



# **ONTARIO ENERGY BOARD**

## **OEB STAFF SUBMISSION ON SETTLEMENT PROPOSAL**

**Enbridge Gas Inc.**

**2021 Deferral and Variance Account Disposition and  
Earnings Sharing Application**

**EB-2022-0110**

**October 21, 2022**

## Background

Enbridge Gas Inc. filed an application with the Ontario Energy Board (OEB) on May 31, 2022, under section 36 of the *Ontario Energy Board Act, 1998*, for an order approving the disposition of amounts recorded in certain deferral and variance accounts (DVAs) and to determine amounts for earnings sharing purposes for the calendar year 2021.

On August 30, 2018, the OEB approved the amalgamation of Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union Gas).<sup>1</sup> The companies amalgamated to form Enbridge Gas Inc. (Enbridge Gas) on January 1, 2019. Following the amalgamation, Enbridge Gas maintained the existing rates zones of the former EGD and Union Gas (the EGD rate zone, and the Union North West, Union North East and Union South rate zones).<sup>2</sup> Enbridge Gas has maintained most of the existing deferral and variance accounts for each rate zone. As part of the ratemaking framework approved for the newly formed utility (Enbridge Gas), the OEB approved certain new DVAs for Enbridge Gas.

The net balance of all (EGD, Union Gas and Enbridge Gas) 2021 DVA balances requested for disposition was \$61.24 million (recoverable from ratepayers). The net balance excludes interest and represents the amount requested in the pre-filed evidence. Enbridge Gas's actual utility earnings did not exceed the OEB-approved return on equity (ROE) by more than the threshold for sharing (in excess of 150 basis points). Accordingly, no earnings sharing amount was proposed to be shared with ratepayers for 2021.

Enbridge Gas proposed to dispose of the 2021 DVA balances as a one-time billing adjustment. The billing adjustment will appear as a separate line item on customers' bills.

A settlement conference was convened between the applicant (Enbridge Gas) and intervenors (collectively referred to as the "parties") on September 14 and 15, 2022 with

---

<sup>1</sup> EB-2017-0306 / 0307 Decision and Order August 30, 2018, application by Enbridge Gas Distribution and Union Gas Limited to amalgamate under the OEB's policy on mergers, acquisition, amalgamation and divestiture (MAADs Decision).

<sup>2</sup> Collectively Union North West, Union North East and Union South are referred to as the Union rate zones.

the objective of reaching a settlement on the issues. The parties reached a complete agreement on all DVA balances.

Enbridge Gas filed a settlement proposal for the OEB's consideration on October 11, 2022.

### **OEB Staff Position**

OEB staff reviewed the settlement proposal filed by Enbridge Gas in the context of applicable OEB policies and the OEB's statutory obligations. OEB staff supports the settlement of the issues and is of the opinion that the settlement is in the public interest. Moreover, in OEB staff's view, the discussion in the settlement proposal along with the commentary of OEB staff in this submission, is adequate to support the settlement proposal.

In the submission below, OEB staff has provided comments and context to the pertinent issues that have been settled. The settlement resulted in a change to the DVA balances. The list of all DVAs, including those DVAs that are not being requested for disposition in this proceeding, and the associated settled account balances is provided in Table 1 below.

As set out in the pre-filed evidence, the original total net balance of all DVAs requested for disposition was \$61.24 million (excluding interest). This amount was revised in the updated evidence, dated September 2, 2022, filed along with the interrogatory responses. Enbridge Gas noted an error in the calculation of the Union Gas Unaccounted for Gas (UFG) Price Variance Account. The correction resulted in the balance of the UFG Price Variance Account increasing from \$3.36 million to \$8.15 million.<sup>3</sup> Accordingly, the revised balance of all DVAs requested for disposition increased from \$61.24 million to \$66.03 million (excluding interest).

As can be observed from Table 1 below, the settlement proposal has resulted in the overall net balance decreasing from the revised amount of \$66.03 million to \$65.13

---

<sup>3</sup> Exhibit C, Tab 1, Schedule 1, September 2, 2022 and FRPO IRR#19.

million (excluding interest).

