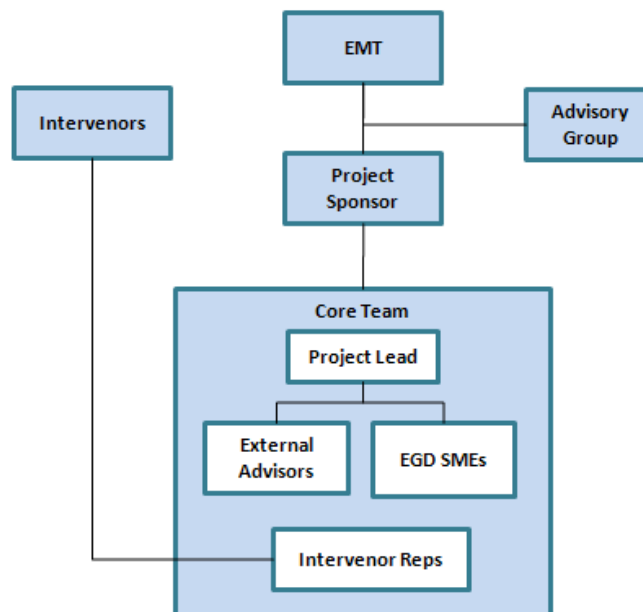
The following table provides a high-level breakdown of the costing structure estimated for this option:

Option 1B - Renegotiation Option		Resource Requirements			Estimated Activity Cost (\$000)	Resource Assumptions
Milestone	Duration (months)	Internal effort (MM)	External effort (MM)	Other Costs (\$000)		
Initial Prep	1.0	1.0	1.0	\$ -	\$ 60	1 internal, 1 external
Establish CCSA and detailed service requirements	1.5	0.8	0.0	\$ -	\$ 8	2 internal @ 25%
Evaluate RFQ Response	2.5	3.8	5.0	\$ -	\$ 288	3 internal @ 50%, 4 external @ 50%
Contract Negotiation and Closure	2.0	3.0	2.0	\$ 150	\$ 280	3 internal @ 50%, 2 external @ 50%, 1 external legal
Internal Stakeholder Engagement	10.0	4.0	0.0	\$ -	\$ 40	2 internal @ 20%
Regulatory and other External Stakeholder Engagement	7.5	3.0	6.0	\$ -	\$ 330	2 internal @ 20%, 2 external @ 40%
sub-total		15.5	14.0	\$ 150	\$ 1,005	
contingency (10%)					\$ 101	
Renegotiation Total					\$ 1,106	
Transition Activities (as needed to move to new CCSA)	3.0	9.0	0.0	\$ -	\$ 90	5 internal resources @ 60%
contingency (10%)					\$ 9	
Transition Total					\$ 99	
Overall	10.0				\$ 1,205	
Start	6/1/2010					
Finish	4/30/2011					

6.3.2.2 Governance Structure

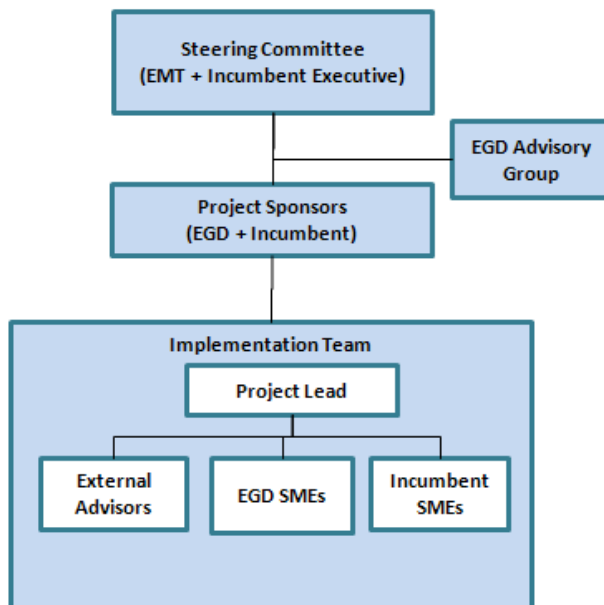
The following chart depicts the proposed governance structure up to the decision point:

Option 1b: Renegotiation Approach
(prior to decision)



The following charts depict the proposed governance structure should the decision be made to continue with the incumbent service provider:

Option 1b: Renegotiation
(transition activities after decision to continue with Incumbent)



6.3.2.3 Key Risks and Mitigation Plan

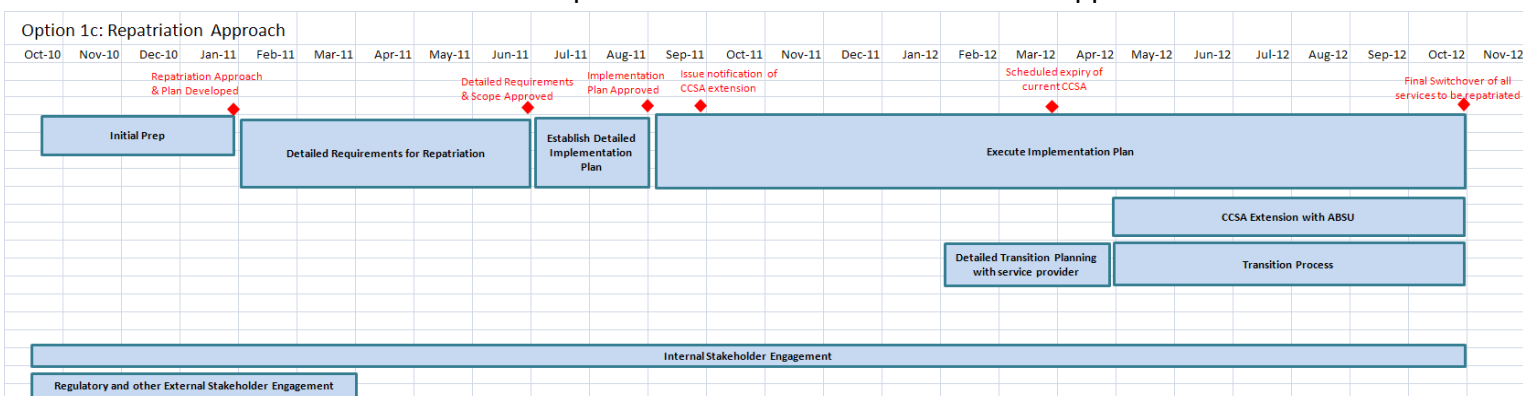
Option 1B - Renegotiation				
	Risk Statement	Probability	Impact	Mitigation Strategy
1	Renegotiation result may not change desired costing	Medium	Medium	Determine appropriate decision point to move into RFP/Repatriation Approach.
2	May not obtain Regulatory approval of cost recovery.	Low	High	Engage Regulatory stakeholders in renegotiation process.
3	The RFP option may deliver a more competitive cost structure than renegotiation	Low	Medium	Perform an analysis of Industry benchmarks to get a sense of competitiveness of current CCSA by leveraging external expert advisors.
4	If a "no" decision is delayed beyond the target date, the RFP timeline could be compromised.	Medium	Medium	Impact would be affected by the length of the delay. Mitigation is to apply discipline with respect to the timeliness of this decision.

6.3.3 Option 1c – Repatriation Approach:

This approach would commence following a repatriation decision in October 2010 and would span a period of 24 months up to Oct 2012. It would involve the following key steps:

- Perform initial preparation activities (establish approval process and logistics)
- Establish the repatriation requirements (Processes, People, Tools, Facilities, Internal performance measures, Transition, etc)
- Establish the detailed implementation approach and plan
- Execute the detailed implementation plan activities
- Establish detailed transition plans with the service provider
- Extend CCSA to cover the transition period
- Complete the transition according to the detailed transition plans

The chart below illustrates the sequence of activities involved with this approach:



6.3.3.1 Estimated Resources & Costs

The high-level resourcing cost estimate for this option is approximately \$65 million. This is based on internal and external resource estimates and includes a contingency of 20%. Approximately \$51 million is attributable to the estimated ramp-up resourcing, overlapping cost with incumbent service provider during transition and associated infrastructure costs.

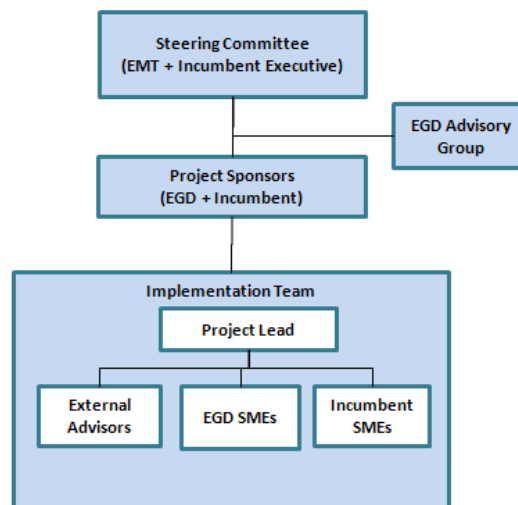
The following table provides a high-level breakdown of the costing structure estimated for this option:

Option 1C - Repatriation Option		Resource Requirements				
High-Level Activities	Duration (months)	Internal effort (MM)	External effort (MM)	Other Costs (\$000)	Estimated Activity Cost (\$000)	Resource Assumptions
Initial Prep	3.0	3.0	7.5	\$ -	\$ 405	1 internal, 2.5 external
Detailed Requirements for Repatriation	5.0	37.5	12.5	\$ -	\$ 1,000	10 internal @ 75%, 2.5 external
Establish Detailed Implementation Plan	2.0	15.0	5.0	\$ -	\$ 400	10 internal @ 75%, 2.5 external
Execute Implementation Plan	14.0				\$ 21,535	These are costs around people needed to execute the implementation plan plus costs to onboard staff: see rampup costing model
Infrastructure				\$ 29,500	\$ 29,500	These are costs assumed for one-time capital investments (\$40k per person * 550, 7.5M IVR/Call Platform)
Detailed Transition Planning with service provider	3.0	21.0	7.5	\$ -	\$ 585	10 internal (4@ 100%, 6 @ 50%), 2.5 external
Internal Stakeholder Engagement	24.0	24.0	0.0	\$ -	\$ 240	2 internal @ 50%
Regulatory and other External Stakeholder Engagement	5.5	5.5	5.5	\$ -	\$ 330	2 internal @ 50%, 2 external @ 50%
sub-total		106.0	38.0	\$ 29,500	\$ 53,995	
contingency (20%)					\$ 10,799	
Repatriation Total					\$ 64,794	
CCSA Extension with ABSU	6.0					This would be ongoing operations cost until the transition is complete (business as usual)
Transition Process	6.0				\$ -	This is effectively an operating cost and not a project cost.
sub-total					\$ -	
contingency (20%)					\$ -	
Transition Total					\$ -	
Overall	24.0				\$ 64,794	
Start	10/15/2010					
Finish	10/30/2012					

6.3.3.2 Proposed Governance Structure

The following chart depicts the proposed governance structure for this option:

Option 1c: Repatriation Approach



6.3.3.3 Key Risks and Mitigation Plan

Option 1C - Repatriation				
	Risk Statement	Probability	Impact	Mitigation Strategy
1	May not be able to fulfill resource requirements (quantity/ quality)	Medium	High	Extend incumbent services to fill in gap areas (extra transition costs)
2	Initial storm period when transition takes place (translates to operational risks or longer transition)	High	Medium	Extend incumbent services to fill in gap areas (extra transition costs)
3	The detailed requirements may uncover additional complexity / cost than initially anticipated	Medium	Medium	Explore other cost mitigation strategies (alternate locations of work, CIS automation, business process modification, etc)
4	May not be able to meet business case operating cost assumptions (assumed levels of productivity, resource costs, capital costs)	Medium	Medium	Explore other cost mitigation strategies (alternate locations of work, CIS automation, business process modification, etc)
5	Actual cost of incremental capital may not meet business case assumptions	Medium	Low	Include contingency in business case to address capital costing risks.
6	Repatriation transition may not be complete before the end date of the CCSA extensions.	High	Low	Assume that at least one six month extension of the CCSA will be required. Embed a milestone within the plan to make a decision on extension of the CCSA.



7 Appendices

APPENDIX A External Consultant Report



Discussion Topics

- » Executive Summary
- » Key Business Terms Assessment
- » Service Level Assessment
- » Pricing Assessment
- » Appendix
 - Market Trends

Executive Summary

» Contractual Terms

- In general, there are no major structural defects or omissions in the agreement although there are certain terms that should be addressed, strengthened or added in the event of an extension or renegotiations
- Though EquaTerra has not found significant structural defects or major risks or there are omissions or clauses which or not in-line with Market
 - Step In Rights or Performance Guarantee
 - Client Satisfaction
 - Project Methodology
 - Operation Procedures Manual
 - Continuous Improvement
- The structure of the contract is confusing and sometimes difficult to follow as elements are addressed in multiple places (e.g. termination rights). It might be beneficial to reorganize the agreement for ease of governance or in case of a governance transition should it happen.

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Executive Summary - cont'd

» Service Levels

- Service Levels are generally in alignment with market standard
 - Some of the Call Center Service Levels are above market range
 - The Annual Telephone Service Level is at low range of market
 - Collections service levels are an area for improvement
 - Email and correspondence response time service levels are below market
- With the exception of the Billing, the service levels align and measure scope of work
- Enhance Billing Exceptions service levels to include quality measure and timeliness by criticality of work
- Add quality service levels in the Billing Exceptions, Payment Processing and Service Report areas
- Enhance service levels for Business Customers (Contact Management, quality monitoring and customer satisfaction)

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Executive Summary – cont'd

- » Pricing and Pricing Terms
 - » Overall contract pricing structure includes many key items typical of an outsourcing contract.
 - Resource Baselines with Unit Rates
 - Partitioned Implementation Charges
 - Pass Through Charges
 - Tax Provision
 - Unbundled Pricing by Major Service Category
 - Volume Thresholds
 - Termination Clause
 - Benchmarking
 - » The contract applies a Price Per Customer model, which is a preferred market methodology for Utilities
 - » Comparative Market Analysis reveals that the Normalized Base Price lies within market comparable market ranges for both a Fully Normalized Peer Base, and a Peer Base that excludes consideration for Workforce Location/Labor Characteristics. Additional analysis concludes that the Contracted Project Rate Card is within market norms.
 - » Enbridge may benefit from increased transparency with respect to certain aspects of the Agreement (bundling of Call Center fees in the Billing component, embedded Transition/Implementation and COLA costs and the omission of a Personnel Projection Matrix).
 - » Though Equaterra has not found significant structural defects or major risks or there are omissions or clauses which or not in-line with Market and/or favor the Service Provider
 - Termination Clause & Fees
 - Unit Pricing Mechanism
 - Project Spend Treatment
 - Sunset Clause

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Discussion Topics

- » Executive Summary
- » **Key Business Terms Assessment**
- » Service Level Assessment
- » Pricing Assessment
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 - Market Trends

Statement of work – Schedule 2.2A

- » List of activities seems well developed and complete
- » Use of RACI to attribute responsibility is interesting but unusual.
 - This could lead to arguments regarding responsibilities intra Service Provider.
 - Principle of RACI - Attribution to one party only – is often violated
- » Surprising or unclear allocation of responsibilities – See activities 5.0 to 5.5 (page 16) and 5.1.7 as well as 6.0.6.

Recommendation:

Degree of concern:



- Consider going to a different format using 2 columns with only with Service Provider and Client responsibilities
- Review SOW to clarify any ambiguity in responsibility attribution
- Strengthen activities in SOW and language in contract (7.8) to reinforce ownership of the forecast
- Update SOWs to reflect removal of billing component from scope

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Benchmarking – Article 5 and Schedule 5.1.3

- » The Benchmarking clause and schedule are well developed as to the process of Benchmarking but the consequence of benchmarking lack specificity.
- » Client has the right to benchmark starting year 2 and every 2 years thereafter. Generally, market term calls for the right to benchmark once every year.
- » We detected four weaknesses in the benchmarking clause:
 - Although the parties jointly agree to appoint a benchmarker, but there is no mechanism on how to appoint such benchmarker outside of the dispute resolution. Generally, the parties agree to a list of mutually acceptable benchmarker that could be used by the parties.
 - The parties agreed to share the cost of benchmarking. Generally, the cost of benchmarking is borne by the client to avoid all real or perceived conflict of interest or bias towards one party or the other.
 - Consequence of benchmarking is vague and non binding. EGD would benefit from a semi automatic adjustment process.
 - The pricing or service level adjustment can go in the favor of the client or service provider i.e. potentially, cost to EDG could increase. Market term is that the price of the Services cannot increase as the result of a benchmarking exercise.
- » EDG has the right to terminate the agreement if the parties do not agree at a reduced termination fee equal to 90% of the termination fee for convenience. Market is between 50% and 75%.

Recommendation:

Degree of concern:



- If given the opportunity, strengthen language around benchmarking. Revise reduced termination fee.

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Key Personnel – Article 7.1.3 and Schedule 7.1.3

- » Although the elements on Key Personnel are present, most contracts elaborate on key personnel and in Supplier personnel in general to foster retention and limit turnover.
 - Provision that Key Personnel would be full time alleviating the risk that managers are pulled for general Service Provider activities such as sales calls, short assignments, etc.
 - Provisions for how/when Key Personnel will replace if necessary including timelines
 - Right to add key positions
 - Length of commitment varies between 18 months and 30 months

Recommendation:

Degree of concern:



- Develop a more robust Schedule detailing Key Personnel retention and replacement

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Business Continuity – Article 8.10 and Schedule 8.10

- » The basic elements of Business Continuity are outlined in the contract but are not well detailed and spread at different places in the contract – SOW, Section 22.1 (force Majeure), Section 8.10 (Business Continuity Plan), Schedule 8.10 (Business Continuity Plan), Schedule 10.1.1 (Service Provider Material)
- » The following elements are missing or lacking the necessary details
 - Service Provider Development, Maintenance and Testing of the Plan
 - Service Restoration
 - Interface with Client Plans
 - Declaration of a Disaster (Who can declare a plan)
 - Business Impact Analysis
 - Fees

Recommendation:

Degree of concern:



- Develop a Schedule detailing the Service Provider responsibilities for Business Continuity and Disaster Recovery

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Ownership and Licensing of Intellectual Property – Article 10 and Schedule 10.1.1

- » This section is well detailed in terms of ownership of materials however, an opportunity for improvement is the Operations Procedures Manual (OPM):
- » Although the Operations Procedures Manual (OPM) is not called specifically. Most contracts, calls for the OPM to be detailed and sufficient to enable the client or a successor provider the ability to assume the provision of the Services if necessary and upon expiration or termination of the agreement all such documentation shall be delivered to the client.
 - » In most contracts, ownership of the OPM is to the Client however, Article 18 of the Agreement provides some level of protection by requiring the service provider to provide Enbridge with all documentation required in order to transfer all services to Enbridge or an alternate service provider(s).
 - » Additionally, Enbridge's repatriation of its Customer Information System has also placed a significant portion of its customer related business processes directly within the Company's ownership and control.

Recommendation:

Degree of concern:



- Although generically covered by the IP language, Client might benefit from drafting language specific to the OPM and client ownership of such OPM.
- Develop a Schedule detailing the form of the OPM.

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Termination – Article 16 & 17

- » This section is well detailed in terms of termination rights. The usual events carrying a right to terminate are present. A few of the events generally seen in market agreements could be added:
- » Change of Laws or Tax Liability that increases cost of the Services to the Client by more than 10% to 15%
 - » Force Majeure lasting more than 5 to 7 days is market. EDG has the right after 30 days (Section 22.1.6)
 - » Significant business events (such as service provider or client change of control, service provider degraded financial condition)
- » EDG has the right to terminate the agreement for changes due to Governmental Authorities at a reduced termination fee equal to 90% of the termination fee for convenience. Market is between 50% and 75%.

Recommendation:

Degree of concern:



- If given the opportunity, strengthen language around termination events
- Revise reduced termination fee

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Insurance – Article 19.4

- » This section is comprehensive in terms of insurance requirements. Certain amounts required are on the low side of the market:
 - » Commercial General Liability: \$10M to \$20M (EDG = \$10M)
 - » Errors & Omissions: \$5M to \$15M (EDG = \$5M)
 - » Commercial Crime : \$10M to \$25M (EDG = \$10M)

Recommendation:

Degree of concern:



- If important to EDG and risk is perceived to be high, revisit insurance amounts required.

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Key Contractual Omissions

- » **Step in Rights or Performance Guarantee**
 - Step in rights allows the client to “step in the shoes” of the Service Provider and perform the services. Alternatively, the Client can request a performance guarantee from the Service Provider. The guarantee offered by the parent company or a subsidiary would step in should the Service Provider be unable to render the services.
- » **Project Methodology**
 - A solid project methodology would assist the Client to request, evaluate and price projects. Additionally, it would provide a mechanism to avoid paying for sustainment resources multiple times (as part of the base fees and the project rate card)
- » **Continuous Improvement**
 - Although continuous improvement is touched upon in the contract, the details around a continuous improvement plan are missing. Developing such details may help the Client to potentially generate more value from the concept.
- » **Client Satisfaction**
 - Customer Satisfaction is addressed as part of the satisfaction of Enbridge’s clients calling in the center. However, market agreements also called for terms and processes around Enbridge being measuring their satisfaction with the services provided by the Service Provider on an annual basis.
- » **Operations Procedures Manual (OPM)**
 - See comment in “Ownership and Licensing of Intellectual Property” above

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Discussion Topics

- » Executive Summary
- » Key Business Terms Assessment
- » **Service Levels Assessment**
- » Pricing Assessment
- » Appendix
 - Market Trends

Service Level Analysis

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Service Area	Measurement	Enbridge SLA	Market Range
Refund Management	Accuracy	0 duplicate refunds sent to customer 99.9% of the time	None Available
Bill Production & Delivery	Bill Delivery for Mass Market/Large Volume/Monthly Statement Accounts	95% delivered same day & 100% delivered next day, with one daily failure allowed per year	98% of bills sent within 1 business day and 100% within 1 business day to 99.3 % of bills sent within 48 hours
	Bill & Message Insert for Mass Market, Monthly Statement and Large Volume Billing Accounts	0 infractions 99.9% of the time	97% to 99%
	Bill errors	0.7% generated exceptions of total bills	None Available
	Repeat Billing errors	0.09% generated exceptions of total bills	None Available

Recommendation:

•Eliminate service levels associated with CIS billing since this work is no longer in scope and replace with more robust "Billing Exceptions" service levels

Service Level Analysis EQUATERRA

Service Area	Measurement	Enbridge SLA	Market Range
Credit and Collections			
Collection of Large Volume	Large Volume accounts in arrears 90+	Less than or equal to 5% at year end and no more than a 2 point variance on a quarterly basis	None Available
	Large Volume write-offs	Less than or equal to 0.25%	None Available
Collection of Mass Markets	Active arrears flow-thru - 30 to 90 days	Less than or equal to 13.5% at year end and no more than a 4 point variance on a monthly basis	65.58% = Current receivables as percent of Total Billed Revenue (WG) 9.8% Past Due >90 days as percent of Billed Revenue (WG) DSO = 32 - 25 days AR > 35 days = 67% of total accounts receivables 5.5% Improvement over adjusted (economic factor) baseline
	Final arrears flow-thru - 30 to 90 days	Less than or equal to 55% at year end and no more than a 10 point variance on a monthly basis	3.5% Improvement over adjusted (economic factor) baseline
	Write-offs	Less than or equal to 75% of the value of the accounts transferred to the Company's Delinquent Ledger at year end and no more than a 5 point variance on a monthly basis	None Available

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Service Level Analysis EQUATERRA

Service Area	Measurement	Enbridge SLA	Market Range
Credit and Collections			
Collection of Sundry Accounts	Sundry Accounts in arrears	Less than or equal to 5%	None Available
	Sundry Account write-offs	Less than or equal to 0.25%	None Available

- Breakdown between Large Volume accounts and mass market is above market standards
- Mass Market service level measurements not typical measurements in the market place

Recommendations:

- Need more robust service levels e.g. percent collected in different aging buckets, percent collected of Finalized Bills prior to sending to collection agency
- Enbridge may wish to consider including an "economic factor" that adjusts results achieved by Service Provider based on movement of unemployment rate or other economic factor
- Given concerns regarding the incumbents lack of effort in this area, consider outsourcing the entire credit and collections process (inbound and outbound calls) to a specialized collections outsourcer

