EB-2022-0222

Phase 1

Oral Hearing

EGI 2024 Rates Rebasing

Panel 12 – EGI

Integration Capital

FRPO Compendium

August 2, 2023

ENBRIDGE GAS DISTRIBUTION INC. AND UNION GAS LIMITED

Undertaking of Mr. Kitchen
To Mr. Brett

REF: Tr.1, p.145

To respond to BOMA 23.

Response:

The attached analysis presents a simple mathematical calculation which discounts both forecasted capital spend and O&M savings during the deferred rebasing period. The discount rate used is 3.5% as requested in the response to BOMA Interrogatory #23(a) found at Exhibit C.BOMA.23.

What this simplistic approach doesn't address is the timing differences between the year of capital spend and the year(s) that the associated O&M benefits are realized. For example, in 2021, the discounted capital spend amount of $48 million will generate O&M savings in 2022 and beyond. The discounted O&M savings in 2021 of $57 million is related to capital spend made in years prior to 2021.

Integration Capital investment and O&M Savings Schedule ($ Millions)

Item	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Capex											
Customer Care		$ 2	$ 22	$ 32	$ 8	$ -	$ -	$ -	$ -	$ -	$ 65
Distribution work management	$ 7	$ 21	$ 21	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50
Shared Services	$ 4	$ 5	$ 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13
Storage & transmission	$ -	$ 8	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8
Other functions	$ -	$ -	$ 5	$ 5	$ 5	$ -	$ -	$ -	$ -	$ -	$ 14
Sub-Total Costs	**$ 11**	**$ 36**	**$ 53**	**$ 37**	**$ 13**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 150**
Discounted Cash Flow of Costs (at 3.5%)	**$ 10**	**$ 34**	**$ 48**	**$ 32**	**$ 11**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 136**
O&M savings											
Customer Care	$ -	$ 15	$ 15	$ 16	$ 16	$ 26	$ 26	$ 26	$ 26	$ 26	$ 192
Distribution work management	$ -	$ -	$ 11	$ 11	$ 11	$ 16	$ 16	$ 16	$ 16	$ 16	$ 113
Shared Services		$ 2	$ 2	$ 3	$ 3	$ 5	$ 5	$ 5	$ 5	$ 5	$ 35
Storage & transmission	$ -	$ 1	$ 3	$ 3	$ 3	$ 4	$ 4	$ 4	$ 4	$ 4	$ 30
Management	$ -	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 180
Other functions						$ 14	$ 14	$ 14	$ 14	$ 14	$ 70
Sub-Total Savings	**$ -**	**$ 38**	**$ 51**	**$ 53**	**$ 53**	**$ 85**	**$ 85**	**$ 85**	**$ 85**	**$ 85**	**$ 620**
Additional unidentified efficiencies	$ 3	$ -	$ 12	$ 17	$ 28	$ -	$ -	$ -	$ -	$ -	$ 60
Sub-Total Savings	**$ 3**	**$ 38**	**$ 63**	**$ 70**	**$ 81**	**$ 85**	**$ 85**	**$ 85**	**$ 85**	**$ 85**	**$ 680**
Discounted Cash Flow of Savings, including efficiencies (at 3.5%)	**$ 3**	**$ 35**	**$ 57**	**$ 61**	**$ 68**	**$ 69**	**$ 67**	**$ 65**	**$ 62**	**$ 60**	**$ 548**
Net Discounted Cash Flow (at 3.5%)	**$ (7)**	**$ 1**	**$ 9**	**$ 29**	**$ 57**	**$ 69**	**$ 67**	**$ 65**	**$ 62**	**$ 60**	**$ 412**

Customer Care

15. Customer Care restructuring alignment in 2019 delivered $2.7 million and VWO in 2020 delivered $2.9 million per year in sustainable savings. One of the most significant benefits of integration was achieved through the Customer Information System (CIS) consolidation which delivered $16.1 million in O&M savings starting in 2022. Implemented in July 2021, the creation of a common CIS served to align billing processes, deliver enhancements on a unified platform, and deliver savings through the decommissioning of Union's instance of the Banner CIS and the elimination of third-party contract costs. This integration initiative migrated 1.6 million customers to a single CIS on the SAP 4 HANA platform in use for EGD customers. This project also consolidated customers into one MyAccount system, one Interactive Voice Response (IVR) system, and a consolidated website. The project provided consistent processes and procedures for employees and customers, an enhanced user experience through efficient access to information, and a single integrated system to connect stakeholders across the organization. Stabilization for this complex system integration continued throughout 2022 with change management efforts including augmented staffing and enhanced training for staff and support teams, along with continued system enhancements in response to customer feedback.

16. In addition, the alignment of meter reading schedules across the utility from monthly readings to alternate-month readings delivered integration savings of $2.7 million in 2019 and 2020, subsequently reduced to $0.9 million in 2021 as a result of higher contract costs with a new vendor.

17. Within the contract rate market, harmonized rules for setting contract parameters and authorization of overrun, and common customer communication templates were established to create a more consistent customer experience across all rate

zones. These changes support future growth opportunities, while reducing the effort for contract renewals, and increasing the level of transparency for customers.

Distribution Operations

18. Distribution Operations restructuring alignment in 2019 delivered $6.4 million and VWO in 2020 delivered $1.7 million per year in sustainable savings. Savings were realized through a portfolio of integration initiatives undertaken to deliver consistent and efficient distribution work management practices across Enbridge Gas. Distribution work management includes the planning, scheduling, compliance, work management systems (WMS), WMS support, asset management, and support for overall work to maintain Enbridge Gas's assets across the utility. The Work Management initiative consolidated Work Management Centers from twelve centers to three. In addition to the consolidation, the strategy also aligned the organizational structure within the centers as well as harmonized processes and systems for Operations' front and back-end work functions that support planning, scheduling, execution, and analysis of field distribution maintenance work. The Work Management initiative resulted in approximately $1.9 million in savings starting in 2021.