Table 1

ENBRIDGE GAS DEFERRAL & VARIANCE ACCOUNT ACTUAL & FORECAST BALANCES							
			Col. 1	Col. 2	Col. 3	Col.4	
			Forecast for clearance at January 1, 2023				
Line No.	Account Description	Account Acronym	Principal (\$000's)	Interest (\$000's)	Total (\$000's)	Reference to Evidence	
<u>EGD Rate Zone Commodity Related Accounts</u>							
1.	Storage and Transportation D/A	2021 S&TDA	7,942.5	178.6	8,121.1	D-1, Page 2	
2.	Transactional Services D/A	2021 TSDA	(3,904.1)	(74.8)	(3,978.9)	D-1, Page 4	
3.	Unaccounted for Gas V/A	2021 UAFVA	753.9	12.1	766.0	D-1, Page 6	
4.	Total commodity related accounts		4,792.2	116.0	4,908.2		
<u>EGD Rate Zone Non Commodity Related Accounts</u>							
5.	Average Use True-Up V/A	2021 AUTUVA	14,934.3	286.0	15,220.3	D-1, Page 10	
6.	Gas Distribution Access Rule Impact D/A	2021 GDARIDA	-	-	-	D-1, Page 23	
7.	Deferred Rebate Account	2021 DRA	4,359.4	97.4	4,456.8	D-1, Page 12	
8.	Transition Impact of Accounting Changes D/A	2021 TIACDA	4,435.8	-	4,435.8	D-1, Page 1	
9.	Electric Program Earnings Sharing D/A	2021 EPESDA	-	-	-	D-1, Page 23	
10.	Open Bill Revenue V/A	2021 OBRVA	-	-	-	D-1, Page 23	
11.	Ex-Franchise Third Party Billing Services V/A	2021 EXFTPBSVA	-	-	-	D-1, Page 23	
12.	RNG Injection Service V/A	2021 RNGISVA	-	-	-	D-1, Page 23	
13.	OEB Cost Assessment V/A	2021 OEBCAVA	2,550.3	57.2	2,607.5	D-1, Page 13	
14.	Dawn Access Costs D/A	2021 DACDA	1,968.0	37.7	2,005.7	D-1, Page 16	
15.	Pension and OPEB Forecast Accrual vs. Actual Cash Payment D	2021 P&OPEBFAVACPDVA	-	-	-	D-1, Page 23	
16.	Total EGD Rate Zone (for clearance)		33,040.0	594.3	33,634.3		
<u>Union Rate Zones Gas Supply Accounts</u>			<u>OEB Account Number</u>				
17.	Upstream Transportation Optimization	179-131	2021	8,616.3	165.0	8,781.3	E-1, Page 6
18.	Spot Gas Variance Account	179-107	2021	-	-	-	E-1, Page 58
19.	Unabsorbed Demand Costs Variance Account	179-108	2021	(1,665.6)	(45.1)	(1,710.7)	E-1, Page 1
20.	Base Service North T-Service TransCanada Capacity	179-153	2021	83.5	1.8	85.3	E-1, Page 52
21.	Total Gas Supply Accounts			7,034.2	121.7	7,155.9	
<u>Union Rate Zones Storage Accounts</u>							
22.	Short-Term Storage and Other Balancing Services	179-70	2021	3,576.9	68.5	3,645.4	E-1, Page 8
<u>Union Rate Zones Other Accounts</u>							
23.	Normalized Average Consumption	179-133	2021	18,997.4	430.8	19,428.2	E-1, Page 13
24.	Deferral Clearing Variance Account	179-132	2021	(3,120.4)	(76.7)	(3,197.1)	E-1, Page 21
25.	OEB Cost Assessment Variance Account	179-151	2021	-	-	-	E-1, Page 49
26.	Unbundled Services Unauthorized Storage Overrun	179-103	2021	-	-	-	E-1, Page 58
27.	Gas Distribution Access Rule Costs	179-112	2021	-	-	-	E-1, Page 58
28.	Conservation Demand Management	179-123	2021	-	-	-	E-1, Page 58
29.	Parkway West Project Costs	179-136	2021	(603.3)	(12.5)	(615.8)	E-1, Page 25
30.	Brantford-Kirkwall/Parkway D Project Costs	179-137	2021	(45.0)	(0.9)	(45.9)	E-1, Page 29
31.	Lobo C Compressor/Hamilton-Milton Pipeline Project Costs	179-142	2021	24.0	0.7	24.7	E-1, Page 41
