

ENBRIDGE GAS EBILL PRACTICES

1. On November 28, 2019, Enbridge Gas filed a Settlement Proposal regarding Phase 1 of this proceeding. The Board approved the Settlement Proposal on December 5, 2019.
2. The Settlement Proposal explained that Enbridge Gas changed its eBill practices in 2019 to make eBill the default billing method for new customers and to switch existing paper bill customers who, for any reason, had previously provided an email address to the Company to eBill without prior specific consent on their part. 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. Other parties disagree with Enbridge Gas's position. The Settlement Proposal indicates that any disputes related to Enbridge Gas's eBill practices should be included in Phase 2 of this proceeding. The parties to the Settlement Proposal agreed to a number of interim measures to be implemented until such time as the Board issues a decision on Enbridge Gas's eBill practices. The parties specifically agreed that the implementation of the interim measures should not be interpreted as agreement by any party, including Enbridge Gas, that any such item is appropriate or necessary on an ongoing basis.
3. In order to assist the Board in its review of Enbridge Gas's eBill practices, the Settlement Proposal included the following:

Enbridge Gas agrees to file evidence with the OEB about its e-bill practices, including description of what changed in 2019, and the impacts of that change in terms of customer adoption and customer reaction.¹

4. As outlined in the evidence that follows, Enbridge Gas's eBill practices in 2019 formed a foundational component of a broader transformation in customer experience which has delivered and will continue to deliver added value to customers through innovation, improved customer service and reduced costs. This shift in customer experience is consistent with changing consumer expectations, leading-edge consumer research and customer service practices across other relevant industries. Customers have responded positively to this change and relevant business metrics indicate Enbridge Gas has been successful thus far in both improving customer service and reducing costs. In administering its customer experience transformation and 2019 eBill practices, Enbridge Gas has continued to respect the wishes of customers, providing choice where the use of eBill and other electronic mediums was not satisfactory to them. Enbridge Gas is confident the evidence provided here will demonstrate the value and appropriateness of continuing its current approach to serving customers.
5. Beyond a desire to innovate, improve customer service and reduce costs, Enbridge Gas submits that expansion of its eBill and myAccount platforms are an expectation of the Board. In its Notice of Proposal to Amend Codes and a Rule, specifically amending the Gas Distribution Access Rule ("GDAR") to implement Customer Service Rules for gas distributors, the Board stated "Utilities are also expected to explore other opportunities for cost savings such as expansion of e-billing, enhanced and timely communication with customers, and improved

¹ EB-2019-0194, Exhibit N1, Tab 1, Schedule 1, page 12

collection processes.”² Enbridge Gas’s approach to customer service, including eBilling, myAccount and a variety of notification and channel options to improve customer communications, are in line with the Board’s stated expectations.

6. The following evidence sets out Enbridge Gas’s eBill practices, including:
- i) an overview of changes in consumer preferences, customer service technology, and industry practice;
 - ii) an overview of Enbridge Gas’s customer experience program as completed in 2019;
 - iii) a description of what changed with respect to eBill practices in 2019;
 - iv) a description and data relating to customers’ reaction to eBill changes made in 2019;
 - v) an overview of the financial benefits of Enbridge Gas’s customer experience program and eBill practices; and,
 - vi) a description of Enbridge Gas’s future plans in this area.

Changes to Consumer Preferences, Customer Service Technology and Industry Practice

7. Customer service has evolved dramatically over the past decade as the number of internet or mobile-based self-service options available has increased dramatically, as has consumers’ use of these services. Though Enbridge Gas

² EB-2017-0183, Notice of Proposal to Amend Codes and a Rule, December 18, 2018, page 42

does not compete with leading service organizations in other sectors, customers' expectations are shaped by their experiences working with providers of other goods or services. Whether the experience relates to a simple task (e.g. making a payment) or a more complex one (e.g. resolution of an appliance infraction tag) customers expect companies such as Enbridge Gas to innovate and leverage modern and convenient channels which limit the valuable time customers must take out of their day.

8. Given customers' evolving expectations, Enbridge Gas has been working to shift as many interactions as possible away from traditional channels (i.e. phone calls, paper bills, letters) to a consumer-centric digital experience (i.e. myAccount, email, text, chat, social media). Prioritizing the use of modern channels of communication is critical to creating an optimal customer experience in line with consumer expectations, as well as driving long-term value for ratepayers by reducing Enbridge Gas's cost-to-serve.
9. Enbridge Gas has sought to innovate and better serve customers through its myAccount platforms that are offered to customers. As will be described in more detail below, the recently enhanced solutions for customers in both legacy utility rate zones (EGD and Union) offer a variety of enhancements to service over a conventional paper bill. Customers can choose to receive their bill directly as an attachment or login to their account to view. They can receive a variety of reminders on due dates to ensure payments are not missed. Beyond that, myAccount offers customers a wealth of information about energy usage, rates, along with all account information and transaction history. Beyond these basics, Enbridge Gas uses these electronic channel options to deliver energy efficiency programs and offer innovative tools like a simple home energy audit. All of these

tools and conveniences help to better serve customers and improve their energy literacy and ability to shape their own consumption. Enbridge Gas will continue to develop strategies that increase myAccount adoption to all customers.

Attached to this evidence as Appendices A and B are a series of screenshots showing the options available to customers in the EGD and Union rate zones using myAccount.