19. To enable this harmonization and optimization of work management practices and supporting savings, Enbridge Gas undertook a multi-year, phased project to integrate the asset and work management system (AWS) onto a common platform, Maximo. Phase 1 was completed in July 2021 and delivered efficiencies through a common system and processes for planning work, and harmonized policies, processes, and procedures for distribution maintenance operations. The Phase 1 deployment created improved visibility of utility work orders across Enbridge Gas operations, streamlined reporting and decision-making opportunities, and

eliminated duplicate systems. In parallel with the harmonization of the Maximo asset and work management system, Distribution Operations field technicians and supporting staff were deployed with a consolidated technology solution, ClickSoftware Field Service Edge (FSE), for executing work in the field. The implementation of the field device impacted over 1,000 end users.

20. Distribution Operations also realized additional savings from lower FTEs due to the implementation of an integrated work and resource strategy. This comprehensive strategy established an aligned operating model for how internal and external field operations resources are managed to optimize Enbridge Gas's best-in-class safety, reliability, quality, customer, and cost performance. A significant component of this strategy was to align on the use of contractors for specific work activities. For regions in Union's previous franchise area, this meant shifting more day-to-day work to the Extended Alliance vendors. FTE, contractor, and burden savings were $2.7 million in 2021 and $2.2 million in annual sustainable savings thereafter.

21. Distribution Operations also achieved synergy savings through other initiatives including the fleet and garage strategy, and warehouse consolidation. Operations integrated the maintenance of fleet vehicles for EGD and Union through outsourcing. Implementing the fleet and garage strategy delivered $2.1 million of savings. Warehouse consolidation reduced the cost of maintaining multiple warehouses and a number of duplicate roles. Two locations were closed, and inventory was consolidated in the remaining five warehouses resulting in $0.3 million in sustained savings.

22. In addition, Distribution Operations delivered initiatives that produced $0.8 million in savings through integration that enabled further alignment, including adoption of a common emergency response process, and aligned emergency call handling

procedures. The expanded use of Alternate Locate Agreement (ALA) contracts improved locates efficiency and reduced locates costs by providing contractors more flexibility to manage locate requests within a larger time allotment.

23. As EGD and Union operated in distinct service areas, there was no fundamental overlap in the maintenance work orders generated, or volume of emergency calls, however the qualitative benefits of common processes, clear accountabilities, and consistent outreach delivers value to stakeholders and customers through common channels for delivery and response expectations. Through the implementation of a single Emergency Operations Centre and harmonized Incident Command protocols, the utility has common response structures supporting safety and reliability and predictability for stakeholders. Furthermore, by establishing a single Emergency Dispatch Centre aligning the receipt and dispatch of emergency calls, the Company continued to enhance the safety and reliability of operations.

24. Fundamental to safety and reliability, was establishing a common Damage Reduction Program building on the strong foundation of safety in each utility. This program represents the implementation of a collection of strategic, harmonized multi-year initiatives aimed at reducing third-party damages to GDS assets. Initiatives are centered on awareness, education, and partnerships, and advertising and marketing to ensure EGI effectively communicates and engages with contractors and homeowners. Additionally, technology and predictive analytics enable a more proactive approach to distribution protection measures and practices.

Energy Services

25. Energy Services restructuring alignment in 2019 delivered $4.7 million and 2020 VWO delivered $0.7 million in sustainable savings. Energy Services delivered early

synergies in 2019 through the centralization of the Gas Control and Nominations teams along with the Supervisory Control and Data Acquisition (SCADA) system. Prior to amalgamation, separate gas control centers were in operation, each using different scheduling systems and processes. This integration effort migrated EGD's control centre operations from Edmonton to a consolidated Enbridge Gas Control Centre in Chatham and the EGD assets into the SCADA system. The centralization of functions and consolidation of SCADA technology optimized operational costs by streamlining operational gas management across the system and aligning processes. Savings are included in the 2019 restructuring effort.

26. In early 2022, the Cost of Gas (COG) Project was implemented, delivering integrated processes into an automated utility gas purchase and financial reporting system in SAP for Energy Services and Finance. The integrated system and processes provide aligned automated functionality for gas inventory and financial reporting related to gas costs across Enbridge Gas, including contracting, purchasing, invoicing, and nominations. The benefits of this system are process consistency and accurate reporting and management of gas costs for Enbridge Gas.

Engineering and Storage and Transmission Operations (STO)

27. Engineering and STO restructuring efforts in 2019 delivered $6.6 million and VWO in 2020 contributed $2.9 million in sustainable savings. Within Engineering and STO, consolidation of separate meter shops and harmonization of accreditation audits contributed to $1.2 million savings starting in 2021 and provides a streamlined approach to effectively manage Enbridge Gas's metering asset life cycle. As well, harmonization of storage and transmission operations at the Dawn and Tecumseh locations identified opportunities to reduce duplication, and create optimal resourcing solutions leveraging internal employees, contractors, and

partner resources. An example of delivering consistency in processes and operating models was the transfer of corrosion survey accountabilities to the Distribution Protection team in Distribution Operations. The restructuring savings includes the harmonization of storage and transmission operations at Dawn and Tecumseh achieved through repurposing of roles to efficiently insource certain activities previously conducted by external service providers such as third-party observation for well drilling and inspection at Tecumseh.

28. Engineering also delivered a comprehensive Content Management Program (CMP), an initiative focused on harmonizing EGD and Union content, including standard operating practices and other technical and business-related processes and procedures. The CMP established standards for how content is stored, updated, and delivered throughout the Company. This consistency ensures documentation can be retrieved in a consistent format, resulting in consistency in accessing procedures, and updating and rolling out changes across the Company. These consistent standards were further used with the approximately 500 business process and procedures that were harmonized to support the safe and efficient delivery of work as part of the AWS and CIS implementations in 2021.

29. Harmonizing the Integrated Management System (IMS) for the Company was led by the Engineering department. This umbrella program harmonized the IMS governance and framework of the eight IMS management programs to meet requirements that support safe and reliable operations. Another initiative was delivered to align, integrate, and enhance the Quality Management Program, including implementing a single, consistent Operator Qualification Program, a Quality Assurance framework for the utility with aligned quality assurance checklists to support the evaluations of harmonized processes for Utilization, Operations (including Stations), Construction and Material Quality Assurance Programs for PE

Pipe, pressure reducing regulators, and Fusion Iron Heater Faces. In addition, a consistent Quality Material Equipment Report Program across Enbridge Gas was implemented.