32.	Lobo D/Bright C/Dawn H Compressor Project Costs	179-144	2021	(112.1)	(4.7)	(116.8)	E-1, Page 44
33.	Burlington-Oakville Project Costs	179-149	2021	(51.0)	(1.0)	(52.0)	E-1, Page 47
34.	Panhandle Reinforcement Project Costs	179-156	2021	(3,162.0)	(67.8)	(3,229.8)	E-1, Page 53
35.	Sudbury Replacement Project	179-162	2021	-	-	-	E-1, Page 58
36.	Parkway Obligation Rate Variance	179-138	2021	-	-	-	E-1, Page 58
37.	Unauthorized Overrun Non-Compliance Account	179-143	2021	-	-	-	E-1, Page 58
38.	Pension and OPEB Forecast Accrual vs. Actual Cash Payment D	179-157	2021	-	(1,345.6)	(1,345.6)	E-1, Page 56
39.	Unaccounted for Gas Volume Variance Account	179-135	2021	20,501.3	372.6	20,873.9	E-1, Page 31
40.	Unaccounted for Gas Price Variance Account	179-141	2021	8,151.4	156.1	8,307.5	E-1, Page 38
41.	Total Other Accounts			40,580.3	(549.0)	40,031.3	
42.	Total Union Rate Zones (for clearance)			51,191.4	(358.8)	50,832.6	
<u>EGI Accounts</u>							
43.	Earnings Sharing D/A	179-382	2021	-	-	-	C-1, Page 1
44.	Tax Variance - Accelerated CCA - EGI	179-383	2021	(19,162.6)	(419.1)	(19,581.7)	C-1, Page 12
45.	IRP Operating Costs Deferral Account	179-385	2021	57.7	1.1	58.8	C-1, Page 15
46.	IRP Capital Costs Deferral Account	179-386	2021	-	-	-	C-1, Page 1
47.	Expansion of Natural Gas Distribution Systems V/A	179-380	2021	-	-	-	C-1, Page 1
48.	Total EGI Accounts (for clearance)			(19,104.9)	(418.0)	(19,522.9)	
49.	Total Deferral and Variance Accounts (for clearance)			65,126.5	(182.5)	64,944.0	
<u>Not Being Requested for Clearance</u>							
50.	Accounting Policy Changes D/A - Pension - EGI	179-120	2021	169,431.8	-	169,431.8	C-1, Page 2
51.	Accounting Policy Changes D/A - Other - EGI	179-120	2019	(1,749.5)	(70.4)	(1,819.9)	C-1, Page 2
52.	Accounting Policy Changes D/A - Other - EGI	179-120	2020	(14,789.5)	(398.5)	(15,188.0)	C-1, Page 2
53.	Accounting Policy Changes D/A - Other - EGI	179-120	2021	(13,864.6)	(308.4)	(14,173.0)	C-1, Page 2
54.	Tax Variance - Integration Capital Additions - EGI	179-383	2020	(3,736.3)	(56.7)	(3,793.0)	C-1, Page 12
55.	Tax Variance - Integration Capital Additions - EGI	179-383	2021	(10,462.6)	(158.8)	(10,621.4)	C-1, Page 12
56.	Incremental Capital Module Deferral Account - EGD	2020 ICMDA	2020	(254.0)	(5.8)	(259.8)	C-1, Page 1
57.	Incremental Capital Module Deferral Account - EGD	2021 ICMDA	2021	175.5	3.8	179.3	C-1, Page 1
58.	Incremental Capital Module Deferral Account - UGL	179-159	2019	(6,869.6)	(265.3)	(7,134.9)	C-1, Page 1
59.	Incremental Capital Module Deferral Account - UGL	179-159	2020	(5,615.4)	(148.5)	(5,763.8)	C-1, Page 1
60.	Incremental Capital Module Deferral Account - UGL	179-159	2021	(14,353.4)	(291.8)	(14,645.2)	C-1, Page 1
61.	Impacts Arising from the COVID-19 Emergency D/A - EGI	2020 IACEDA	2020	1,377.5	34.2	1,411.7	C-1, Page 1
62.	Impacts Arising from the COVID-19 Emergency D/A - EGI	2021 IACEDA	2021	34.3	0.7	35.0	C-1, Page 1
63.	Total of Accounts not being requested for clearance			99,324.2	(1,665.4)	97,658.8	