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Service Level Analysis		EQUATERRA	
Service Area	Measurement	Enbridge SLA	Market Range
Contact Center			
Call Management	Emergency Calls	95% of calls answered within 30 seconds - Monthly	90% in 15 seconds to 90% in 10 seconds
	Emergency Calls	90% of calls answered within 30 seconds - Daily	None available
	Incoming Calls (Billing, Service, Collections) (8QI)	75% of calls answered within 30 seconds (for period of Nov 1 - Dec 31, 2008 adjusted target) 70% of calls answered within 30 seconds	75% in 30 seconds to 80% in 20 seconds 90% in 20 seconds for business customers 85% in 30 seconds (non utility contracts)
	Incoming Calls (Billing, Service, Collections) (8QI)	> or = 65% answered within 30 seconds, with 25 daily failures allowed per year, with no more than 3 failures in a month (for period of Nov 1 - Dec 31, 2008 adjusted target) no more than 5 misses in a month, 29 failures in a year	70% of the 1/2 hr intervals service level of 80/90 is met
	Incoming Calls exclusive of IVR (8QI) - Abandon rate	<10%	3% - 4%
	Quality - Emergency	90%	Included in QA for all calls
	Quality - Billing, Service, Collections	85%	84%-86%
	Outbound call notification	Notifications to commence within 60 minutes of receipt EGO call list & script	None Available

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Service Level Analysis		EQUATERRA	
Service Area	Measurement	Enbridge SLA	Market Range
Customer Contact	Customer Satisfaction (IVR post call)	85%	80% - 87% (Third Party call back within 1 week)
Customer Satisfaction	1st Call Resolution (IVR post call)	80%	70% - 81% (Third Party call back within 1 week)
Escalated Complaints	Turnaround Time for Escalated Complaints (including Ombudsman) (8QI)	95% resolved in 10 business days	90% (none utility contracts) Performed by retained organization
<p>•Daily Telephone Service Levels for emergency and non-emergency calls are above market standard</p> <p>•Measuring Telephone Service Level by Half Hour to assess the consistency of customer experience is top of market</p> <p>•Telephone Service Level for non-emergency calls (75/90) is on the low range of market and below Ontario market for similar outsourced contract</p> <p>•While agent call quality service levels are within market range, having a separate quality component for emergency calls is above market</p> <p>Recommendations:</p> <p>•Consider having a stronger service level for Business Customers or insourcing the work/relationship with key business customers</p> <p>•While customer satisfaction and 1st call resolution scores are in market range, market scores are based on 3rd party surveys (within 1 week of call). This provides a more unbiased satisfaction score.</p> <p>•Consider complementing or replacing with independent 3rd party transactional survey to better assess customer satisfaction</p>			

Service Level Analysis EQUATERRA

Service Area	Measurement	Enbridge SLA	Market Range
Customer Contact Correspondence Management	Turnaround Time for Royal Mail Correspondence	95% resolved in 10 business days	90% in 24 hrs and 99.5% within 48 hrs to 90% in 2 business days and 99% in 4 business days
	Turnaround Time for Executive Complaints Received through Correspondence	95% resolved in 10 business days	95% in 5 business days (non utility contracts) Performed by retained organization
	Turnaround Time for Fax Correspondence	95% resolved in 4 business days	90% in 2 business days and 99.5% in 4 business days to 90% in 2 business days and 99% in 4 business days
	Turnaround Time for Email Correspondence	95% resolved in 4 business days	95% in 5 business days (non utility contract) 90% in 24 hrs and 99.5% within 48 hrs to 90% in 2 business days and 99% in 4 business days 95% in 2 business days to 99% in 1 business day (for non utility clients)
	Turnaround Time for Web Forms	95% resolved in 4 business days	None Available
Lawyer Letter Management	Response Time for Lawyer Letters	95% resolved in 4 business days	90% in 5 business days and 99.5% in 8 business days

Recommendations:

- Improve the response time for Royal mail, fax and email to align with market range
- Add sunset service levels to measure completion of work not covered by service level

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Service Level Analysis EQUATERRA

Service Area	Measurement	Enbridge SLA	Market Range
Service Reports	Annual Service Report Frequency	100% delivered on time On January 15th each year	90% within 1 business day of scheduled delivery to 100% delivered on time and 96% percent delivered without errors
	Quarterly Service Report Frequency	75% Delivered on time By 5pm on the 8th Business Day following the end of the applicable quarter	Same as annual
	Monthly Service Report Frequency	92% Delivered on time By 5pm on the 8th Business Day following the end of the cycle month	Same as annual
	Weekly Service Report Frequency	92% Delivered on time By 5:00 p.m. on the second (2nd) Business Day of the week following the week to which the report relates.	Same as annual
	Daily Service Report Frequency	92% Delivered on time By 5:00 p.m. the next following Business Day.	None available
	Intra-Day Service Report Frequency	92% Delivered on time. By 2:00 p.m. on the same day to which such Intra-Day Report relates.	None available

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Service Level Analysis

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Service Area	Measurement	Enbridge SLA	Market Range
Change Order Process	Delivering Change Estimate in compliance with Article 6 of the Customer Care Services Agreement	98% of Change Orders delivered on time	Typically Included in Governance Schedule
Governance	Incident Management and Resolution	99% of Severity 1 Incidents resolved within 12 hours; 99% of Severity 2 Incidents resolved within 1 Business Day; 99% of Severity 3 Incidents resolved within 5 Business Days; 100% of root cause analysis within 10 Business Days of resolution	Typically Included in Governance Schedule

Delivery of Service Reports, Change Order Process and Governance not typical Service Levels and are instead part of the Governance Schedule

Recommendations:

- Consider adding Accuracy of Service Reporting as a Service Level
- Include more robust language in Governance schedule (See embedded sample)



Microsoft Office Word 97 - 2003 Document

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Service Level Analysis

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Service Area	Measurement	Enbridge SLA	Market Range
Payment Processing	Unpostable Payments	98% or > posted within 5 Business Days	99.5% within 2 days (non utility contracts)
	Standard Payments Posted	98% on same day and 100% within 1 Business Day 100% of the time with one daily failure allowed per year	99% within 2 days (non utility contracts)
	Electronic Payments Posted	98% on same day and 100% within 1 Business Day 100% of the time with one daily failure allowed per year	None available
	Reconciliation to OS	Performed same day 100% of the time with one daily failure allowed per year	99.5% within same day
	Reconciliation to Payment file	100% of the time with one daily failure allowed per year	None Available
	Pre-Authorized Deposit (PAD) extracts	100% of the time with one daily failure allowed per year	None available

This function was not in scope of work for utility contracts reviewed. The Service levels provided are for financial institutions.

Recommendations:

- Add a quality service level e.g. encoding errors per 1000 customers

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Service Level Analysis

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Service Area	Measurement	Enbridge SLA	Market Range
Regular Meter Reading	Consecutive Estimates (EQI)	< or = to 0.5% of meters with 4 or more consecutive estimates	<= .85%
	Meter Reading Accuracy	0.999	99%
	Wasted Meter Readings	100% of the time with one daily failure allowed per year	None Available
	Attempted Meter Reads	99	99%

Limited data points available in our database as this function was not in scope of work for most utility contracts reviewed.

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Discussion Topics

- » Executive Summary
- » Key Business Terms Assessment
- » Service Level Assessment
- » **Pricing Assessment**
- » Appendix
 - Market Trends

Service Fees – Schedule 3.1




- »  Pricing Structure for 3 Service Towers reflect a variable pricing model (P x Q) for baseline volumes consumed within an allowable +/- 5% band.
 - A Fixed/Variable Structure incorporating ARC/RRCs is more in line to market. The Base Fee for each Service Tower would be fixed within a Deadband (suggest 2%), outside of which a discounted rate structure (ARC and RRC) applies to units above and below the Deadband.
 - The Fixed/Variable Structure applies up to a volume threshold or cap (suggest 10%).
- »  The extent to which Inflation/COLA may be embedded in Base Fee Rates is not certain.
 - The exclusion of a COLA provision allows the Service Provider another instrument to recover contingency, and allows the price decline caused by continuous improvement/productivity to be concealed in the price.
 - Market is to incorporate an annual inflation anniversary where COLA-applicable fees are adjusted based on an mutually agreed index, where the risk is shared between parties.
- »  Base Fees are inclusive of 8000 Available Work Pool Hours.
 - The inclusion of a Discretionary Pool to cover work reflective of the in-scope environment would help prevent the service provider from provisioning of rate card for minor tasks not specifically contemplated in the Agreement performed by Base Resources.
 - The contract provides for 8000 hours for work specified by the Company in change orders. The Company has no ability to determine the embedded hourly rate associated with these hours.
-  Rate Card excludes Offshore consideration

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Termination Fees – Schedule 17.1

- »  Though Termination for Convenience is applicable to each of the 3 Service Towers, the contract excludes the categorization of the fees.
 - Market standard is to have detailed the Breakage Fee, Unamortized Assets Recovery Fee, and Capped Wind Down Fee for each Service Tower.
 - **Unamortized Assets Recovery Fee** is the recuperation of fixed HW/SW/Facility portion of the Service Provider Fees.
 - **Capped Wind Down Fee** is the Service Provider's recovery of costs to close operations and redeploy staff. Typically a 2-4 month effort. This is capped at a stated not-to-exceed amount, and actual amounts are subject to client review and approval.
 - **Breakage Fee** represents Service Provider margin recovery and the penalty for a Termination for Convenience by Client.
- »  The Termination for Convenience Fees are excessive.
 - Fees range from 180% down to 90% of Annual Base Fees through first 36 months of contract. Market standard is a high range of 100% over this term.
 - Fees in Months 37 through 60 range from 70% down to 13% of Annual Base Fees. Market standard is a high range of 50% with the fees winding down to zero by Month 60.
 - The recovery of COLA not yet realized is evident.
- »  Partial Termination Rates may yield a price for the remaining services which will not be in-line with market.
 - Recommend to handle as a re-pricing event subject to Change Control.

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Other Key Pricing Omissions

- ▶ **Transition Fee Break-Out**
 - The cost and converted price to the Client for the Service Provider's ramp-up to go-live activities (Knowledge Capture, Knowledge Transfer, Due Diligence, 3rd Party Contract Initiation, System and Facility Build-Out, Recruiting, Testing, Travel, Project Mgmt, etc.) are typically charged separately. This allows client visibility and examination of such fees prior to contract agreement, and ensures that the base fees solely represent the operating costs related to the SOW.
- ▶ **Financial Responsibility Matrix**
 - Notes the responsible party for all relevant elements of the Labor, Facility, Hardware, and Software components of the Business Case. Allows for a clear definition between what is in the price, and what is retained by the client.
- ▶ **Personnel Projection Matrix**
 - A process-level monthly FTE schedule representing the work effort required to perform the SOW tasks. Will include the service location, the allocation of PMO/Overhead FTE, Transition effort, 3rd Party FTE, and the attrition schedule.
 - This is an effective RFP evaluation Tool to ensure Provider price aligns with stated work force requirements, and allows for proper evaluation of productivity realization during contract term governance.
- ▶ **Sunset Clause**
 - Defines a time limit for when the Services rendered by Service Provider can be invoiced to the Client (typically 180 days) upon completion of the Service. Also defines a separate time limit for when a Service Provider can no longer invoice for services from the prior financial year (suggest 60 days). This ensures proper commercial management by the Service Provider with respect to the Client's financial calendar and reporting standards.
- ▶ **Project Spend Rebate**
 - Current Professional Services Spend of ~\$7M is 15% of total fees with Accenture. Recommend to include a tiered rebate schedule on total Professional Svcs Spend where EGD would receive a rebate (or credit) as spend increases.
- ▶ **Form of Invoice**
 - An example of the monthly invoice provides a consistent reporting methodology in line to Client standards and contractually binds the Service Provider to specific details surrounding the price. Typically in MS Word Format including cover letter, summary of fees, and supporting details.

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Market Comparative Analysis – Base Fees Analyzed

(million \$CAD)	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	6 Mo Total	12 Mo Total
Billing Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$4.5
Open Bill Fee	\$0.6	\$0.6	\$0.6	\$0.6	\$0.7	\$0.6	\$3.9	\$7.6
ABC Customer Fee	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.6	\$2.6
CS Implementation Charge	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.6
Billing Fee	\$2.9	\$2.9	\$2.9	\$2.9	\$2.9	\$2.9	\$17.1	\$43.9
Call Center Fee	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$3.5	\$7.1
CS Implementation Charge	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2
Call Center Fee	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$3.7	\$7.4
Collections Fee	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$6.6	\$13.5
Professional Services	\$0.2	\$0.7	\$0.7	\$0.8	\$0.7	\$0.6	\$4.6	\$9.2
Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL Charges	\$5.7	\$5.2	\$5.3	\$5.4	\$5.3	\$5.2	\$32.2	\$64.5

Equaterra collected the Jan 2009 through June 2009 invoiced charges and adjusted to arrive at an annualized Accenture Fee for Services of **\$64.5M**.

The charges include CIS Implementation Fees and Professional Fees subject to a Project Rate Card. These charges were eliminated in order to arrive at a true base fee service.

In addition, Billing Charges for Open Bill, ABC Customers, and 3rd Party Collections Fees are unique services and excluded in the Equaterra Comparative Market Price Points. When these costs are excluded, the adjusted Base Fees considered for the Market Comparison is **\$43.1M**.

Total Annualized Billing Charges (\$M)	\$64.5	<p>Market Comparisons encompass only the base operating fees</p> <p>Market Comparisons exclude all rate-card related charges</p> <p>Annual Base Fees</p> <p>Open Bill is a unique service excluded in the market comparison</p> <p>ABC Customer Billing is a unique service excluded in the market comparison</p> <p>Figure stated by Enbridge. Not validated/analyzed by Equaterra.</p> <p>Annual Base Fees considered for Market Comparison</p>
minus CIS Implementation	-\$0.9	
minus Prof Fees and Adjustments	-\$9.5	
Total Base Charges	\$54.3	
minus Open Bill	-\$7.6	
minus ABC	-\$1.6	
minus Collections Fees (3rd Party)	-\$1.0	
Total Charges To Be Analyzed	\$43.1	

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Market Comparative Analysis – Normalization of Base Fees

The chart below itemizes each normalization by Service, arriving at a total Normalized Fee of \$36M. This is further broken down to a per-customer annual rate by service, totalling to a \$18.9 per Customer Annual Fee.

\$M CAD	Billing Fees	Call Center Fees	Collections Fees	TOTAL
Analyzed Base Fees	\$24.5	\$7.1	\$11.5	\$43.1
Elimination of Inflation	-\$1.2	-\$0.4	-\$0.6	-\$2.2
Transition Fee Adjustment (Initial Phase)	-\$1.2	-\$1.2	-\$0.6	-\$3.1
Transition Fee Adjustment (2nd Phase)	-\$0.4	-\$0.4	-\$0.2	-\$1.1
Pre-Paid Hours Adjustment	-\$0.3	-\$0.3	-\$0.1	-\$0.7
Allocation of Call Center from Billing	-\$12.8	\$12.8		\$0.0
TOTAL	\$8.5	\$17.5	\$10.0	\$36.0

Enbridge Customers	1,904,273	1,904,273	1,904,273	1,904,273
Annual Rate Per Customer	\$4.5	\$9.2	\$5.2	\$18.9

Normalized Market
Comparable Rate

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Market Comparative Analysis – Normalization of Base Fees

In effort to ensure a proper apples-to-apples analysis to Market Comparatives, additional adjustments to the analyzed Base Fee need to be considered. These Normalizations are outlined below:

Normalization 1: Elimination of Inflation

The Contract Fees include Accenture's adjustment for inflation risk priced into the deal at time of contract agreement. The following assumptions apply to this Normalization:

- 40% of the Billing fees are subject to Philippines Inflation (assumed 7% at time of contract)
- All remaining contract fees are subject to Canadian Inflation (assumed 2% at time of contract)
- To account for inflation and added contingency, Accenture applied a flat percentage adjustment to all fees
- To normalize, the Analyzed Base Fee is reduced by 5%

Normalization 3: Adjustment for Pre-Paid Hours

The Contract Fees include 8000 pre-paid hours. It is customary in Outsourcing Transactions for a Discretionary Pool of Hours for scope-related tasks, small changes, and ad-hoc reporting be priced into the base fees. Enbridge has stated that discretionary work is already covered in the fees, and the Pre-Paid Hours are incremental and strictly intended for project or change order related activities. Under this assumption, these charges to be eliminated from the comparative analysis. The following assumptions apply to this Normalization:

- Per the roles, hours, and rates identified in the contract, \$70K of pre-paid hours are embedded in the Base Fees (see table below)
- To normalize, the Analyzed Base Fee is reduced by this \$70K amount

Role	Hourly Rate	Hours	Applied Charge
Business Lead / Manager	\$65	100	\$367,000
Senior Business Analyst	\$22	100	\$220,000
Business Analyst	\$91	200	\$72,000
Cost / CR	\$48	200	\$24,000
TOTAL			\$701,000

Normalization 2: Transition Fee Adjustment

The Contract Fees do not break out up-front fees incurred by Accenture prior to Services go-live. It is strongly assumed that this cost is embedded in the Base Fees. The following assumptions apply to this Normalization:

- Transition Fees would typically range from 2-6 months of monthly services fees. Considering Accenture was an Incumbent Service Provider at time of contract, the Initial Start-up fees are assumed to be on the low range of 2-3 months of Base Fees (\$11M)
- Enbridge has stated that Accenture also performed a 2nd "Storm Phase" to prepare operations for recently implemented support technology. Hence, this readiness activity was priced into the deal at time of contract agreement, and is estimated to be an additional month of total service delivery fees (\$4M)
- Accenture had spread these fees (\$15M total) evenly across the 5 year contract term and applied a 7% compounding cost of capital resulting in a \$21M Total Transition Fee
- To normalize, the Analyzed Base Fee is reduced by \$4.2M

Normalization 4: Re-Allocation of Billing Call Center Fees

The Billing Fees include the Call Center component of Billing, where the Emergency & Service Call Handling exclude Billing Inquiries. For accurate analysis, it is necessary to group all Call Center Fees into one Fee. The following assumptions apply to this Normalization:

- 60% of the Billing Fees are Call Center Related (\$12.8M)
- To normalize, the Billing component of the Analyzed Base Fee is reduced by \$12.8M and the Call Center component increases by this same amount

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Market Comparative Analysis – Base Fees

Rates represented are annual CAD\$ per Customer

Normalization Level	Market Base Rate Range	Median	EGD Normalized Base Rate
Market Comparisons Normalized for Service Levels, Scope, and Location of Services/Workforce Characteristics	\$15 - \$20	\$19	\$18.9
Market Comparisons Normalized for Service Levels and Scope	\$15 - \$23	\$23	\$18.9

- EquaTerra's analysis is based on our knowledge of the BPO Outsourcing Industries and Service Provider capabilities. Our assumptions are reasonable recognizing that normalization for scope and services are relative and have been reflected in the market ranges to provide a sufficient comparison.
- Data applied from EquaTerra's Market Database consists of 5 US and Canadian Based deals that have occurred within the most recent 36 months
- Analysis combined with supporting assumptions provided by Enbridge suggests the current agreement with Accenture resides within the range for comparative market data points when fully normalized for Scope, Service Levels, and Service Delivery Location/Workforce Characteristics. When eliminating the consideration for Service Delivery Location/Workforce Characteristics from the comparative data points, the analysis suggests the Enbridge normalized price falls within the lower end of the market base rate range

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Market Comparative Analysis – Rate Card

Equaterra Collected the Hourly Rate Card per the current Accenture Contract and analyzed Contract Year 3 Rates against Current Market Comparable Rates for similar/normalized roles.

Process Role	Market Rate Range	EGD Rate
Business Lead / Mgr	\$170 - \$275	\$161
Senior Business Analyst	\$120 - \$185	\$123
Business Analyst	\$80 - \$110	\$91
Clerk / CSR	\$40 - \$70	\$48

- 9 Data Points representing NA-based contracts were applied to comparative analysis
- Analysis suggests that the current Project Rate Card provided to Enbridge is within Market Norms for Canadian-based resources providing BPO level services
- EquaTerra Recommends:
 - 1) The establishment of a separate offshore rate card to guard against potential cross-staffing and overcharging for Manila-based resources applied to a project
 - 2) Expand the rate card into at least 6 roles with detailed descriptions and experience indicators for better transparency on potential skills levels to meet Enbridge requirements

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Discussion Topics

- » Executive Summary
- » Key Business Terms Assessment
- » Service Level Assessment
- » Pricing Assessment
- » **Appendix**
 - Market Trends

Appendix

Near Term Outsourcing Trends

Reduced initial scope	<ul style="list-style-type: none"> » Less full multi-functional deals, but not necessarily all the way to "best in breed" <ul style="list-style-type: none"> - Continued bundling of related BPO processes (e.g., F&A and Procurement) and underlying enabling technologies - HR buyers adopting "best of breed" strategies for specialized processes (e.g., Recruiting) - IT buyers are more likely to seek multiple provider "best of breed" solutions - Companies taking a holistic G&A view, but not with single provider - Price discounts for multi-towers deals have decreased over time (~15% to ~2%) - Governance across broad spectrum constrained by SP internal politics » More common to increase scope over time as opposed to in original deal
Focus on sensitive T&Cs	<ul style="list-style-type: none"> » Data privacy, security and cross border data protection issues becoming increasingly regulated and complex in multi-jurisdictional contracting relationships » Compliance with law becoming increasingly important both for legal and commercial risk transfer resolution » Service content and volume volatility becoming increasingly important issues to ensure a proper allocation of risk and reward in today's rapidly changing environment
Recognition of governance importance	<ul style="list-style-type: none"> » Increased recognition that benefits realization is underpinned by governance » Increased buyer investment in skills, process definition, and technology » Emergence of enterprise wide sourcing governance organizations

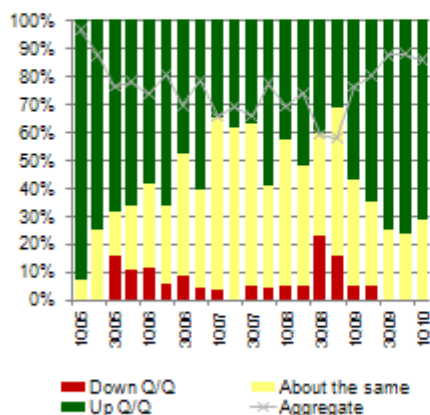
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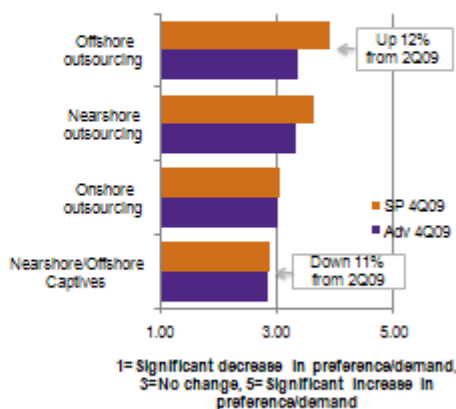
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Global Sourcing Demand & Preferences – Client Feedback

BPO/ITO New Deal Pipeline Projections are strengthening ...