10. Evolving consumer preferences, particularly internet use and digital literacy, have also permeated demographics which previously showed slower uptake of new and innovative communication channels. Specifically, internet use among individuals 65 or older grew from 40% to 48% from 2010 to 2012.³ More recently however, Statistics Canada found that internet use among individuals aged 65 to 74 rose from 65% in 2013 to 81% in 2016, with internet use by individuals over the age of 75 rising from 35% to 50% over the same time period.⁴ Enbridge Gas expects these trends have continued since 2016, and will carry forward into the future.

11. Enbridge Gas's approach to eBill is rooted in the field of behavioural economics; specifically the importance of changing the default option to drive a proactive change in behaviour among customers.⁵ In this field the default option can be

³ CRTC, Results of the Fact Finding Exercise on Fees for Paper Bills, July 23, 2014, page 7, <https://crtc.gc.ca/eng/publications/reports/rp140723.pdf>

⁴ Statistics Canada, Life in the Fast Lane: How are Canadians Managing? (2016), Components of catalogue no. 11-001-X, November 14, 2017, <https://www150.statcan.gc.ca/n1/en/daily-quotidien/171114/dq171114a-eng.pdf?st=STceLzrV>

⁵ Of particular relevance is the book "Nudge", written by Nobel Prize winning economists Richard Thaler and Cass Sunstein. The key area of theory that applies to Enbridge Gas's eBill approach is Choice Architecture and how options are presented to customers.

defined quite simply as the condition that will occur if a customer does nothing. Historically Enbridge Gas's default option has been the provision of a paper bill.

12. Research shows that default options have tremendous impact on customer behaviour⁶. Use of this technique to improve outcomes for consumers and society has demonstrated success in a variety of sectors; from organ donation⁷ to savings and investment⁸. Research demonstrates that most people simply select the path of least resistance; the default option⁹.
13. Of relevance to Enbridge Gas's eBill practices is the importance of consciously shaping the default option rather than continuing past business practice without consideration of evolving customer expectations and industry trends. Where a more optimal option exists, transitioning the existing default option to a new, more optimal option is one of the most effective methods available to achieve the benefits described herein. As further discussed in this evidence, eBilling and the use of related innovative channels for communication is a more optimal option than paper billing for the vast majority of customers.
14. Companies and governments consciously evaluating their default option and using insights gained to improve products, services and outcomes has become quite common. Some examples of other organizations and governments adopting these theories and practices to benefit customers and citizens include:

⁶ <https://www.nytimes.com/2011/10/16/technology/default-choices-are-hard-to-resist-online-or-not.html>

⁷ <https://www.cbc.ca/news/health/organ-donation-presumed-consent-1.5083422>

⁸ https://www.hbs.edu/faculty/Publication%20Files/importance_of_default_options_39089d0d-1ab5-4987-820a-dcb60067aa0e.pdf

⁹ <https://www.forbes.com/sites/carolinebeaton/2017/02/22/new-research-shows-that-were-wired-to-take-the-path-of-least-resistance/#7cbac8b766d3>

i) **Behavioural Insights Unit within the Government of Ontario:**

Ontario is one of the first jurisdictions in Canada to leverage behavioural sciences to improve outcomes and deliver better services. By seeking to understand how citizens make decisions and act upon those decisions, governments can design and re-design public services that better reflect how people respond to, engage with and use these services. The use of these insights in Ontario and other jurisdictions have been shown to result in public services that deliver better outcomes, often at a lower cost. By testing what works and does not work through pilot projects, experts in behavioural science are helping design programs that are made to work for Ontarians.¹⁰

- ii) **British Columbia:** The BC Behavioural Insights Group (“BC BIG”) applies a human-centred and evidence-based approach to design better programs and services for British Columbians. Each project is designed in collaboration with client ministries, and the approach relies on scientific methods from psychology, behavioural economics, anthropology, neuroscience, and other academic disciplines.¹¹

- iii) **Government of Canada – Impact and Innovation Unit (“IIU”):** The IIU (formerly Innovation Hub) is driving a shift in the way the Government of Canada uses new policy and program tools to help

¹⁰ Government of Ontario, <https://www.ontario.ca/page/behavioural-insights-ontario-update-report-2018>

¹¹ Government of British Columbia, <https://www2.gov.bc.ca/gov/content/governments/services-for-government/service-experience-digital-delivery/behavioural-insights>

address complex public policy challenges. With a focus on “the how,” the IIU supports departments to build results-driven approaches that work for Canadians. The IIU houses the Centre of Expertise for the Impact Canada Initiative to work with departments in applying innovative financing approaches, new partnership models, impact measurement methodologies and behavioural insights in priority areas for the Government of Canada.¹²

- iv) **University of Toronto – Behavioural Economics in Action (“BEAR”) at Rotman:** BEAR conducts leading edge academic research in the field of behavioural economics to help organizations better understand how real people act and leverage this knowledge to design better products, services, and programs.¹³

15. As described above governments and other organizations in Canada are leveraging behavioural science to improve health care, boost savings and investment rates, combat obesity, facilitate organ donation, and drive other important outcomes. For Enbridge Gas, leveraging behavioural insights to shift the default option for all customer interactions toward innovative channels, including eBill, is a critical component of Enbridge Gas’ overall initiatives to improve customer experience, as described in this evidence.