All parties accepted the proposed methodology for the allocation and disposition of the account balances, and the implementation of the resulting rate adjustments on January 1, 2023. OEB staff supports the proposed approach.

The settlement proposal results in the following bill impacts for a system sales residential customer. The bill impact below in Table 2 reflects a one-time adjustment that will be implemented January 1, 2023. OEB staff is satisfied that the rate adjustments have been appropriately calculated.

**Table 2**

<b>Residential Customer</b>	<b>One-time Adjustment</b>
<b>EGD Rate Zone</b>	<b>\$5.04</b>
<b>Union South</b>	<b>\$9.09</b>
<b>Union North West</b>	<b>-\$17.94</b>
<b>Union North East</b>	<b>\$7.42</b>

## **Deferral and Variance Accounts**

### Tax Variance Deferral Account – Enbridge Gas

The purpose of the Tax Variance Deferral Account (TVDA) is to record 50% of the revenue requirement impact of any tax rate changes, versus the tax rates included in existing rates. In accordance with the OEB's July 25, 2019 letter, also accumulated in this account is 100% of the revenue requirement impact of any changes in Capital Cost Allowance (CCA) related to Bill C-97 that are not reflected in base rates.

In its application, Enbridge Gas proposed disposition of the 2021 TVDA balance to ratepayers with the exception of the TVDA balance that relates to capital projects classified as amalgamation/integration projects. In accordance with the OEB's Decision and Order in the 2020 DVA and Earnings Sharing proceeding, parties agreed that the TVDA balances related to amalgamation/integration projects will be reviewed as part of

Enbridge Gas's 2024 rebasing application.<sup>4</sup> OEB staff supports this proposal as it is in accordance with the OEB's Decision and Order in the 2020 DVA and Earnings Sharing proceeding.

#### Integrated Resource Planning Operating Costs Deferral Account

In the OEB's Decision and Order for Enbridge Gas's Integrated Resource Planning (IRP) proposal, the OEB approved the establishment of an IRP Operating Costs Deferral Account for all IRP operations, maintenance and administration costs, and a separate IRP Capital Costs Deferral Account for IRP project plan costs.<sup>5</sup>

The balance in the 2021 IRP Operating Costs Deferral Account that was requested for disposition in this proceeding was approximately \$58,000. The amount is attributable to incremental Enbridge Gas staff salaries for IRP-related work completed in 2021. Consistent with the allocation of the TVDA, Enbridge Gas proposed to split the account balance between the EGD and Union Gas rate zones in proportion to the 2018 actual rate base for each rate zone.

Although the balance is minimal, Enbridge Gas requested disposition of the balance as this was the first opportunity for Enbridge Gas to propose a rate allocation methodology for the IRP Operating Costs Deferral Account. All parties agreed to dispose of the balance as per Enbridge Gas's proposal in the context that there are no IRP projects associated with the balance. However, the agreement on the proposed allocation methodology was accepted without prejudice to positions that parties may take regarding the appropriate allocation methodology in future years where the balance in the account includes costs related to approved IRP plans.

OEB staff has no concerns with the agreement to dispose of the balance in the IRP Operating Costs Deferral Account. While the balance in the account is immaterial,<sup>6</sup> OEB staff notes that the reason that Enbridge Gas sought clearance of the balance was to establish the rate allocation methodology. OEB staff accepts that the rate allocation methodology is appropriate for the disposition of the 2021 balance in the IRP Operating Costs Deferral Account.