... with offshore and near-shore models continuing in favor



Source: EquiTerra 1Q2010 Pulse Survey

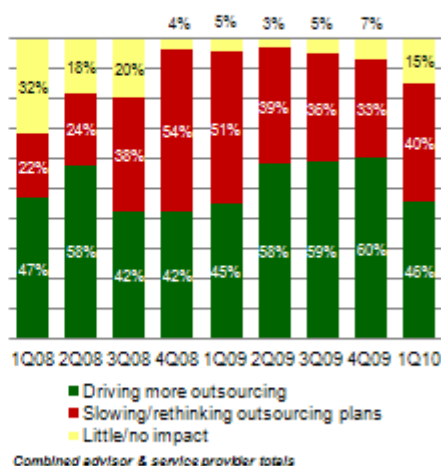
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Current Economy's Impact on Outsourcing

- » Deal flow and decision making disruption increased 1Q10
- » Buyers cautious and scrutinizing anything requiring upfront investments
- » Buyers more actively exploring other change options: SaaS, internal transformation, shared services center
- » Need to cut costs still paramount
- » Strong emphasis on short term ROI's and cost reduction efforts
- » Supplier consolidation and rationalization continues but efforts winding down
- » Extreme market conditions driving pursuit of extreme solutions



Source: EquaTerra 1Q2010 Pulse Survey

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Key Near Term Trends – Client Perspective

- » Everything is in scope for consideration with deeper penetration into existing outsourcing areas
- » Greater focus on more immediate cost savings – transformation and innovation have not disappeared, but upfront emphasis is being placed on labor arbitrage
- » Less full bundled deals, more targeted bundling and multi-sourcing
- » Smaller deals with a progressive rollout over time of increased scope
- » Selling of captives
- » Greater attention to volume volatility – unable to predict the upswing
- » Greater renegotiations
- » Increased due diligence and governance focus (Satyam fallout) and flight to quality
- » Emergence of enterprise-wide sourcing governance

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Key Near Term Trends – Service Provider Perspective

- » Expanding global delivery footprint to reduce foreign exchange and inflation risks and protect margins
- » Aggressive push to move more scope offshore for most activities with limited push to increase US onshore footprint for highly sensitive activities
- » More process, technology, and location standardization including platform based solutions
- » Increased willingness to take on smaller deals
- » Increased emphasis on price, financial engineering, and asset purchases to gain market share in economic downturn and force out weaker players
- » Increased consolidation

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Customer Service Outsourcing Trends

- » **Onshoring**- the industry is mature, providers under cost and pressure - *most programs are onshore* and those that are high touch or are heavily regulated tend to remain onshore.
- » **Work-at-Home Agents** – growing trend. This is not for financial drivers but for staffing reasons. Accessibility for peak staffing needs, reduced turnover, reduce recruitment costs, improved productivity with at home agents
- » **Offshoring**- Continued trend. currently 20%-40% depending on industry and 40-50% of future deals will be offshore. Move from India to more “speech natural locations”.
- » **Use technology to reduce costs and improve service (24/7)**- “ Natural Speech Recognition is moving calls handled by live agents to self service at 33% of the cost. VOIP has enabled Virtual Agents to operate at home- 10% less than brick and mortar US centers
- » **Measuring customer satisfaction and focus on customer loyalty** – 80% or more of callers will buy again if their complaint is handled well. (SOCAP). There is a direct correlation between agent satisfaction and customer satisfaction and loyalty (ICMI)
- » **Business Intelligence**- integrating voice of the customer and developing CRM initiatives

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Utility Meter-to-Cash Outsourcing Trends

- » Cost pressures from both reduced revenue and increasing fuel and labour costs will continue to drive Utilities to examine cost cutting measures.
- » Outsourcing will continue to be a vehicle for cost reduction, however, given the regulatory and political pressures for job growth within the communities they serve, Utilities will be cautious in their strategy to outsource especially to offshore.
- » Interest in multi-tower outsourced deals has decreased
- » Increased interest in credit and collections process outsourcing
- » Full insourcing not a trend in the marketplace
- » Insourcing "strategic" areas, e.g. key business customer relationships
- » Four of the nine major meter-to-cash outsourcing contracts have been renegotiated in past two years – not all to incumbents
- » Continued reluctance to offshore voice (Washington Gas exception)

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Customer Care Technology Trends

- » Use of technology to reduce costs and improve service - "Natural Speech" Recognition is moving calls handled by live agents to self service at 33% of the cost although this technology is receiving mixed acceptance.
- » VOIP has enabled Virtual Agents to operate at home - 10% less than brick and mortar US centers
- » Web chat is becoming more of a main stream offering
- » Social Media still experimental. Uses include:
 - Outage reporting
 - Brand Management/Enhancement

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Use of Social Media

- » Largest users are Financials and Healthcare industries to promote and expand their brand
- » 150 North American Utilities are maintaining a Twitter account to communicate with customers on outages, energy efficiency programs and environmental messaging as well as for general public relations/media relations purposes.
- » About 75% of utilities surveyed are using Twitter as a one-way communication tool
- » Several dozen US utilities are using Facebook
- » Small number using blogs and YouTube
- » Communications departments are beginning to incorporate social medias in their communications strategies

Source: Chartwell International

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Use of Internet

- » Use of Internet in Ontario increased from 75% in 2007 to 81% in 2009*
- » General email use is at 93% while bill payment is at 67% *
- » Registered accounts for North American utilities has increased from 18% in 2004 to 21.6% in 2009**
- » Key reasons why customers go to Utility websites**
 - Obtain account balance
 - Make a payment
 - Enroll in energy audit
- » Bill Payment for Utility customers**
 - 37% of Canadians use internet to pay their energy bill
 - 24% of Canadian consumers use auto deduction to pay their energy bill

*Statistics Canada

** 2009 E-Business Metrics Survey - ESource

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Regulatory Trends & Impact on Customer Care

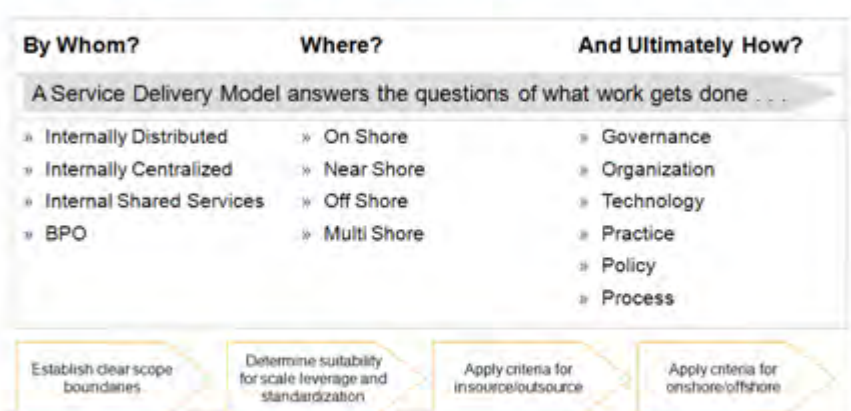
- » Focus of Green Energy Act on Energy Efficiency will require utility companies to consider how to incorporate this requirement in their customer service organization.
- » Enhanced skills of agents will be needed to be able to analyze use, proactively identify and communicate energy efficiency programs/products to customers.
- » Setting up an "energy efficiency" customer services team (potentially a separate phone number) to provide more specialized service in this area could enhance Enbridge brand/image.
- » Providing customized service to Key Business Customers via higher level service levels and more "personalized" contact management can create added value with this critical group of customers.
- » As energy policy agendas continue to evolve, e.g. "smart gas strategy", potential carbon tax, conservation programs, green jobs, agents will need to be educated on these issues to ensure that they can communicate knowledgeably with Enbridge customers. This will need to be done but not at the expense of ensuring superior service delivery of "core" business.

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Service Delivery Model Construct



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Utility Customer Service Delivery Model Scenarios

- » Utilities with outsourced meter to cash functions have generally kept live inbound contact handling On Shore while using Off Shore resources for back office functions. On Shore services are usually provided from utility-owned sites but providers may prefer their own location so they can control the work environment and showcase the location for potential customers.
- » Utilities with mostly insourced customer care functions will sometimes send some calls (collection, overflow outage, etc.) to a provider with Near Shore locations.
- » While other industries have outsourced call centre functions Off Shore, live inbound contact handling work being performed off shore has been implemented in only two US regulated utilities.
- » Deregulated utilities are off shoring live inbound and outbound contact handling.



APPENDIX B CCSA Schedule 2.2B – Current Service Levels

Service Level Summary

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
1.1	Service Reports	1.1.1	Reporting	Annual Service Report Frequency	On January 15th each year	Annually	3	100.0%
		1.1.2	Reporting	Quarterly Service Report Frequency	By 5pm on the 5th Business Day following the end of the applicable quarter	Annually	3	75.0%
		1.1.3	Reporting	Monthly Service Report Frequency	By 5pm on the 5th Business Day following the end of the cycle month	Annually	3	91.7%
		1.1.4	Reporting	Weekly Service Report Frequency	By 5:00 p.m. on the second (2nd) Business Day of the week following the week to which the report relates.	Annually	3	92.3%
		1.1.5	Reporting	Daily Service Report Frequency	By 5:00 p.m. the next following Business Day.	Monthly	3	92.1%
		1.1.6	Reporting	Intra-Day Service Report Frequency	By 2:00 p.m. on the same day to which such Intra-Day Report relates.	Monthly	3	92.1%

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
1.2	Change Order Process	1.2.1	Delivering Change Estimate in compliance with Article 6 of the Customer Care Services Agreement			Quarterly	2	98%
1.3	Governance	1.3.1	Incident Management and Resolution	Incidents reported to the Operations Management Committee	99% of Severity 1 Incidents resolved within 12 hours; 99% of Severity 2 Incidents resolved with 1 Business Day; 99% of Severity 3 incidents resolved within 5 Business Days, 100% of root cause analysis within 10 Business Days of resolution	Annually	1	99%
Meter Reading Services-Accenture Is Not Responsible for these Service Levels								
2.1	Regular Meter Reading	2.1.1	Consecutive Estimates (SQI)	% meters not read within the last 4 months	4 or more consecutive estimates	Annually	1	0.5%
		2.1.2	Meter Reading Accuracy	Accurate Readings	Accurate Readings	Monthly	2	99.9%
		2.1.3	Wasted Meter Readings	All meter reading files are uploaded from the meter reading system to the billing Service Provider	Daily uploads for the billing Service Provider are in time for billing processing	Daily	2	100% of the time with one daily failure allowed per year
		2.1.4	Completed Reads	Meter reads attempted as per schedule	Adherence to schedule	Monthly	2	99%

Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
2.2	2.2.1	Timeliness	Turn-around time for completed Special Reads	5 Business Days	Monthly	3	98%
	2.2.2	Timeliness	Meeting the scheduled appointment with customer (including physical lock if applicable)	Percentage of scheduled appointments met within 4 hours of the scheduled appointment	Monthly	3	95%
	2.2.3	Timeliness	Time taken to contact customer and reschedule appointment	Percentage of customers contacted to reschedule work within 2 hours of the end of the schedule appointment	Monthly	3	95%
2.3	2.3.1	Timeliness of Disconnection	Attempts made to disconnect service	When scheduled	Monthly	2	95.0%
Billing, Billing inquiry, and Billing Administration							
3.1	3.1.1	Accuracy	Quality	Zero (0) duplicate refunds are mailed out	Monthly	3	99.9%
3.2	3.2.1	Bill Delivery for Mass Market/Large Volume/Monthly Statement Accounts	Mass Market/Large Volume/Monthly Statement bills delivered to Canada Post same day as printed	95% same day of print; 100% by next day	Daily	2	100% of the time with one daily failure allowed per year

Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
	3.2.2	Bill & Message Insert for Mass Market, Monthly Statement and Large Volume Billing Accounts	Infractions = incorrect inserts/messages in bills	Zero infractions	Monthly	3	99.9%
	3.2.3	Bill errors	Percentage of exception items generated to total bills	0.7% generated exceptions of total bills	Monthly	2	99.0%
	3.2.4	Repeat Billing errors	Percent of Crossed, Doubtful & Forced Estimate accounts to total bills	0.09% generated exceptions of total bills	Monthly	2	99.00%
	3.3.1	Unpostable Payment	Days unpostable	98% posted within 5 Business Days	Monthly	2	98%
3.3	3.3.2	Standard Payments Posted	Standard payments received in lock box by payment Service Provider by 6:00AM ET are posted to customer's accounts	98% on same day and 100% within 1 Business Day	Daily	1	100% of the time with one daily failure allowed per year
	3.3.3	Electronic Payments Posted	Electronic Payments Received	98% on same day and 100% within 1 Business Day	Daily	1	100% of the time with one daily failure allowed per year
	3.3.4	Reconciliation to CIS	Reconciliation - Payments Received match to Payments Posted to CIS	Reconciliation performed same day	Daily	2	100% of the time with one daily failure allowed per year

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
		3.3.5	Reconciliation to Payment file	Bank deposit reconciles with payment file	Daily	Daily	2	100% of the time with one daily failure allowed per year
		3.3.6	Pre-Authorized Deposit (PAD) extracts	PAD File extraction prepared according to reading and billing schedule	Daily	Daily	1	100% of the time with one daily failure allowed per year
3.4	Billing Exception Handling & Adjustments	3.4.1	Billing Exceptions Processing	Turnaround time on handling exceptions	99.9% completed prior to next cycle billing	Monthly	3	99.9%
3.5	Security Deposit Administration	3.5.1	Compliance/Completeness Effectiveness	Issue Tax Receipts	By Feb 28th	Annually	3	100%
Collection Services								
4.1	Collection of Large Volume and Monthly Statement Accents	4.1.1	Large Volume accounts in arrears	Over 90 days in arrears amount	% of Large Volume AR	Quarterly/Annually	2	Less than or equal to 5% at year end and no more than a 2 point variance on a quarterly basis
		4.1.2	Large Volume write-offs	Write-off amount	% of Large Volume AR	Annually	2	Less than or equal to 0.25%
4.2	Collection of Mass Markets	4.2.1	Active arrears flow-thru - 30 to 90 days	Percentage of active arrear amounts not collected	% of Mass Market Active AR	Monthly/Annually	2	Less than or equal to 13.5% at year end and no more than a 4 point variance on a monthly basis

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
		4.2.2	Final arrear flow-thru - 30 to 90 days	Percentage of final arrear amounts collected	% of Mass Market Final AR	Monthly/Annually	2	Less than or equal to 55% at year end and no more than a 10 point variance on a monthly basis
		4.2.3	Write-offs	Percentage of delinquent accounts written-off	% of Mass Market Delinquent Dollars written off	Monthly/Annually	2	Less than or equal to 75% at year end and no more than a 5 point variance on a monthly basis
4.3	Collection of Sundry Accounts	4.3.1	Sundry Accounts in arrears	Over 90 days in arrears amount	% of Sundry AR	Annually	3	Less than or equal to 5%
		4.3.2	Sundry Account write-offs	Write-off amount	% of Sundry AR	Annually	3	Less than or equal to 0.25%
Customer Contact Services (Emergency, Service, Billing, Collections)								
5.1	Call Management	5.1.1	Emergency Calls	Telephone Service Factor	30 seconds	Monthly/Annually	1	95%
		5.1.2	Emergency Calls	Telephone Service Factor	30 seconds	Daily	1	90%
		5.1.3	Incoming Calls (Billing, Service, Collections) (SQI)	Telephone Service Factor	30 seconds	Monthly/Annually	1	75%
		5.1.4	Incoming Calls (Billing, Service, Collections) (SQI)	Telephone Service Factor	30 seconds	Monthly	2 (administered as a Criticality Level 3 for 3 months following the implementation of the new CIS)	> or = 65% with 25 daily failures allowed per year, with no more than 3 failures in a month

Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
	5.1.5	Incoming Calls exclusive of IVR (SQI)	Abandon rate	< 10%	Annually	2	100%
	5.1.6	Quality - Emergency	Call Quality Score - Emergency Calls	Score of 90%	Monthly	2	90%
	5.1.7	Quality - Billing, Service, Collections	Call Quality Score - aggregate across Billing, Service & Collection calls	Score of 85%	Monthly	2	85%
	5.1.8	Outbound call notification	Number of minutes from receipt of call	Within 60 minutes	Monthly	2	99%
5.2	5.2.1	Customer Satisfaction	Customer Survey Results (Billing & Service)	Overall Satisfaction with CSR	Monthly	2	85%
	5.2.2	Customer Experience	Calls resolved on 1st contact (Billing & Service)	Score of 80%	Monthly	2	80%
5.3	5.3.1	Turnaround Time for Escalated Complaints including Ombudsman (SQI)	Final Resolution	10 Business Days from receipt	Monthly	1	95%
5.4	5.4.1	Turnaround Time for Royal Mail Correspondence	Final Resolution	10 Business Days from receipt	Monthly	3	95%
	5.4.2	Turnaround Time for Executive Complaints Received through Correspondence	Final Resolution	10 Business Days from receipt	Monthly	2	95%
	5.4.3	Turnaround Time for Fax Correspondence	Final Resolution	4 business days from receipt	Monthly	3	95%

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level
5.5		5.4.4	Turnaround Time for Email Correspondence	Final Resolution	4 Business Days from receipt	Monthly	3	95%
		5.4.5	Turnaround Time for Web Forms	Final Resolution	4 Business Days from receipt	Monthly	3	95%
	Lawyer Letter Management	5.5.1	Response Time for Lawyer Letters	Turnaround time to respond and complete	4 Business Days from receipt	Monthly	3	95%



APPENDIX C CCSA Schedule 2.2B – Future Service Levels (Proposed as at September 22, 2010)

This section contains the revised service levels to address future state considerations.

Schedule 2.2B – Service Levels

Part A-Service Level Summary

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
All										
1.1	Service Reports	1.1.1	Reporting	Annual Service Report Frequency	On January 15th each year	Annually	3	100.0%		N/A
		1.1.2	Reporting	Quarterly Service Report Frequency	By 5pm on the 5th Business Day following the end of the applicable quarter	Annually	3	75.0%		N/A
		1.1.3	Reporting	Monthly Service Report Frequency	By 5pm on the 5th Business Day following the end of the cycle month	Annually	3	91.7%		N/A
		1.1.4	Reporting	Weekly Service Report Frequency	By 5:00 p.m. on the second (2nd) Business Day of the week following the week to which the report relates.	Annually	3	92.3%		N/A
		1.1.5	Reporting	Daily Service Report Frequency	By 5:00 p.m. the next following Business Day.	Monthly	3	92.1%		N/A
		1.1.6	Reporting	Intra-Day Service Report Frequency	By 2:00 p.m. on the same day to which such Intra-Day Report relates.	Monthly	3	92.1%		N/A

Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
	1.1.7	Reporting	Quarterly Client satisfaction survey and report	By 5pm on the 15th Business Day following the end of the applicable quarter	Quarterly	3	100%		N/A
1.2 Change Order Process	1.2.1	Delivering Change Estimate in compliance with Article 6 of the Customer Care Services Agreement			Quarterly	2	98%		N/A
1.3 Governance	1.3.1	Incident Management and Resolution	Incidents reported to the Operations Management Committee	99% of Severity 1 Incidents resolved within 12 hours; 99% of Severity 2 Incidents resolved with 1 Business Day; 99% of Severity 3 incidents resolved within 5 Business Days, 100% of root cause analysis within 10 Business Days of resolution	Annually	1	99%		Resolved within 10 days of incident
1.4 Completion of Customer Transactions	1.4.1	Where a Service Level contemplates that a Service must be provided accurately, to a certain percentage level within the relevant reporting period, then such Service must be provided 100% of the time within the period of time set out in the column titled “100% Completion of Service Level” of this Part A to Schedule 2.2B	Monthly Service Report	By 5pm on the 5 th Business Day following the end of each calendar month	Monthly	3	100%	N/A	N/A
Meter Reading Services									

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
2.1	Regular Meter Reading	2.1.1	Consecutive Estimates (SQI)	% meters not read within the last 4 months	4 or more consecutive estimates	Annually	1	0.5%		N/A
		2.1.2	Meter Reading Accuracy	Accurate Readings	Accurate Readings	Monthly	2	99.9%		N/A
		2.1.3	Wasted Meter Readings	All meter reading files are uploaded from the meter reading system to the billing Service Provider	Daily uploads for the billing Service Provider are in time for billing processing	Daily	2	100% of the time with one daily failure allowed per year		N/A
		2.1.4	Completed Reads	Meter reads attempted as per schedule	Adherence to schedule	Monthly	2	99%		N/A
2.2	Special and Final Meter Reading	2.2.1	Timeliness	Turn-around time for completed Special Reads	5 Business Days	Monthly	3	98%		N/A
		2.2.2	Timeliness	Meeting the scheduled appointment with customer (including physical lock if applicable)	Percentage of scheduled appointments met within 4 hours of the scheduled appointment	Monthly	3	95%		N/A
		2.2.3	Timeliness	Time taken to contact customer and reschedule appointment	Percentage of customers contacted to reschedule work within 2 hours of the end of the schedule appointment	Monthly	3	95%		N/A
2.3	Manage and Execute Service Disconnection for Non-Payment Accounts (Mass Market)	2.3.1	Timeliness of Disconnection	Attempts made to disconnect service	When scheduled	Monthly	2	95.0%		N/A

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
Billing Administration – General (Mass Market & Large Volume Accounts)										
3.1	Bill Production & Delivery	3.1.1	Bill Delivery for all Customer Accounts	Bills delivered to Canada Post same day as printed	95% same day of print; 100% by next day	Daily	2	100% of the time with one daily failure allowed per year		N/A
		3.1.2	Bill Delivery for all Customer Accounts	eBills delivered to eBill service provider same day as bill image file produced	100% by next day	Daily	2	100% of the time with one daily failure allowed per year		N/A
		3.1.3	Bill Inserts for Mass Market, Large Volume and Monthly Statement Accounts	Infractions = incorrect inserts in paper bills & posted e-bills delivered to customers	Zero infractions	Monthly	3	99.9%		N/A
3.2	Payment Processing	3.2.1	Unpostable Payment	Days unpostable	98% posted within 5 Business Days	Monthly	2	98%		Within 10 Business Days
		3.2.2	Standard Payments Posted	Electronic file to be ready for processing by 5 pm each Business Day	98% on same day and 100% within 1 Business Day	Daily	1	100% of the time with no more than six daily failures allowed per year		N/A
		3.2.2	Reconciliation to CIS	Reconciliation - Payments Received match to Payments Posted to CIS	Reconciliation performed next day	Daily	2	100% of the time with one daily failure allowed per year		N/A

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
		3.2.3	Reconciliation to Payment file	Bank deposit reconciles with payment file	Daily	Daily	2	100% of the time with one daily failure allowed per year		N/A
		3.2.4	Pre-Authorized Deposit (PAD) & Pre-Authorized Payment (PAP) Administration	Completion of tasks required to resolve problems concerning PAD & PAP process impacting customer accounts <i>within four days of Service Provider's receipt of the PAP or PAD request.</i>	Daily	Daily	3	100% of the time with one daily failure allowed per month	3 Months from commencement of extended CCSA term	Within 10 Business Days
3.4	Security Deposit Administration	3.4.1	Compliance/Completeness Effectiveness	Issue Tax Receipts	By Feb 28th	Annually	3	100%		N/A
		3.4.2	Compliance with EGD Security Deposit Policies	Security deposit transaction audits	95% of sampled transactions compliant with EGD security deposit policies based on a 1% sample of all security deposit transactions	Annually	3	100%	3 Months from commencement of extended CCSA term	N/A
Mass Market Billing Administration										
3.5	Maximum Percentage of No-Bills	3.5.1	Number of No-Bills, excluding “cancel-rebills”, expressed as a percentage of <i>total active accounts</i>	Actual percentage of No-Bills in the 40 Day and Over and 60 Day and over categories	<ul style="list-style-type: none"> No-Bills aged 40 Days or more to be less than 0.3% No-Bills aged 60 Days or more to be less than 0.075% 	Monthly	2	90%		Within 120 days of the Customer's last bill

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
	Billing Exception Handling & Adjustments	3.5.2	Billing Exceptions Processing	Turnaround time on handling exceptions	99% completed according to turnaround time per Service Level report.	Monthly	2	99%		Within 30 days of relevant turnaround time
	Billing Exception Handling Quality	3.5.3	Billing Exceptions Processing	Billing Exception Process Quality Score - aggregate score based on a sample of 500 completed billing exception transactions per month performed by each Service Provider employee performing such work with a minimum of two sample transactions for each employee	Score of 85%	Monthly	2	85%		N/A
	Refund Management	3.5.4	Accuracy	Quality	Zero (0) duplicate refunds are mailed out	Monthly	3	99.9%		N/A
		3.5.5	Timeliness of setting up new customers for billing	Number of Customers where bill is issued within 30 days of notice of meter set.	Percentage of customers billed within 30 days of notice of meter set.	Monthly	2	95%		Within 45 days
Collection Services										
4.1	Collection of Large Volume and Monthly Statement Accents	4.1.1	Active arrears flow-thru - 30 to 90 days	Percentage of active arrear amounts not collected	% of Large Volume Active AR	Monthly/Annually	3	Less than or equal to 10% at year end and <i>no more than a 10 point variance on a monthly basis</i>		N/A