30. Another integration milestone was a consolidated Asset Management Plan (AMP) for the Company, first filed with the OEB in October 2020. The AMP supports the financial planning and provides the basis for the long-range plan. Through this effort a consistent value-based decision-making framework was developed to standardize the approach to optimizing the investment portfolio based on cost, risk, and performance. The project required the establishment of a common AMP approach, processes, and procedures, including the corresponding tools that are used to support decision making.

Central Functions

31. Central Functions savings of $5.6 million were realized as a result of 2019 Restructuring and $9.1 million due to VWO. Throughout the deferred rebasing term, benefits were achieved in central functions by eliminating duplication of shared services and systems. This simplification further supports reliability through modernized, standardized systems and promotes customer and process alignment. Examples of simplified technology applications include the aligned Enbridge Gas website, CIS, Cost of Gas system, and AWS (Maximo). This technology rationalization also enabled common processes for customers and stakeholders in their experiences and interactions with Enbridge Gas.

32. Also, within Central Functions, an immediate opportunity was addressed to reduce leased real estate in Toronto where both utilities leased spaces for proximity to key stakeholders. Lease savings of $1 million were achieved starting in 2020 from locations that were no longer required following the consolidation of office spaces.

Summarized benefits of Utility Integration

33. Overall, the significant efforts undertaken by the Company throughout the deferred rebasing term are expected to deliver $86 million of annual sustained savings that will constitute savings to customers in the 2024 Test Year. In addition to the savings noted by area above, qualitative benefits were delivered as policies, programs, and systems were aligned furthering consistency and effectiveness across the utility benefiting customers, communities, and stakeholders.

2.3. Integration O&M Costs

34. To deliver the integration benefits and the savings to be passed on to customers at rebasing, O&M costs associated with integration were tracked separately over the deferred rebasing term. These costs will no longer be required beyond 2023 and were not reflected in rates during the deferred rebasing term, and as such were borne by the utility. Also included are severance costs associated with any FTE reductions brought about by restructuring. While many of the above initiatives achieved savings, some of the integration-related costs for business operations do not result in quantitative savings, however, they were fundamental to Enbridge Gas being able to deliver on integration while maintaining its safety and reliability commitments.

35. Integration initiatives have spanned all departments including Central Functions. The O&M costs largely represent dedicated FTEs and consultants working on aligning processes and procedures, harmonizing methodologies, and implementing common tools and systems. A number of these initiatives have contributed to the synergy savings referenced, with the savings sustained through the deferred rebasing term and beyond. As of the end of 2021, two-thirds of an expected $161 million of projected integration initiative costs over the 2019 to 2023 period has

been spent. Table 5 shows the integration costs by department, along with integration severance for the 2019 restructuring and 2020 VWO. By the end of 2023, significant progress on integration will be realized with benefits being passed on to customers and integration-related costs being eliminated.

Table 5
Integration O&M Costs Schedule by Area

Line No.	Particulars ($ millions)	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 Bridge Year	Total
		(a)	(b)	(c)	(d)	(e)	(f)
	O&M Costs						
1	Business Development & Regulatory	-	0.3	0.9	0.4	0.5	2.1
2	Customer Care	2.0	14.0	13.8	0.4	0.5	30.8
3	Distribution Operations	2.6	18.0	21.9	22.7	10.9	76.2
4	Energy Services	0.7	1.0	0.5	0.6	0.6	3.3
5	Engineering & STO	1.6	8.3	6.9	8.9	6.2	31.9
6	Other Functions	3.2	4.8	5.8	2.2	0.9	16.9
7	Subtotal for O&M Integration Costs	10.2	46.4	49.8	35.2	19.5	161.1
8	Integration Severance	41.5	77.7				
9	Total Integration O&M Costs	51.7	124.1	49.8	35.2	19.5	280.3

36. Distribution Operations is expected to incur $76.2 million of integration costs over the deferred rebasing term. Consultant costs totaling $27.2 million and integration staff totaling $25.1 million comprise most of Distribution Operations' integration costs. Consultants have been tasked with providing subject matter expertise, industry best practices and project management for initiatives such as the Work & Resource Strategy, Work Management Initiative, and the Fleet Strategy, while integration staff have focused on policy, procedure, and system alignment. In addition, $16.1 million will have been spent by the end of 2023 on Asset and Work Management System (AWS) alignment initiatives, which bring together the management of frontline operational work, the scheduling and execution of field work, and customer interaction into an integrated, common set of platforms. Other

integration activities include $3.2 million to implement an outsourced model for meter work and $2.9 million to update EGD and Union pipeline markers to Enbridge Gas pipeline markers.

37. Engineering and STO is expected to incur $31.9 million of integration costs over the deferred rebasing term. The largest integration initiative led from this department incurred a cost of $16.5 million for the alignment of engineering policies and procedures through the Content Management Program. In the Storage and Transmission area, $4.7 million was spent to align storage training, documentation, and system policies and procedures. Other integration initiatives include $4.1 million for harmonizing the Integrated Management System (IMS) processes, and the alignment of Technical Training and Records policies and procedures, $2.7 million for system updates to include Union transmission pipelines into the Integrity Assessment Program, and $1.1 million for meter shop work and resource strategy which consolidated multiple meter shops and harmonized accreditation audits. The remaining costs incurred were primarily to consolidate programs including $.9 million for the integration of the asset plan and $.4 million consolidating the records management department.

38. Customer Care is expected to incur approximately $30.8 million in integration costs over the deferred rebasing term, primarily due to $27.5 million for CIS harmonization. These O&M costs included training, change management, stakeholder engagement, software, cloud, and data conversion costs required to enable the new system and processes. The project delivered a common system for Enbridge Gas, resulting in savings of approximately $15 million annually starting in 2022. Customer Care will also incur $2.1 million of integration staff costs supporting harmonization for customer care process and procedures over the deferred rebasing term which will not carry over into the 2024 Test Year.