¹² Government of Canada, <https://www.canada.ca/en/innovation-hub.html>

¹³ University of Toronto, <https://www.rotman.utoronto.ca/FacultyAndResearch/ResearchCentres/BEAR>

16. Many of Enbridge Gas's practices in 2019 were also informed by the practices of major telecommunication companies in Canada. Rogers, Bell and Telus (and their subsidiary brands) have established electronic billing as their default option for years. In 2019 both Bell¹⁴ and Telus¹⁵ announced the final stage of this shift and that all remaining paper bill customers will be shifted to eBill in 2020, with paper bills only offered on an exception basis.

Customer Experience Program

17. In 2017 legacy EGD initiated a customer experience transformation program ("CX Program"). The primary goal of the CX Program was to leverage innovation to simplify and improve all aspects of how customers are served. The earliest phase of the CX Program required detailed journey mapping of key customer processes and the creation of complementary channel strategies. This work was carried out with the goal of maximizing customer self-service and automation to both respond to evolving customer expectations and lower costs for customers in the long-term.

18. As the CX Program was an initiative undertaken by legacy EGD, many of the data points provided assess only the EGD rate zone. Fully leveraging the success of the CX Program within the Union rate zones is a priority for Enbridge Gas in the early years of the deferred rebasing period.

19. The CX Program was rooted in research relating to customer effort and its impact on satisfaction. Customer effort is a well researched topic, specifically with regard

¹⁴ <https://mobilesyrup.com/2019/10/31/bell-paperless-billing/>

¹⁵ <https://mobilesyrup.com/2018/09/18/telus-paperless-e-bills-canada/>

to its impact on customer satisfaction (“CSAT”) in both the short and long-term. One critical source of insight, “The Effortless Experience”, documents the research completed by a team at CEB Inc. (since acquired by Gartner, Inc.) on customer service and the impact that it has on both loyalty and CSAT.¹⁶

20. The above noted research refutes long held views regarding what really drives successful customer service. The research confirms that outperforming customer expectations and providing an outstanding level of service is not the most important component driving improved customer service and loyalty. The research finds that what customers really value is minimal effort on their part. This is especially critical for a utility, where customer engagement is low relative to other more consumer-centric categories, and the ideal customer experience hinges on the customer expending as little effort as possible to maintain utility (natural gas) service.

21. The principle of minimizing customer effort has been at the core of Enbridge Gas’s CX Program. Simplifying processes, rules and policies was critical, with the most straightforward changes made in 2017; yielding immediate results in reduced call volumes. Beyond these initial changes, the CX Program was centred around a series of key innovations aimed at improving customer experience.

¹⁶ A short summary of this research can be found at: <https://hbr.org/2010/07/stop-trying-to-delight-your-customers>

22. Key projects within the CX Program included:

- i) **Online account management** – Enbridge Gas engaged in a full rebuild of its myAccount platform for customers. Integration with Enbridge Gas's SAP CIS is now enabled in real-time with the user experience built in Sitecore, the most popular content management system used by many of the world's largest brands and websites. Customers now have full control over what channel they use to complete customer service transactions (i.e. voice, web, text) and have the ability to perform most transactions via their chosen medium.
- ii) **Meter Reading** – Enbridge Gas launched a mobile app for management of off-cycle field orders including move reads, account locks, check reads, and battery exchanges. Work orders are now managed in real-time with the ability of Enbridge Gas to cancel at any point (e.g. if a customer makes a payment on a pending order to lock the meter it is cancelled immediately).
- iii) **Consumption estimation** – When utilizing a bi-monthly meter reading schedule, as Enbridge Gas does, estimation technique is critical to accurate billing and the overall customer experience. Enbridge Gas is now using sophisticated machine learning and artificial intelligence to estimate consumption in months without an actual read.
- iv) **Paper Bill** – Enbridge Gas fully redesigned its paper bills, shifting to a simpler and more modern format.

- v) **Back-office optimization** – Enbridge Gas increased automation and simplification of billing issues through implementation of BDEX, an add-on work management tool within SAP.
- vi) **Chatbot/Live Chat** – Leveraging industry -leading technology, Enbridge Gas launched a new service channel for customers. In mid-2019 Enbridge Gas launched coZE, a Virtual Assistant capable of handling a variety of transactions and FAQs. This will be complemented by Live Chat through the traditional contact centre channel.
- vii) **Voice-of-the-customer (VOC)** – VOC programs aim to provide companies real-time feedback on customer interactions. Qualtrics is one of the most popular VOC platforms available in the market, and is now part of SAP. Implementation of Qualtrics enables Enbridge Gas to learn from customers regarding key transactions to monitor satisfaction and determine how Enbridge Gas can improve service. Customers complete thousands of surveys each week regarding interactions such as moves, first bills, meter exchanges, emergency response, and call centre inquiries. By combining survey data with operational data Enbridge Gas better understands the key drivers determining customer satisfaction.

23. Enbridge Gas established a series of key metrics to measure the success of the CX Program and ensure it was having the intended effect. With the exception of work automation, each of the metrics laid out below was chosen for both its impact on improved customer experience and reduced costs.

