

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: 

Dated this 12th day of September, 2022