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
		4.1.2	Final arrears flow-thru - 30 to 90 days	Percentage of final arrear amounts collected	% of Large Volume Final AR	Monthly/Annually	3	Less than or equal to 35% at year end and no more <i>than a 15 point variance on a monthly basis</i>		<i>N/A</i>
		4.1.3	Write-offs	Percentage of Large Volume Accounts receivable written-off	% of Large Volume AR written off	Annually	1	Less than or equal to 0.25% of the dollar value of Enbridge Large Volume accounts receivable at year end		<i>N/A</i>
4.2	Collection of Mass Markets	4.2.1	Active arrears flow-thru - 30 to 90 days	Percentage of active arrear amounts not collected	% of Mass Market Active AR	Monthly/Annually	2	Less than or equal to 13.5% at year end and no more than a 4 point variance on a monthly basis		<i>N/A</i>

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
		4.2.2	Final arrears flow-thru - 30 to 90 days	Percentage of final arrear amounts collected	% of Mass Market Final AR	Monthly/Annually	2	Less than or equal to 55% at year end and no more than a 10 point variance on a monthly basis		N/A
		4.2.3	Write-offs	Percentage of delinquent accounts written-off	% of Mass Market Delinquent Dollars written off	Monthly/Annually	1	Less than or equal to 75% at year end and no more than a 5 point variance on a monthly basis		N/A
4.3	Collection of Sundry Accounts	4.3.1	Sundry Accounts in arrears	Over 90 days in arrears amount	% of Sundry AR	Annually	3	Less than or equal to 5%		N/A
		4.3.2	Sundry Account write-offs	Write-off amount	% of Sundry AR	Annually	3	Less than or equal to 0.25%		N/A
4.5	Completeness of Collections Work	4.5.1	Timely performance of outbound collections telephone calls	Percentage of EGD accounts receiving a collection call within two Business Days of account being communicated to Service Provider	% of eligible accounts receiving a live agent collection call	Monthly	2	95%	3 Months from commencement of extended CCSA term,	Within 5 Business Days
4.6		4.6.1	Call Quality - Collections	Call Quality Score - Collection calls based on monthly sample review of 5 collections calls per Service Provider performing outbound or inbound collections calls	Score of 85%	Monthly	2	85%		N/A

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
Customer Contact Services (Emergency, Service, Billing, Collections)										
5.1	Call Management	5.1.1	Emergency Calls	Telephone Service Factor	30 seconds	Monthly/Annually	1	95%		N/A
		5.1.2	Emergency Calls	Telephone Service Factor	30 seconds	Daily	1	90%		N/A
		5.1.3	Incoming Calls (Billing, Service, Collections) (SQI)	Telephone Service Factor	30 seconds	Monthly/Annually	1	75%		N/A
		5.1.4	Incoming Calls (Billing, Service, Collections) (SQI)	Telephone Service Factor	30 seconds	Monthly	2	> or = 65% with 25 daily failures allowed per year, with no more than 3 failures in a month		N/A
		5.1.5	Incoming Calls exclusive of IVR (SQI)	Abandon rate	< 10%	Annually	2	100%		N/A
		5.1.6	Quality - Emergency	Call Quality Score - Emergency Calls	Score of 90%	Monthly	2	90%		N/A
		5.1.7	Quality - Billing, Service	Call Quality Score - aggregate across Billing, Service & Collection calls	Score of 85%	Monthly	2	85%	3 Months from commencement of extended CCSA term,	N/A
		5.1.8	Outbound call notification	Number of minutes from receipt of call	Within 60 minutes	Monthly	2	99%		Within 120 minutes

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
		5.1.9	Escalated Call Back Turnaround Time	Call returned to customer by Service Provider assigned the call within specified time	30% of calls directly transferred to applicable contact centre supervisor, 40% of call backs performed within 24 hours, 100% of call backs performed within 48 hours of call back assignment.	Monthly	2	95%, up to 12 failures per year		N/A
		5.1.10	Customer Contact Personnel Development	Statement of Work Items 4.5.6, 4.5.8, 4.5.9 & 4.5.10	Noted Statement of Work items performed as per Statement of Work Activities description	Annual	2	100%		N/A
		5.1.11	Customer Contact Soft Skills Development	One hour Soft Skills training program for all Service Provider customer contact personnel	All agents complete a live instructor lead one hour Soft Skills training program at least <i>once every twelve months</i>	Annual	2	99%		N/A
5.2	Customer Satisfaction	5.2.1	Customer Satisfaction	Customer Survey Results (Billing & Service)	Overall Satisfaction with CSR	Monthly	2	85%		N/A
		5.2.2	Customer Experience	Calls resolved on 1st contact (Billing & Service)	Score of 80%	Monthly	2	80%		N/A
5.3	Escalated Complaints	5.3.1	Turnaround Time for Escalated Complaints (SQI)	Final Resolution	<ul style="list-style-type: none"> 70% within in 5 Business Days from receipt 100% within 10 Business Days from receipt 	Monthly	2	95%	3 Months from commencement of extended CCSA term	Within 15 Business Days
		5.3.2	Turnaround Time for Ombudsman Inquiries	Information provided to Ombudsman's office	<ul style="list-style-type: none"> 70% within in 1 Business Days from receipt 100% within 2 Business Days from receipt 	Monthly	2	95%	3 Months from commencement of extended CCSA term	Within 15 Business Days
		5.3.3	Turnaround Time for escalations referred from Ombudsman's office	Ombudsman's referrals resolved 25% complete within 1 Business Day, 75% complete within 3 Business Days & 100% complete within 10 Business Days	Business Days from receipt	Monthly	2	95%, up to 12 failures per year	3 Months from commencement of extended CCSA term	Within 15 Business Days

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
5.4	Correspondence Management	5.4.1	Turnaround Time for Royal Mail Correspondence	Final Resolution	10 Business Days from receipt	Monthly	2	95%		Within 15 Business Days
		5.4.2	Turnaround Time for Executive Complaints Received through Correspondence	Final Resolution	5 Business Days from receipt	Monthly	2	95%		Within 10 Business Days
		5.4.3	Turnaround Time for Fax Correspondence	Final Resolution	<ul style="list-style-type: none">70% by end of next Business Day from receipt100% by end of second Business Day from receipt	Monthly	3	99%	3 Months from commencement of extended CCSA term	Within 5 Business Days
		5.4.4	Turnaround Time for Email Correspondence	Final Resolution	<ul style="list-style-type: none">70% by end of next Business Day from receipt100% by end of second Business Day from receipt	Monthly	3	99%	3 Months from commencement of extended CCSA term	Within 5 Business Days
5.5	Lawyer Letter Management	5.4.5	Turnaround Time for Email Correspondence	Initial Response	Within 2 hours of receipt	Monthly	2	95%		Within 24 hours of receipt
		5.4.6	Turnaround Time for Web Forms	Final Resolution	<ul style="list-style-type: none">70% by end of next Business Day from receipt100% by end of second Business Day from receipt	Monthly	3	99%	3 Months from commencement of extended CCSA term	Within 5 Business Days
		5.5.1	Response Time for Lawyer Letters	Turnaround time to respond and complete	4 Business Days from receipt	Monthly	3	95%		Within 10 Business Days

	Service Activity	Reference Number	Measure	Indicator	Standard	Measurement Window	Criticality Level	Minimum Service Level	Relief Period	100% Completion of Service Level (see Service Level 1.4)
Large Volume Billing Administration										
6.1	Refund Management	6.1.1	Accuracy	Quality	Zero (0) duplicate refunds are mailed out	Monthly	3	99.9%		N/A
6.2	Billing Exception Handling & Adjustments	6.2.1	Billing Exceptions Processing	Turnaround time on handling exceptions	99% completed according to turnaround time as per Service Level report	Monthly	2	99%	3 Months from commencement of extended CCSA term	Within 30 days of relevant turnaround time
	Billing Exception Handling Quality	6.2.2	Billing Exceptions Processing	Billing Exception Process Quality Score - aggregate score based on a sample of 5 completed billing exception transactions performed by each Service Provider employee performing such work	Score of 85%	Monthly	2	85%		N/A
6.3	New Customer Account Setup	6.3.1	Completeness of required customer data	Customer data fields are complete for test samples	Percentage of required customer data fields within a random sample that are complete	Monthly	3	90%		N/A
		6.3.2	Timeliness of setting up new customers for billing	Number of Customers where bill is issued within 30 days of notice of meter set.	Percentage of customers billed within 30 days of notice of meter set.	Monthly	2	99%	3 Months from commencement of extended CCSA term	Within 60 days



APPENDIX D Revised Statement of Work (Proposed as at September 22, 2010)

This section contains the revised statement of work details intended to address future state considerations.

Term	Definition
AMB	Annual Minimum Bill
ARC	Additional Resource Charge
Banked Gas Account (BGA)	Reporting of gas transportation customers gas delivering and consumption with a contract period
BBP	Budget Billing Plan
Customer Attachment Department	Department within Enbridge that manages new installations of gas service
Customer Information System (CIS)	References to "Customer Information System" or CIS in this attachment means either Legacy CIS or New CIS
e-bill	Electronic Billing
ERT	Electronic Radio Transmission
Incident	Any event or occurrence that requires assistance to resolve
Incident Escalation Procedures	As defined in Appendix 9 - Governance
Incident Tracking System	Service Provider provided Incident Tracking System deployed to record and track Incidents
Knowledge Management	System used to maintain documentation of Company's Policies and Procedures
Mass Market	EGD Customers, excluding EGD Customers having an account identified as a "Large Volume Billing" account in the CIS.
PAP	Pre-Authorized Payment - payments processed through Syncor
PAP NSF	Pre-Authorized Payment that is returned for Non-Sufficient Funds
PAD	Pre-Authorized Debit - payments processed through Kubra
PAD NSF	Pre-Authorized Debit that is returned for Non-Sufficient Funds
RRC	Reduced Resource Credit

Term	Definition
System Measurement	Department within Enbridge that is accountable for meter equipment
T-Service	Transportation Service
Combination Order (Combo)	The combination of a lock and unlock order, usually due to a change in property ownership

	METER READING						
#	Activities	Meter Reading/ MRSP [non Accenture]	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
1.0	Prepare and Manage Meter Reading Routes						
	The activities involved in preparing meter reading routes						
1.0.1	Prepare and implement efficient meter reading routes (e.g., balance number of meter reads between routes)	R/A	C/I			I	
1.0.2	Implement route assignment changes for handheld units in MVRs as required.	C/I/A	R				
1.0.3	Identify the need to reassign accounts to different billing cycles	R/A	C/I			I	
1.1	Consecutive Estimates Program						
	The activities involved in managing scheduled readings of hard-to-access gas meters with four or more consecutive estimates						
1.1.1	Pull consecutive estimates file from SAP	R/A				C/I	
1.1.2	Report on consecutive estimate status on a weekly/monthly basis						
1.1.3	Receive and print file of accounts from Billing(CIS) which list meters that are difficult to access and require special attention (OUTS program)	R/A	R/A			C/I	

METER READING									
#	Activities	Meter Reading/ MRSP [non Accenture]	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
							Stakeholders (R, A, C, I)		
1.1.4	Contact the customer to schedule an appointment for the special reads	R/A							
1.1.5	Receive a lock order (when necessary)	R/A							
1.1.6	Obtain reading (if successful)	R/A							
1.1.7	Return successful readings to the Company	R/A				C/I			
1.2	Regular Meter Reading								
	The activities involved in obtaining meter readings in the field								
1.2.1	Purge handheld device of completed Meter Reading daily, and load new readings daily through the Company provide system	R/A	I						
1.2.2	Leave a meter reading card to be completed by the customer if reading cannot be obtained	R/A							
1.2.3	Input meter readings and update other pertinent information into the handheld device (e.g. meter location, meter conditions)	R/A							
1.2.4	Perform a visual safety check. Capture and report problems with the meter via handheld or call in case of an emergency	R/A				I			
1.2.5	Process download file from SAP to MVRs. Advise Enbridge of errors.	C/I	R/A			C/I			
1.2.6	Process upload file with completed reads from MVRs to SAP. Advise Enbridge of errors.	C/I	R/A			C/I			
1.3	Automated Meter Reading Using Radio Frequency								

METER READING						
#	Activities	Meter Reading/ MRSP [non Accenture]	Billing, Billing and General Inquiries and Administration	Collections Services	Emergency & Service Call Handling	Enbridge
						Other Service Providers - Application Support
	The activities involved in acquiring meter reads through radio frequency					
1.3.1	Send and receive the completed ERT meter readings and load the new ERT meter readings through the Company provided system on a daily basis	R/A	I			
1.3.2	Identify and report faulty ERT units and radio frequency meter reading handheld devices, investigate and issue exchange orders as required	R/A				
1.4	Special / Check Readings					
	The activities involved in completing ad hoc meter readings to verify a previous meter reading.					
1.4.1	Extract special read work orders from SAP for specific dates for field completion	R/A	I			
1.4.2	Receive a file of special / check reads for field completion	R/A				
1.4.3	Obtain reading and other pertinent information (e.g. meter location, meter conditions)	R/A				
1.4.4	Perform a visual safety check. Capture and report problems or call in case of an emergency	R/A				
1.4.5	Return file of readings obtained to Company	R/A	I			
1.4.6	Receive work order files back from Meter Reading Service Provider and uploads to EGD CIS . Sort exceptions from upload and distribute to operational groups	C/I				R/A
1.4.7	Co-ordinate special appointments outside of regular schedule as requested by Customer.	C/I	R/A			
1.5	Move In / Move Out Readings					
	The activities involved in completing a final meter reading where there is a change in ownership					

METER READING									
#	Activities	Meter Reading/ MRSP [non Accenture]	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
				Stakeholders (R, A, C, I)					
1.5.1	Receive a file of lock and unlock orders for field completion	R/A							
1.5.2	Obtain reading and other pertinent information (e.g. meter location, meter conditions)	R/A							
1.5.3	Perform a visual safety check. Capture and report problems with the meter or call in case of an emergency	R/A							
1.5.4	Return file of orders with readings obtained to Company	R/A	I						
1.6	Final Readings and Meter Locks								
	The activities involved in completing a final meter reading and meter lock								
1.6.1	Receive a file of lock orders for field completion	R/A							
1.6.2	Obtain reading, lock meter, and obtain any other pertinent information (e.g. meter location, meter conditions)	R/A							
1.6.3	Perform a visual safety check. Capture and report problems with the meter or call in case of an emergency	R/A							
1.6.4	Return file of orders with readings obtained to Company	R/A	I						
1.7	Meter Locks for Termination of Service for Non-Payment								
	The activities involved in terminating services for non-payment								
1.7.1	Receive a file of Redlock orders for field completion	R/A							
1.7.2	Perform dunning disconnect and update work order with a completed status	R/A		I					

	METER READING										
#	Activities	Meter Reading/ MRSP [non Accenture]	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support				
		Stakeholders (R, A, C, I)									
1.7.3	If access to meter is available, Obtain reading, lock meter using Enbridge provided locking device, and obtain any other pertinent information (e.g. meter location, meter conditions)	R/A		I		C					
1.7.4	If access to meter is not available, terminate service by closing valve using valve key provided by Enbridge	R/A		I		C					
1.7.5	Perform a visual safety check (if meter is accessible). Capture and report problems with the meter or call in case of an emergency	R/A									
1.7.6	Return file of orders with readings obtained to Company	R/A	I								
1.8	Meter Reading Quality Assurance										
	The activities involved in planning and implementing quality assurance processes for meter reading										
1.8.1	Coordinate repair to handheld devices with ITRON as required	R/A									
1.8.2	Apply firmware updates to meter reading devices and conduct test readings for accuracy	A				I	R				
1.8.3	Perform supervisory meter reading verification to evaluate reading accuracy on a continuous basis	R/A				I					
1.8.4	Perform supervisory customer satisfaction visits to remedy customer issues	R/A				I					
1.8.5	Perform daily checks to validate accuracy of meter reading data transferred to Company	R/A				I					
1.9	Meter Reading Key Program										
	The activities involved in managing the customer meter reading key program										

	METER READING											
#	Activities						Meter Reading/ MRSP [non Accenture]	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
							Stakeholders (R, A, C, I)					
1.9.1	Obtain keys from customers where meter is inaccessible and customer wishes to provide a key for the bi-monthly meter readings						R/A					
1.9.2	Coordinate return or destruction of keys at time of ownership transfer						R/A					
1.9.3	Obtain keys as required for daily reads						R/A					
1.9.4	Maintain keys in a secure and locked storage device						R/A					
1.9.5	Inform Billing Provider of any required updates to customer key information						R/A	I				

	MASS MARKET BILLING											
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#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
2.0	Set up new and maintain account records						
	Set-up new account record						
2.0.1	Provide the billing and meter reading cycle information to Company Customer Attachment Department		C/I			R/A	
2.0.2	Request a credit review for new customers in order to determine security requirements		R/A				
2.0.3	Request security deposit if required as per Company specified risk criteria		R/A				
2.0.4	Request customer identification information for billing and credit related customer contact purposes		R/A				
2.0.5	Update customer account information as required (names, rate codes, contact information, etc)		R/A				
2.1	Bill Calculation						
	The activities involved in calculating the bill						
2.1.1	Develop and update the monthly reading and billing schedule		R/A			C/I	
2.1.2	Run compilation of meter reading jobs		I			A	R
2.1.3	Verify and approve meter reading jobs to CIS		I			R/A	
2.1.4	Upload and maintain the reading and billing schedule in CIS		I			R/A	
2.1.5	Update rate changes, verify accuracy and maintain rate table		I			R/A	

MASS MARKET BILLING									
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)							
2.1.6	Verify that batch process is run nightly to calculate consumption, apply rate schedule, apply adjustments and create current bill		I			R/A			
2.1.7	Identify and Flag account types for selected billing inserts		I			R/A			
2.1.8	Identify and Flag account types for selected on bill messages		I			R/A			
2.1.9	Request a random sample of test bills of various		A				R		
2.1.10	Review a random sample (test bills) of various account types for bill calculation quality		R/A			I			
2.1.11	Send a transaction to the General Ledger for the total dollar value of daily cyclical billing		I			R/A			
2.1.12	Interface with Application Support for batch run, scheduling, and issue resolution		I			R/A			
2.1.13	Create daily file of customer bills to be printed/ electronically presented		I			R/A			
2.1.14	Post Transactions to accounts		I			R/A			
2.1.15	Post manual transactions to accounts		R/A						
2.2	Canada Post Standards								

MASS MARKET BILLING							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
	The activities involved in gathering and maintaining mailing addresses according to Canada Post standards for bulk mailing rates						
2.2.1	Receive scheduled Canada Post postal code updates		I			R/A	
2.2.2	Produce reports to examine address accuracy		I			R/A	
2.2.3	Update Mass Market billing records with address corrections		R/A			C/I	
2.2.4	Produce and submit annual statement of accuracy (memo) to Canada Post		I			R/A	
2.2.5	Produce and submit daily statement of mailing with address accuracy percentage		R/A				
2.2.6	Pay the postage bill					R/A	
2.3	Refund Management - Mass Market						
	The activities involved in verifying, processing and issuing refunds						
2.3.1	Process customer request for refunds on active accounts		R/A			I	
2.3.2	For final account credits, verify transferability to new service address prior to refund decision		R/A			I	
2.3.3	Verify the accuracy of the credit (refund)		R/A			I	
2.3.4	Follow established authorization process		R/A			I/C	

MASS MARKET BILLING											
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support				
		Stakeholders (R, A, C, I)									
2.3.5	Prepare a transaction in the Company customer information system to process a cheque		R/A			I					
2.3.6	Send an electronic file to the Company's financial institution		I			R/A					
2.3.7	Cheque is issued by Company financial institution and sent to vendor for mailing to customer		R/A			I					
2.4	Lawyer Letter Management										
	The activities involved in processing customer move orders at the request of their lawyer and provide arrears and lien information										
2.4.1	Receive letters, sort by date and validate information, scan into vendor provided system		R/A			I					
2.4.2	Resolve issues where incomplete information is provided by contacting appropriate party		R/A			I					
2.4.3	Collect and process payment fee for lawyer request (Note: payment must accompany request)		R/A			I					
2.4.4	Create a work request to transfer ownership, and update customer information (i.e., meter read, physical lock)		R/A			I					
2.4.5	Provide arrears and notification of title registrations to the vendor lawyer in writing		R/A			I					
2.4.6	Archive lawyer letters (hard copies) for seven (7) years		R/A			I					
2.4.7	Discharge Enbridge Liens as required					I					
2.4.8	Prepare monthly summary of activity		R/A			I					

MASS MARKET BILLING							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
2.5	Bill Production and Delivery						
	The activities involved in Bill production and delivery - in English, French or Braille for paper or hosted eBilling services						
2.5.1	Receive daily file of customer printed and electronic bills		R/A			I	
2.5.2	Send daily e-bill file to e-bill provider		I			R/A	
2.5.3	Print customer bill on English/ French/ Braille forms		R/A				
2.5.4	Provide inserts according to Billing Service Provider specifications to facilitate bill insertion (e.g. Insert weight, thickness, size, finish types, fold types, packaging, labeling etc.)		I			R/A	
2.5.5	Maintain inventory of Company provided <i>bill</i> inserts <i>and envelops</i>		R/A				
2.5.6	Verify that bills include appropriate inserts in the envelope		R/A			I	
2.5.7	Verify that bills includes appropriate bills messages		R/A			I	
2.5.8	Extract a sample of customer envelopes for physical inspection		R/A				
	Review a random sample of bills for bill print and presentment quality (includes Bill Print Provider quality checks)		R/A			I	
2.5.10	Sort bills that require special handling prior to mailing		R/A				
2.5.11	Forward special handling bills to appropriate party for action		R/A				

MASS MARKET BILLING							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
2.5.12	Manually stuff envelopes with special handling bills and appropriate inserts		R/A				
2.5.13	Affix appropriate postage on special handle bills		R/A				
2.5.14	Create the statement of mailing for regular mail		R/A			I	
2.5.15	Arrange delivery to Canada Post		R/A				
2.5.16	Create monthly report on bill delivery turnaround to Canada Post		R/A			I	
2.5.17	Manage inventory of Mass Market bill forms (bill forms, mailing envelopes and return envelopes)		R/A				
2.5.18	Maintain storage space for inventory of monthly <i>bill</i> inserts <i>and envelopes</i>		R/A				
2.6	Print Services						
	Provide print services as required						
2.6.1	Print, stock, and store Company specified forms (e.g., bill forms, envelopes, statements, letters, notices, etc)		R/A			I, C	
2.7	Payment Processing						
	The activities involved in processing payments for all customers						
Pre-authorized Debit Program (PAD) Administration							
2.7.1	Receive electronic file of authorized PAD applications from vendor sourced payment processing provider, and update to Company customer information system on a weekly basis		I			R/A	

MASS MARKET BILLING												
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support					
		Stakeholders (R, A, C, I)										
2.7.2	Prepare and transmit PAD file to Company's financial institution on a daily basis as per the billing schedule		I			R/A						
2.7.3	Archive hard copies of customer PAD applications including void cheque based on statutory period for hard copy		R/A									
2.7.4	Resolve PAD applications that cannot be processed due to incorrect banking or account information		R/A									
2.7.5	Resolve monthly PAD payment problems, including financial institution rejects regarding incorrect bank information, customer disputes and claims for reimbursement		R/A									
2.7.6	Comply with Canadian Payment Association (CPA) rules		R			A						
2.7.7	Daily reconciliation of PAD amounts transmitted, to the financial institution		R			A						
2.7.8	Process payment file to update customer's account in the company customer information system on the due date.		I			R/A						
2.7.9	Reconcile bank deposit to PAD amounts processed to the Company customer information system daily		R/A			I						
2.7.10	Update customer account in the Company customer information system with any revised information (e.g., bank information, suspend/cancel/transfer service)		R/A									
Pre-authorized Payment Program (PAP) Administration												

MASS MARKET BILLING								
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
		2.7.11	Receive electronic file of authorized PAP applications from vendor sourced payment processing provider, and update to Company customer information system on a weekly basis	I			R/A	
		2.7.12	Prepare and transmit PAP file to Company's financial institution on a daily basis as per the billing schedule	I			R/A	
		2.7.13	Archive hard copies of customer PAP applications including void cheque based on statutory period for hard copy	R/A				
		2.7.14	Resolve PAP applications that cannot be processed due to incorrect banking or account information	R/A				
		2.7.15	Resolve monthly PAP payment problems, including financial institution rejects regarding incorrect bank information, customer disputes and claims for reimbursement	R/A				
		2.7.16	Comply with Canadian Payment Association (CPA) rules	R			A	
		2.7.18	Daily reconciliation of PAP amounts transmitted, to the financial institution	R			A	
		2.7.19	Process payment file to update customer's account in the company customer information system on the due date.				R/A	
2.7.20	Reconcile bank deposit to PAP amounts processed to the Company customer information system daily	R/A			I			
2.7.21	Update customer account in the Company customer information system with any revised information (e.g., bank information, suspend/cancel/transfer service)	R/A						
Payment processing for Mass Market Accounts								