---

<sup>4</sup> Decision and Order, EB-2021-0149, January 27, 2022.

<sup>5</sup> EB-2020-0091

<sup>6</sup> The account balance is well below the \$1 million materiality threshold referenced in the Ontario Energy Board's Filing Requirements for Natural Gas Rate Applications, February 16, 2017, Section 2.9.2.

OEB staff agrees with all parties that, in the future, when the balance in the account includes actual spending related to approved IRP plans, the appropriate rate allocation methodology should be revisited.

#### Transactional Services Deferral Account – EGD

The purpose of the Transactional Services Deferral Account is to record revenues generated from optimizing storage and transportation assets. Parties agreed to dispose of the balances as requested, but the agreement is without prejudice to the positions that any party may take in future proceedings related to the new and/or renewed capacity on Vector Pipelines contracted by Enbridge Gas for service commencing November 1, 2021.

In Enbridge Gas's 2022 Annual Update to the Gas Supply Plan, some stakeholders expressed concerns with Enbridge Gas's contracting decision regarding the Vector Pipeline, which is an affiliate of Enbridge Gas.<sup>7</sup> The OEB Staff Report made certain recommendations for the filing of additional information by Enbridge Gas in the 2023 Annual Update to the Gas Supply Plan.<sup>8</sup> As part of the settlement proposal in this proceeding, Enbridge Gas agreed to provide the following information as part of the 2023 Annual Update to the Gas Supply Plan:

- The recommended information and data about the Vector contracting decision as per the OEB Staff Report to the Ontario Energy Board in the Review of the 2022 Annual Update to Enbridge Gas's Natural Gas Supply Plan.
- The forward market pricing data at Chicago and Dawn available to Enbridge Gas at the time of the final decision to extend the existing Vector contract and enter into a new contract.
- The landed cost of supply to date under the new and renewed Vector capacity as compared to the market price at Dawn.
- Information about the utilization and/or assignment of the new and renewed Vector capacity to date.

OEB staff supports the provision of the additional information and data in the 2023 Annual Update to the Gas Supply Plan cited above as it is in accordance with the OEB

---

<sup>7</sup> EB-2022-0072

<sup>8</sup> OEB Staff Report to the Ontario Energy Board: Review of 2022 Annual Update to Enbridge Gas Inc. Natural Gas Supply Plan, EB-2022-0072, September 7, 2022.

Staff Report in the 2022 Annual Update to the Gas Supply Plan and will be useful information for the 2023 Gas Supply Plan review.

#### Unaccounted for Gas Variance Account – EGD

Parties agreed that the principal balance in the 2021 Unaccounted for Gas (UFG) Variance Account would be cleared on an interim basis. Additional information on the interim disposition of UFG-related accounts is provided in the discussion of the Union Gas UFG Volume Variance account.

#### OEB Cost Assessment Variance Account – Union Gas

The amount recorded within the 2021 OEB Cost Assessment Variance Account is a debit balance of \$0.91 million plus interest. The amount reflects the variance between the OEB costs assessed to Enbridge Gas (relevant to Union rate zones) in each quarter of fiscal 2021, and Union Gas's average quarterly OEB cost assessment in rates escalated in accordance with the 2019 OEB-approved DVA settlement proposal.<sup>9</sup>

As part of the settlement proposal, all parties agreed that the principal balance in this account will not be cleared as the amount recorded in the account is below the \$1 million materiality threshold. OEB staff supports the proposed approach as it is in line with the materiality threshold referenced in the Filing Requirements for Natural Gas Rate Applications.<sup>10</sup>

#### Unaccounted for Gas Volume Variance Account – Union Gas

The purpose of the UFG Volume Variance Account is to capture the difference between the unit cost of UFG recovered in rates and actual UFG costs incurred, in excess of \$5.0 million. As part of Union Gas's 2014-2018 IRM framework, the amount of UFG volume to be cleared within the deferral account is subject to a symmetrical dead-band of \$5 million, with amounts within such dead-band being to Union Gas's account only.<sup>11</sup>

Based on 2021 actual volumes, Enbridge Gas recovered \$10.4 million in UFG costs for 2021. In comparison, Enbridge Gas's actual 2021 UFG costs were \$35.9 million. The resulting difference of \$25.5 million is above the \$5.0 million threshold established by

---

<sup>9</sup> EB-2020-0134 Settlement Proposal, January 5, 2021, pp. 19-20.

