



EB-2011-0226

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

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

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

PROCEDURAL ORDER NO. 2

Enbridge Gas Distribution Inc. (“Enbridge”) filed an application dated June 20, 2011 (the “Application”) with the Ontario Energy Board (the “Board”) under section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Sched. B, as amended, for an order or orders approving its Customer Care (“CC”) and Customer Information System (“CIS”) costs for 2013 to 2018. The Board has assigned file number EB-2011-0226 to the Application and issued a Notice of Application dated July 26, 2011 (the “Notice”).

The Board issued its Procedural Order No. 1 on July 28, 2011 in which it scheduled a number of events in the proceeding, including submissions on the Board Staff Proposed Issues List and a Technical Conference to be held on August 18, 2011.

The deadline for submissions on the Board Staff Proposed Issues List was August 3, 2011 and Enbridge had until August 5, 2011 to reply to any submissions. The Board

received no submissions on the Board Staff Proposed Issues List. The Board has determined that no revisions to the proposed issues list are required and it is therefore final. The Final Issues List is attached to this procedural order as Appendix "A".

The Board has been made aware that the timing of the Technical Conference presented a problem for some parties. The Board will therefore revise the date of the Technical Conference to begin on August 17 and continue on August 18 as required.

The Board has received requests from Accenture Business Services for Utilities Inc. and Ken Copeland. The Board will accept the requests and has revised the List of Intervenors, attached to this procedural order as Appendix "B".

For the purposes of this proceeding, the Board has determined that it will adopt the List of Intervenors approved in the most recent Enbridge rates proceeding, the 2010 Deferral Account and Earnings Sharing proceeding (Board File No. EB-2011-0008). Parties deemed eligible for an award of costs in the EB-2011-0008 proceeding shall also be eligible to claim an award of costs in this proceeding. Should the Board approve additional interventions as a result of parties responding to the Notice, these parties will be added to the List of Intervenors.

The Board recognizes that the processes scheduled in its procedural orders may already be underway at the time these parties are granted status. In these instances, the Board hereby directs Enbridge to ensure that such parties are provided forthwith a complete case record. The Board also directs that new parties may file interrogatories, in accordance with Procedural Order No. 1, even if the scheduled date for submitting interrogatories has passed. Interrogatory responses shall be filed by Enbridge no later than 5 days following the filing of such interrogatories. The Board expects Enbridge to manage and satisfy all parties' requirements for information. Enbridge must provide parties with timely and thorough answers to interrogatories throughout this process.

The Board makes provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. A technical conference will be held on **August 17, 2011** commencing at 9:30 a.m. in the Board's hearing room at 2300 Yonge Street on the 25th Floor. The technical conference may continue on **August 18, 2011** if needed.
2. The Final Issues List for the proceeding is attached as Appendix "A".
3. The List of Intervenors for the proceeding is attached as Appendix "B".

All filings to the Board must quote file number **EB-2011-0226**, be made through the Board's web portal at www.errr.ontarioenergyboard.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address.

Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available you may email your document to the BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file seven paper copies. If you have submitted through the Board's web portal an e-mail is not required. With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Colin Schuch at colin.schuch@ontarioenergyboard.ca and Senior Legal Counsel, Kristi Sebalj at kristi.sebalj@ontarioenergyboard.ca.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

DATED at Toronto, August 10, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX "A"
FINAL ISSUES LIST
EB-2011-0226

FINAL ISSUES LIST

Enbridge Customer Care & Customer Information System Costs

EB-2011-0226

1. Are the amounts proposed in the 2013 Template (Line 3) and identified as “New CIS Capital Cost @ Board Approved 36% Equity” appropriate for recovery?
2. Are the amounts proposed in the 2013 Template (Line 4) and identified as “New CIS Hosting and Support” appropriate for recovery?
3. Are the amounts proposed in the 2013 Template (Line 5) and identified as “CIS Backoffice (EGD Staffing)” appropriate for recovery?
4. Are the amounts proposed in the 2013 Template (Line 6) and identified as “SAP Licence Fees” appropriate for recovery?
5. Are the amounts proposed in the 2013 Template (Line 10) and identified as “New Service Provider Contract Cost” appropriate for recovery?
6. Are the amounts proposed in the 2013 Template (Line 10a) and identified as “ACN, MTP & Collection Agency costs” appropriate for recovery?
7. Are the amounts proposed in the 2013 Template (Line 10b) and identified as “MET” appropriate for recovery?
8. Are the amounts proposed in the 2013 Template (Line 10c) and identified as “Postage” appropriate for recovery?
9. Are the amounts proposed in the 2013 Template (Line 11) and identified as “Customer Care Licences” appropriate for recovery?
10. Are the amounts proposed in the 2013 Template (Line 12) and identified as “Customer Care Backoffice (EGD Staffing)” appropriate for recovery?
11. Are the amounts proposed in the 2013 Template (Line 23) and identified as “Total Customer Care Revenue by Year (including repayment of 2007 variance)” appropriate for recovery?
12. Is the proposed opening 2013 Rate Base amount of \$76.9 million for the CIS asset appropriate?
13. Is the annual adjustment factor (or inflation factor) of 1.77580% built into the 2013 Template appropriate?
14. Is it appropriate for the cost recovery to span two 6-year fiscal periods (2007-2012 and 2013-2018 as shown on the 2013 Template) when the economic life of the CIS asset is ten years?

15. Are the efficiency and performance measures that are built into the Accenture contract adequate and appropriate?
16. Are the efficiency and performance measures that are built into all the subject outsourced contracts, other than the Accenture contract, adequate and appropriate?
17. Is Y-Factor treatment of all of the subject costs appropriate in the next generation of the Board's Incentive Ratemaking?
18. Is the nature of the tendering process carried out adequate and appropriate in the circumstances?
19. Should any of the proposed costs be classified as Non-Utility costs?
20. Is the benchmarking of costs appropriate for use in the Board's assessment of the reasonableness of the costs?
21. Is the Application consistent with the 2007 Settlement Agreement in all material respects?
22. Is the Application consistent with the existing IRM mechanism and will it be applicable to the future IRM mechanism?
23. Is the rate class cost allocation methodology appropriate?
24. Are the customer bill impacts appropriate?

APPENDIX "B"

APPLICANT AND LIST OF INTERVENORS

EB-2011-0226

**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

August 10, 2011

APPLICANT

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EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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**Enbridge Gas Distribution Inc.
EB-2011-0226**

APPLICANT & LIST OF INTERVENORS

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August 10, 2011

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