39. Energy Services and BD&R are expected to incur $3.3 million and $2.1 million respectively, in integration costs over the deferred rebasing term. For Energy Services, integration staff in the Utility Portfolio Management (UPM) team have been providing oversight, tracking and support for all integration initiatives across the organization. For BD&R, integration initiatives are primarily Regulatory-related where $1.5 million will be spent on resources to develop harmonization proposals in preparation of the 2024 Rebasing Application. Costs in these areas support the coordination of multiple integration initiatives due to the inter-related changes across the portfolio.

40. Central Functions expect to incur $16.9 million in integration related costs with most spent as of 2021. These integration costs are primarily comprised of $10.3 million for Finance consultants leading process alignment initiatives such as the harmonized depreciation study, harmonized overhead capitalization methodology and unregulated storage allocation study; along with $4.4 million of Finance integration staff supporting integration activities such as alignment of financial data into a single source, alignment and consolidation of reporting and the development of harmonization proposals for rebasing application. Other integration costs include $2.1 million for supply chain harmonization, commercial contract renegotiations, and TIS alignment.

41. Severance costs related to integration were $41.5 million in 2019 and $77.7 million in 2020. In 2019, the severance costs are due to the initial Enbridge Gas organization restructuring and role rationalization. In 2020, the severance costs are due to the VWO program. No significant integration related severance costs were incurred in 2021, nor are any expected in 2022 and 2023. Please see Exhibit 4, Tab 4, Section 3 for more details on Enbridge Gas FTEs and employee compensation.

2.4. Integration Capital Expenditures and Inclusion in Rate Base

42. To deliver the benefits of integration, pillar system alignment was required to effectively manage business operations and customer interactions for over 3.8 million customers. Supporting multiple billing and work management systems with disparate processes and structures was not an effective way to deliver reliable, scalable, efficient service to customers, nor an effective way to maintain ongoing business operations. Investments throughout the deferred rebasing term brought the utility to common, modern, scalable platforms. These platforms provide foundations that deliver sustainable savings and ongoing benefits in common user experiences and practices across Enbridge Gas that will extend beyond the deferred rebasing term. Over the deferred rebasing term, Enbridge Gas expects to incur approximately $252.2 million in capital expenditures related to integration efforts (Table 6). The revenue requirement to support these investments was not included in base rates, and as such was borne by the shareholder. The largest capital expenditures were in pillar technologies: one Customer Information System (CIS), one Asset and Work Management (AWS) system and buildings to effectively align areas with geographic proximity supporting field operations.

43. By December 31, 2023, the residual net book value of the integration capital projects is forecasted to be $178.5 million. The associated impact reflected in the 2024 Test Year revenue requirement is $34 million, further details at paragraph 49. A listing of the integration capital expenditures and descriptions is provided at Attachment 1. The CIS investments are included in Customer Care, the AWS investments are noted in Distribution Operations, and the real estate and building investments are reflected in Other Functions.

Table 6
Integration CapEx Investments Schedule

Line No.	Particulars ($ millions)	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 Bridge Year	Total
		(a)	(b)	(c)	(d)	(e)	(f)
	CapEx						
1	Business Development & Regulatory		0.6	2.0			
2	Customer Care	6.7	27.7	32.0			
3	Distribution Operations	11.3	7.1	19.0	27.0	13.7	
4	Energy Services	3.6	3.7	8.0	3.0		
5	Engineering & STO		0.2	2.0	1.0		
6	Other Functions			24.5	10.6	29.9	
7	Overheads	7.6	11.0				
8	Total Annual CapEx	29.1	50.4	87.5	41.6	43.6	252.2
9	Net Book Value (included in rate base forecast)						178.5

Notes:
(1) Real Estate CapEx in "Other Functions" to align facilities GTA East and GTA West
(2) Distribution Ops: Work Mgmt. phases utility work, construction, meters, customer attachment
(3) CapEx is reflective of year spent
(4) Overheads are included at the project level starting in 2021
(5) Associated impact of NBV reflected in the 2024 Test Year revenue requirement is $34 million

44. As noted, the largest investments in capital were driven by technology investments to align pillar applications, which started in 2019. Upon initiation, these projects assessed the current systems in place against business needs, the evolving technology landscape and security requirements, as well as evolving customer expectations to determine the solutions to deliver on those requirements safely and reliably for Enbridge Gas. The decision to upgrade and migrate to existing systems provided significant benefits to customers, as implementing new systems would have been more expensive solutions.

45. As referenced in the savings section of this evidence, the CIS in Customer Care was a significant integration project for Enbridge Gas. The CIS in use prior to amalgamation were nearing end of life and migrating the UG Banner/ Enlogix CIS to the SAP S/4 HANA cloud application, mitigated sustainability issues and improved the reliability of the systems. The aligned CIS and complex interfaces to inter-related systems also enabled one common CIS platform and delivered a common brand and customer experience across Enbridge Gas. This foundational investment in the aligned billing system delivered synergy savings and served to modernize the system on which operational processes and customers continue to rely.

46. Another significant technology platform was delivered through the Asset and Work Management system implemented in Distribution Operations. The Asset and Work Management system enabled the efficient workload planning and execution in operations and set the stage for a scalable solution implemented through phases. This project initially migrated the service suite planning and dispatch application, along with related systems and processes in use at Union Gas pre-amalgamation into the Maximo system, creating alignment for utility maintenance work. This initiative expanded to a phased implementation leveraging system and processes for construction, meter shop, and planning for station operations. This integrated asset and work management system (Maximo) brought both companies onto a common platform with aligned policies, processes, and procedures for Distribution Operations, Customer Care, and Engineering while supporting Enbridge Gas's goals in achieving safe, efficient, and reliable operations. These implementations included planning, execution, and reporting activities, as well as the implementation of a mobility solution for the field workforce. This aligned system is fundamental to work and asset management across the utility, enabling safe, reliable, and effective

service to customers through work order management, asset reliability and emergency response.

47. In Energy Services, an investment in technology and an aligned, automated Cost of Gas Application delivered an integrated solution to purchase and contract, nominate, manage invoicing, manage credit requirements, and book gas costs and associated deferrals for financial and regulatory reporting, as well as inventory management across Enbridge Gas.