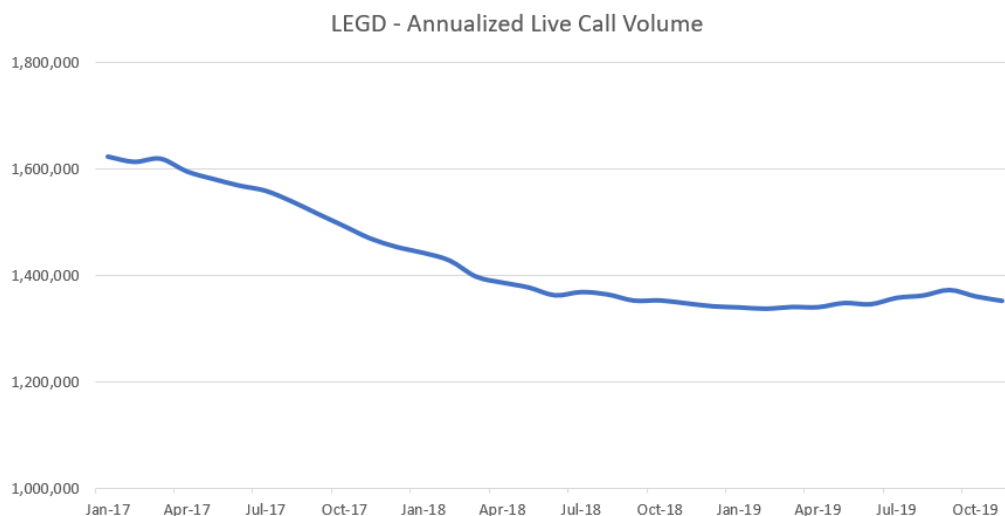
24. Enbridge Gas established four primary metrics to track progress and measure the success of its CX Program:

- 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.

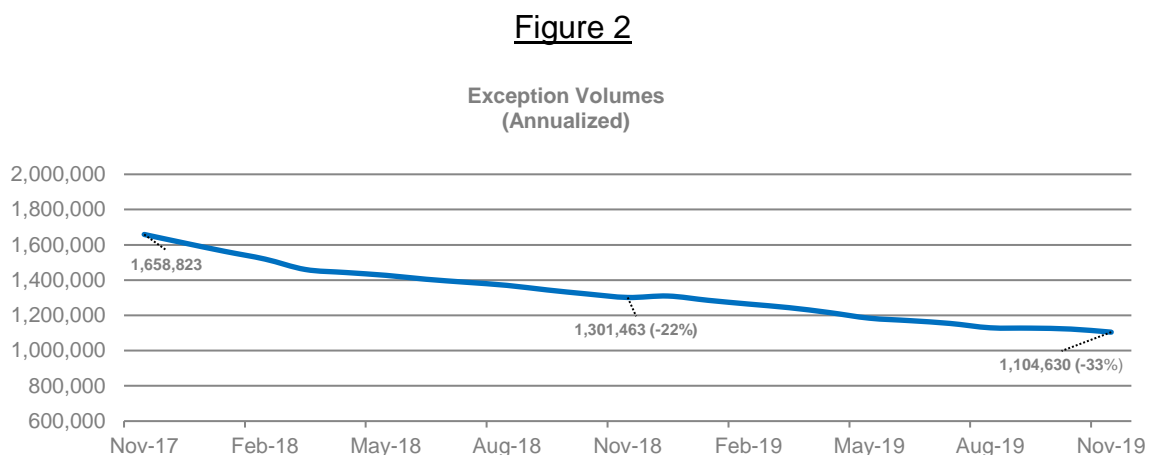
25. As of Q4 2019 the CX Program is now complete. The individual projects listed above have been implemented and, in some cases, have been in place for over a year, allowing Enbridge Gas to measure success in accordance with the metrics identified above.

26. The call reduction metric is measured based on live calls handled on an annualized basis. As seen in Figure 1 below, EGD handled just over 1.6 million calls in the baseline year established in 2016. By the end of 2018 this figure had dropped to 1.35 million or a 17% decrease.

Figure 1

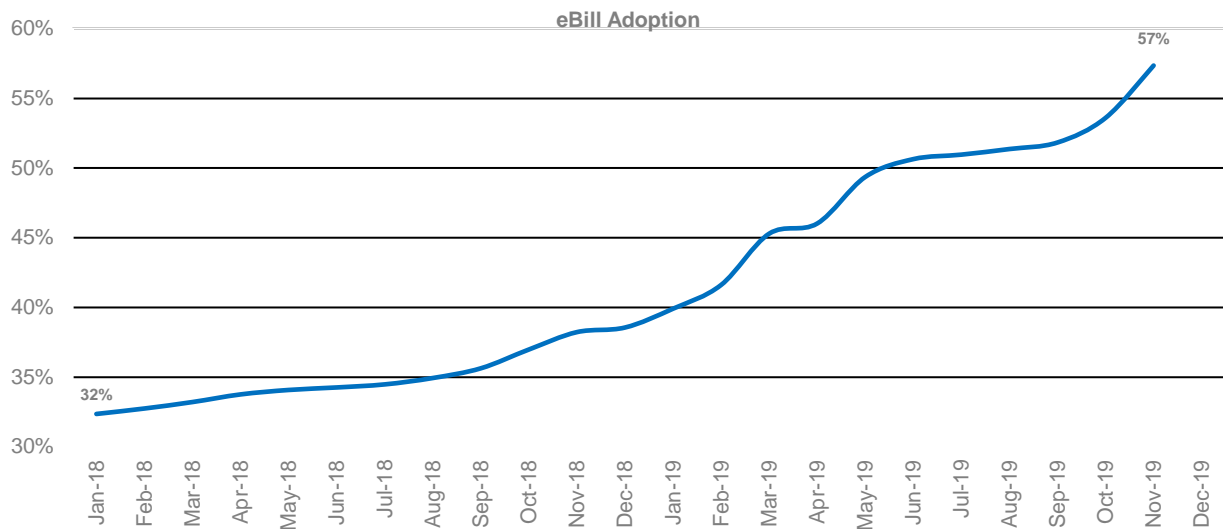


27. The work automation metric is measured by a simple count of the units of work that are processed by EGD/Enbridge Gas's back-office billing agents, expressed as annualized "Exception Volumes" in Figure 2 below.