MASS MARKET BILLING							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
2.7.22	Retrieve customer payments from Company's Post Office Box		R/A				
2.7.23	Process contents of deposit lock box in the Company's financial institution		R/A				
2.7.24	Receive and approve payment file from payment processing vendor and post payments to customer accounts in Company's customer information system		I			R/A	
2.7.25	Receive and approve manual payments from payment processing vendor and manually post payments to customer accounts in Company's customer information system		R/A				
2.7.26	Reconcile payments received to payments posted in Company's customer information system		R/A			I	
2.7.27	Manage post-dated cheques using Company specified guidelines		R/A				
2.7.28	Manage returned cheques and PAD returns (e.g., NSF items)		R/A				
2.7.29	Resolve Unpostable payments (e.g., incorrect account number)		R/A				
2.7.30	Follow up on payments that may have been incorrectly posted		R/A				
2.7.31	Communicate to Company's treasury department daily the dollar value transferred to the Company's bank account		R/A			I	
2.7.32	Reconcile bank deposits to payment files		R/A			I	
2.7.33	Manage payment exceptions which occur prior to posting. E.g. cheques with no account number, electronic payments with an invalid account number, or bank payments submitted with the customer portion of the bill		R/A				
2.7.34	Reconcile non-deposit payment files to deposits in the Bank Account		R/A				

MASS MARKET BILLING							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
2.8	Budget Billing Plan						
	Administer Budget Billing Plan (BBP)						
2.8.1	Administer customer participation in the BBP including set-up, modification, cancellation		R/A				
2.8.2	Administer BBP reviews 3 times per year (including year end review) to balance actual usage vs. estimated billing		C/I			R/A	
2.8.3	Provide summary report on overall plan balance		I			R/A	
2.9	Billing Exception Handling and Adjustments						
	Manage Billing Exceptions and Adjustments						
2.9.1	Work mass market billing exceptions in order to correct the bill (e.g., bill amounts exceeding tolerance thresholds, suspected faulty meters, locked meters reporting consumption, incomplete transactions, retroactive billings, etc.) and produce a corrected bill as required.		R/A				
2.9.2	Issue mass market work order request to obtain additional information (e.g., special meter reads, equipment verification, etc.) required to perform the steps in 2.9.1		R/A				
2.9.3	Communicate with Mass Market (letter or call) results as required		R / A			I	
2.10	Customer Care Communication						
	Communicate new/changed information to Service Provider						

MASS MARKET BILLING									
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)							
2.10.1	Notify service provider of any updates to standards, policies, practices, marketing programs and general business environment		I			R/A			
2.10.2	Broadcast Company initiated communication to affected New Service Provider staff		R/A			I			
2.10.3	Deliver and explain updates to standards, policies, practices, marketing programs, and general business environment changes communicated by Enbridge to Service Provider employees (see 2.10.1).		R/A			I			
2.10.4	Identify and report customer issue trends, and work collaboratively with the Company to develop solutions		R/A			I/C			
2.10.5	Communicate solutions approved by the Company (systems / process changes, train personnel)		R			A			
2.11	Security Deposit Administration								
	The activities involved in administering the security deposit program								
2.11.1	Reconcile and report total new security deposit monthly		R			A			
2.11.2	Calculate security interest and credit customer account per Company guidelines		I			R/A			
2.11.3	Issue tax receipts (T5)		I			R/A			

MASS MARKET BILLING									
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)							
2.11.4	Apply security deposit credits to accounts according Company specified criteria		I			R/A			
2.11.5	Apply security deposit credits to accounts manually according Company specified criteria		R/A			I			
2.12	Meter Reading Administration								
	The back office activities involved in Meter Reading								
2.12.1	Approve and send scheduled reads to Meter Reading Service Provider for next billing cycle	C/I	C/I			R/A			
2.12.2	Verify all DCI files sent to Meter Reading Service Provider, are returned and inputted into CIS	C/I	R/A			C/I			
2.12.3	Input CIS parameters (e.g.. Degree Dates, Due Date etc.)		I			R/A			
2.12.4	Prepare and send schedule for ERT annual visual reads to Meter Reader Service Provider	C/I	C/I			R/A			
2.12.5	Extract work orders from customer information system for specific dates (specials, combos, locks, redlocks) and send to Meter Reading Service Provider	R/A	I			I			
2.12.6	Receive work order files back from Meter Reading Service Provider and uploads to customer information system. Sort exceptions from upload and distribute to operational groups	R/A	C/I			R/A			
2.12.7	Send consecutive estimates file to Meter Reader Service Provider	I	R/A						

	MASS MARKET BILLING								
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)							
2.12.8	Receive completed consecutive estimates from Meter Reading Service Provider	R/A	I			I			
2.12.9	Download reports (trouble code reports – broken glass) from MVRS and sends to appropriate area/company. Verify any ‘smell gas’ or other safety trouble codes have been reported		R/A			I			
2.12.10	Transcribe IVR voicemail and transfer into CIS		I			R/A			
2.12.11	Assign accounts to new routes including refolio if required	I	R/A						
2.12.12	Receive, sort and mail consecutive estimate letters	I	I			R/A			
2.12.13	Track and report consecutive estimate information	I	R/A			I			
2.12.14	Verify that consecutive estimate letters are produced and mailed					R/A			
2.12.15									
2.12.16	Operate MVRS system.		R/A						
2.12.17	Resolve any technical issues with connectivity or software		C/I			R/A			
2.12.18	Provide Enbridge with meter reading reporting on lag time and SLA targets		R/A			I			
2.12.19	Receive and resolve escalated customer issues (work with Meter Reader Service Provider, if required)	C	R/A			I			

	MASS MARKET BILLING						
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
			R/A				
		Complete all Meter Reading correspondence received from customer					
2.12.20							

	MASS MARKET & SUNDRY COLLECTIONS						
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
3.1	Collection of Mass Market Accounts						
	The activities involved in managing arrears and ensuring effective collection recovery						
Arrears determination and recovery planning							
3.1.1	Tabulate receivable amounts in each of the aging arrears categories on a daily basis			R/A			
3.1.2	Develop collections strategies to achieve overall goals and objectives, and consider influencing factors (e.g., seasonal variations, economic conditions, rate changes, etc.)			R		A/C	
3.1.3	Develop tactical campaigns and align with overall strategy			R / A		R/A	
3.1.4	Set up Campaign in the Company provided system and send to Service Provider			C/I		R/A	
3.1.5	Produce, and mail arrears notices as per campaign (e.g., included on monthly bill/statement, or standalone written notice)			R/A			
3.1.6	Collection Call Handling (Inbound / Outbound) - refer to Section 3.8			R/A			
3.1.7	Resolve disputed accounts		C/I	R/A		C/I	
3.1.8	Manage payment arrangements (Make, follow up, update)			R/A			

	MASS MARKET & SUNDRY COLLECTIONS					
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge
		Stakeholders (R, A, C, I)				
3.1.9	Liaise with social agencies and credit counselling services			C/I		R/A
3.1.10	Assess and request security deposit as per Company specified risk criteria			R/A		
3.1.11	Review results and make adjustments to campaigns			R/A		C/I
3.1.12	Report collection performance and arrears statistics			R/A		I
Final arrears collection						
3.1.13	Receive file from Company provided system			R/A		
3.1.14	Set up and execute campaigns in the Company provided system and send to Service Provider			C/I		R/A
3.1.15	Produce, and mail final bill notices as per campaign (e.g., included on monthly bill/statement, or standalone written notice)			R/A		
3.1.16	Collection Call Handling (Inbound / Outbound) - refer to Section 3.8			R/A		
3.1.17	Resolve disputed accounts		C/I	R/A		C/I
3.1.18	Manage payment arrangements for final bills (Make, follow up, update)			R/A		
3.1.19	Perform skip tracing services on returned mail			R/A		

Other Service Providers - Application Support

MASS MARKET & SUNDRY COLLECTIONS							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
3.1.20	Flag uncollectible final bills (e.g., Bankruptcies) and update status to stop further collection action			R/A			
3.1.21	Flag uncollected final bills and transfer to collection agency			R/A			
3.1.22	Review results and make adjustments to campaigns			R/A		C/I	
3.1.23	Report collection performance and arrears statistics			R/A		I	
Special Investigation and Field Collection							
3.1.24	Identify accounts requiring special handling (e.g., unusual activity on account)			R/A			
3.1.25	Issue work order to dispatch field collector to the customer premises			R/A			
3.1.26	Assess situation, and follow work order instructions (<i>Lock the Meter</i>)			R/A			
3.1.27	Update work order with actions taken			R/A			
Collection of Bankruptcies, Insolvencies, and Receivership							
3.1.28	Transfer account into the name of the receiver			R/A			
3.1.29	Negotiate settlements as per Company provided criteria			R/A		I	
3.1.30	Apply all disbursements, as received from bankruptcies			R/A			

MASS MARKET & SUNDRY COLLECTIONS								
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
3.1.31	Record action notes in the appropriate Company provided systems			R/A				
Collection of Power of Sale and Mortgagees in Possession								
3.1.32	Receive, sort and respond to all correspondence from mortgage holder (i.e., financial institution, or individual mortgage holder)			R/A				
3.1.33	Advise mortgage holder of arrears outstanding, service status, and options available (i.e., transfer of ownership, service activation, service disconnection), and initiate appropriate action including follow through to completion			R/A				
3.1.34	Record action notes in the appropriate Company provided systems			R/A				
3.1.35	Negotiate settlements as per Company provided criteria			R/A		I		
3.1.36	Participate in settlement negotiation meetings with the mortgage holder(s) as required			C		R/A		
	Collection of Sundry Accounts							
	The activities involved in collection of Sundry Accounts							
3.2.1	Prioritize accounts which require collection action			R/A		C/I		
3.2.2	Determine appropriate action (call, letter, fax, site visit, etc.)			R/A				

	MASS MARKET & SUNDRY COLLECTIONS						
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
3.2.3	Collection Call Handling (Inbound / Outbound) - refer to Section 3.8			R/A			
3.2.4	Resolve disputed accounts			R/A		C/I	
3.2.5	Manage payment arrangements (Make, follow up, update)			R/A			
3.2.6	Perform skip tracing services on returned mail			R/A			
3.2.7	Recommend write-offs of specific accounts for approval and action by Company			R/A		I	
3.2.8	Recommend litigation of specific accounts for approval and action by Company			R/A		I	
3.2.9	Report collection performance and arrears statistics			R/A		I	
3.3	Manage and Execute Service Disconnection for Non-Payment Accounts (Mass Market)						
	The Activities involved in determining and executing service disconnections						
3.3.1	Determine accounts to be disconnected for non-payment					R/A	
3.3.2	Provide 48 hour written notification to customers pending disconnection			R/A			
3.3.3	Make outbound calls to customers scheduled for disconnection, 48 hours prior physical meter lock			R/A			

	MASS MARKET & SUNDRY COLLECTIONS							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
3.3.4	Create work order for service disconnection (meter lock)					R/A		
3.3.5	Perform service disconnections (meter locks) and update work order with a completed status	R/A		I				
3.3.6	Escalate to Company, service disconnections in one-off situations (customer-escalated issues)			R/A		I		
3.4	Manage service reconnection (Mass Market) -Note: Physical service reconnection is performed by Company							
	The activities involved in managing service reconnections							
3.4.1.	Confirm that customer account is paid in full, including security deposit and applicable service charges			R/A				
3.4.2	Schedule a reconnection date with the customer using Company provided schedule			R/A		I		
3.4.3	Issue a work request for reconnection using the Company provided system			R/A				
3.4.4.	Perform service reconnection and notify New Service Provider when complete	xxxxxx		C/I		R/A		
3.4.5	Complete service reconnection exceptions in company provided system			R/A				
3.5	Collection Agency Administration							

MASS MARKET & SUNDRY COLLECTIONS								
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
	The activities involved in managing the final bill portfolio assigned to third party collection agencies							
3.5.1	Rank and select appropriate agency(ies) to handle the final bills portfolio based on performance			R/A		C/I		
3.5.2	Manage agency(ies) performance			R/A		C/I		
3.5.3	Extract final accounts to collection agency(ies) as per Company guidelines			A		R/I		
3.5.4	Submit final accounts to collection agency(ies) as per Company guidelines			R/A		C/I		
3.5.5	Provide direction and policy re payment arrangements and settlements.			C		R/A		
3.5.6.	Maintain a log of account assignments with each agency			R/A				
3.5.7	Recall uncollected accounts and reassign to new agency as per Company guidelines			R / A		I		
3.5.8	Assist in response to claims against the Company / agency			R		A		
3.5.9.	Respond to complaints from customers regarding agency			R/A		I		
3.5.10	Approve agency documents and call scripts used to collect accounts			C		R/A		

	MASS MARKET & SUNDRY COLLECTIONS								
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)							
3.5.11	Produce a monthly summary report of collection agency performance			R/A		I			
	Escalated Complaints								
	Manage and resolve escalated complaints								
3.6.1	Receive and record the escalated complaints			R/A		I			
3.6.2	Investigate the escalated complaints			R/A		I/C			
3.6.3	Follow the established escalation process			R/A					
3.6.4	Resolve the complaint and provide feedback to the customer (written or verbal)			R/A		I/C/R			
3.6.5	Track details and resolution			R/A		I			
3.6.6.	Provide monthly summary report			R/A		I			
3.7	Correspondence Management								
	The activities involved in processing all customer correspondence								
3.7.1	Receive correspondence, sort by date and validate information, scan into New Service Provider provided system			R/A					

	MASS MARKET & SUNDRY COLLECTIONS							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
3.7.2	Receive, resolve, and respond to incoming customer correspondence via various channels - mail, email, web, and fax, including performing the transactions using the Company provided system (e.g., revenue adjustments, change of ownership, Budget Billing Plan adjustments, etc.)			R/A				
3.7.3	Provide fulfillment service in order to mail company literature to customers upon request			R/A				
3.7.4	Code and track correspondence through the investigation and resolution process (routing may occur between service provider's) and the Company) in the Company provided tracking system			R/A		I/C/R		
3.7.5	Capture resolution details in the Company provided customer information system (e.g., correspondence codes, free form details, etc.)			R/A		I		
3.7.6	Develop customer response form letter templates			R/A		C		
3.7.7	Archive correspondence (hard copies) for seven (7) years			R/A				
3.7.8	Prepare monthly summary of activity			R/A		I		
3.8	Call Management (Inbound and Outbound)							
	The activities involved in responding to collections inquiries							

MASS MARKET & SUNDRY COLLECTIONS								
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
3.8.1	Receive, resolve, and respond to incoming customer calls, including performing the transactions using the Company provided system (e.g., payment arrangements, notice of payment, change of ownership, etc.)			R/A				
3.8.2	Execute live agent and automated outbound campaigns for the purposes of collecting accounts based on reports and files from the Company 's Customer Information System.			R/A				
3.8.3	Provide required Telephony and Contact Handling Infrastructure to enable effective customer management as follows: ACD, IVR (<i>Vital Hold Option</i>), CTI, 100% Call Recording, Skills Based Routing, Reporting, Contact Management, Predictive Dialer with direct transfer to live agent capability and sufficient outbound dialing capacity			R/A		C		
3.8.4	Effectively manage customers on hold (e.g., estimated wait time announcements, on-hold messaging including informational messages, <i>including virtual hold options</i> , etc.)			R/A		C		
3.8.5	Provide Knowledge Management functionality			<i>R/A</i>		<i>C/I</i>		

	MASS MARKET & SUNDRY COLLECTIONS							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
3.8.6	Promote and sign up customers in various Company provided programs			R/A		C		
3.8.7	Capture inquiry resolution details in the Company provided customer information system (e.g., call disposition codes, free form details, etc.)			R/A		I		
3.8.8	Update customer information when the information on file has changed or is missing (i.e., Telephone numbers, names, contacts, postal codes)			R/A				
3.8.9	Escalate customer inquiries (if necessary) following Company specified escalation process			R/A		C/I		
3.8.10	Prepare regularly scheduled performance reports			R/A		I		
3.8.11	Hours of Operations - M-F 8AM-6PM (excluding public holidays)			R/A				

	MASS MARKET CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
4.0	Emergency Call Handling							
	The activities involved in immediate response to emergency service order requests.							
4.0.1	Manage incoming customer contacts (e.g. voice, mail, email, web, fax, etc.)				R/A			
4.0.2	Collect and record emergency call details in Company provided system				R/A			
4.0.3	Provide safety instructions (EGD scripted) to caller				R/A			
4.0.4	Create/issue or update work order in Company provided system				R/A			
4.0.5	Confirm that the call was successfully received by dispatch.				R/A			
4.0.6	Record call type for statistical purposes				R/A			
4.0.7	Liaise with Fire Department in cases of alarming carbon monoxide calls with symptoms of CO exposure				R/A			
4.0.8	Follow up with Enbridge dispatch on calls exceeding response threshold to determine estimated time of arrival based on customer inquiry				R/A	C		
4.0.9	Hours of Operations - 24 hours per day, 7 days per week (24/7)				R/A			
4.1	Other Service Call Handling							
	The activities involved in responding to other service order requests							
4.1.1	Collect and record service call details in Company provided system				R/A			
4.1.2	Provide safety instructions (EGD scripted) to caller				R/A			

	MASS MARKET CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
4.1.3	Schedule appropriate appointment times using Company provided system				R/A			
4.1.4	Create/issue or update work order in Company provided system				R/A			
4.1.5	Record call type				R/A			
4.1.6	Follow up with the Company dispatch on calls exceeding response threshold to determine estimated time of arrival based on customer inquiry				R/A	C		
4.1.7	Provide required Telephony and Contact Handling Infrastructure to enable effective customer management as follows: ACD, IVR (<i>Virtual Hold Option</i>), CTI, 100% Call Recording, Skills Based Routing, Reporting, Contact Management				R/A	C		
4.1.8	Hours of Operations - 24 hours per day, 7 days per week (24/7)				R/A			
4.2	Escalated Call Handling							
	The activities involved in handling call escalations from customers							
4.2.1	Follow the established escalations procedure				R/A	C/I		
4.2.2	Track escalated complaints using Company provided system				R/A	C/I		
4.2.3	Investigate escalated complaints				R/A	C/I		
4.2.4	Ensure that complaints are being effectively managed overall				R/A	C/I		
4.2.5	Document an effective process for the management, tracking and reporting of complaints				R/A	C/I		
4.2.6	Resolve escalated complaints				R/A	C/I		

	MASS MARKET CUSTOMER CONTACT											
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support					
		Stakeholders (R, A, C, I)										
4.2.7	Document the resolution in the Company provided system				R/A	C/I						
4.2.8	Analyze escalated complaints				R/A	C/I						
4.3	Specialized Telephone Campaigns											
	Activities involved in making automated outbound telephone campaigns to communicate service outages											
4.3.1	Identify and provide target customer file				I	R/A						
4.3.2	Receive target customer file				R/A	I						
4.3.3	Record Company provided outbound script				R/A	I						
4.3.4	Execute campaign				R/A							
4.3.5	Report result				R/A	I						
4.4	Service Appointment Reminders											
	Activities involved in making automated outbound telephone service reminder (next day)											
4.4.1	Identify and provide target customer file				I	R/A						
4.4.2	Receive target customer file				R/A	I						
4.4.3	Record Company provided outbound script				R/A	I						
4.4.4	Execute campaign				R/A							

	MASS MARKET CUSTOMER CONTACT								
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)							
4.4.5	Report result				R/A	I			
4.5	Call Handling								
	Communicate new/changed information to Service Provider								
4.5.1	Notify service provider of any updates to standards, policies, practices, marketing programs, and general business environment		I			R/A			
4.5.2	Broadcast Company initiated communication to affected New Service Provider staff		R/A			I			
4.5.3	Deliver and explain updates to standards, policies, practices, marketing programs, and general business environment changes communicated by Enbridge to Service Provider employees. (See 4.5.1)		R/A			I			
4.5.4	Identify and report customer issue trends, and work collaboratively with the Company to develop solutions		R/A			I/C			
4.5.5	Communicate solutions approved by the Company (systems / process changes, train personnel)		R			A			
4.5.6	Conduct a minimum of 2 town hall meetings to be attended by all available Service provider customer contact personnel per calendar year		R/A			I/C			

	MASS MARKET CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
4.5.7	All agents complete a one hour Soft Skills live training program with scores and compliance reported on an annual basis.		R/A			I/C		
4.5.8	Implement and maintain a system or procedure to track and report the number of events where supervisory assistance is required by customer contact personnel							
4.5.9	Roaming coaches to provide "real time" guidance support and assistance to service Provider customer contact personnel.-							
4.5.10	Operate service provider awards program for high performing customer contact employees.		R/A			C		
4.6	Escalated Complaints - Mass Market							
	Manage and resolve escalated complaints							
4.6.1	Receive and record the escalated complaints		R/A			I		
4.6.2	Investigate the escalated complaints		R/A			I/C		
4.6.3	Follow the established escalation process		R/A					
4.6.4	Resolve the complaint and provide feedback to the customer (written or verbal)		R/A			I/C/R		
4.6.5	Track details and resolution		R/A			I		
4.6.6	Provide monthly summary report		R/A			I		
4.7	Billing & General Inquiries Call Management - Mass Market							

MASS MARKET CUSTOMER CONTACT										
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support			
		Stakeholders (R, A, C, I)								
	The activities involved in responding to billing and general inquiries									
4.7.1	Receive, confirm identity of customer, resolve, and respond to incoming customer calls, including performing the transactions using the Company provided system (e.g., revenue adjustments, change of ownership, Budget Billing Plan adjustments, etc.)		R/A			I				
4.7.2	Provide required Telephony and Contact Handling Infrastructure to enable effective customer management as follows: ACD, IVR <i>including virtual hold options</i> , CTI, 100% Call Recording, Skills Based Routing, Reporting, Contact Management and offering Post Call Customer Satisfaction Surveys to 100% of callers, and Web Chat		R/A			C				
4.7.3	Effectively manage customers on hold as per the operational requirements (e.g., estimated wait time announcements, on-hold messaging including informational messages, <i>virtual hold options</i> , etc.)		R/A			C				
4.7.4	Provide Knowledge Management functionality - Customer Care Business Processes		<i>R/A</i>			<i>C/I</i>				
4.7.5	Promote and sign up customers in various Company provided programs		R/A			C				
4.7.6	Capture inquiry resolution details in the Company provided customer information system (e.g., call disposition codes, free form details, etc.)		R/A			I				
4.7.7	Update customer information when the information on file has changed or is missing (i.e., Telephone numbers, names, contacts, postal codes)		R/A							
4.7.8	Escalate customer inquiries (if necessary) following Company specified escalation process		R/A			I/C				
4.7.9	Prepare regularly scheduled performance reports		R/A			I				

MASS MARKET CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)					
4.7.10	Hours of Operations - M-F 8AM-6PM (excluding public holidays)		R/A				
4.7.11	Support Web Chat for EGD customer emergency, service and billing inquiries. [To be deleted]						
4.8	Correspondence Management - Mass Market						
	The activities involved in processing all customer correspondence						
4.8.1	Receive, resolve, and respond to incoming customer correspondence via various channels - mail, email, web, and fax, including performing the transactions using the Company provided system (e.g., revenue adjustments, change of ownership, Budget Billing Plan adjustments, etc.)		R/A				
4.8.2	Receive correspondence, sort by date and validate information, scan into service provider provided system		R/A				
4.8.3	Provide fulfillment service in order to mail company literature to customers upon request		R/A				
4.8.4	Code and track correspondence through the investigation and resolution process (routing may occur between New Service Provider(s) and the Company) in the Company provided tracking system		A			I/R/C	
4.8.5	Capture resolution details in the Company provided customer information system (e.g., correspondence codes, free form details, etc.)		R/A			I	
4.8.6	Develop customer response form letter templates		R/A			C/I	