<sup>10</sup> Ontario Energy Board: Filing Requirements for Natural Gas Rate Applications, February 16, 2017, Section 2.9.2. The materiality threshold referenced is \$1 million for a utility with a revenue requirement of more than \$200 million.

<sup>11</sup> EB-2013-0202



the OEB for the UFG Volume Variance Account. As a result, there is a debit balance of \$20.5 million (\$25.5 million minus \$5.0 million threshold) in the UFG Volume Variance Account, plus interest.

The average UFG percentage (to total throughput) for the years 2013 through 2020 was 0.318%.<sup>12</sup> The actual UFG percentage for 2021 was 0.672% which is double that of the average percentage during the last eight years. OEB staff investigated reasons for the increase through interrogatories.

In its evidence, Enbridge Gas noted that the true-up of estimated consumption based on the calendarization of UFG volumes contributed to volatility between 2020 and 2021. The true up between the December 2020 estimate and the actual billed volumes resulted in a decrease to the delivery volumes recorded in January 2021. When billing related to December 2020 was completed over the following month, it was determined that there was an over-estimate of gas deliveries for December 2020. In response to an interrogatory, Enbridge Gas further explained that the true-up noted in the evidence between December 2020 and January 2021 is related to the unbilled estimation for December 2020. The December 2020 estimated volumes were higher than the December 2020 actual billed volumes by approximately 46,000 10<sup>3</sup>m<sup>3</sup>. The true-up that occurred in January 2021 resulted in the 2021 UFG volume being higher by 46,000 10<sup>3</sup>m<sup>3</sup> at a cost of approximately \$6.1 million.<sup>13</sup>

All parties agreed that the disposition of the account would be on an interim basis until further clarification regarding the calculation of UFG is provided in the next earnings sharing and DVA disposition proceeding. In the next earnings sharing and DVA disposition proceeding, Enbridge Gas agreed to provide detailed evidence on the derivation of UFG balances including: (a) continuity schedules showing forecast and actual UFG for 2020, 2021 and 2022; (b) the process used to determine forecast and actual UFG; and (c) the impact of billing adjustments on UFG.

OEB staff supports the proposed interim disposition of the UFG-related accounts and Enbridge Gas's commitment to provide additional information in the next earnings sharing and DVA disposition proceeding. Additional information will allow all stakeholders to better understand how the UFG balances are derived, the impact of any

---

<sup>12</sup> OEB Staff.11.a

<sup>13</sup> OEB Staff IRR#11(d).

over or under estimation on future year balances and how billing adjustments impact the calculation of UFG.

A potential alternate approach would have been to defer the disposition of UFG-related accounts to the next DVA and earnings sharing proceeding. OEB staff does not support this potential alternative approach as ratepayers will incur additional interest costs.

#### Unaccounted for Gas Price Variance Account – Union Gas

All parties agreed that the disposition of this account is on an interim basis, in line with the other UFG related accounts. As noted earlier, the balance in the UFG Price Variance Account was revised from \$3.358 million to \$8.151 million due to an error in the calculation methodology.

#### **Performance Scorecard**

The purpose of the performance scorecard is to measure and monitor performance during the deferred rebasing period. In the MAADs Decision, the OEB approved an amended scorecard. Accordingly, Enbridge Gas filed a consolidated 2021 scorecard for the merged utility in this application.