28. Early in the implementation of the CX Program a decision was made to limit initiatives to attract new eBill customers until other projects improving EGD's online experience were completed. As a result, growth in eBill adoption was modest at approximately 4% per year. eBill growth accelerated to 6% in 2018 with the implementation of myAccount as more customers leveraged this channel for self-service. With the majority of other CX Program initiatives complete, Enbridge Gas's approach to eBill in 2019 drove a significant increase in adoption. The growth in eBill adoption from January, 2018 through November 2019 is shown in Figure 3 below. As discussed further in this evidence, 2019's increased eBill adoption was coupled with significant increases to both customer satisfaction and self-serve volume.

Figure 3



29. The CX Program's final measure of success is CSAT. Enbridge Gas used a common concept for measuring changes in customer experience over time called the Net Promotor Score ("NPS") to measure the impact of its CX Program on CSAT. NPS measures the loyalty of customers to a company by establishing the percentage of customers that would "promote" the company and the percentage of customers that are "detractors" with negative views of the company. Mathematically, NPS is the percentage of customers that are promoters less the percentage of customers that are detractors. NPS scores are established using a single question survey and reported as a number from -100 to +100, with a higher score being desirable.
30. Figure 5 provided later in this evidence depicts the increase in NPS experienced from June 2018 (implementation of new myAccount platform) to the end of November 2019.

31. Transitioning more customers to eBill is a foundational component of Enbridge Gas's overall CX Program and customer experience initiative. As alluded to through the initiatives described above, creating an innovative, low-effort experience for customers requires a platform of linked, complementary communication methods working together. In this way, utilization of new and convenient tools such as myAccount or texting will only have maximum effect if customers consistently use that channel. By a significant margin Enbridge Gas's most common customer interaction is the monthly bill and as a result, driving more customers to eBill is critical to ensure continued use of related communication mediums.
32. Enbridge Gas's experience indicates that a customer who receives a traditional paper bill is much more likely to use more costly and cumbersome traditional methods to contact their utility for customer service. In contrast, customers that receive an eBill are much more likely to use more convenient and cost-effective digital services to meet their customer service needs.
33. As an example, Enbridge Gas reviewed one of its most common customer transactions over the period of June through September of 2019; move in/move out transaction requests. Enbridge Gas analyzed move transactions completed using its traditional contact centre as opposed to new online options, and further determined what percentage of the customers using each option for their move were on eBill as opposed to a paper bill. Of the move transactions completed using Enbridge Gas's contact centre, customers were more likely to be receiving a paper bill versus being enrolled in eBill. Of the moves completed online, 95% of customers received an eBill as opposed to a paper bill. As this demonstrates, receiving an eBill has a dramatic effect on what channel customers use for other common transactions.

34. Increased use of eBilling is expected to result in a significant increase in other digital transactions (e.g. Move in/out/transfer, Payment arrangements, Appointment Scheduling). In this sense, the transition to eBill goes beyond the cost savings and convenience associated with receiving an electronic utility bill, and will drive down Enbridge Gas's cost-to-serve as a variety of transaction costs decrease relative to serving a customer using more expensive and less convenient postage, paper and phone mediums.

Changes to E-Bill Practices in 2019

35. Having achieved 40% overall eBill adoption by the end of 2018, 2019 was the appropriate time for Enbridge Gas to shift its approach and establish eBill as the new default option for customers, whether interacting with them online or through Enbridge Gas's contact centres.

36. In January 2019, Enbridge Gas embarked on a new eBill adoption strategy. The overall goal was to rapidly increase eBill adoption in order to maximize the benefits of Enbridge Gas's CX Program.

37. Enbridge Gas's 2019 eBill strategy included three core components:

- i) **Change the default option.** Beginning in 2019 Enbridge Gas shifted its default option for billing from paper to a series of myAccount delivery options. If a customer provides an email address as part of a service interaction (phone call, web transaction) Enbridge Gas updates the customer's billing method to myAccount with receipt of their bill as a secure PDF delivered via email. Customers receive a confirmation email

to set up their myAccount profile where they can customize their account preferences regarding notifications and other interactions. From that point onward will receive their bill via email. eBilling is also the default for new customer accounts.

- ii) **Convert existing email addresses.** Both legacy utilities have been collecting email addresses over time from customers as part of regular customer service interactions. Though these customers had provided email addresses in a clear indication of their willingness to use email as a communication method, many of these customers continued to receive more expensive, less convenient paper bills. Within the Union rate zones there even existed a group of customers with myAccount credentials that received both paper and electronic bills, creating duplication of costs with no benefit to the customer. Beginning in January 2019, 171,905 Union rate zone customers were converted to electronic only. Within the EGD rate zone, 358,384 active customers with an email address in Enbridge Gas's CIS were converted to eBill over the course of 2019. In the first phase in February 2019, 147,756 customers were converted, and they received both a letter and email informing them they would now be receiving their monthly bill via email. Both communications made it clear that if customers wished to revert back to paper they simply needed to contact the Company via the Enbridge Gas call centre. Email delivery was monitored to ensure we were handling addresses that were no longer valid. In situations where the email was undelivered (i.e. bounced), these customers were automatically changed back to paper bill delivery. In the second phase in March 2019, customers only received an email. In this phase, 103,359 customers were converted. The final phase was
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undertaken October 2019, with 107,269 customers being converted in the same manner.

