



Pipeline Services Survey Results May 2009

Introduction

The Board's Goal 3, as stated in its 2009-2012 Strategic Plan, is: "Canadians benefit from efficient energy infrastructure and markets". Under this goal, the Board tracks various indicators that Canadian energy and transportation markets are working well. Contained within this measure is the Board's desire to promote an efficient pipeline transportation system, where the services that shippers receive from pipeline companies meet shippers' needs at fair prices.

To help determine whether Canadian transportation markets are working well, the Board conducted its fifth annual Pipeline Services Survey (Shippers Survey or Survey) in 2009 as a means to obtain direct feedback from the shippers of major NEB-regulated pipeline companies on the quality of service provided by those pipelines. The Survey is also used to obtain feedback from shippers on the Board's regulatory performance with respect to tolls and tariffs.

To conduct this year's Survey, the Board again used Inquisite, a web-based survey tool, which was sent to shippers directly via e-mail under the header of the National Energy Board. For each Survey received, shippers complete one response which reflects their company's corporate views on the services provided by the pipeline being surveyed and on the services provided by the Board.

This year the Report has been expanded. While it is still a summary of the results in aggregate for all the companies surveyed, the aggregate results include the industry average and distribution of responses for each question in the Survey as well as a five-year comparison of the aggregate results for each question and a summary of major themes. In addition, the Board will provide each pipeline company and its shippers with detailed company-specific results including the pipeline company's average rating and distribution of responses for each question as well as the verbatim comments received from shippers, with the names of the respondents excluded.

Surveys Issued and Response Rate

Pipeline companies were requested to provide the Board with the names of those shippers active on their systems. After each pipeline company provided the contact information for their active shippers, the Board sent each one of those shippers the Survey.

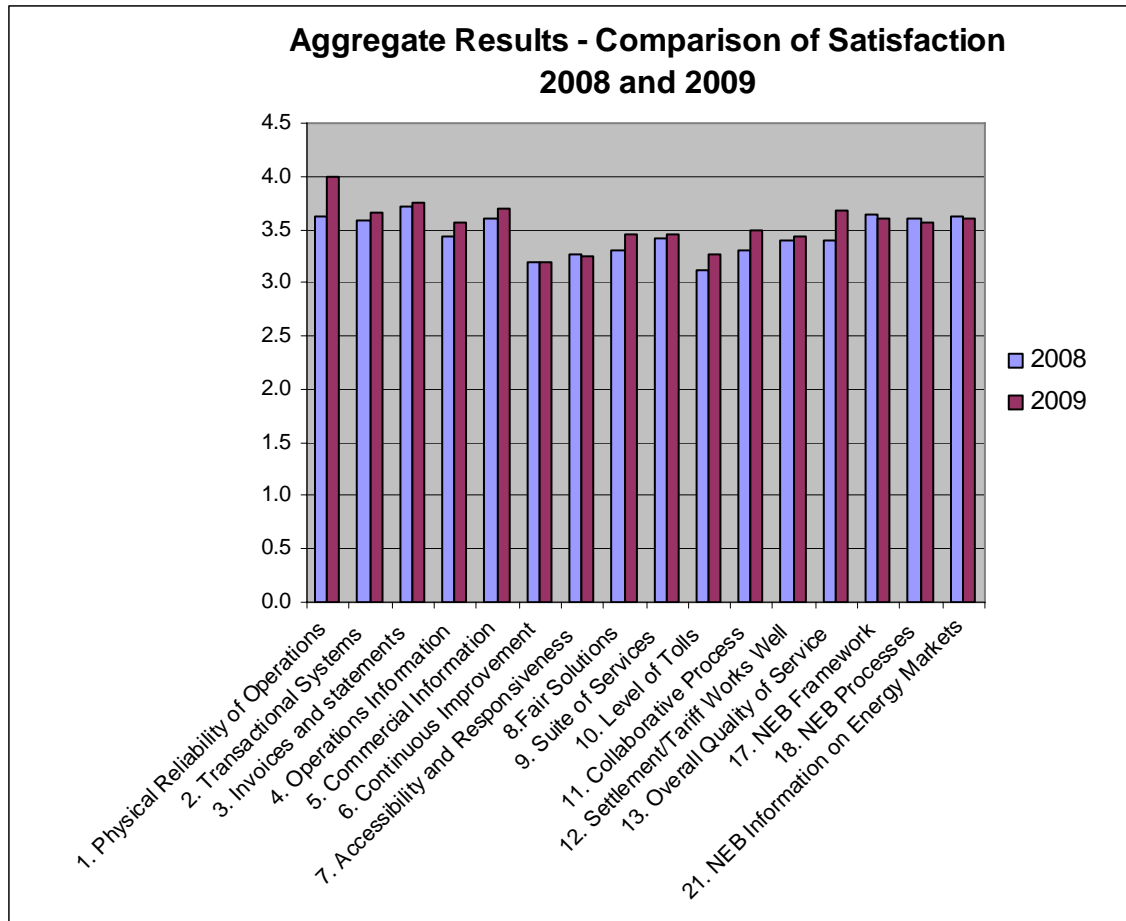
This year, the Survey participation rate increased. The Survey was sent to 200 fewer shippers than last year as this year pipeline companies only included active shippers on their contact information lists. The overall response rate increased to 38 per cent, up from last year's rate of 30 per cent. The information provided by shippers is taken seriously and, where appropriate, acted upon. For example, as a result of the Survey last year, the Board initiated and conducted a focused audit of one of the pipeline companies.