	MASS MARKET CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
4.8.7	Archive correspondence based on statutory period for hard copies		R/A					
4.8.8	Prepare monthly summary of activity		R/A			I		
4.9	Specialized Telephone Campaigns - Company Programs							
	Activities involved in making live or automated outbound telephone campaigns to communicate with customers regarding new Company programs							
4.9.1	Receive target customer file		R/A			I		
4.9.2	Record Company provided outbound script or implement Company provided call guide		R/A			I		
4.9.3	Execute campaign		R/A			I		
4.9.4	Report result		R/A			I		

	DOCUMENTATION				
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support
5.0	Meter Reading Policies and Procedures Manual				Stakeholders (R, A, C, I)
	The activities involved maintaining this manual. This manual contains the general policies guiding the processes for the meter reading function				
5.0.1	Develop Policies	I	I	R/A	
5.0.2	Add, update and/or delete policies	R/A	I	I	
5.0.3	Discuss adds, updates and/or deletes	R/A	I	C	
5.0.4	Communicate revisions	R/A	I	I	
5.0.5	Implement changes	R/A	I	I	
5.1	Billing, Billing and General Inquiries, Billing Administration Policies and Procedures Manual - Mass Market				
	The activities involved maintaining this manual. This manual contains the general policies guiding the processes of the Billing, Billing and General Inquiries, Billing Administration function for Mass Market				
5.1.1	Develop Policies		I	R/A	
5.1.2	Add, update and/or delete policies		R/A	I	
5.1.3	Discuss adds, updates and/or deletes		R/A	C	
5.1.4	Communicate revisions		R/A	I	
5.1.5	Implement changes		R/A	I	
5.2	Billing, Billing and General Inquiries, Billing Administration Policies and Procedures Manual - Large Volume				

	DOCUMENTATION							
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support			
					Stakeholders (R, A, C, I)			
	The activities involved maintaining this manual. This manual contains the general policies guiding the processes of the Billing, Billing and General Inquiries, Billing Administration function for Large Volume							
5.2.1	Develop Policies		I	R/A				
5.2.2	Add, update and/or delete policies		R/A	I				
5.2.3	Discuss adds, updates and/or deletes		R/A	C				
5.2.4	Communicate revisions		R/A	I				
5.2.5	Implement changes		R/A	I				
5.3	Collection Services Policies and Procedures Manual							
	The activities involved in maintaining this manual. This manual contains the general policies guiding the processes of the Collection Services function							
5.3.1	Develop Policies		I	R/A				
5.3.2	Add, update and/or delete policies		R/A	I				
5.3.3	Discuss adds, updates and/or deletes		R/A	C				
5.3.4	Communicate revisions		R/A	I				
5.3.5	Implement changes		R/A	I				
5.4	Emergency and Service Call Handling Services Policies and Procedures Manual							
	The activities involved in maintaining this manual. This manual contains the general policies guiding the processes of the Emergency and Service Call Handling services function							
5.4.1	Develop Policies		I	R/A				
5.4.2	Add, update and/or delete policies		R/A	I				
5.4.3	Discuss adds, updates and/or deletes		R/A	C				

	DOCUMENTATION							
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support			
						Stakeholders (R, A, C, I)		
5.4.4	Communicate revisions		R/A	I				
5.4.5	Implement changes		R/A	I				
5.5	Customer Information System Policies and Procedures Manual							
	The activities involved in maintaining this manual for the customer information system, and other Company provided systems							
5.5.1	Add, update and/or delete services provided		I/C	I/C				R/A
5.5.2	Add, update and/or delete matters related to system, transactional and/or procedural processes		I/C	I/C				R/A
5.5.3	Discuss adds, updates and/or deletes		I/C	C				R/A
5.5.4	Communicate revisions		I/C	I				R/A
5.5.5	Implement changes		I/C	I				R/A
5.6	Knowledge Management Policies and Procedures							
	The activities involved in maintaining the online procedures for knowledge management							
5.6.1	Develop Policies		R/A	R/A				
5.6.2	Add, update and/or delete policies		R/A	R/A				
5.6.3	Add, update and/or delete services provided		R/A	R/A				
5.6.4	Add, update and/or delete matters related to system, transactional and/or procedural processes		R/A	R/A				
5.6.5	Discuss adds, updates and/or deletes		R/A	R/A				
5.6.6	Communicate revisions		R/A	C/I				
5.6.7	Implement changes		R/A	C/I				
	The activities involved in maintaining the online training manuals covering the associated functions in each Service Category							

	DOCUMENTATION				
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support
		Stakeholders (R, A, C, I)			
5.6.8	Add, update and/or delete services provided		R/A	I/C	
5.6.9	Add, update and/or delete matters related to system, transactional and/or procedural processes		R/A	I/C	
5.6.10	Discuss adds, updates and/or deletes		R/A	C	
5.6.11	Communicate revisions		R/A	I	
5.6.12	Implement changes		R/A	I	
5.7	Business Process Manual - Mass Market				
	The activities involved in documenting business processes				
5.7.1	Develop business processes	I	I	R/A	
5.7.2	Add, update and/or delete business processes	R/A	R/A	I/C	
5.7.3	Discuss adds, updates and/or deletes	R/A	R/A	C	
5.7.4	Communicate revisions	R/A	R/A	I	
5.7.5	Implement changes	R/A	R/A	I	
5.8	Business Process Manual - Large Volume				
	The activities involved in documenting business processes				
5.8.1	Develop business processes	I	I	R/A	
5.8.2	Add, update and/or delete business processes	R/A	R/A	I/C	
5.8.3	Discuss adds, updates and/or deletes	R/A	R/A	C	
5.8.4	Communicate revisions	R/A	R/A	I	
5.8.5	Implement changes	R/A	R/A	I	

SERVICE MANAGEMENT							
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
6.0	Reporting				Stakeholders (R, A, C, I)		
	The activities involved in developing and delivering Service Reports to Enbridge						
Service Reports							
6.0.1	Update portfolio of Service Reports (See Service Reports tab)	R/C	R/C	A			
6.0.2	Prepare Reports (See Service Reports tab)	R/A	R/A	I			
6.0.3	Review reports for accuracy	R/A	R/A	I			
6.0.4	Deliver Service Reports	R/A	R/A	I			
6.0.5	Consolidate reports for Enbridge management			R/A			
Finance							
	The activities involved in forecasting, budgeting and other financial functions						
Forecasting and Budgeting							
6.0.6	Develop Annual Operating Plan and Forecast	R/C	R/C	A			
6.0.7	Provide input into Customer Care Forecast as requested by Enbridge	R/A	R/A	I			
6.0.8	Track actuals to Annual Forecast on a monthly basis	R/A	R/A	I			
6.0.9	Report monthly variances against Annual Forecast to Enbridge	R/A	R/A	I			
Audit							
6.0.10	Assign Independent Auditor			R/A			
6.0.11	Develop and issue information requirements			R/A			
6.0.12	Collect Data and Documents required to fulfill information requirements	R/A	R/A				
6.0.13	Provide Data and Documents, assistance in interpreting and verifying Data and Documents, access to Independent Auditor	R/A	R/A				
ARCs/RRCs Management							
6.0.14	Track ARCs/RRCs	R/A	R/A	I			

	SERVICE MANAGEMENT						
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)					
6.0.15	Report variances from baseline	R/A	R/A	I			
6.0.16	Forecast ARCs/RRCs	R/A	R/A	I			
6.0.17	Report ARC/RRC forecasts and impact on monthly invoice	R/A	R/A	I			
6.0.18	Determine the impact on pricing	R/A	R/A	I			
Invoicing							
6.0.19	Develop monthly invoice for baseline services	R/A	R/A				
6.0.20	Develop monthly invoice or credit for ARCs/RRCs	R/A	R/A				
6.0.21	Validate accuracy of monthly invoices	R/A	R/A				
6.0.22	Issue invoices electronically to Enbridge	R/A	R/A				
6.0.23	Approve Invoice			R/A			
Project Tracking							
6.0.24	Develop projects plan and budgets	R/A	R/A	I			
6.0.25	Approve project plans and budgets	R	R	A			
6.0.26	Track projects and budgets	R/A	R/A	I			
6.0.27	Report performance against project plan and budgets	R/A	R/A	I			
6.0.28	Review performance against project plan and budgets	C	C	R/A			
Sarbanes-Oxley (SOX) Compliance Reports							
6.0.29	Develop SOX process maps and control documentation		R/A	C			
6.0.30	Monitor process maps and control documentation for changes		R	A			
6.0.31	Produce and deliver quarterly monitoring reports to the Company (re: updates to process maps and control documentation)		R/A	I			
6.0.32	SOX Pre-Production sign-off for changes		R	A			
6.1	Communications						

		SERVICE MANAGEMENT							
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support				
		Stakeholders (R, A, C, I)							
	The activities involved in clearly articulating messages across the organization and New Service Provider(s) (communications).								
6.1.1	Develop customer communication strategy	I	C	R/A					
6.1.2	Develop customer communication policies & procedures for Enbridge and Service Providers (i.e., methods of communications, frequency etc.)	I	C/I	R/A					
6.1.3	Develop customer communications	I	C	R/A					
6.1.4	Issue and coordinate customer communications		R/A	I					
6.1.5	Monitor compliance with policies & procedures	R	R	A					
6.1.6	Prepare communication compliance report	R	R	A					
6.1.7	Approve compliance report			R/A					
6.1.8	Make corrective actions where non compliant	R/A	R/A	I					
6.2	Performance and Continuous Improvement								
	The activities involved in performance management and continuous improvement								
Benchmarking									
6.2.1	Assign independent Benchmarker	I	R/A	R/A					
6.2.2		C	C	C	R/A (Independent Benchmark)				
6.2.3	Develop and issue information requirements Provide assistance, Data, Documentation, access to Independent Benchmarker	R/A	R/A	R/A					
Continuous Improvement									
6.2.4	Identify opportunities to improve Services, Service Levels and performance	R/A	R/A	C					
6.2.5	Develop business case to address improvement areas	R/A	R/A	C					

	SERVICE MANAGEMENT						
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)					
6.2.6	Raise Change Request (including business case components)	R/A	R/A	I			
6.2.7	Approve Change Requests	I	I	R/A			
6.2.8	Develop, maintain and report on continuous improvement plan	R/A	R/A	C			
Problem & Issue Coordination							
6.2.9	Provide common Incident Tracking System	I	R/A	I/C	I		I
6.2.10	Provide access to Incident Tracking System to Enbridge and Meter Reading	I	R/A	I	I		I
6.2.11	Proactively monitor Services for Incidents within the Service Category	R/A	R/A	I			R/A
6.2.12	Identify Incidents arising from Services within the Service Category	R/A	R/A	I			R/A
6.2.13	Assign a problem manager	R/A	R/A	I			R/A
6.2.14	Determine if Incident impacts other Service Categories	R/A	R/A	I			R/A
6.2.15	Inform problem manager(s) from affected Service Categories	R/A	R/A	I			R/A
6.2.16	Report all Priority 1 and Priority 2 Incidents to Enbridge Problem Manager or designate	R/A	R/A	I			
6.2.17	Problem manager to coordinate Incidents through to resolution with problem manager from other affected Service Categories	R/A	R/A	I			R/A
6.2.18	Track Incidents using a common issue tracking mechanism	R/A	R/A	I			R/A
6.2.19	Report all Priority 1 and Priority 2 Incidents to Enbridge Problem Manager or designate	R/A	R/A	I			R/A
6.2.20	Escalate Incidents in accordance with Incident Escalation Procedures	R/A	R/A	I			R/A
6.2.21	Conduct meetings to communicate resolution progress of issues/problems with Enbridge Problem Manager and Service Category Problem Managers	R	R	A			R
6.2.22	Track Incidents through to resolution	R/A	R/A	I			R/A
6.2.23	Close Incidents and record progress in problem/issue tracking system	R/A	R/A	I			R/A
6.2.24	Conduct root cause analysis for Priority 1 and Priority 2 Incidents	R/A	R/A	C			R/A
Change Control							
6.2.25	Define change control management policies	C	C	R/A			C

	SERVICE MANAGEMENT						
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)					
6.2.26	Follow agreed-to documented change control process	A/R	A/R	A/R	A/R		
6.2.27	Identify change control requirements	R	R	A	R		
6.2.28	Develop Change Orders	C	C	R/A	R/A		
6.2.29	Develop and issue Change Estimate	R/A	R/A	C	R/A		
6.2.30	Approve Change Order	I	I	R/A	I		
6.2.31	Develop Change Requests (identifying cost and impact of change)	R/A	R/A	C	R/A		
6.2.32	Approve Change Requests	I	I	R/A	I		
6.2.33	Test approved changes	R/A	R/A	I	R/A		
6.2.34	Notify affected stakeholders of change	R/A	R/A	I	R/A		
6.2.35	Implement change	R/A	R/A	I	R/A		
6.2.36	Verify change met objectives and did not have negative impacts	R/A	R/A	R/A	R/A		
6.2.37	Report results of change	R/A	R/A	I	R/A		
Business Case Development & Prioritization							
6.2.38	Identify business/process initiatives (e.g., changes to systems, process improvements, workflow automation etc.)	R	R	A			
6.2.39	Obtain the necessary data required to develop business case (i.e., financial inputs, qualitative factors, etc.)	R/A	R/A	C			
6.2.40	Develop business case	R	R	A			
6.2.41	Validate assumptions with stakeholders	R	R	A			
6.2.42	Revise business case if assumptions need to be changed	R	R	A			
6.2.43	Raise Change Request (including business case components)	R/A	R/A	C			
6.2.44	Approve Change Requests	I	I	R/A			
6.2.45	Prioritize Change Requests	R/C	R/C	A			
6.2.46	Implement Change Request	R/A	R/A	I			

	SERVICE MANAGEMENT							
#	Activities				Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support
					Stakeholders (R, A, C, I)			
6.3	Relationship Management							
	The activities involved in developing and maintaining relationships between New Service Providers							
6.3.1	Participate in Governance meetings				R	R	R/A	R
	Build SP-SP Relationships							
6.3.2	Identify key operational and management counterparts				R	R	R/A	R
6.3.3	Develop communication/interface processes				R	R	R/A	R
6.3.4	Conduct meetings with Service Category counterparts				R	R	R/A	R
6.3.5	Develop continuous improvements programs with Service Category counterparts				R	R	R/A	R
6.3.6	Manage and coordinate Incident resolution with Service Category counterparts				R	R	R/A	R
6.3.7	Conduct Enbridge/Service Provider Quarterly Relationship Survey				R/A	R/A	C	
6.4	Business Requirements							
	The activities involved in proactively anticipating business requirements							
	Business Requirements Definition							
6.4.1	Identify new business requirements				C	C	R/A	C
6.4.2	Operationalize business requirements				R/A	R/A	I	R/A
6.4.3	Utilize Change Control procedures				R/A	R/A	R/A	R/A
	Business Performance Management							
6.4.4	Work with Enbridge to understand business performance expectations				A	A	R/C	A
6.4.5	Identify business/process initiatives to align with business performance expectations				R/A	R/A	I/C	
6.5	Contract Conformance							
	The activities involved in maintaining contract conformance							
	Conformance with Terms & Conditions							

	SERVICE MANAGEMENT						
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)					
6.5.1	Track compliance with contract terms and conditions	R	R	R/A			
6.5.2	Document non-compliant areas	R	R	A			
6.5.3	Report non-compliance	R/A	R/A	R/A			
6.5.4	Escalate non-compliance through Governance	R/A	R/A	R/A			
6.5.5	Remedy non-compliance	R/A	R/A	R/A			
Contract Amendments							
6.5.6	Develop contract amendments	R/A	R/A	R/A			
6.5.7	Negotiate amendments	R/A	R/A	R/A			
6.5.8	Implement amendments	R/A	R/A	R/A			
6.5.9	Track amendments	R/A	R/A	R/A			
Contract Audit							
6.5.10	Audit Service Provider conformance to contract	I	I	R/A			
6.5.11	Develop and issue information requirements for Audit	I	I	R/A			
6.5.12	Collect data required to fulfill information requirements for Audit	R/A	R/A	C/I			
6.5.13	Provide assistance, data, documentation, access to Enbridge or designate to complete contract audit	R/A	R/A	I			
6.5.14	Document discrepancies and exceptions	I	I	R/A			
6.5.15	Prepare audit report	I	I	R/A			
6.5.16	Discuss discrepancies and exceptions with Service Provider management	C	C	R/A			
6.5.17	Develop resolution plan for discrepancies and exceptions	R/A	R/A	I/C			
6.5.18	Implement resolution plan	R/A	R/A	I			
6.5.19	Track resolution	R/A	R/A	I			
6.5.20	Report resolution progress	R/A	R/A	I			
Assets & 3rd Party Agreement Management							

	SERVICE MANAGEMENT							
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support			
		Stakeholders (R, A, C, I)						
6.5.21	Procure New Service Provider provided assets	R/A	R/A					
6.5.22	Manage and maintain New Service Provider provided assets	R/A	R/A					
6.5.23	Manage 3rd Party (subcontractor) contracts	R/A	R/A					
6.5.24	Monitor 3rd party (subcontractor) performance against contracts	R/A	R/A	I				
6.5.25	Manage and maintain Meter Reading assets and agreements on Enbridge's behalf as provided in Schedule 2.8.1 - EGD Provided Assets	R/A		I				
6.5.26	Raise requisitions for new Meter Reading assets	R		A				
6.5.27	Approve new Meter Reading assets and/or maintenance agreements	I		R/A				
Incentive and Service Level Remedy Framework								
6.5.28	Manage Incentive and Service Level Remedy Framework in accordance with Article 4 of the Agreement	R	R	A				
6.5.29	Calculate Penalties and/or Incentives periodically based on framework guidelines	R	R	A				
6.5.30	Include Penalties and Incentives in invoices with supported rationale	A	A	R				
6.5.31	Approve Penalties and Incentives			R/A				
6.5.32	Recommend changes to Incentive and Service Level Remedy Framework	R/C	R/C	A				
6.6	Policy & Procedure Development & Control							
	The activities involved in maintaining and ensuring adherence to strategies, policies & procedures.							
Workstation Hardware Configuration Requirements								
6.6.1	Maintain workstation and other technology	R/A	R/A					
Customer Care Strategy								
6.6.2	Develop Enbridge Customer Care Strategy		/	R/A				
6.6.3	Provide input, ideas for Enbridge Customer Care Strategy	R	R	A				
6.6.4	Review Enbridge Customer Care Strategy	R	R	A				

	SERVICE MANAGEMENT						
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)					
6.6.5	Identify changes to deliver Customer Care strategy	R	R	A			
6.6.6	Monitor progress against strategy	R	R	A			
	Policy, Procedure and Regulatory Compliance						
6.6.7	Manage and monitor Services to maintain compliance with Policies and Procedures and Regulatory Requirements	R	R	A			
6.6.8	Report Service Provider compliance with Regulatory Requirements	R/A	R/A	I			
6.6.9	Identify Regulatory Compliance reporting requirements		C	R/A			
6.6.10	Develop Regulatory Reports	R	R	A			
	Management of Documentation, Program Materials & Inventories						
6.6.11	Develop Program Materials	R/A	R/A	I			
6.6.12	Develop operating procedures manual	R/A	R/A	I			
6.6.13	Develop Technical Documentation (<i>Deletion Rejected by EGD - line deleted by Accenture</i>)		R/A	C/I			
6.6.14	Develop descriptions for each Service Category including assets, human resources, software licenses, hardware etc required for the ongoing delivery of the Services specifically related to the Service Category	R/A	R/A	I			
6.6.15	Develop Service Provider Equipment and Assets inventory and description	R/A	R/A	I			
6.6.16	Develop Third Party Software inventory and description	R/A	R/A	I			
6.6.17	Develop Service Provider Software and Owned Software inventory and description	R/A	R/A	I			
6.6.18	Develop inventory and description of all 3rd party arrangements	R/A	R/A	I			
6.6.19	Maintain Program Materials	R/A	R/A	I			
6.6.20	Maintain operating procedures manual	R/A	R/A	I			
6.6.21	Maintain Technical Documentation - (<i>Deletion Rejected by EGD - line deleted by Accenture</i>)	R/A	C/I				

	SERVICE MANAGEMENT						
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)					
6.6.22	Maintain descriptions for each Service Category including assets, human resources, software licenses, hardware etc required for the ongoing delivery of the Services specifically related to the Service Category	R/A	R/A	I			
6.6.23	Maintain Service Provider Equipment and Assets inventory and description	R/A	R/A	I			
6.6.24	Maintain Third Party Software inventory and description	R/A	R/A	I			
6.6.25	Maintain Service Provider Software and Owned Software inventory and description	R/A	R/A	I			
6.6.26	Maintain inventory and description of all 3rd party arrangements	R/A	R/A	I			
6.6.27	Maintain repository of policies and procedures	R/A	R/A	I			
6.6.28	Provide Program Materials, <i>Technical Documentation</i> and all other inventories and documentation to Enbridge	R/A	R/A	I			
6.6.29	Identify gaps in Program Materials, <i>Technical Documentation</i> -and other documentation and inventories	R/A	R/A	R/A			
6.6.30	Agree gaps as identified in 6.6.33	R/A	R/A	R/A			
6.6.31	Rectify gaps in Program Materials, <i>Technical Documentation</i> and other documentation and inventories	R/A	R/A	I			
Disaster Recovery Planning / Business Risk Planning & Monitoring							
6.6.32	Develop Disaster Recovery and Business Continuity Plans	R/A	R/A	I			
6.6.33	Validate that Disaster Recovery and Business Continuity Plans meet industry standards	R/A	R/A	I			
6.6.34	Communicate Disaster Recovery and Business Continuity communication and escalation contacts and procedures	R/A	R/A	I			
6.6.35	Review Disaster Recovery and Business Continuity plans with Enbridge	A	A	R			
6.6.36	Establish Disaster Recovery and Business Continuity test requirements and plans	A	A	R			
6.6.37	Review test plans	R/A	R/A	I			
6.6.38	Test Disaster Recovery and Business Continuity Plans annually or as agreed	R	R	A			

	SERVICE MANAGEMENT							
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support			
		Stakeholders (R, A, C, I)						
6.6.39	Communicate Disaster Recovery and Business Continuity Plan results	R/A	R/A	I				
6.6.40	Document Disaster Recovery and Business Continuity recovery procedures	A	A	R				
6.6.41	Update Disaster Recovery and Business Continuity plans	A	A	R				
6.6.42	Communicate disaster in accordance with Disaster Recovery plan	R/A	R/A	I				
Security Planning & Monitoring								
6.6.43	Establish security policies	I	I	R/A				
6.6.44	Report security violations	R/A	R/A	I				
6.6.45	Resolve security violations	R/A	R/A	I				
6.6.46	Facilitate internal and Enbridge audits	R	R	A				
6.6.47	Provide updates to security policies	I	I	R/A				
6.7	Operational Performance Management							
	The activities involved managing the Enbridge customer care operations and its New Service Provider(s)							
6.7.1	Participate in Periodic Service Reviews	R	R	A				
6.7.2	Update and maintain Reference Materials	R	R	A				
Integrated Service Level Development & Management								
6.7.3	Identify service levels that are common to all New Service Providers (integrated Service Levels)	R/A	R/A	R/A	R/A			
6.7.4	Update Integrated Service Levels in Schedule 2.2.B - SLAs	I/C	I/C	R/A	I/C			
6.7.5	Provide data required to report integrated Service Levels	R/A	R/A	I	R/A			
6.7.6	Coordinate with other Service Providers to deliver integrated Service Levels	R/A	R/A	I	R/A			
6.7.7	Monitor contribution to delivery of integrated Service Levels	R	R	A	R			
6.7.8	Manage integrated Service Levels	R	R	A	R			
6.7.9	Report challenges to delivering integrated Service Levels	R/A	R/A	I	R/A			