- iii) **Attract new customers.** Enbridge Gas continues to promote the benefits of myAccount and eBill as the preferred customer experience. Promotional campaigns seek to engage existing customers that are not yet leveraging the benefits of myAccount, including the use of contests, prizes and incentives to drive myAccount enrollment. Enbridge Gas will continue these efforts in 2020 and beyond.

Customer Reaction to 2019 eBill Changes

38. Through a combination of the three approaches identified above Enbridge Gas has seen significant growth in the proportion of customers receiving an eBill as shown in Table 1 below.

Table 1

| Month | December 2018 | October 2019 | November 2019 |
|-----------------------------|---------------|--------------|---------------|
| eBill Count | 1,450,601 | 1,976,874 | 2,145,713 |
| Customer Count | 3,667,805 | 3,712,262 | 3,720,699 |
| eBill % of Customers | 40% | 53% | 58% |

39. While commercial customers have been included within the transition to eBilling, the distribution of customers on eBill skews toward residential customers given they represent the lion's share of Enbridge Gas's customer accounts. Tables 2 and 3 below show the distribution of eBill customers across rate classes in the EGD and Union rate zones respectively.

Table 2

eBill by Rate Class: EGD Rate Zone

| Rate Class | % of Total eBill Customers |
|------------|----------------------------|
| 1 (RES) | 89% |
| 6 (COM) | 11% |

Table 3

eBill by Rate Class: Union Rate Zones

| Rate Class | % of Total eBill Customers |
|------------|----------------------------|
| M1 (RES) | 75% |
| M2 (COM) | 1% |
| 1 (RES) | 23% |
| 10 (COM) | 1% |

40. As anticipated given the scale of the eBill transition, Enbridge Gas experienced increased call and complaint volume relating to eBilling in 2019. In 2019 Enbridge Gas received 55,949 calls in the EGD rate zone relating to eBills and 28,061 calls in the Union rate zones. These figures capture all live, inbound calls related to eBill including routine questions (i.e. the figures do not represent customer complaints). Table 4 below shows the number of calls relating to eBill received in 2019.

Table 4

| Rate Zone | Total eBill Calls | As a % of eBill Conversions | As a % of Total Calls | As a % of eBill Customer Count |
|-------------------------|-------------------|-----------------------------|-----------------------|--------------------------------|
| Union Rate Zones | 28,061 | 16% | 3.6% | 3.2% |
| EGD Rate Zone | 55,949 | 17% | 4.4% | 4.4% |

41. Calls relating to eBill translated into only 16% of the number of total new eBill customers in the Union rate zones and 17% of new eBill customers in the EGD rate zone. Conversely, this means that 84% of new customers in the Union rate zones and 83% of new customers in the EGD rate zones had no questions or concerns relating to their switching to eBill. When compared to the total number of calls Enbridge Gas received in 2019, eBill related calls represented only 3.6% of calls in the Union rate zones and 4.4% of calls in the EGD rate zone.

42. For customers that called regarding eBill, Enbridge Gas allowed customers to choose whether they wished to continue receiving an eBill or be returned to paper billing in order to respect customer choice, and Enbridge Gas will continue to have this option available to customers to allow for circumstances where eBilling is not desirable or practical.

43. As seen in Table 5 below, in 2018 complaints processed by Enbridge Gas's legacy ombudsman offices relating to eBilling represented 1.9% of all complaints handled by EGD and 0.6% of all complaints handled by Union. In 2019, ombudsman complaints relating to eBill rose to 8.5% of all complaints in the EGD rate zone and 9% in the Union rate zones.