48. Additional capital expenditures for real estate needs resulting from integration are identified in Other Functions. Enbridge Gas completed a strategic review of the real estate locations and buildings used for office and operational needs, including a review of regional operating boundaries for field operations. Specific to the amalgamated utility, opportunities for reduction were identified considering geographic location and proximity. This resulted in decisions for a new Greater Toronto Area (GTA) East location to service the combined Peterborough and Cobourg areas, and a new GTA West location consolidating Burlington, Milton, and Brampton service areas. The new facilities are forecasted to be substantially complete by December of 2023 with occupation taking place in the first half of 2024. Enbridge Gas expects to dispose of the Peterborough, Cobourg, Burlington, Milton, and Brampton locations in 2024, and has forecasted these dispositions in 2024 rate base. Enbridge Gas has not forecasted gains or losses related to the dispositions due to the volatility of market conditions, and actual results will be disclosed in the annual earning sharing applications. Once in-service, the new facilities are expected to generate annual operational savings of approximately $0.2 million for the GTA West location and approximately $0.1 million for the GTA East location. Due to timing of movements and dispositions, these savings are expected to begin in 2025.

49. Enbridge Gas's expectation is that the net book value capital costs of the integration will be included in rate base in 2024 and be subject to recovery through rates going forward. These investments were made throughout the deferred rebasing term to deliver the highest level of sustainable savings and operational benefits. Much of the residual net book value of the PPE pertains to in-service additions in 2021, 2022, and 2023, which Enbridge Gas will not have had the opportunity to fully depreciate by the end of the approved 5-year deferred rebasing term.

50. Beginning in 2024, Enbridge Gas will reflect the impact of the efficiencies and cost savings resulting from the amalgamation in its going-forward rates. At the same time, it is appropriate that remaining costs from capital projects aimed at integration and delivering benefits should also be reflected in Enbridge Gas's rates. The expected annual synergy savings of $86 million resulting from all integration initiatives, net of $34 million in annual depreciation, based on proposed depreciation rates pursuant to the depreciation study provided at Exhibit 4, Tab 5, Schedule 1, Attachment 1, taxes and carrying charges related to these projects will be passed on to customers during the next IR term and beyond, flowing through as a net reduction of $52 million to the revenue requirement in 2024.

51. This approach reflects the principle that benefits follow costs and is consistent with the fact that, under US GAAP, the costs of the amalgamation/ integration investments are expensed, as depreciation, over the period when they are providing value. These investments in complex systems have extended depreciation terms due to the life of the asset. These systems provide the foundation upon which business processes and customer experiences are built to

deliver safe and reliable services to current and future customers. Considering that this value is credited to customers through rebasing, so too should the costs be charged to customers at that time. The capital investments made will continue to provide value and service to customers and establishing their continued rate base treatment and draw down through depreciation is consistent with how other utility assets are treated, and consistent with how GAAP requires assets to be treated. This treatment aligns the ongoing benefits for customers with the associated costs in rates.

3. Summary

52. At the end of 2023, with the end of the deferred rebasing term, Enbridge Gas will have completed the approved MAADs framework. Consistent with the commitments in the MAADs framework, the O&M costs incurred for integration activities are not included in proposed rates for 2024. The annual integration synergies of $86 million demonstrate the amalgamation of EGD and Union provides ongoing benefits to customers. As those savings are passed on to customers in 2024, it is appropriate the corresponding net book value of integration costs of the assets used to provide continued safe and reliable services are included in rate base. This evidence compiled the view of the integration activities that were completed through the deferred rebasing term, which generated a net reduction of $52 million to the 2024 Test Year revenue requirement.

Capital Expenditures Integration Projects - Detailed Listing

Line No.	Particulars ($000s)	Project	In Service Date	2023 Total spend as at Dec 31 (a)	2023 Acc. Dep as at Dec 31 (b)	2023 NBV as at Dec 31 (c)	Project Description
1	Shared Services	REWS-GTA West Building	Dec 2023	57.5	0.0	57.5	This project consolidates facilities in the West/Niagara region and retires of two existing facilities. This is required due to Enbridge Gas operations boundary realignment to enable the operational teams to operate efficiently and results in facility savings.
2	Customer Care	CIS Integration	July 2021	44.7	11.8	37.1	Integration to a common Customer Information Systems (CIS) resulting in the retirement of the UG Banner CIS, and required upgrade and migration to one SAP platform to ensure ongoing reliable operations.
3	Operations	Asset & Work Management Systems (AWS)	July 2021 July 2022 July 2023	46.6	17.4	31.7	This project delivers the integrated Utility Asset & Work Management Systems (AWS) harmonizing work management systems for maintenance operations, construction, and customer attachment, and integrating to the Maximo system previously used by EGD. This project is executed in Phases: Phase 1: integration of work management systems to a common Maximo platform; Phase 2: integration of Construction, Attachment, and Meter Shop systems and processes for Maximo, GetConnected, and Customer Connections Work Suite; Phase 3: Align Station Operations for both EGD and Union to Maximo.
4	Customer Care	CIS Integration - HANA	July 2020	16.1	7.5	11.8	This implementation is part of the CIS Integration Project, moving the UG Banner CIS information to the S4 HANA cloud application
5	Shared Services	REWS - GTA East Building	Dec 2023	9.8	0.0	9.8	This project consolidates facilities in the Eastern region and will retire two existing facilities. This is required due to Enbridge Gas operations boundary realignment to enable the operational teams to operate efficiently and results in facility savings.
6	Energy Services	Cost of Gas Replacement	Feb 2022	14.8	7.5	8.8	A single integrated Utility Gas Purchase and Financial Reporting automated solution is required to manage risks and ensure successful integration in Energy Services and Finance. The driver was to align processes and systems across Enbridge Gas to purchase and contract, nominate, manage credit requirements and track gas costs for financial reporting, inventory management, and deferrals for multiple rate zones.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit G, Tab 1, Page 2

Preamble:

EGI evidence states:

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.

Question(s):

For each of Legacy UG and EGD in 2021, please provide the percentage of meters with no read for:

a) 4 months
b) 6 months
c) 9 months
d) 12 months

Response:

Meter Reading Performance Measurement (MRPM) is a cumulative metric whereby the total number of unread meters fluctuates as some meters are read and are removed from the totals, while other meters remain as unread from the previous month, and new meters reach their four-month timeline and are added to the current consecutive estimate results. This means that even though a percentage of meters have successfully been read, Enbridge Gas will continue to have meters that have consecutive estimates. The following results are as of December 31st.