	SERVICE MANAGEMENT						
#	Activities	Meter Reading/ MRSP	Core	Enbridge	Other Service Providers - Application Support		
		Stakeholders (R, A, C, I)					
6.7.10	Identify resolution tactics to resolve non-performance of integrated Services Levels	R	R	A	R		
Individual Service Level Development & Management							
6.7.11	Measure Service Level performance against Schedule 2.2.B - SLAs	R/A	R/A	I			
6.7.12	Recommend improvements/changes to Service Levels as defined in Schedule 2.2.B - SLAs	R/A	R/A	C			
6.7.13	Report actual performance against Service Levels in Schedule 2.2.B - SLAs	R/A	R/A	I			
Scorecard Development & Management							
6.7.14	Develop Scorecard	R	R	A			
6.7.15	Recommend improvements/changes to scorecard	R	R	A			
6.7.16	Report actual performance against scorecard	R/A	R/A	I			
6.7.17	Work with other New Service Providers to achieve integrated scorecard indicators	R/A	R/A	I			
Demand Forecasting							
6.7.18	Obtain trends, historical data, indicators for future demand	R	R	A			
6.7.19	Prepare forecast using trends etc., to determine increase/decrease in volumes	R	R	A			
6.7.20	Determine impact on pricing as a result of forecasted demand	R/A	R/A	I			
6.7.21	Conduct monthly volume forecasting meetings	R	R	A			
6.7.22	Review forecast assumptions	C	C	R/A			
6.7.23	Approve forecast	R/A	R/A	C			
Capacity Planning							
6.7.24	Develop and maintain the capacity plan	R/A	R/A	I			
6.7.25	Provide capacity recommendations relating to changes in the environment	R/A	R/A	C			
6.7.26	Evaluate future business trends to forecast upcoming capacity requirements	R/A	R/A	C			
6.7.27	Provide business trends pertinent to capacity planning	I	I	R/A			

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
7.0	Set up new and maintain account records for LVB & Monthly Statement							
	Set-up new account record							
7.0.1	Provide the billing and meter reading cycle information to Company Customer Attachment Department		R/A			I		
7.0.2	Request a credit review for new customers in order to determine security requirements		R/A	C		I		
7.0.3	Request security deposit if required as per Company specified risk criteria		R/A	C		I		
7.0.4	Request customer identification information for billing and credit related customer contact purposes <i>as required</i>		<i>R/A</i>	C		R/A		
7.0.5	Update customer account information as required (names, rate codes, contact information, etc)		R/A	C		I		
	The activities involved in calculating the bill							
7.1.1	Receive customer meter reading data from EGD System Measurement application for large volume bill calculation		I			R/A		
7.1.2	Update rate changes and maintain rate table		I			R/A		
7.1.3	Verify that batch process is run nightly to calculate consumption, apply rate schedule, apply adjustments and create current bill		I			R/A		
7.1.4	Identify and flag account types for selected bill inserts (safety and rate notices)		I			R/A		

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT										
	Activities					Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
#						Stakeholders (R, A, C, I)					
7.1.5	Identify and Flag account types for selected on bill messages						I			R/A	
7.1.6	Manually review a sample of bills for reasonability						R/A			I	
7.1.7	Send a transaction to the General Ledger for the total dollar value of daily cyclical billing of large volume accounts						I			R/A	
7.1.8	Interface with Application Support for batch run, scheduling, and issue resolution						I			R/A	
7.1.8	Create daily file of customer bills to be printed						I			A	R
7.1.9	Post Manual Transactions to Large Volume Accounts						A			R	
7.1.10	For LVB, make adjustments based on corrections that are due to incorrect billing generated from system-based exceptions.						R/A			I	
7.1.11	Post Transactions for Contract Penalty Charges to Large Volume Accounts						A			R	
	Perform manual billing transactions as required including the support of large volume customers as a result of the Natural Gas Electricity Interface Review (NGEIR)						R/A			I	
7.1.12	Create daily file of monthly statement bills to be printed/ electronically presented						I			R/A	
7.1.13	Develop and update the monthly reading and billing schedule						R/A			C/I	
7.1.14	Upload and maintain the reading and billing schedule in CIS						I			R/A	
7.1.15											
7.2	Canada Post Standards										

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT							
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
#		Stakeholders (R, A, C, I)						
	The activities involved in gathering and maintaining mailing addresses according to Canada Post standards for bulk mailing rates							
7.2.1	Receive scheduled Canada Post postal code updates		I			R/A		
7.2.2	Produce reports to examine address accuracy		I			R/A		
7.2.3	Update large volume billing records with address corrections		A				R	
7.2.4	Produce and submit annual statement of accuracy (memo) to Canada Post		I			R/A		
7.2.5	Produce and submit daily statement of mailing with address accuracy percentage		R/A					
7.2.6	Pay the postage bill					R/A		
7.3	Refund Management - Large Volume							
	The activities involved in verifying, processing and issuing refunds							
7.3.1	Process customer request for refunds on active accounts		R/A			I		
7.3.2	For final account credits, verify transferability to new service address prior to refund decision		R/A			I		
7.3.3	Verify the accuracy of the credit (refund)		R/A			I		
7.3.4	Follow established authorization process		R/A			I/C		
7.3.5	Prepare a transaction in the Company customer information system to process a cheque		R/A					

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT										
#	Activities						Stakeholders (R, A, C, I)				
		Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support				
7.3.6		Cheque is issued by Company financial institution and sent to vendor for mailing to customer	R/A								
		Send an electronic refund file to the Company's financial institution	I			R/A					
7.4		Change of Ownership - Large Volume									
		The activities involved in processing customer move orders at the request of their lawyer and provide arrears and lien information									
7.4.1		Receive requests, sort by date and validate information, scan into vendor provided system	R/A			I					
7.4.2		Resolve issues where incomplete information is provided by contacting appropriate party	R/A								
7.4.3		Create a work request to transfer ownership, and update customer information (i.e., meter read, physical lock)	R/A								
7.4.4		Provide arrears and notification of title registrations to the vendor lawyer in writing	R/A								
7.4.5		Archive change of ownership requests (hard copies) for seven (7) years	R/A								
7.4.6		Discharge Enbridge Liens as required	R/A								
7.4.7		Prepare monthly summary of activity	R/A								
7.5		Bill Production and Delivery									
		The activities involved in Bill production and delivery - in English, French or Braille for paper or hosted eBilling services									

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
	Monthly Statement							
7.5.1	Send daily file of customer statement to be printed		I			R/A		
7.5.2	Send daily e-bill file to e-bill provider		I			R/A		
7.5.3	Print customer statement on bilingual forms daily		R/A					
	Provide inserts according to Billing Service Provider specifications to facilitate bill insertion (e.g. Insert weight, thickness, size, finish types, fold types, packaging, labeling etc.)		I			R/A		
7.5.4	Maintain inventory of Company provided inserts (safety and rate notices)		R/A					
7.5.3	Verify that each statement includes appropriate inserts in the envelope		R/A			I		
7.5.4	Extract sample of customer envelopes and review for reasonability (physical inspection prior to mailing)		R/A					
7.5.5	Manually stuff envelopes with special handling bills and appropriate inserts		R/A					
7.5.6	Affix appropriate postage on special handling bills		R/A					
7.5.7	Verify that bills includes appropriate bills messages		I			R/A		
7.5.8	Forward special handling bills to appropriate party for action		I			R/A		
7.5.9	Arrange delivery to Canada Post		R/A					
7.5.10	Create monthly report on bill delivery turnaround to Canada Post		R/A			I		
7.5.11								

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT										
#	Activities	Meter Reading/ MRSP					Stakeholders (R, A, C, I)				
		Billing, Billing and General Inquiries & Billing Administration					Collections Services				
		Emergency & Service Call Handling					Enbridge				
		Other Service Providers - Application Support									
7.5.12	Manage inventory of bill forms (bill forms, mailing envelopes and return envelopes)		R/A								
7.5.13	Maintain storage space for inventory of monthly inserts		R/A								
	Large Volume										
7.5.1	Send daily file of customer statement to be printed		I						R/A		
	Send daily e-bill file to e-bill provider		I						R/A		
7.5.13	Print customer bill on bilingual forms daily		R/A								
7.5.14	Maintain inventory of Company provided inserts (safety and rate notices)		R/A								
7.5.15	Verify that bills includes appropriate inserts in the envelope		R/A						I		
7.5.16	Verify that bill includes appropriate bill messages		R/A						I		
7.5.17	Extract sample of customer envelopes to manually review for reasonability (physical inspection prior to mailing)		R/A								
7.5.18	Manually stuff envelopes with special handling bills and appropriate inserts		R/A								
7.5.19	Affix appropriate postage on special handling bills		R/A								
7.5.20	Arrange delivery to Canada Post		R/A								
7.5.21	Create monthly report on bill delivery turnaround to Canada Post		R/A						I		

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT						
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
#		Stakeholders (R, A, C, I)					
7.5.22	Manage inventory of Large Volume bill forms (bill forms, mailing envelopes and return envelopes)		R/A				
7.5.23	Maintain storage space for inventory of monthly inserts		R/A				
7.6	Payment Processing						
	The activities involved in processing payments for all customers						
	Pre-authorized Debit Program (PAD) Administration						
7.6.1	Receive electronic file of authorized PAD applications from vendor sourced payment processing provider, and update to Company customer information system on a weekly basis		I				R/A
7.6.2	Prepare and transmit PAD file to Company's financial institution on a daily basis as per the billing schedule		I				R/A
7.6.3	Archive hard copies of customer PAD applications including void cheque based on statutory period for hard copy		R/A				
7.6.4	Resolve PAD applications that cannot be processed due to incorrect banking or account information		R/A				
	Resolve monthly PAD payment problems, including financial institution rejects regarding incorrect bank information, customer disputes and claims for reimbursement		R/A				
7.6.5	Comply with Canadian Payment Association (CPA) rules		R				A
7.6.6	Daily reconciliation of PAD amounts transmitted, to the financial institution		R				A
7.6.7							

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT											
#	Activities	Stakeholders (R, A, C, I)					Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
		Process payment file to update customer's account in the company customer information system on the due date.		I				I			R/A	
7.6.8		Reconcile bank deposit to PAD amounts processed to the Company customer information system daily		R/A				R/A			I	
7.6.9		Update customer account in the Company customer information system with any revised information (e.g., bank information, suspend/cancel/transfer service)		R/A								
7.6.10		Payment processing for Large Volume and Monthly Statement Accounts										
7.6..11		Retrieve customer payments from Company's Post Office Box		R/A								
7.6..12		Process contents of safety deposit lock box in the Company's financial institution		R/A								
7.6..13		Receive and approve payment file from payment processing vendor and post payments to customer accounts in Company's customer information system		I							R/A	
7.6..14		Receive and approve Unpostable payments from the payment processing vendor and manually post payments to Company's customer information system		R/A								
7.6..15		Reconcile payments received to payments posted in Company's customer information system		R/A							I	
7.6..16		Manage post-dated cheques using Company specified guidelines		R/A								
7.6..17		Manage returned cheques and PAD returns (e.g., NSF items) which have been identified as exceptions in CIS		R/A								
7.6..18												

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT							
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
#		Stakeholders (R, A, C, I)						
7.6..19	Resolve unpostable payments (e.g., incorrect account number)		R/A					
7.6..20	Follow up on payments that may have been incorrectly posted		R/A					
7.6..21	Communicate to Company's treasury department daily the dollar value transferred to the Company's bank account		R/A			I		
7.6..22	Reconcile bank deposits to payment files		R/A			I		
7.6.23	Manage payment exceptions which occur prior to posting. E.g. cheques with no account number, electronic payments with an invalid account number, or bank payments submitted with the customer portion of the bill		R/A					
7.6.24	Reconcile non-deposit payment files to deposits in the Bank Account		R/A					
7.7	Billing Exception Handling and Adjustments							
	Manage Billing Exceptions and Adjustments							
7.7.1	Work LVB system created billing exceptions in order to correct the bill (e.g., bill amounts exceeding tolerance thresholds, suspected faulty meters, locked meters reporting consumption, incomplete transactions, retroactive billings, etc.) and produce a corrected bill as required.		R/A					
7.7.2	Issue LVB work order request to obtain additional information (e.g., special meter reads, equipment verification, etc.) required to perform the steps in 2.10.2		R/A					
7.7.3	Update gas commodity contract renewal dates as required (Large Volume Accounts only)					R/A		

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT											
	Activities						Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
#							Stakeholders (R, A, C, I)					
7.7.4	Communicate with large volume customer (letter or call) results as required							R / A			I	
	Receive and complete all non- compliance adjustment requests from Strategic and Key Accounts. Advise Strategic and Key Accounts when request has been completed.							R/A			I	
7.7.5												
7.8	Security Deposit Administration - Large Volume											
	The activities involved in administering the security deposit program											
7.8.1	Reconcile and report total new security deposit monthly							R			A	
7.8.2	Calculate security interest and credit customer account per Company guidelines										R/A	
7.8.3	Issue tax receipts (T5)										R/A	
7.8.4	Apply security deposit credits to accounts according Company specified criteria										R/A	
7.8.5	Apply manual security deposit credits to accounts according Company specified criteria								R/A			
7.9	Billing & General Inquiries Call Management - Large Volume											
	The activities involved in responding to billing and general inquiries											
	Receive, confirm identify of customer, resolve, and respond to incoming customer calls, including performing the transactions using the Company provided system (e.g., revenue adjustments, change of ownership, Budget Billing Plan adjustments, etc.)							R/A			I	
7.9.1												

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT											
	Activities	Stakeholders (R, A, C, I)					Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
#												
		Provide required Telephony and Contact Handling Infrastructure to enable effective customer management as follows: ACD, IVR (<i>including virtual hold options</i>), CTI, 100% Call Recording, Skills Based Routing, Reporting, Contact Management and offering Post Call Customer Satisfaction Surveys to 100% of callers		R/A				R/A			C	
7.9.2		Effectively manage customers on hold as per the operational requirements (e.g., estimated wait time announcements, on-hold messaging including informational messages, (<i>including virtual hold options</i>), etc)		R/A				R/A			C	
7.9.3		Provide Knowledge Management functionality - Customer Care Business Processes		<i>R/A</i>							R/A	
7.9.4		Promote and sign up customers in various Company provided programs		R/A				R/A			C	
7.9.5		Capture inquiry resolution details in the Company provided customer information system (e.g., call disposition codes, free form details, etc.)		R/A				R/A			I	
7.9.6		Update customer information when the information on file has changed or is missing (i.e., Telephone numbers, names, contacts, postal codes)		R/A				R/A				
7.9.7		Escalate customer inquiries (if necessary) following Company specified escalation process		R/A				R/A			I/C	
7.9.8		Prepare regularly scheduled performance reports		R/A				R/A			I	
7.9.9		Hours of Operations - <i>M-F 8:00 AM-6:00 PM</i> (excluding public holidays)		R/A				R/A				
7.9.10												
7.10		Correspondence Management - Large Volume										
		The activities involved in processing all customer correspondence										

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT											
	Activities						Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
#							Stakeholders (R, A, C, I)					
	Receive, resolve, and respond to incoming customer correspondence via various channels - mail, email, web, and fax, including performing the transactions using the Company provided system (e.g., revenue adjustments, change of ownership, <i>Budget Billing Plan adjustments</i> , etc.)							R/A				
7.10.1								R/A				
7.10.2	Receive correspondence, sort by date and validate information, scan into service provider provided system							R/A				
7.10.3	Provide fulfillment service in order to mail company literature to customers upon request							R/A				
	Code and track correspondence through the investigation and resolution process (routing may occur between New Service Provider(s) and the Company) in the Company provided tracking system							R/A			I/C/R	
7.10.4	Capture resolution details in the Company provided customer information system (e.g., correspondence codes, free form details, etc.)							R/A			I	
7.10.5	Develop customer response form letter templates							<i>R/A</i>			<i>C/I</i>	
7.10.6												
7.10.7	Archive correspondence based on statutory period for hard copies							R/A				
7.10.8	Prepare monthly summary of activity							R/A			I	
7.11	Escalated Complaints - Large Volume											
	Manage and resolve escalated complaints											
7.11.1	Receive and record the escalated complaints							R/A			I	
7.11.2	Investigate the escalated complaints							R/A			I/C	

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT							
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
#								
		Stakeholders (R, A, C, I)						
7.11.3	Follow the established escalation process		R/A					
7.11.4	Resolve the complaint and provide feedback to the customer (written or verbal)		R/A			I/C/R		
7.11.5	Track details and resolution		R/A			I		
7.11.6	Provide monthly summary report		R/A			I		
7.12	Collection of Large Volume Accounts and Monthly Statements Accounts							
	The activities involved in collection of Large Volume and Monthly Statement Accounts							
Arrears determination and recovery planning								
7.12.1	Tabulate receivable amounts in each of the aging arrears categories on a monthly basis			R/A				
7.12.2	Develop collections strategies to achieve overall goals and objectives, and consider influencing factors (e.g., seasonal variations, economic conditions, rate changes, etc.)			R/A		C/I		
7.12.3	Conduct a monthly review of Large Volume Accounts where escalated action is required due to broken promises, no response, credit status change, etc. and determine next steps			R/A		C		
Active arrears collection								
7.12.4	Determine accounts which require collection action			R/A				

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT									
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support			
#		Stakeholders (R, A, C, I)								
7.12.5				R/A		I				
7.12.6				R/A						
7.12.7			C/I	R/A		C/I				
7.12.8				R/A						
7.12.9			I	R/A						
7.12.10				R/A						
7.12.11				R/A		C/I				
7.12.12				R/A		I				
Final arrears collection										
7.12.13				R/A		C/I				
7.12.14				R/A		I				
7.12.15				R/A		C/I				
7.12.16			C/I	R/A		C/I				

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT									
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support			
#		Stakeholders (R, A, C, I)								
7.12.17	Manage payment arrangements for final bills (Make, follow up, update)			R/A		C/I				
7.12.18	<i>Perform skip tracing services on returned mail</i>			R/A						
7.12.19	Recommend write-offs of specific accounts for approval and action by Company			R/A		C/I				
7.12.20	Recommend litigation of specific accounts for approval and action by Company			R/A		C/I				
7.12.21	Review results and make adjustments to campaigns			R/A		C/I				
7.12.22	Report collection performance and arrears statistics			R/A		I				
Special Handling and Field Collection										
7.12.23	Identify accounts requiring special handling (e.g., unusual activity on account)			R/A		C/I				
7.12.24	Issue work order to dispatch field collector to the customer premises for investigation			R/A		C/I				
7.12.25	Assess situation, and follow work order instructions			C/I		R/A				
7.12.26	Update work order with actions taken			C/I		R/A				
Collection of Bankruptcies, Insolvencies, and Receivership										

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT										
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support				
#		Stakeholders (R, A, C, I)									
7.12.27	Receive, sort and respond to all correspondence from customers, lawyers and trustees			R/A		C/I					
7.12.28	Transfer account into the name of the receiver			R/A		C/I					
7.12.29	Submit a Proof of Claim to the trustee as appropriate			C/I		R/A					
7.12.30	Negotiate settlements as per Company provided criteria			R/A		C					
7.12.31	Apply all disbursements, as received from bankruptcies			R/A							
7.12.32	Participate in settlement negotiation meetings with the trustee(s) as required			C		R/A					
7.12.33	Record action notes in the appropriate Company provided systems			R/A							
7.12.34	Provide notification to Company Large Volume Account representatives			R/A		I					
Collection of Power of Sale and Mortgagees in Possession											
7.12.35	Receive, sort and respond to all correspondence from mortgage holder (i.e., financial institution, or individual mortgage holder)			R/A							
7.12.36	Advise mortgage holder of arrears outstanding, service status, and options available (i.e., transfer of ownership, service activation, service disconnection), and initiate appropriate action including follow through to completion			R/A							

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT							
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
		Stakeholders (R, A, C, I)						
7.12.37		Record action notes in the appropriate Company provided systems			R/A			
7.12.38		Negotiate settlements as per Company provided criteria			R/A			
7.12.39	Participate in settlement negotiation meetings with the mortgage holder(s) as required			C		R/A		
7.13	Manage and Execute Service Disconnection for Non-Payment Accounts (Large Volume Accounts)							
	The Activities involved in determining and executing service disconnections for Key Accounts							
7.13.1	Determine accounts to be disconnected for non-payment			R/A				
7.13.2	Provide Company with service disconnection list for approval			R		A		
7.13.3	Provide written notification to accounts regarding pending disconnection 48 hours in advance			R/A				
7.13.4	Schedule service disconnection with the Company technician group (specialized technicians are required)			R		C/A		
7.13.5	Perform service disconnections and notify New Service Provider when complete	R		I		A		
7.13.6	Forward request for service disconnection to the Company			R/A		I		
7.13.7	Provide a monthly report of accounts that remain locked for non-payment			I		R/A		
7.14	Manage service reconnection (Large Volume Accounts) - Note: Physical service reconnection is performed by Company							

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT						
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
#		Stakeholders (R, A, C, I)					
	The activities involved in managing service reconnections						
7.14.1	Confirm that customer account is paid in full, including security deposit and applicable service charges			R/A			
7.14.2	Schedule a reconnection date with the customer			R/A		I	
7.14.3	Issue a work request for reconnection with the Company technician group (specialized technicians are required)			R/A		I	
7.14.4	Perform service reconnection and notify New Service Provider when complete	R		I		A	
7.14.5	Update and forward service reconnection completion information to Company			I		R/A	
7.15	Collection Agency Administration						
	The activities involved in managing the final bill portfolio assigned to third party collection agencies						
7.15.1	Rank and select appropriate agency(ies) to handle the final bills portfolio based on performance			R/A			
7.15.2	Manage agency(ies) performance			R/A			
7.15.3	Extract and submit final accounts to collection agency(ies) as per Company guidelines			A		R/I	
7.15.4	Maintain a log of account assignments with each agency			R/A			
7.15.5	Recall uncollected accounts and reassign to new agency as per Company guidelines			R /A		I	
7.15.6	Assist in response to claims against the Company / agency			R		A	

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT							
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support	
#		Stakeholders (R, A, C, I)						
7.15.7		Respond to complaints from customers regarding agency			R/A		I	
7.15.8		Approve agency documents and call scripts used to collect accounts			A		R	
7.15.9		Produce a monthly summary report of collection agency performance			R/A		I	
7.16	Call Management (Inbound and Outbound)							
	The activities involved in responding to collections inquiries							
	Receive, resolve, and respond to incoming customer calls, including performing the transactions using the Company provided system (e.g., payment arrangements, notice of payment, change of ownership, etc.)			R/A				
7.16.1	Receive outbound call file from Company			R/A				
7.16.2	Execute live agent and automated outbound campaigns for the purposes of collecting accounts based on reports and files from the Company 's Customer Information System.			R/A				
7.16.3	Provide required Telephony and Contact Handling Infrastructure to enable effective customer management as follows: ACD, IVR (<i>including virtual hold options</i>), CTI, 100% Call Recording, Skills Based Routing, Reporting, Contact Management, Predictive Dialer with direct transfer to live agent capability and sufficient outbound dialing capacity			R/A		C		
7.16.4	Effectively manage customers on hold (e.g., estimated wait time announcements, on-hold messaging including informational messages, (<i>including virtual hold options</i> , etc.)			R/A		C		
7.16.5								

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT						
	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support
#		Stakeholders (R, A, C, I)					
7.16.6	Provide Knowledge Management functionality			R/A		R/A	
7.16.7	Promote and sign up customers in various Company provided programs			R/A		C	
7.16.8	Capture inquiry resolution details in the Company provided customer information system (e.g., call disposition codes, free form details, etc.)			R/A		I	
7.16.9	Update customer information when the information on file has changed or is missing (i.e., Telephone numbers, names, contacts, postal codes)			R/A			
7.16.10	Escalate customer inquiries (if necessary) following Company specified escalation process			R/A		C/I	
7.16.11	Prepare regularly scheduled performance reports			R/A		I	
7.16.12	Hours of Operations - <i>M-F 8:00 AM-6:00 PM</i> (excluding public holidays)			R/A			
7.17	Customer Care Communication						
	Communicate new/changed information to Service Provider						
7.17.1	Notify service provider of any updates to standards, policies, practices, and general business environment		I			R/A	
7.17.2	Broadcast Company initiated communication to affected New Service Provider staff		R/A			I	
7.17.3	Deliver and explain updates to standards, policies, practices, marketing programs, and general business environment changes communicated by Enbridge to Service Provider employees. (See 7.17.1)		R/A			I	

	LARGE VOLUME & MONTHLY STATEMENTS BILLING, COLLECTION & CUSTOMER CONTACT											
#	Activities	Meter Reading/ MRSP	Billing, Billing and General Inquiries & Billing Administration	Collections Services	Emergency & Service Call Handling	Enbridge	Other Service Providers - Application Support					
		Stakeholders (R, A, C, I)										
7.17.4	Identify and report customer issue trends, and work collaboratively with the Company to develop solutions		R/A			I/C						
7.17.5	Communicate solutions approved by the Company (systems / process changes, train personnel)		R			A						



APPENDIX E Internal Interview Template

This section provides a sample of the template that was used to conduct internal interviews.