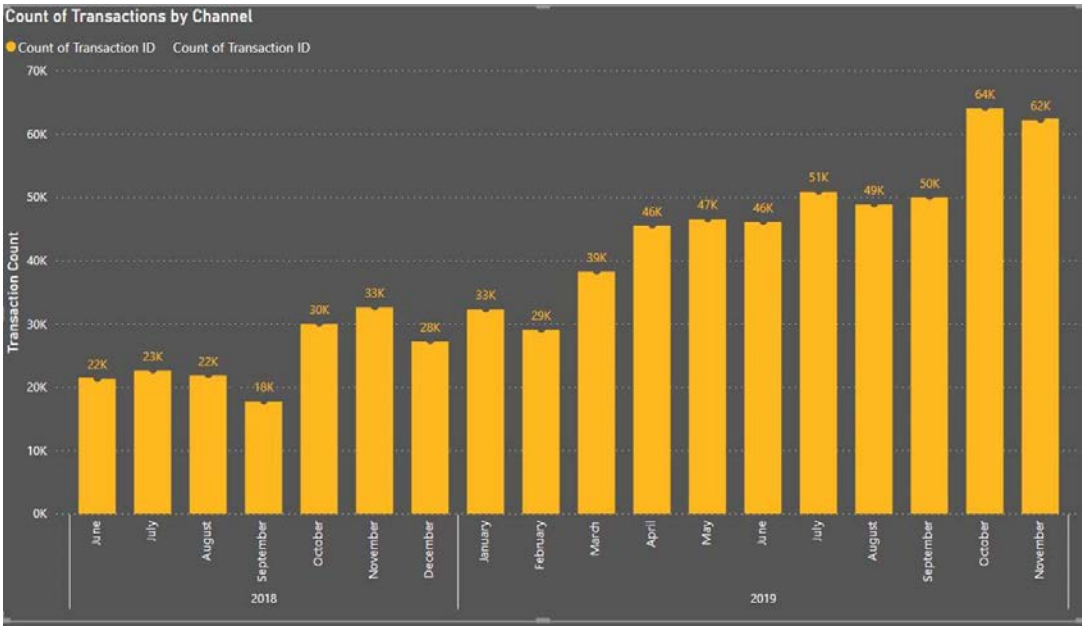
Table 5

| | Ombudsman Complaints | | | | | | |
|------------------|-----------------------|-----------------------|---|------------------------|------------------------|---|--------------------------------|
| | 2018 Total Complaints | 2018 eBill Complaints | eBill Complaints as a % of Total Complaints | 2019* Total Complaints | 2019* eBill Complaints | eBill Complaints as a % of Total Complaints | Total eBill Conversions (2019) |
| EGD Rate Zone | 8,177 | 153 | 1.9% | 7,471 | 636 | 8.5% | 331,480 |
| Union Rate Zones | 5,004 | 32 | 0.6% | 4,515 | 408 | 9.0% | 171,905 |

*January through November 2019

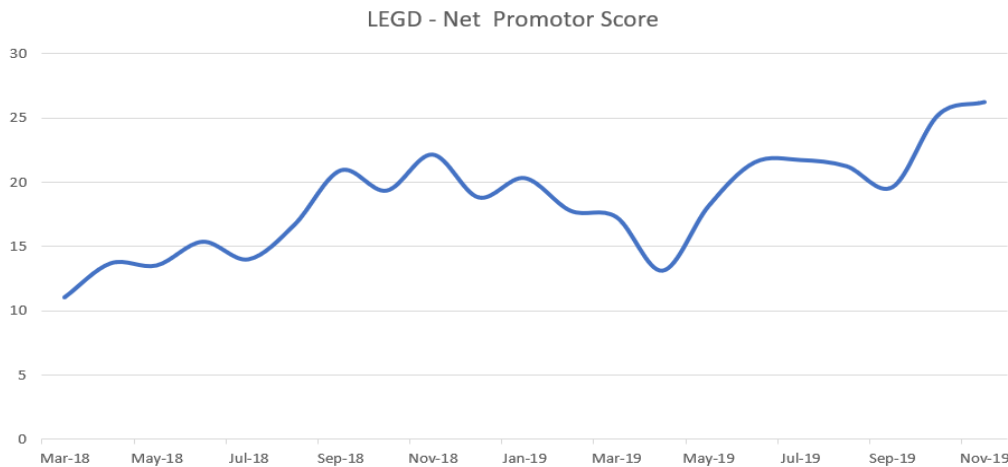
44. When compared against the total eBill conversions completed in 2019, the number of escalated complaints is insignificant. Ombudsman eBill complaints only represented 0.2% of all eBill conversions in both the EGD and Union rate zones. Stated differently, 99.8% of converted eBill customers did not believe their conversion to eBill warranted escalating a complaint to Enbridge Gas's ombudsman office.
45. Data available to date regarding the use of digital mediums in 2019 indicates the link between eBill use and the use of other more convenient, less costly mediums is as strong as anticipated. As seen in Figure 4 below, in December of 2018 combined customer transactions (including customer moves, pay arrangements, one-time meter reading, pre-authorized payment, report a payment, reconnection requests and updating contact information) completed through Enbridge Gas's chatbot, myAccount and IVR channels totaled approximately 28,000. By November 2019 this monthly figure has more than doubled to 62,000; a trend which Enbridge Gas expects will continue as customers become more familiar with the myAccount channel and the level of convenience it offers.

Figure 4



46. Regarding customer service as measured using NPS, Figure 5 below demonstrates overall customer satisfaction is improving significantly alongside implementation of Enbridge Gas’s 2019 eBill practices.

Figure 5



47. Though overall customer satisfaction experienced a short-term decrease in early 2019, a number of factors influenced customers at this time as EGD and Union entered the first few months of their amalgamation. In particular, the decrease in NPS shown in April 2019 was largely driven by customer confusion resulting from the rebranding of legacy Union Gas, in addition to some challenges in April and May of 2019 relating to the direction of payments to the appropriate legal entity. These temporary impacts aside, NPS has experienced a steady upward trend over the past 18 months. By the time that the 2019 eBill conversions were completed, NPS was at its highest level in the recent past.
48. Finally, Enbridge Gas submits that its 2019 eBill practices have not had a material impact on late payment penalties (“LPP”) charged to its customers. That is seen below.
49. As part of its 2019 eBill conversion process, Enbridge Gas voluntarily refunded LPP charged to customers that called to dispute LPP amounts on the basis of their switch to eBill accounts. Enbridge Gas refunded \$72,405 to 8482

customers in the EGD rate zone and \$69,902 to 2968 customers in the Union rate zone.

50. Additionally, as stipulated in the Settlement Proposal, Enbridge Gas has agreed to refund LPP amounts paid by customers converted to eBill in 2019 where such customers had previously demonstrated good payment history. In the Union rate zones, Enbridge Gas will refund \$289,240 in LPP to customers; representing 5% of all LPP amounts paid from March through November of 2019. In the EGD rate zones, Enbridge Gas will refund \$446,242 in LPP to customers; representing 4% of all LPP amounts paid over the same time period.