Table 1

% of meters with consecutive estimates

% of meters with consecutive estimates	UG Rate Zone 2021	EGD Rate Zone 2021
a) 4 months	3.02%	0.66%
b) 6 months	3.96%	0.83%
c) 9 months	2.77%	0.57%
d) 12 months	0.69%	1.29%

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit G, Tab 1, Page 2

Preamble:

EGI evidence states:

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.

Question(s):

For each of Legacy UG and EGD in 2021, what percent of accounts received a zero consumption bill:

a) From January to June
b) From July to November

Response:

a - b)

Zero consumption on a gas bill would be based on a customer's consumption behaviour, such as seasonal gas use, or in the case where the meter is temporarily locked. Enbridge Gas' billing practice whenever gas consumption is expected and an actual read is not present, is to use an estimated reading for billing.

Due to system integration in the Legacy UG rate zones, this level of information is not available prior to July 2021.

Table 1

% of accounts that received a zero consumption bill

% of accounts that received a zero consumption bill	Legacy UG rate zones	Legacy EGD rate zone
From January to June	N/A	1.20%
From July to November	3.90%	4.60%

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit G, Tab 1, Page 2

Preamble:

EGI evidence states:

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.

Question(s):

For each of Legacy UG and EGD in 2021, what percent of accounts received an estimated consumption bill:

a) From January to June
b) From July to November

Response:

a - b)

In each billing month, it is normal billing practice that 50% of all customer accounts are billed based on estimated reads. Also, whenever an actual read is not present, an estimated reading will be used for billing purposes.

Due to system integration in the Legacy UG rate zones, this level of information is not available prior to July 2021.

Table 1

Average # of Monthly Accounts with an Estimated Consumption Bill

Average # of monthly accounts with an estimated consumption bill	Legacy UG rate zones	Legacy EGD rate zones
From January to June	N/A	55.3%
From July to November	67.4%	54.9%

ASSURANCE OF VOLUNTARY COMPLIANCE

Pursuant to s. 112.7 of the

Ontario Energy Board Act, 1998

Enbridge Gas Inc.

OEB File No. EB-2022-0188

September 12, 2022

I. INTRODUCTION AND SUMMARY

In mid-2021, the Ontario Energy Board (OEB) initiated a review of Enbridge Gas Inc.'s (Enbridge Gas) compliance with certain of its service quality requirements (SQRs), as set out in the Gas Distribution Access Rule (GDAR). In particular, the review focused on Enbridge Gas' compliance with sections 7.3.1 (Call Answering Performance) and 7.3.3 (Meter Reading Performance) of the GDAR. The compliance review was initiated as a result of an increased number of customer complaints the OEB was receiving about Enbridge Gas meter reading, estimated bills and call centre wait times.

Following the compliance review, Enbridge Gas shared its mitigation plans with the OEB and proposed SQR targets for 2022 which are detailed below and which Enbridge Gas commits to under this Assurance of Voluntary Compliance. Enbridge Gas is providing this Assurance of Voluntary Compliance to the OEB under section 112.7 of the *Ontario Energy Board Act, 1998* (OEB Act) as a commitment to take all reasonable steps necessary to meet call answer performance measures (CAPM) and to establish and meet improved meter reading performance metrics (MRPM) for 2022.

II. STATEMENT OF FACTS

Enbridge Gas was formed by the amalgamation of Enbridge Gas Distribution Inc. and Union Gas Limited, effective January 1, 2019. Enbridge Gas is the largest natural gas distribution, transmission and storage company in Ontario, currently serving approximately 3.8 million gas distribution customers across Ontario.

The purpose of the SQR provisions of the GDAR is to establish performance standards and measurements for the natural gas industry in Ontario. The GDAR requires a gas distributor, such as Enbridge Gas, to observe and track its performance in several areas of customer service, such as telephone answering, meter reading, service appointments and emergency response. Enbridge Gas is attentive to and tracks its performance in these areas and reports at least annually to the OEB in accordance with its Natural Gas Reporting and Record Keeping Requirements Rule for Gas Utilities.

a. *Call Answering Performance*

Enbridge Gas must comply with the provisions set out in the GDAR. For the reasons set out below, Enbridge Gas was not able to meet its compliance obligations under section 7.3.1 of the GDAR for 2021. Section 7.3.1 of the GDAR sets out the following metrics for CAPM:

7.3.1 Telephone Answering Performance

> Telephone Answering Performance is a service quality indicator that is based on a centralized facility established or outsourced to handle calls and other inquiries from customers. The measurement of this requirement will include the following categories of calls: billing; collections; emergencies; and meter appointments.
>
> Data for the call answer performance measures shall be obtained by monitoring calls on the distributors' telephone systems including the Interactive Voice Response (IVR) system.
>
> 7.3.1.1 Call Answering Service Level
>
> The percentage of all calls to the general inquiry phone number, including IVR calls that are answered within 30 seconds. This measure will track the percentage of attempted calls that are satisfied within the IVR or successfully reach a live operator within 30 seconds of reaching the distributor's general inquiry number. The operator must be ready to accept calls and to provide information.
>
> This measurement will be calculated as follows:
>
> $$\frac{\text{Number of calls reaching a distributor's general inquiry number answered within 30 seconds}}{\text{Number of calls received by a distributor's general inquiry number}}$$
>
> The yearly performance standard for the Call Answering Service Level shall be 75% with a minimum monthly standard of 40%.
>
> 7.3.1.2 Abandon Rate
>
> The abandon rate means the percentage of callers who hang up while waiting for a live operator. This measure will track the percentage of callers that hang up before they reach a live operator. This measurement will be calculated as follows:
>
> $$\frac{\text{Number of calls abandoned while waiting for a live agent}}{\text{Total number of calls requesting to speak to a live agent}}$$
>
> The performance for this standard shall not exceed 10% on a yearly basis.

