

## OPEN BILL ACCESS SERVICES

### Overview & Introduction

1. Enbridge Gas Distribution Inc. (“Enbridge” or the “Company”) requests that the Ontario Energy Board (“OEB” or the “Board”) approve its proposal to continue the existing financial terms associated with offering Open Bill Access (“OBA”) services for the years 2019 and 2020, including the sharing of net revenues from those services with ratepayers. The approval sought in this Application relates to the Enbridge Gas rate zone, and not to the Union Gas rate zone.
2. Due to several unknowns at this time, which are discussed later in this Exhibit, Enbridge is not in a position to propose a longer extension to the OBA program. However, the Company expects that the requested extension will provide the time necessary to assess the unknowns and subsequently file a proposal for continuation of the OBA program beyond December 2021.
3. In the EB-2011-0354 proceeding, the Company and interested parties (Billers and ratepayers groups) reached a full settlement of issues related to OBA services for 2013 (the “2013 OBA Settlement”). Subsequently, in the EB-2013-0099 proceeding, the Company and interested parties agreed to the continuation of the terms, with certain changes, of the 2013 OBA Settlement for Enbridge’s 2014 to 2018 Custom IR term (the “2014 OBA Settlement”). Over the past 5 years, Enbridge has been offering OBA services in accordance with the 2014 OBA Settlement.
4. For 2019 and 2020, Enbridge is proposing to continue to operate the OBA program under the existing financial terms that are set out in the 2014 OBA Settlement. These terms include the following:

- a) The Billing Fees to be applicable in 2019 and 2020 will be based on the Billing Fees applicable at the end of 2018, subject to annual increases equal to the annual percentage change in the Canadian Consumer Price Index (“CPI”), All Items, but not to exceed 2.5% per year;
- b) The costs used to determine net revenues for the OBA program will be based on the costs applicable at the end of 2018, adjusted in the same way as the Billing Fees in each of 2019 and 2020; and
- c) The sharing of net OBA program revenues between Enbridge and ratepayers will continue in the same manner as set out in the 2014 OBA Settlement Agreement (including the embedded \$5.389 million credit to ratepayers each year).

The 2014 OBA Settlement is provided at Attachment 1 to this Exhibit.

5. Enbridge has met with interested stakeholders (i.e., Billers utilizing the OBA Services) to update the Open Bill Access Billing and Collection Services Agreement (“OBA Contract”). Updates to the OBA Contract were proposed and confirmed pursuant to the prescribed process set out in that agreement and were facilitated through a series of three meetings with interested stakeholders. A copy of the updated OBA Contract is provided at Attachment 2 to this Exhibit and a blacklined version highlighting changes that was provided to the Billers is provided at Attachment 3. As in prior proceedings related to the OBA program, Enbridge is not requesting Board approval of the OBA Contract - it is being provided for information purposes.

## Background

6. Enbridge has offered third-party billing services, OBA Services, since 2007. OBA Services allow third parties to access the Enbridge bill for the purpose of billing charges and for the purpose of distributing third party marketing information in the form of bill inserts.
7. A key premise of the OBA program is that Enbridge shares net revenues with ratepayers. The current rates for Enbridge's customers include a \$5.389 million revenue offset (credit) recognizing forecast amounts of net revenues from the OBA program. Enbridge is entitled to retain any net revenues received from OBA services in excess of \$5.389 million up to a maximum of \$2.0 million, with the net revenues above that level shared 50/50 with ratepayers. The Open Bill Revenue Variance Account ("OBRVA") records any net revenue variances determined from the aforementioned updated Billing Fees and costs.
8. For the past 5 years (2014-2018), OBA services have been provided by the Company in accordance with the terms of the 2014 OBA Settlement. Board approval of the 2014 OBA Settlement granted several requests made by Enbridge in relation to the operation of the OBA program including:
  - a) Approval for Enbridge to continue to operate and offer the OBA program indefinitely, subject to notifying the Board at a later date that the Company intends to wind down the program; and
  - b) Updates to the financial terms under which the OBA program would operate during the 2014 to 2018 Custom IR term in order to maintain the financial viability of the program.

