



## NOTICE OF AMENDMENT TO A RULE

### RESIDENTIAL CUSTOMER SERVICE AMENDMENTS TO THE GAS DISTRIBUTION ACCESS RULE

BOARD FILE NO: EB-2010-0280

**To: All Natural Gas Distributors  
All Participants in Consultation Processes EB-2010-0280, EB-2007-0722,  
EB-2008-0313 and EB-2008-0150  
All Other Interested Parties**

**Date: October 14, 2011**

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The Ontario Energy Board (the "Board") has today issued amendments to the Gas Distribution Access Rule (the "GDAR") as indicated below, pursuant to section 44(1) of the *Ontario Energy Board Act, 1998* (the "Act").

#### **I. Background**

On June 29, 2011, the Board released a Notice of Proposal to Amend a Rule (the "June Notice") in which it proposed a number of amendments to the GDAR (the "Proposed Amendments"). The Proposed Amendments were designed to ensure that rate-regulated natural gas distributors ("Gas Distributors") maintain appropriate standards and practices for certain prescribed areas of customer service for their residential customers, and to ensure that they publish and comply with those standards and practices.

In response to the June Notice, the Board received written comments from six interested parties, consisting of three natural gas utilities and three ratepayer representatives. These comments are available for viewing on the Board's website at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca).

#### **II. Adoption of Proposed Amendments with Revisions**

The Board has considered all of the comments received and has determined that no material changes need to be made to the Proposed Amendments. However, in light of

the comments received, the Board has decided to make one revision to the Proposed Amendments regarding the coming into force date, which is described further below.

The Board has also made some minor corrections to sections 8.4 and 8.5 of the Proposed Amendments to specify that they apply only to rate-regulated gas distributors, as was the intent.

The residential customer service amendments to the GDAR as adopted by the Board (the “Final Amendments”) are set out in Attachment A to this Notice. Attachment B to this Notice sets out, for information purposes only, a comparison version of the Final Amendments relative to the Proposed Amendments.

### **III. Summary of Comments in Response to the June Notice and Identification of the Revision Adopted by the Board**

#### *1. Regulatory Approach*

As stated in the June Notice, the Board proposed to amend the GDAR by adding a rule requiring each Gas Distributor to develop a “Customer Service Policy” for its residential customers, and to comply with it, post it on its website and provide a copy to anyone requesting it. In the Board’s view, this less prescriptive approach will achieve the objectives of fairness and transparency and will ensure that Gas Distributors’ customer service-related standards and practices are enforceable by the Board.

Each of the stakeholders expressed general agreement with the less prescriptive approach proposed by the Board. In their submissions, the ratepayer representatives did, however, make some specific requests. Together with the Board’s responses, their requests are summarized as follows:

#### *(a) Stakeholder Consultation*

Section 8.5.1 of the Proposed Amendments requires a Gas Distributor to give advance notice to its customers of any change to its Customer Service Policy. One of the ratepayer representatives submitted that the Board should encourage the Gas Distributors to include stakeholders in the review and development of their Customer Service Policies. Another of the ratepayer representatives suggested that the Proposed Amendments be modified to include a rule requiring Gas Distributors to consult with stakeholders prior to revising their Customer Service Policies. In the Board’s view, Gas Distributors should not be required to enter into further negotiations or consultations with stakeholders prior to implementing, or making revisions to, their Customer Service Policies and, accordingly, no such revision to the Proposed Amendments will be made in this regard.

The Board further notes that it has mechanisms in place to monitor customer complaint trends and that this will enable it, in the future, to identify any potential

problem areas with the Gas Distributors' Customer Service Policies and to consider appropriate regulatory action. This type of complaint-driven approach is consistent with the Board's adoption of a generally less prescriptive approach to the regulation of Gas Distributors' customer service rules.

*(b) Use of Metrics*

One of the ratepayer representatives submitted that the Board should consider requiring Gas Distributors to develop and annually report quantitative and qualitative metrics in the areas (a) through (h) listed under section 8.1.2 of the Proposed Amendments. The Board does not agree to adopt the suggestion at this time. The Board may, in the future, consider whether Gas Distributors should be required to develop and annually report on Customer Service Policy-related metrics to the Board.