As a result of the OEB compliance review and Enbridge Gas' own internal investigation, Enbridge Gas identified a number of factors that contributed to its non-compliance with the CAPM, primarily:

- In 2021, Enbridge Gas completed a significant integration project to consolidate its customer information systems into one (CIS (SAP)) for all 3.8 million customers. This involved moving 1.6 million customers into the SAP system and integration of the customer-facing websites, online billing and interactive voice response (IVR) systems, requiring customers to update passwords and banking information; and

- At the same time, Enbridge Gas experienced a shortage of resources in its call centre due to increased illness and absences due to the Covid-19 (Covid) pandemic.

As a result of these compounding factors and higher call volumes, Enbridge Gas did not achieve the CAPM in 2021, such that its call answering service level was 64.3% and its abandonment rate was 16%. Although its system integration is now complete, resourcing constraints and Covid related absences are continuing. Enbridge Gas also notes that in the fall of 2022, it is undertaking an additional system upgrade to add multi-factor authentication (MFA) for accessing customer accounts. This system upgrade is necessary to conform with new industry norms for customer information cyber security. It is likely that the MFA impact on the CAPM will be an increase in call volumes, and Enbridge Gas is preparing to address that. In any event, Enbridge Gas is working diligently through implementation of its mitigation plan (further described below) to achieve the CAPM in 2022.

b. Meter Reading Performance

Due to reasons which are set out below, Enbridge Gas was not able to meet its compliance obligations under section 7.3.3 of GDAR for 2019, 2020 and 2021. As also further explained below, while Enbridge Gas will not be able to come into compliance with this section for 2022, Enbridge Gas is committing to a target for meter reading performance and a plan for achieving that target. Enbridge Gas' performance for the MRPM was 0.7% in 2019, 4.4% in 2020 and 5% in 2021. When accounting for circumstances in which Enbridge Gas was not able to access customer meters for reasons such as locked gates, inside meters and customers not providing access to the property, the 2021 MRPM is estimated to be 3.83%.

Section 7.3.3 of the GDAR sets out the following for MRPM:

7.3.3 Meter Reading Performance

A distributor may choose to estimate the meter read for various reasons which may include limited access (e.g., a customer has an inside meter or the access to the meter is restricted) and the expense of actual meter reads. It is cost prohibitive to get actual meter reads each month. As a result, the following measurement is put in place to set out the minimum requirements for meter reads.

7.3.3.1 Meter Reading Performance Measurement

The meter reading performance measurement requirement will measure the percentage of meters with no read for four consecutive months.

Callers who call in their meter reads will be considered to have had their meters read.

The measurement will be calculated as follows:

$$\frac{\text{Number of meters with no read for 4 consecutive months or more}}{\text{Total number of active meters to be read}}$$

This measurement shall not exceed 0.5% on a yearly basis.

In 2019, the main reasons for Enbridge Gas not meeting the MRPM include:

- Extreme weather events such as freezing rain, polar vortex, heavy snowfall and flooding which limited the ability to travel to properties and access meters safely; and
- A key vendor decision to no longer provide meter reading services and end its contract with Enbridge Gas, resulting in the unplanned need to hire a new vendor in an already limited market.

In addition to the above-noted challenges for 2020 and 2021, as noted, the pandemic presented many additional and unprecedented challenges to Enbridge Gas meeting the MRPM, such as:

- Like all Ontario residents and businesses, Enbridge Gas was required to follow Public Health guidelines during the pandemic. During the early onset of the Covid pandemic and periods of lockdown, Enbridge Gas faced several challenges with meter reading and considered pausing meter reading activity due to public concerns about the safety of meter reading activity. Enbridge Gas directed its meter reading partners to ensure that all staff were working as safely as possible and to avoid close contact with the public and customers based on sensitivities. The pandemic resulted in many events beyond the control of Enbridge Gas such as closed businesses, increased customer sensitivities and access issues such as inability to read inside meters;
- A new meter reading vendor was still transitioning and learning the business, while also

facing challenges with staffing due to the Covid pandemic; and

- Resourcing issues impacted all meter reading vendors during the pandemic and this included challenges hiring staff and absences due to illness and the quarantine/isolation periods required by Public Health to ensure public safety.

Enbridge Gas must conduct manual meter reading for province wide operations and service territories. To illustrate how the MRPM applies to Enbridge Gas, the MRPM of 0.5% equates to approximately 19,000 customers, each with missed meter reads for 4 or more consecutive months (out of 3.8 million customers). Note that contracted meter readers each have 3 days to read their route within the billing cycle. When a reader becomes ill with Covid and must isolate for 5-10 days, they will miss 5,000-10,000 meter reads. Another event impacting meter reading was the month-long Ottawa convoy protest that resulted in 26,000 meter reads missed due to travel restrictions in the Ottawa area. It is not viable for Enbridge Gas to "catch up" and meet the MRPM for that year once a certain number of customers have had their meter reads missed for 4 consecutive months due to the cumulative effect of compounding factors such as these.

Enbridge Gas has acknowledged stakeholder concerns in its annual rate proceedings in connection with its performance scorecard and, with the OEB's acceptance, has committed to making a proposal to address the MRPM in its rebasing application to be filed with the OEB later this year.[1] This will serve to provide the OEB, Enbridge Gas and other stakeholders with the opportunity to fully examine the historical and current information related to the MRPM.

c. Impact on Customers

OEB staff advised Enbridge Gas that over the course of 2020 and into 2022, the OEB has continued to receive a higher-than-normal volume of contacts from Enbridge Gas consumers related to meter reading, bills not received, estimated billing and general issues of customer service. Enbridge Gas acknowledges that there has been an increase in complaints received by both the OEB and Enbridge Gas from its customers relating to their concerns about high bills, missed or estimated meter reads and the difficulty in contacting the company.

[1] EB-2021-0149, OEB Decision and Order in Enbridge Gas Application for 2020 Disposition of Deferral and Variance Account Balances and Earning Sharing Mechanism (January 27, 2022), p. 12.