9. Specifically, with respect to the financial terms of the OBA program, the 2014 OBA Settlement provided for the following
- a) The Billing Fees applicable to OBA services for the period 2014 to 2018 were determined using the approved 2012 Billing Fees as a starting point, with annual adjustments to be equal to the change in the CPI, to a maximum of 2.5% per year; and
  - b) The costs used to determine OBA program net revenues were updated for the 2014 to 2018 period.
10. The 2014 OBA Settlement indicates that the agreement in relation to the financial consequences of the OBA program runs only until the end of 2018, and that Enbridge is to seek approval of financial consequences for future years as part of a future rate or other proceeding.

#### The EB-2017-0306/0307 Decision and Order

11. As part of the EB-2017-0306/0307 MAADs Application Decision and Order, the OEB approved the continuation of the embedded \$5.389 million credit to ratepayers each year during the deferred rebasing term (this is part of the approved base rates for the Enbridge Gas rate zone) and also approved the continuation of the OBA-related deferral and variance accounts. However, the pricing that will apply for OBA services and the costs to be used to determine net revenues were not addressed in the EB-2017-0306/0307 Decision and Order.

#### Current Plans

12. Enbridge wishes to continue to offer OBA services. However, the Company does not have enough information to propose terms for the full five year deferred rebasing period (2019-2023).

13. There are several unknowns preventing Enbridge from developing and proposing a long-term OBA program solution. The current and ongoing integration of Enbridge and Union Gas is just beginning. There may be changes to customer information systems (“CIS”) – billing systems - and presently decisions have not yet been made with regard to those changes. Further, the details of an open bill program in the Union Gas rate zone are not yet clear (the recent EB-2017-0127/0128 Report of the Board on the DSM Midterm Review indicates that Union Gas will “continue the development and roll out of its Open Bill Access program.”) Additionally, the Board has indicated in the EB-2017-0183 Review of Customer Service Rules consultation that there may be changes to gas distributor customer service rules. Some of these changes could impact the OBA program. For example, new requirements about allocation of payments and other collection related rules will impact both how the OBA program operates and its overall financial viability. Before proposing any longer-term proposals for the OBA program, Enbridge will want to know the details and timing of each of the items noted above.
14. To cover an interim period until more information is known, Enbridge requests approval of a two-year extension of the existing financial terms that are set out in the 2014 OBA Settlement. All other applicable terms of the 2014 OBA Settlement would also remain in place. This approach continues the status quo (which includes annual increases, capped at inflation, to the charges and costs associated with the OBA program). Details are set out above in paragraph 4. The requested approvals apply only to the Enbridge Gas rate zone.
15. Under this approach, the OBA program will continue to benefit ratepayers through the \$5.389 million credit to rates and through the sharing mechanism, should net revenues exceed \$7.389 million. Ratepayers will also continue to benefit from the convenience of having charges for a variety of energy services and products on a

single bill. With close to 1.4 million customers still having charges on their bill, there is a clear indication that customers appreciate the OBA program.

16. There is clear continued interest in the OBA program from Billers. The number of Billers actively using the program has increased from 22 in 2010 to 93 as of October of 2018.
17. Enbridge has recently consulted with Billers to update the OBA Contract, pursuant to the consultation process set out in that agreement. The updated OBA Contract contains a number of changes that will ensure the continued smooth operation of the OBA program. Enbridge and Billers are currently in the process of executing new OBA Contracts which will be effective as of January 1, 2019. Copies of the new OBA Contract, in clean and blackline form, are provided at Attachments 2 and 3 respectively to this Exhibit.

#### Future Plans

18. Enbridge will provide its proposal for continuation of the OBA program beyond the end of 2020 in advance of January 1, 2021. The terms of this proposal, including whether it will include the Union Gas rate zone, are not yet known.