51. In the first eleven months of 2018, total LPP was \$18.6 million for the combined utilities. After the amounts noted in the paragraphs above are credited to customers, the total LPP for the same time period in 2019 is \$18.7 million.

Financial Benefits of Enbridge Gas's CX Program & E-Bill Practices

52. The cost difference between paper billing and eBilling is approximately \$10 per customer per year. As Enbridge Gas continues to transition customers to eBill, Enbridge Gas's total postage budget will continue to decrease, however this expenditure remains significant at over \$15 million annually.

53. Both EGD and Union began offering eBill options over ten years ago. Taking into account present day bill production and postage costs, Enbridge Gas estimates the total bill production budget including postage absent eBilling would be close to \$42.5 million annually. Having now reached 58% eBill adoption, the /C current combined cost of paper and digital bill delivery is approximately \$21 /C

million annually, resulting in savings of approximately \$17 million on this item alone.

54. As previously noted, the cost savings associated with eBilling are anticipated to reach well beyond the reduced cost of billing. eBilling is a foundational element of Enbridge Gas's broader approach to customer experience, and is expected to significantly expand the use of Enbridge Gas's myAccount, chat bot and other innovative channels to facilitate a variety of customer service transactions. Adoption of these other channels will yield further reductions to costs, and are forecast to yield approximately \$6 million in further reductions in 2020.

55. The Board's MAADs Decision made a number of determinations regarding Enbridge Gas's proposed rate-setting mechanism, including the use of a stretch factor of 0.3% and a shortened deferred rebasing period of 5 years as opposed to 10 years.¹⁷ Enbridge Gas's eBill practices in 2019 represent an innovation-based stretch in order to improve efficiency among other objectives; shortening the time period over which customer service savings would otherwise be achieved for customers while also speeding the transition to a more convenient and consumer-centric customer experience.

56. The Board also approved an earnings sharing mechanism for Enbridge Gas for the period of 2019 to 2023 in which all earnings will be shared "on a 50/50 basis between [Enbridge Gas] and its customers for all earnings in excess of 150 basis points from the OEB-approved return on equity."¹⁸ The question of whether

¹⁷ EB-2017-0306/0307 Decision and Order, August 30, 2018

¹⁸ Ibid., page 29

earnings will be shared in any given year will depend on a number of variables and will not be solely driven by the customer experience savings noted above, however these savings could represent a meaningful contribution to any earnings subject to sharing.

57. The intent of incentive regulation (such as the Price Cap incentive regulation under which Enbridge Gas currently operates) is the long-term reduction of costs for customers. Enbridge Gas's 2019 eBill practices will be foundational in the long-term establishment of a customer experience which is more convenient and cost-effective for customers. Upon rebasing effective in 2024, the full cost savings generated by Enbridge Gas's customer experience improvements will be passed through to customers.

Future Customer Service Experience Plans

58. Enbridge Gas will continue to innovate and expand the variety of transactions that customers can complete through myAccount. By employing this strategy Enbridge Gas will allow customers to leverage eBilling and myAccount, Enbridge Gas's core digital channels, for the highest volume transaction type; a customer's monthly statement. Having these easy-to-use features helps to ensure maximum adoption and use by customers.

59. As noted above, customers' use of myAccount relies on customers receiving an eBill as these two digital communication channels work in tandem to ensure an optimal customer experience. As such Enbridge Gas will continue to make eBill use the default option for customers to continue the transition away from costly and cumbersome phone and paper transactions, and will likely continue to run

eBill adoption campaigns over the course of the deferred rebasing period in pursuit of the same objective.

60. As agreed to in the Board-approved Settlement Agreement in phase 1 of this proceeding, Enbridge Gas has put in place a series of interim measures relating to eBilling while Phase 2 of this application is heard. These interim measures include,

- i) No further conversion of email addresses;
- ii) Suspend default option for eBills in call centre interactions;
- iii) Ensure paper bill option is communicated to customer as part of confirmation of online transactions; and
- iv) No use of monthly fee for paper billing option without OEB approval.

61. Enbridge Gas will continue to offer a paper bill on an exception basis, and will not charge for paper bills without OEB approval.

62. However, the remaining interim measures that place eBilling and paper billing on an equal footing are not consistent with Enbridge Gas's approach to customer experience and the behavioural science which underpins it.

63. Continuing these interim measures will negatively impact the Company's overall goal of driving a simplified low effort experience for customers. As described above, leveraging eBill adoption as a means to shift customers to self-serve has benefits both for their customer experience and Enbridge Gas's cost-to-serve. A critical element of this strategy is shifting existing paper customers to eBill when Enbridge Gas interacts with them through the Company's contact centres. Leaving paper as a default or discrete option for customers will result in lost

opportunities to drive these benefits. As also described in this evidence, reduced eBill usage will result in reduced use of other new and innovative channels to complete common customer transactions.

64. The impact of these interim measures will be a decrease in the pace and scale of Enbridge Gas's improved customer experience, which will leave more customers utilizing more costly and less convenient channels to complete transactions with Enbridge Gas. Ultimately the impact of this will be decreased CSAT, and less savings for ratepayers in the short and long-term.
65. Enbridge Gas submits that these are undesirable outcomes, and confirms that, unless the Board orders otherwise, Enbridge Gas will continue with its previous approach of treating eBill as the default option for customers. This will allow Enbridge Gas to facilitate continued benefits for customers in the form of improved customer experience and lower costs.