



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

February 4, 2020

VIA E-MAIL

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
Toronto, ON

Dear Ms. Long:

**Re: EB-2019-0194 – Enbridge Gas Inc. (EGI) Phase 2 ICM & E-Billing
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the interrogatories of VECC to the HVAC Coalition in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner
Consultants for VECC/PIAC

Copy:
EGI Regulatory
EGISRegulatoryProceedings@enbridge.com

REQUESTOR NAME **VECC**
TO: **Enbridge Gas Inc. (EGI or Enbridge)**
DATE: **February 4, 2020**
CASE NO: **EB-2019-0194**
APPLICATION NAME **2020 Rates – Phase 2 ICM/E-billing**

ICM

VECC-1

Reference: Exhibit B, Tab 2, Schedule 1, page 23

- a) On October 15, 2019 Enbridge made a request to vary its order in EB-2018-0108 approving a leave-to-construct for the Don River Replacement Project. Has the Board approved that request?
- b) Please explain what specific provisions of the Board's EB-2018-0108 Order Enbridge is seeking to vary.

VECC-2

Reference: EB-2018-0108, Exhibit D, Tab 1, Schedule 1, page 1

The following construction schedule was provided for the Don River Replacement Project at the above reference:

1. The proposed construction schedule is as follows:

- Expected LTC Approval December 2018
- Receipt of Permits and Approvals December 2018
- Commence Construction January 2019
- Completion of Construction September 2019
- Completion of Reinstatement October 2019
- Final Inspection December 2020

- a) Please provide the actual construction schedule with a short explanation as to the reason for any significant time variances from the original schedule as shown.

VECC-3

Reference: Exhibit B, Tab 2

- a) Enbridge filed for leave-to-construct the Don River Replacement Project on July 18, 2018. Board approval of that application was given November 29, 2018. The project was originally forecast to be completed within 2019. The ICM request was not made until October 8, 2019. Given these timelines it is clear that the project was part of the 2019 capital budget making Enbridge's request post facto rather than, as the ICM policy contemplates, anticipatory. Furthermore, the Board declined to provide ICM treatment for this project in the project EB-2018-0305. Given these facts please explain what circumstances have changed which support a change in the Board's prior decision.

VECC-4

Reference: EB-2018-0108, Exhibit D, Tab 2, Schedule 1, page 1

The following table was provided in EB-2018-0108 for the construction costs of the Don River Replacement project:

TOTAL ESTIMATED PROJECT COST

<u>Item No.</u>	<u>Description</u>	<u>Cost</u>
1.0	Material Costs	\$710,107
2.0	Labour Costs	\$17,060,285
3.0	External & Regulatory Costs	\$860,000
4.0	Land Costs	\$301,000
5.0	Overhead Costs	\$759,000
6.0	Contingency Costs	\$5,907,147
7.0	Total Project Cost	\$25,597,539

Source EB-2018-0108 Exhibit D, Tab 2, Schedule 1, page 1 2018-07-04

- a) Please update this table to show the actual costs.
b) For each category please explain the reason(s) for any material variance.

VECC-5

Reference: Exhibit B, Tab 2, Schedule 1, page 15

- a) Please confirm that EGI has not been granted leave to construct the Windsor Line Replacement (EB-2019-0172).
- b) Does Enbridge agree that the “need” for the Windsor project is provided by the Board in the approval (or not) of the leave-to-construct application? If not please explain what regulatory purpose the LTC application serves.

VECC-6

Reference: Exhibit B, Tab 2, Schedule 1, page 15 &
EB-2019-0172 Exhibit C, Tab 4, Schedule 1.

The following table was provided with respect to the Windsor Line Replacement project in EB-2019-0172.

TOTAL ESTIMATED PROJECT COSTS				
Windsor Line Replacement	Mainline	Stations	Services	Total
Materials	\$4,164,000	\$1,572,000	\$133,000	\$5,869,000
Construction and Labour	\$62,521,000	\$9,031,000	\$2,515,000	\$74,067,000
Contingencies	\$9,975,000	\$1,591,000	\$397,000	\$11,963,000
Interest During Construction	\$725,000	\$120,000	\$0	\$845,000
Estimated Incremental Project Capital Costs	\$77,385,000	\$12,314,000	\$3,045,000	\$92,744,000
Indirect Overhead	\$11,729,000	\$1,866,000	\$466,000	\$14,061,000
Total Estimated Project Capital Costs	\$89,114,000	\$14,180,000	\$3,511,000	\$106,805,000

- a) Please confirm (or modify as necessary) that these are the current cost estimates for the Windsor Line Project.