Interview Template for Customer Care Service Delivery Strategy Initiative

Date: _____

Name of Interviewee: _____ Department/Group Represented: _____

Name of Interviewer: _____

Context for interviews:

EGD's Customer care needs are evolving and EGD has embarked on an exercise to evaluate its existing Customer Care service delivery model and plan for the future. The purpose of this exercise is to ensure that EGD is positioned to effectively meet its future Customer Care, business and financial needs.

The objectives of this exercise are:

1. Understand the current scope and makeup of the customer care service delivery model
2. Understand the key measures (including costs)
3. Identify the current strengths, opportunities, weaknesses & challenges associated with various components of the customer care delivery model
4. Understand how things will change in the future
5. Develop recommendations for the future

The purpose of this interview is to better understand the business context of your group as it relates to Customer care service delivery and to solicit input to help achieve our objectives.

Guidelines for interviewees:

- Be prepared for the interview. Review interview questions in advance
- Provide specific examples where relevant
- Send interviewers relevant documentation that might be useful for offline review
- Recommended duration is 1.5 hours

Questions:

Your Department/Group

1. Could you provide some context around what your Department/Group does?
2. Do you consider yourself a client, part of the customer care business function, or indirectly provide services in support of the customer care business function?
 - a. Client – someone we provide a customer care service to, refer to question 3 Section A.
 - b. Supporter – someone who provides a service to the customer care business function, refer to question 3 Section B.
 - c. Customer care business personnel – Someone who is directly accountable for the delivery of customer care services, refer to question 3 Section C.
3. Reference the Context Diagram for specific services to be identified, for each service provided:

Question 3 - Section A - Client

- a. Questions around the current state:
 - i. What are the current services provided by Customer care to you?
 - ii. Please rank the top three priorities with respect to the customer care services we provide to you today?
 - iii. How well do we deliver on these priorities?
 - iv. What improvements can be implemented?

- b. Questions around the future state:
 - i. What services will you need in the future (new services or modified services)?
 - ii. Please rank the top three priorities with respect to the customer care services in the future?
- c. What are the relevant trends in industry that we should be paying attention to?
 - i. Customers of EGD's customer care services
 - ii. Services related to EGD's customer care business function
 - iii. Channels of service provisioning
 - iv. Delivery models
 - v. Supporting Technologies
 - vi. Regulatory Trends
- d. Are there any other comments that are relevant to the future planning of customer care?

Question 3 - Section B - Supporter

- a. What are the things that EGD does well with regard to delivery of customer care services?
- b. What are the areas we can improve on?
- c. What are the relevant trends in industry that we should be paying attention to?
 - i. Customers of EGD's customer care services
 - ii. Services related to EGD's customer care business function
 - iii. Channels of service provisioning
 - iv. Delivery models
 - v. Supporting Technologies
 - vi. Regulatory Trends
- d. How do you see the requirements to support EGD's customer care services changing in the future (scope, volume, demographics, etc)?
 - i. What will change?
 - ii. What should we do to respond to those changes?
- e. Are there any other comments that are relevant to the future planning of customer care?

Question 3 - Section C – Customer Care business personnel

- a. At the high level, what key activities does the service include?
- b. Do you know who the customers/consumers are of this service?
- c. Who provides the service?
- d. Do you know what the relevant measures are that can be used to evaluate effectiveness of the delivery of the service?
- e. Are you aware of where can we find information on the measures (targets and actuals)?
- f. Are you aware of any available industry benchmarks that we can compare ourselves against?
- g. Do you have any comments on the current state of how we deliver services:
 - i. What aspects of the service do we do well today?
 - ii. What aspects of the service can we improve on?
 - If so, how?
- h. Are you aware of any trends or emerging best practices associated with this service (internal and external)?
 - i. Customers
 - ii. Services provided
 - iii. Channels of service provisioning
 - iv. Delivery models
 - v. Supporting Technologies
 - vi. Regulatory Trends
- i. Do you have any comments on the future state of how we deliver services:
 - i. Are customer expectations changing?
 - ii. Will the nature of the service change in the future (over the next 5 years)?
 - If so, how?
 - iii. What should we do to respond to those changes?
- j. Do you have any other comments that are relevant to the future planning of customer care?



APPENDIX F External Interviews

The following 7 external consultants/consulting firms were interviewed as part of this process:

- Gartner
- Equaterra
- PA Consulting
- 1st Quartile Consulting
- Utilipoint
- Jon Brock (ex-Utilipoint)
- Everest

Below is a sample of the template that was used to guide the external interviews.

Questions for <Consultant>

Context:

EGD's Customer care needs are evolving and EGD has embarked on an exercise to evaluate its existing Customer Care service delivery model and plan for the future. The purpose of this exercise is to ensure that EGD is positioned to effectively meet its future Customer Care, business and financial needs.

The objectives of this exercise are:

1. Understand the current scope and makeup of the customer care service delivery model
2. Understand the key measures (including costs)
3. Identify the current strengths, opportunities, weaknesses & challenges associated with various components of the customer care delivery model
4. Understand how things will change in the future
5. Develop recommendations for the future

Questions for <Consultant>:

4. What are the relevant trends associated with customer care service delivery in the gas/electricity utility industry?
 - a. Customer demographics
 - b. Customer economics (credit worthiness, discretionary spend capacity)
 - c. Customer expectations
 - d. Nature of services provided
 - e. Channels of service provisioning
 - f. Delivery models (in sourced services, outsourced services, rationale for change, average outsourcing contract term)

- g. Who are the key outsourcing organizations in the utility space? What are the relevant trends in that industry?
 - h. Technologies (emerging technologies, declining technologies)
 - i. Regulatory trends
 - j. Other influencing factors that could impact customer care service delivery
5. What are the relevant measures that are used within the industry to gauge effectiveness of customer care service delivery?
- a. Is there a set of standard measures, if so, what are they?
6. Benchmarking information:
- a. What are the benchmark studies available that can be used by Enbridge?
 - b. What are some of the other utilities that we should be comparing ourselves against?
 - c. How reliable/comparable is the benchmark information that is available?
 - d. Who are the leading benchmarking companies for this industry?
7. What are the key strengths, weaknesses and challenges of similar utilities?
8. What are the emerging strategies being employed by other utilities across the globe in the area of customer care service delivery?

**STATEMENT OF PRINCIPLES, OBJECTIVES AND
OPERATING ARRANGEMENTS FOR THE
CONSULTATION PROCESS PERTAINING TO EGD'S CUSTOMER CARE SERVICE
ARRANGEMENTS**

I Background

1. As part of its EB-2006-0034 rate proceeding Enbridge Gas Distribution Inc. ("EGD") reached a complete settlement with the Intervenor with respect to its customer care costs for the period from January 1, 2007 through December 31, 2012. That settlement, and the financial consequences of it, were approved by the Ontario Energy Board ("OEB") in a Decision dated March 22, 2007 (which approved the Settlement Agreement between all parties) and in the EB-2007-0615 Rate Order (which approved the "trued-up" Customer Care and CIS Settlement Template).
2. The settlement in the EB-2006-0034 proceeding was reached as a result of an intense and productive consultative process, in which EGD worked with an Intervenor Steering Committee comprised of representatives of three active intervenors: Jay Shepherd (representing School Energy Coalition ("SEC")), Peter Thompson (then representing Industrial Gas Users' Association) and Robert Warren (representing Consumers Council of Canada ("CCC")).
3. After the OEB approval of the EB-2006-0034 Settlement Agreement, the members of the Steering Committee continued to receive information from EGD about the selection of EGD's customer care and CIS service providers (through ongoing Request for Proposal ("RFP") processes) and about the implementation of those services, and continued to advise EGD of their perspective and concerns about such matters. The Steering Committee was supported by Mario Bauer (then of TMG Consulting Inc.), who provided them with advice and assistance in respect of EGD's RFP processes and decisions.
4. EGD currently acquires the majority of its customer care services from third party service providers, primarily Accenture Business Services for Utilities ("Accenture"). Accenture was chosen as a result of a RFP process run by EGD in 2007, which process was explained in the EB-2006-0034 Settlement Agreement. The members of the Steering Committee were involved in reviewing and commenting upon EGD's RFP process that resulted in the selection of Accenture for customer care services.
5. The contracts under which these customer care services are purchased will reach their normal expiry dates on March 31, 2012.
6. EGD is currently in the process of determining how best to undertake customer care services for the period from April 1, 2012 through to at least December 31, 2017. EGD has instituted an internal process to develop a strategy for the performance of customer care services beyond March 31, 2012.

7. As part of its acquisition of customer care services beyond March 31, 2012, EGD will have to reach an agreement with Accenture for the provision of the existing customer care service arrangements for a period beyond the scheduled termination of those arrangements (because any transition will take place after that date), and may have to reach agreements governing the transition from the existing to a new customer care service provider, or potentially to EGD itself. All of those agreements will be referred to herein as the "Transition Agreements".
8. EGD has retained EquaTerra Inc. ("EquaTerra") to conduct a benchmarking study (the "EquaTerra Study") to determine the degree of competitiveness of its current customer care service agreement with Accenture.
9. EGD and the Intervenor believe that the interests of EGD and its ratepayers will be best served by having the consultative group continue to be involved in reviewing and commenting upon EGD's efforts to contract for obtain customer care services beyond March 31, 2012. In this regard, all parties agree that it is constructive to have the consultative group engaged throughout the process, so that any issues that may arise can be discussed and (potentially) addressed in a timely fashion.
10. The parties (EGD and the Intervenor) have agreed upon the following objectives, principles, operating arrangements and workplan/deliverables to guide the activities of the customer care consultative group in dealings related to the selection of and contracting with a customer care service provider to provide services beyond March 31, 2012.

II Objectives

11. To secure an agreement between EGD and the Intervenor, prior to an OEB hearing, on the following:
 - (a) That the process followed by EGD to determine whether to re-contract its customer care services with Accenture, or to proceed to an RFP process, or to repatriate customer care operations within EGD, was appropriate in the circumstances and conformed to recognized best practices.
 - (b) The prudence of EGD's decision to re-contract its customer care services with Accenture, or to proceed to an RFP process, or to repatriate customer care operations within EGD.
 - (c) If applicable, that the RFP process followed by EGD was appropriate in the circumstances and conformed to recognized best practices.
 - (d) The prudence of any required Transition Agreements.

(e) The prudence of EGD's customer care service arrangements for the period from April 1, 2012 through to at least December 31, 2017, including the project schedule, cost and spending.

12. To secure an agreement between EGD and the Intervenors, prior to an OEB hearing, that the process and methodology followed by EquaTerra in carrying out the EquaTerra Study was appropriate in the circumstances and conformed to recognized best practices.
13. If no agreement can be achieved between the Intervenors and EGD on the matters set out in paragraphs 11 and 12 above, then a clear understanding of the respective positions will be documented.

III Principles

14. What service provider EGD chooses, or if EGD chooses to perform such services itself, the process which EGD follows to undertake or acquire its customer care services, and the terms of the Transition Agreements, are ultimately up to EGD. EGD recognizes, however, that it will benefit from being provided with timely information about ratepayer groups' perspective and views in respect of these issues.
15. For Intervenors to be able to provide informed and meaningful information to EGD, and for parties to be able to reach the agreements contemplated in paragraphs 11 and 12 above, parties agree to accommodate the full two-way disclosure between EGD and the Intervenors and their independent expert/consultant, of all relevant information about and positions on customer care services and the processes used to acquire EGD's customer care services, the negotiation of the Transition Agreements, and of all information used in the preparation of the EquaTerra Study, including all raw material and any draft or interim reports.
16. The Intervenors and EGD believe that their respective interests are best served if:
 - (a) Intervenors have access to as much information as possible about the decisions described in paragraph 11 and about the EquaTerra Study.
 - (b) Intervenors have access to independent expertise, from an independent expert/consultant, to advise them with respect to the matters described paragraphs 11 and 12 above.
 - (c) Intervenors advise EGD of any material concerns which can affect the matters set out in paragraphs 11 and 12 above, so that EGD or EquaTerra, as the case may be, can implement remedial measures to the material concerns or communicate the rationale for business decisions regarding the material concerns.

17. The Intervenor and EGD will make their best efforts, acting in good faith, to resolve any differences they may have with respect to the matters listed in paragraphs 11 and 12 above.
18. Where EGD and the Intervenor cannot resolve their differences, they will make their best efforts, acting in good faith, to refine those differences with a view to reducing the time required to consider customer care services cost at any OEB hearing.
19. In the event that EGD and the Intervenor cannot resolve their differences, it is understood that EGD and the Intervenor will be at liberty to take whatever position they wish with respect to the matters listed in paragraphs 11 and 12 above.
20. EGD and the Intervenor acknowledge and agree that information and documentation provided to the consultative members and their independent expert/consultant will be confidential and commercially sensitive. The parties acknowledge and agree that the information and documentation disclosed to the consultative members and their independent expert/consultant, and related discussions, is to be treated in the same manner as if the information, documentation and discussions were exchanged in an ADR conference under the OEB's Rules of Practice and Procedure.

IV Operating Arrangements

21. The Intervenor has chosen a Steering Committee, consisting of Robert Warren (on behalf of CCC), Peter Thompson (on behalf of Canadian Manufacturers and Exporters ("CME")) and Jay Shepherd (on behalf of SEC), whose members will coordinate the activities of the independent expert/consultant and contact with EGD.
22. The Steering Committee has retained an independent expert/consultant, Five Points Consulting, LLC ("Five Points"), the company with whom Mario Bauer currently works, to advise the Intervenor on the reasonableness of EGD's decisions on the matters described in paragraphs 11 and 12 above.
23. EGD and the Intervenor acknowledge that Five Points has prior experience working with RFP processes in general and that Mario Bauer of Five Points does have prior work experience with EGD and the Intervenor.
24. The reasonable costs of Five Points will be paid by EGD, in accordance with normal commercial practices. The costs so paid will be recorded in a deferral account and will be recoverable, subject to OEB approval, in rates.
25. EGD will provide Five Points and the Steering Committee with full information about its decisions described in paragraph 11 above and about the EquaTerra Study.

26. EGD will pay the Intervenor, based on the OEB cost schedule, their reasonably incurred costs for participation in the consultation process, and those costs will be recoverable in rates, subject to the approval of the OEB. Intervenor will render invoices to EGD on a monthly basis, together with such accompanying material describing the nature of their work and the amount of time spent on that work, and will be paid according to normal commercial practice.
27. The costs so paid to Intervenor will be recorded in a deferral account and will be recoverable, subject to OEB approval, in rates.

V Work Plan and Deliverables

28. Set out below is a high-level outline of the activities comprising EGD's customer care service selection process.
- (a) Negotiations with current service provider to determine whether favourable terms can be reached for having Accenture re-contract with EGD to provide customer care services beyond March 31, 2012.
 - (b) Collaboration with EquaTerra to provide necessary information to assist in the preparation of the EquaTerra Study.
 - (c) Review and assessment of EquaTerra Study and results of negotiations with Accenture to determine whether to proceed to explore market options and/or repatriation of customer care activities back within EGD.
 - (d) As necessary, provide notice for extension of contract term for customer care services from Accenture, to permit RFP process and/or transition to new service provider.
 - (e) If appropriate, proceed to an RFP process for customer care services beyond March 31, 2012.
 - (f) Make decision about what party will provide customer care services beyond March 31, 2012, and negotiate and execute required contract documents.
29. As described herein, the parties expect that the Steering Committee and their independent consultant/expert will be provided with timely and comprehensive information about all of the activities set out above, in order to allow for the intervenors to provide EGD with their views as to the matters set out in paragraphs 11 and 12 above.
30. The Steering Committee's independent consultant/expert will prepare reports as required that will be provided to the Steering Committee, and then to EGD, setting out a review of the processes employed by EGD against industry standards and the

reasonableness of the decisions made or recommended by EGD, with assessments made as to the cost, risk, industry standards and overall best interest of EGD's ratepayers. These reports will include a review of potential concerns and will, as appropriate, assess EGD's anticipated customer care costs under any new arrangements against industry benchmarks.

31. The Steering Committee will make best efforts to ensure that reports from the independent consultant/expert along with the comments and positions of Steering Committee members about the matters set out in paragraphs 11 and 12 above are provided to EGD in a timely fashion, so that EGD has the benefit of this information at the time that any threshold decisions are made in the customer care service provider selection and contracting process.

EXPLANATORY NOTES RE. 2013 TEMPLATE

1. All of Enbridge's forecast costs and revenue requirement to provide CC and CIS services for the 2013 to 2018 period (except for bad debt, agent billing and collection and open bill costs) have been entered on the 2013 Template that is attached as Ex. A-2-2.
2. The constituent parts of the CIS and CC costs and revenue requirement for the 2013 to 2018 period that are included in the 2013 Template are discussed in the previous sections of this pre-filed evidence. These costs are entered in columns H to M of the 2013 Template.
3. Also included in the 2013 Template, in columns A to G, are the values previously approved by the Board for CIS and CC costs and revenue requirement for 2007 to 2012, which were contained in the "trued-up" 2007 Template. Enbridge does not seek any relief in respect of the 2007 to 2012 columns. These are included for reference purposes only.
4. Also included for reference purposes, as Ex. B-5-2, is a version of the 2013 Template that contains Enbridge's actual (and where appropriate Enbridge's forecast) costs over the 2007 to 2012 period.
5. As was the case with the 2007 Template, all the amounts in columns H to M of the 2013 Template (which relate to 2013 to 2018) have been summed together, to determine annual and overall revenue requirements for the years from 2013 to 2018. Certain of the "true-up" steps that were used in relation to the 2007 Template are not necessary in connection with the 2013 Template, because the parties have more complete information at this time.

6. Enbridge's total revenue requirement for CIS and CC services from 2013 to 2018 is \$758,127,734, which is the sum of boxes H16 to M16. That total revenue requirement has been placed into an amortization model that calculates, using an inflation factor of 1.7758% (which is the same as what was used in the 2007 Template), the Normalized 2013 Customer Care Revenue Requirement which is the number that, when adjusted for each year from 2013 through 2018, would allow the Company to fully recover the total revenue requirement for 2013 through 2018.
7. The resulting Normalized 2013 Customer Care Revenue Requirement amount is \$120,860,283.14. The annual CC/CIS revenue requirements for the remaining years until 2018 are as set out in row 22 of the 2013 Template, and range from \$120,860,283 in 2013 to \$131,979,425 in 2018.
8. Based upon Enbridge's projections of customer growth, the per customer revenue requirement for CIS/CC services would decrease over the 2013 to 2018 period, from \$58.67 per customer in 2013 to \$58.16 per customer in 2018.
9. Enbridge's expectation is that the annual CC/CIS revenue requirements for the years from 2013 to 2018, as set out in row 22 of the 2013 Template, would be treated separately within any next generation IR plan.

Comparison of actual and forecast 2007 to 2012 costs to proposed 2013 to 2018 costs

#	Category of Cost	A 2007A	B 2008A	C 2009A	D 2010A	E 2011	F 2012	G 2007-2012
CIS Related Categories								
1	Old CIS Licence Fee							Total
2	Old CIS Hosting and Support	\$19,350,434	\$19,611,155	\$14,108,849	\$0	\$0	\$0	\$53,070,438
2a	Incumbent (CWLPI) CIS Services being provided from January to March 2007							
3	New CIS Capital Cost @ Board Approved 36% Equity	\$0	\$0	\$950,000	(\$5,260,000)	\$25,890,000	\$24,910,000	\$46,490,000
4	New CIS Hosting and Support	\$0	\$0	\$1,923,502	\$6,334,638	\$6,512,008	\$7,569,610	\$22,339,757
5	CIS Backoffice (EGD Staffing)	\$0	\$60,000	\$776,037	\$2,585,936	\$2,679,030	\$2,767,438	\$9,868,441
6	SAP Licence Fees	\$0	\$0	\$683,519	\$2,047,285	\$2,131,224	\$2,212,210	\$7,074,238
7	SAP Modifications	\$0	\$0	\$0	\$1,274,000	\$0	\$0	\$1,274,000
Subtotal		\$19,350,434	\$19,671,155	\$18,441,907	\$6,981,859	\$37,212,261	\$37,459,258	\$139,116,874

Customer Care Related Categories								
8	Incumbent (CWLPI) Customer Care Services being provided from - January to March 2007	\$21,692,877	\$0	\$0	\$0	\$0	\$0	\$21,692,877
9	Customer Care Transition Service Provider Contract Cost - ABSU April, 2007 to Sept. 30, 2008	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	New Service Provider Contract Cost	\$46,525,654	\$64,972,145	\$67,933,444	\$68,741,772	\$ 69,967,590	\$ 71,774,632	\$389,915,237
10a	ACN, MTP & Collection Agency costs	\$32,064,293	\$45,244,952	\$47,288,442	\$47,195,632	\$ 46,291,488	46,928,238	\$265,013,025
10b	MET	\$6,347,295	\$8,702,351	\$8,870,583	\$9,085,778	\$10,105,630	\$10,294,409	\$53,386,046
10c	Postage	\$9,114,066	\$11,024,842	\$11,774,419	\$12,480,362	\$13,570,482	\$14,551,985	\$71,516,165
11	Customer Care Licences	\$2,629,584	\$2,478,932	\$1,797,851	\$1,710,495	\$1,310,495	\$1,360,294	\$11,287,651
12	Customer Care Backoffice (EGD staffing)	\$4,124,834	\$3,160,856	\$3,217,331	\$4,085,696	\$4,232,781	\$4,372,463	\$23,193,961
13	Customer Care Procurement Costs	\$0	\$980,000	\$980,000	\$980,000	\$980,000	\$980,000	\$4,900,000
14	Transition Costs - Consultants and ISP	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Transition Costs - EGD Staffing							

16	Total CIS & Customer Care	\$94,323,383	\$91,263,088	\$92,370,533	\$82,499,822	\$113,703,127	\$115,946,646	\$590,106,600
17	Number of Customers	1,836,718	1,876,290	1,909,827	1,941,221	1,983,990	2,021,109	11,569,156
Total Customer Care Only		74,972,949	71,591,933	73,928,626	75,517,963	76,490,866	78,487,389	450,989,726
Customer Care Only Cost/Customer		40.82	38.16	38.71	38.90	38.55	38.83	
Cust Care only Cost/Customer Annual Change %			-7%	1%	0%	-1%	1%	

H	I	J	K	L	M	N
2013P	2014P	2015P	2016P	2017P	2018P	2013-2018
						Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$25,420,000	\$24,380,000	\$23,320,000	\$22,320,000	\$21,310,000	\$20,260,000	\$137,010,000
\$7,781,559	\$7,995,552	\$8,237,417	\$8,486,599	\$8,743,318	\$9,007,804	\$50,252,248
\$2,858,763	\$2,947,385	\$3,047,891	\$3,151,824	\$3,259,301	\$3,370,443	\$18,635,607
\$2,296,274	\$2,378,940	\$2,471,957	\$2,568,610	\$2,669,043	\$2,773,402	\$15,158,226
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$38,356,596	\$37,701,876	\$37,077,264	\$36,527,033	\$35,981,662	\$35,411,649	\$221,056,081

\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$74,670,566	\$77,937,876	\$81,276,823	\$84,469,914	\$87,763,976	\$92,188,004	\$498,307,159
48,605,388.47	50,478,999.25	52,238,204.51	53,765,231.25	55,378,239.92	58,108,383.93	\$318,594,447
\$10,491,888	\$10,824,366	\$11,301,277	\$11,802,274	\$12,323,179	\$12,841,088	\$69,584,071
\$15,573,280	\$16,634,511	\$17,737,941	\$18,882,409	\$20,062,557	\$21,238,533	\$110,128,641
\$1,411,985	\$1,462,816	\$1,520,013	\$1,579,445	\$1,641,201	\$1,705,372	\$9,320,833
\$4,516,754	\$4,656,774	\$4,815,570	\$4,979,781	\$5,149,591	\$5,325,192	\$29,443,662
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0

\$118,955,902	\$121,759,343	\$124,689,670	\$127,556,172	\$130,536,430	\$134,630,218	\$758,127,734
2,059,959	2,100,317	2,142,191	2,185,464	2,229,173	2,269,074	12,986,178
80,598,306	84,057,466	87,612,405	91,029,139	94,554,768	99,218,569	537,071,654
39.13	40.02	40.90	41.65	42.42	43.73	
1%	2%	2%	2%	2%	3%	

1.77580%