In 2021, Enbridge Gas met or exceeded all elements of the scorecard for 16 out of 20 metrics. Enbridge Gas continued to experience challenges meeting the performance standard for Time to Reschedule a Missed Appointment (TRMA) and the Meter Reading Performance Metric (MRPM). In addition, Enbridge Gas did not meet the performance standard for Call Answering Service Levels (CASL) and Abandon Rate. Enbridge Gas noted that three of the four metrics that are below performance standards for 2021 were impacted by COVID-19 pandemic restrictions and the amalgamation of utility systems and processes.

The TRMA metric tracks the percentage of customers contacted to reschedule the work within two hours of the end of the original appointment time. The annual standard for TRMA is 100% and Enbridge Gas achieved 97.0% in 2021. This is consistent with prior year results which were 97.0% in 2019 and 97.3% in 2020. Enbridge Gas noted that it continues to make efforts to meet the metric and a team regularly meets to discuss ways to improve performance.

The MRPM represents the number of meters with no read for four consecutive months or more divided by the total number of active meters to be read. The target for the

metric is 0.5% and Enbridge Gas achieved a level of 5.0% in 2021. The result for 2019 was 0.7% and 4.4% in 2020. Enbridge Gas has faced challenges meeting the target since 2019 for several reasons, including the decision of a key meter reading vendor to no longer provide meter reading service resulting in the need to onboard a new vendor. Since March 2020, the COVID pandemic has presented additional challenges including closed businesses, increased customer sensitivity to contact with meter readers, and access issues during periods of lockdown.

In the settlement proposal, Enbridge Gas confirmed that it is committed to improving the MRPM results and will continue to take steps to achieve better outcomes.

The CASL metric measures the number of calls reaching the general inquiry number answered within 30 seconds divided by the number of calls received. The yearly performance standard for Call Answering Service Level is 75% with a minimum monthly standard of 40%. The 2021 result was 64.3%. In July 2021, Enbridge Gas harmonized the two legacy utilities Customer Information Systems (CIS), which involved moving 1.6 million customers and their associated data from one CIS system to the other. In addition, the telephone system (IVR) was also changed. These changes have resulted in higher call volumes. COVID-19 has further impacted the contact centres due to increased absence. In order to improve performance, Enbridge Gas has implemented several initiatives including recruiting temporary staff, conducting a post integration review of the telephone system to decrease wait times and a review of contact centre and billing processes.

The measure Abandon Rate is the percentage of callers who hang up while waiting for a live operator. The annual standard is not to exceed 10%. The 2021 result was 16.0%. The Abandon Rate metric was also impacted by the integration of systems in 2021 and the COVID-19 pandemic.

In mid-2021, the OEB initiated a review of Enbridge Gas's compliance with certain service quality requirements as set out in the Gas Distribution Access Rule (GDAR).<sup>14</sup> In particular, the review focused on Enbridge Gas's compliance with Call Answering Performance and Meter Reading Performance. Following the compliance review, Enbridge Gas shared its mitigation plans with the OEB and proposed SQR targets for 2022. Enbridge Gas provided an assurance to the OEB that it is committed to meet the

---

<sup>14</sup> Assurance of Voluntary Compliance, Pursuant to section 112.7 of the Ontario Energy Board Act, 1998, Enbridge Gas Inc., EB-2022-0188, September 12, 2022.

targets for 2022 as set out in its mitigation plan. Enbridge Gas further agreed to provide monthly reporting to OEB staff on its progress. Enbridge Gas also agreed to pay an administrative monetary penalty to the OEB for failure to meet the metrics.

The settlement proposal only refers to the MRPM. Parties have not taken a position on the remaining metrics in the Performance Scorecard and have confirmed that they do not intend to file submissions with respect to the performance metrics in this proceeding.<sup>15</sup>

In prior DVA and earnings sharing proceedings, the OEB made provision for parties and OEB staff to file written submissions on the performance scorecard. Considering that the OEB has already reviewed Enbridge Gas's performance metrics in the compliance proceeding (Assurance of Voluntary Compliance) and no parties intend to file submissions on the performance scorecard, OEB staff is of the opinion that a further review of the performance metrics in this proceeding is not required.

– All of which is respectfully submitted –

---

<sup>15</sup> Settlement Proposal, p. 22.