VECC-7

Reference: Exhibit B, Tab 2, Schedule 1, page 15, Table 7

- a) Enbridge footnotes Table 7 stating : “*The total project in-service capital amount was reduced so that the total project ICM funding request did not exceed the maximum eligible incremental capital from Table 6.*” It is unclear to us what is being said here. Please explain why is the ICM funding request differs from the Total Project In-service amount as shown in Table 7.

VECC-8

Reference: Exhibit B, Tab 2, Schedule 1, Appendix A, page 3, Table E

- a) For the EGD rate zone please explain the reason(s) for the extraordinary amount of main replacement budgeted for 2022 (\$244.2 million as compared to approximately \$19 million spent on average in the 2014-2018 period).
- b) During the historical period 2014 through 2018 Enbridge spent on average \$100m in system renewal capital projects. In 2020 the same category of spending attracts \$160.8 million in spending and this trend continues to increase over the remaining five years. Please explain the reasons for this extraordinary increase in this category of capital spending.

VECC-9

Reference: Exhibit B, Tab 2, Schedule 1, Appendix A, page 3, Table F

- a) Similar to the EGD rate zone, in the Union rate zone system renewal capital expenditures are forecast to more than double from 2018 to 2020 (\$102.5M as compared to \$206.9M respectively). What are the drivers for the extraordinary increase in the average system renewal spending in the 2020 through 2023 period as compared to the prior historical years of 2014 through 2018?

VECC-10

Reference: Exhibit B, Tab 2

- a) What specific projects in the two rate zones would Enbridge be unable to complete in 2020 if the Board were not to approve the two ICM proposals.

E-billing

VECC-11

Reference: Exhibit B, Tab 3, Schedule 1, page 6

- a) Prior to the new policy was it Enbridge's policy to provide a customer with a paper bill? If yes, during that time how could a customer select an e-bill option.
- b) If a customer phones Enbridge to start a new account how are they billed?
- c) Is there a charge for new accounts that is waived if the account is set up on-line?
- d) Is it Enbridge's policy to not make a surcharge for paper bills?
- e) If yes, please explain how the change in billing delivery default policy has been communicated to Enbridge customers.
- f) Can a customer who receives an e-bill make payment by regular mail (i.e. by cheque?). If yes please explain how and where this explained to the customer (for example where is the billing address shown).

VECC-12

Reference: Exhibit B, Tab 3, Schedule 1

- a) Did Enbridge receive explicit approval from any and all customers previously on paper bill and for whom it has since changed to e-billing?
- b) Whom within Enbridge approved the policy to convert customers on paper bills to e-billing without the customers explicit consent?
- c) Enbridge explains that its move to mandate e-billing is based on customer preference. If this is so then why do some customers continue to use paper bills?

VECC-13

Reference: Exhibit B, Tab 3, Schedule 1

- a) Has Enbridge every offered incentives or had promotions to attract customers to e-billing?
- b) If yes, please explain what promotions it has undertaken in the last three years and the number of customers in each year that converted to e-billing as a result of those promotions.

VECC-14

Reference: Exhibit B, Tab 3, Schedule 1

- a) Please provide the Committee or other decision briefing/presentations that were provided to the approval body of the new e-bill policy.
- b) Does the e-billing policy apply to both Union and EGD rate zones?

VECC-15

Reference: Exhibit B, Tab 3, Schedule 1, pages 18-

- a) Please explain all the ways in which an Enbridge customer might provide an email address to the Utility.
- b) What due diligence did Enbridge do in order to ascertain that an email provided to the Utility during a different unrelated transaction was suitable to be used for billing purposes?
- c) Since the start of the new policy how many customers to date has Enbridge converted to e-billing as a result of this policy? Please distinguish by EGD and Union rate zones.
- d) Of the total in c) how many of the customers converted have been mailed notice that they were being converted to e-billing?
- e) Please provide a sample copy of the letter provided to customers who were involuntarily converted to e-billing.
- f) When a customer provides an email address for a purpose other than to explicitly and voluntarily change to e-billing how are they informed that having provided an email address they will now be put on e-billing?
- g) What was the date of the start of the new policy which converted customers with email address to e-bills?

VECC-16

Reference: Exhibit B, Tab 3, Schedule 1, pages 3 – 9

- a) At the above reference Enbridge discuss and cites a number of behavioral and secondary customer preference studies. Did Enbridge engage any expertise outside of the Utility to determine its customers preferences?
- b) If yes, please provide their report(s).
- c) Other than the antidotal and third-party reports reference in Exhibit B what specific customer surveys or other quantitative analysis did Enbridge undertake on the revised policy prior to its implementation.