*(c) Waiver of Compliance*

A Customer Service Policy represents the baseline of a Gas Distributor's customer service-related standards and practices, which the Gas Distributor will be required to apply to all of its customers, subject to the exception in section 8.3.1 of the Proposed Amendments. This exception permits a Gas Distributor to waive a provision of its Customer Service Policy in favour of a customer or potential customer. One ratepayer representative suggested that each Gas Distributor be required to develop a guide for the exercise of its discretion to waive a provision of its Customer Service Policy so that all of its customers will have equitable access to such waivers. The ratepayer representative submitted that, unlike the Customer Service Policy, the guide could be more of a "living" document. The Board does not believe a rule to this effect can be practically implemented without defeating the objective of being less prescriptive. In the Board's view, such a requirement could actually reduce the Gas Distributor's ability to provide swift relief to its customers. The Board expects that a Gas Distributor is driven by business and operational realities in the implementation of its Customer Service Policies, which should result in relatively consistent treatments of similar situations.

*2. Timing of Amendments*

In the June Notice, the Board proposed August 31, 2011 as the coming into force date for the customer service-related amendments to the GDAR and advised that, as of that date, each Gas Distributor must have a compliant Customer Service Policy posted on its website and must conduct its business in accordance with that Customer Service Policy.

The Gas Distributors confirmed that they will amend their customer services policies but asked for more time to do so. The Gas Distributors indicated that they would be required to make significant changes to their current customer service systems, policies and procedures and that further staff training would be needed before the new policies

could be implemented. The Gas Distributors advised that they could not meet the proposed August 31, 2011 coming in to force date for posting their revised policies. Instead, they proposed to post their existing policies by September 30, 2011 and work on, and implement, a revised Customer Service Policy over the next 12-month period.

On September 30, 2011, Union and Enbridge each posted their existing customer service policies on their respective websites. Based on their web postings, Union plans to implement the revisions to its customer service policies by March 1, 2012, while Enbridge proposes to do the same by September 30, 2012.

Kitchener Utilities noted that while compliance with the GDAR amendments will be mandatory for the Gas Distributors, Kitchener Utilities has stated that it is prepared to voluntarily comply in a timely fashion with aspects of the proposed amendments to the extent that it can, given its unique situation relative to the larger Gas Distributors.

The Board acknowledges the gas utilities' comments insofar as the work that will be required to revise and implement new Customer Service Policies is not insignificant. The Board, however, does not find it appropriate for customers to wait a full year until they can receive the benefits of their respective Gas Distributor's improved Customer Service Policy. As a result, the Board has revised the Proposed Amendments by amending the final coming in to force date from August 31, 2011 to April 1, 2012. In the Board's view, the new coming in to force date gives Gas Distributors sufficient time to implement their revised Customer Service Policies.

#### **IV. Anticipated Costs and Benefits**

The Proposed Amendments to the GDAR will require each rate-regulated Gas Distributor to implement and publish a Customer Service Policy that is fair, transparent, and enforceable by the Board. As stated in the June Notice, the Proposed Amendments will provide greater protection and certainty for residential customers while giving the Gas Distributors an appropriate measure of flexibility to allow them to account for operational considerations. While the Board acknowledges that the Proposed Amendments will cause additional costs for the Gas Distributors, the Board believes that the benefits of the Proposed Amendments outweigh their costs.

#### **V. Cost Awards**

The Board will address cost claims for commenting on the June Notice following the conclusion of the entire EB-2010-0280 consultations.

#### **VI. Coming into Force**

As indicated above, the Final Amendments to the GDAR as set out in Attachment A to this Notice will come into force on April 1, 2012.

As of today, this Notice, including the Final Amendments to the GDAR as set out in Attachment A, will be available for public inspection on the Board's website at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca) and at the office of the Board during normal business hours.

Any questions regarding the Final Amendments to the GDAR as set out in Attachment A should be directed to the Market Operations Hotline at 416-440-7604 or [market.operations@ontarioenergyboard.ca](mailto:market.operations@ontarioenergyboard.ca). The Board's toll free number is 1-888-632-6273.

**DATED** at Toronto, October 14, 2011

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

Attachment:	Attachment A:	Final Amendments to the Gas Distribution Access Rule: Residential Customer Service Standards
	Attachment B:	Comparison Version Showing the Final Amendments to the Gas Distribution Access Rule Relative to the June 29, 2011 Proposed Amendments (for informational purposes only)