Enbridge Gas is aware that, from the review of these complaints and the company's response to them, there have been negative impacts to Enbridge Gas' customers related to the issues addressed in this Assurance of Voluntary Compliance. Many complaints related to long periods of estimated bills due to the company not completing meter reads, which then resulted in some residential and commercial customers receiving large "catch-up" bills that were as high as several hundred or thousand dollars more than what they were reasonably expecting. Enbridge Gas is aware that some customers on pre-authorized payment plans were impacted due to large automatic withdrawals made from their bank accounts due to these catch-up bills (some of which were also only based on estimates). The customers complained that they were not given proper notice and that they were left with concerns about their ability to pay their other bills and living expenses while they had to wait for the company to make arrangements to credit overcharges. Enbridge Gas understands that some of these customers did not feel they were able to take advantage of payment plans that are required to be made available under the GDAR in the case of larger-than-normal bills that would allow customers to pay such amounts over an extended period of time. When the bill is issued to a customer they are advised of the withdrawal date of the pre-authorized payment. The pre-authorized payment is withdrawn at least 20 days following the bill date. At any time, the customer can contact Enbridge Gas if alternative payment arrangements are required.

Enbridge Gas acknowledges as well that some of these customers submitted meter readings that Enbridge Gas rejected because the reading was not consistent with average consumption patterns for the customers. When customers submit readings, each of these accounts is then manually reviewed and a determination is made if the read submitted is plausible based on review of the account details. Enbridge admits that, in some cases, customers were then subjected to catch-up bills resulting from the fact that the company had stopped billing the subject accounts until it had completed a review of the related meter readings. This also resulted in some customers not receiving regular monthly bills.

OEB staff's compliance review also identified that some Enbridge Gas customers were impacted as a result of delays in return of overpayments, credits owed to them and closing of accounts. Customers were further frustrated because they faced significant difficulty in trying to reach an Enbridge Gas customer service representative to discuss their concerns, with some customers stating they were on hold for extended periods or had to try calling for several consecutive days before their calls were answered. Customers reported that timelines for responses by Enbridge Gas supervisors or its Ombudsperson's Office staff were lengthy.

III. ASSURANCE

Enbridge Gas hereby assures the OEB that it is aware of its obligations under the GDAR relating to the CAPM and MRPM and it takes these obligations seriously and acknowledges the impacts Enbridge Gas' actions have on its customers. Enbridge Gas will not be able to achieve compliance with the MRPM SQR for 2022 but commits to meet the targets set out in its mitigation plan, which targets are specifically detailed below.

Specifically, and subject to any extraordinary events (similar to the pandemic) that are beyond its control, Enbridge Gas commits to mitigation plans as summarized below, that aim:

- to achieve the CAPM for 2022, the elements of which are:
    - for billing, collections, emergencies and meter appointments, answer 75% of calls within 30 seconds with a minimum monthly standard of 40%; and
    - call abandon rate shall not exceed 10%; and
- for a 4% MRPM for 2022 (3% when accounting for meters that Enbridge Gas cannot access), meaning that the number of customers with a meter not read for 4 consecutive months or more shall not exceed approximately 152,000 of 3.8 million customers.

Enbridge Gas will provide monthly reporting to OEB staff on its progress and will advise OEB staff of the occurrence and impact of any extraordinary events as soon as reasonably practicable once they are known to Enbridge Gas.

The main elements of Enbridge Gas' mitigation plan for the CAPM are:

- ***Resourcing*** – recruiting temporary employees to assist with high call volumes at all call centre and billing locations
- ***IVR*** – review and continuous improvement of systems to enhance customer experience
- ***Customer Service Processes*** – continuous improvement in response to customer surveys and internal reviews

The main elements of Enbridge Gas' mitigation plan for the MRPM are:

- ***Consecutive Estimate Campaign*** – working with meter reading vendors to hire additional readers and conduct spring reading and communication campaign
- ***Inbound Calls*** – educating customers and providing assistance to read own meters
- ***Customer Outreach*** – targeted customer communications to engage customers to arrange for meter access and submit own meter reads
- ***Operations Engagement*** – field operations to support meter access efforts
- ***Meter Reading Processes*** – review and continuous improvement to increase attainment and efficiency

Enbridge Gas fully understands the importance of maintaining clear customer communications related to its customer service, call centre, billing and meter reading operations and commits to the communication measures set out in its mitigation plans. As part of its mitigation plans, Enbridge Gas is also taking steps to further educate and empower customers to take advantage of self-serve options, such as online billing and submitting their own meter reads. These self-serve options are always available to customers if they are concerned about access to account information or meter estimates at any time.

Enbridge Gas submits that it has taken all reasonable steps to ensure future compliance with the CAPM. For the MRPM, Enbridge Gas will be seeking a modification of or exemption from these standards from the OEB as part of its rebasing application. In the interim, Enbridge Gas has committed to the MRPM targets set out above and has implemented operational changes to carry out its mitigation plans as set out herein and provided in more detail to OEB staff. Within three days of receiving the OEB's acceptance of this Assurance of Voluntary Compliance, Enbridge Gas shall place, on a main page of its website, a notice to customers (in form and substance agreed to by OEB staff), advising of this Assurance of Voluntary Compliance and steps customers can take to address any concerns they may have about their own meters being read in a timely manner.

Enbridge Gas assures that it will not apply to recover the penalty amounts related to this Assurance of Voluntary Compliance in any current or future rate application.

IV. ADMINISTRATIVE MONETARY PENALTY

Enbridge Gas agrees to pay an administrative monetary penalty to the OEB in the amount of $250,000. Payment will be made, together with notice sent to the OEB's Registrar, within four weeks of Enbridge Gas being given notice of the acceptance of this Assurance of Voluntary Compliance by the OEB.

V. CONSUMER RIGHTS

Nothing in this Assurance of Voluntary Compliance affects any rights a consumer may have under any applicable laws.

VI. FAILURE TO COMPLY

This Assurance of Voluntary Compliance has the same force and effect as an order of the OEB pursuant to section 112.7(2) of the OEB Act and any failure to comply with its terms shall be deemed to be a breach of an order of the OEB.

VII. EXECUTION OF ASSURANCE

I have the authority to bind Enbridge Gas Inc. to the terms set out in this Assurance of Voluntary Compliance.

Name: Tanya Mushynski
Title: VP Customer Care
Company: Enbridge Gas Inc.

Signature: Tanya Mushynski

Dated this 12th day of September, 2022