VECC-17

Reference: Exhibit B, Tab 3, Schedule 1, page 9 -

- a) Please provide the CX program business program materials including any documents provided the CEB Inc.
- b) If yes, please provide their report(s).
- c) What billing payment program conversions has CEB Inc. been involved with prior to their engagement with Enbridge?

VECC-18

Reference: Exhibit B, Tab 3, Schedule 1, page 13 –

Enbridge Gas established four primary metrics to track progress and measure the success of its CX Program:

- i) Call reduction of 20% by year 3;*
- ii) Work automation increase of 20% by year 3;*
- iii) Increase in eBill adoption to 50% by year 3; and,*
- iv) Increased customer satisfaction.*

- a) What was the date when Enbridge established the four metrics listed above?

VECC-19

Reference: Exhibit B, Tab 3, Schedule 1,

- a) Please provide the number of late payment notices issued for each of the past 24 months (to present).
- b) For the past 24 months to present Please provide the number of contacts (email and telephone) to Enbridge which were related to either
 - late payment charge complaint
 - no bill received complaint
 - bill delivery or bill format change complaint

VECC-20

Reference: Exhibit B, Tab 3

- a) Please confirm that no representative of Enbridge has ever claimed to any customer that they are, or will be in the future, be required to use e-billing.
- b) Please confirm that Enbridge has at all times represented that paper bills will be provided if requested and at no additional cost.
- c) Please confirm that any and all customers who did not provide explicit consent to be changed from paper to e-billing and who subsequently complained about a late payment charge were refunded any and all penalties. (that is are the 8,482 Enbridge and 2,968 Union zone customers the sum of all complainants with respect to late payment who were converted e-bill customers)?

VECC-21

Reference: Exhibit B, Tab 3, Schedule 1, Appendix A, page 13

- a) Is the web page shown at page 13 the only page on which to choose type of bill delivery?
- b) The reference web page does not appear to show an option to receive a paper bill. Please confirm this is correct or explain how one choose a paper bill home delivery option from this (or some other) page.

VECC-22

Reference: Exhibit B, Tab 3, Schedule 1, page 24

- a) Please explain more fully the meaning of "*challenges in April and May of 2019 relating to the direction of payments to the appropriate legal entity.*"
- b) What is the evidence that the drop in customer satisfaction in early 2019 was the result of the Union-Enbridge branding change as opposed to the e-billing policy change – or some other factors?

VECC-23

Reference: Exhibit B, Tab 3, Schedule 1, page 1

At the above reference Enbridge makes the following statement: "*As indicated in the Settlement Proposal, Enbridge Gas believes that its change in practice is appropriate and does not believe that any Board approval was or is required.*"

- a) Please clarify. Is it Enbridge's position that Board approval is not required to change the default billing method (paper delivered or electronic)? If so, in addition to bill delivery, is it also Enbridge's position that the Board may not order the acceptable methods of bill format or the method of payment (e.g. cash, cheque, e-transfer etc.)?
- b) If it is Enbridge's position that the Board does not have the jurisdiction to establish conditions with respect to the Utility's billing practices please provide the basis of that opinion. Specifically, please address the relevance (or not) of **Enbridge Gas Distribution Inc. v. Ontario (Energy Board) (2005), 74 O.R. (3d) 147, (2005), 193 O.A.C. 180 Ontario Court of Appeal** and the Board's Decision in Enbridge Gas Distribution EB-2005-001/EB-2005-0437 where the Board stated in part:

DEEHS submitted that the Board does not have the jurisdiction to make an order or grant remedies concerning billing arrangements related to non-commodity services and products. To the contrary, in the Board's view, Enbridge must maintain and demonstrate effective control over its billing and any sharing which takes place on the bill it uses. **The Board does have jurisdiction over the regulated activities of Enbridge, including how Enbridge charges for its services and its billing arrangements. This view has been upheld by the Court of Appeal in its September 2004 decision regarding the Gas Distribution Access Rule.** The contractual relationships may have been organized such that Enbridge does not provide the billing services directly; it purchases the service from CWLP. However, this is essentially a utility bill. (page 64 – emphasis added)

- c) If it is Enbridge's opinion that the Board does not have jurisdiction in the matters of the form and means of billing and payment then why has Enbridge agreed to put the matter before the Board in this proceeding?

End of document