Survey Response

Company	Surveys Issued	Responses	Response Rate
Alliance Pipeline	47	19	40%
Enbridge Pipelines	62	20	32%
Express Pipeline	20	12	60%
Foothills Pipe Lines	42	11	26%
TCPL Mainline	56	21	38%
Trans Mountain Pipe Line	13	11	85%
Cochin Pipe Lines	17	5	29%
Maritimes & Northeast	16	9	56%
Vector Pipeline	44	15	34%
Westcoast Transmission	71	25	35%
Westcoast Field Services	33	13	39%
OVERALL	421	161	38%

Comparison of Pipeline Services Aggregate Survey Results for 2008 and 2009

Overall, satisfaction with the pipeline services has increased since the last survey. The increase in satisfaction ranges from one per cent (1%) to ten per cent (10%). The largest increase in satisfaction was found in question 1: "How satisfied are you with the physical reliability of the pipeline company's operations?" Four questions indicated a decrease in satisfaction and this was within a range of a half per cent (1/2%) to one per cent (1%). The largest decrease was on the questions regarding the NEB framework and processes (questions 17 and 18).



Aggregate Results on Pipelines Services for 2009

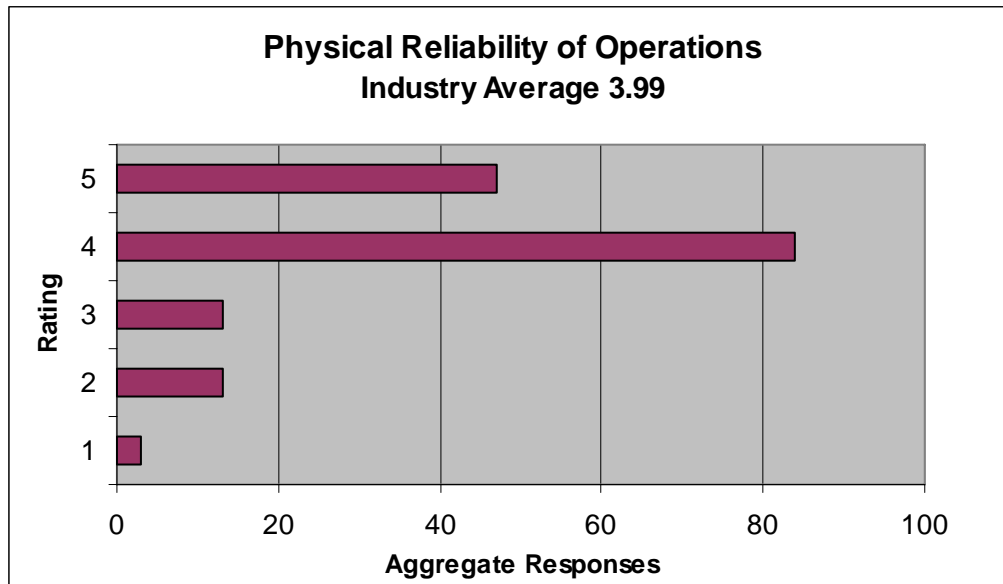
This section summarizes the aggregate results for all of the pipelines for each question in the Survey related to pipeline services. Also included in this section, is a five-year comparison of the aggregate results for each question as this year is the fifth year of the NEB Pipeline Services Survey. As noted in previous years, in instances where the response rate was low for specific pipelines, care must be taken in interpreting the Survey results.

For the majority of the questions on satisfaction with pipeline services, respondents were asked to rate their satisfaction with the services they receive on a scale of 1 to 5, where 1 indicates “Very dissatisfied”, 2 indicates “Dissatisfied”, 3 indicates “Neither satisfied or dissatisfied”, 4 indicates “Satisfied” and 5 indicates “Very satisfied”.

Questions and Responses

1. How satisfied are you with the physical reliability of the pipeline company's operations?

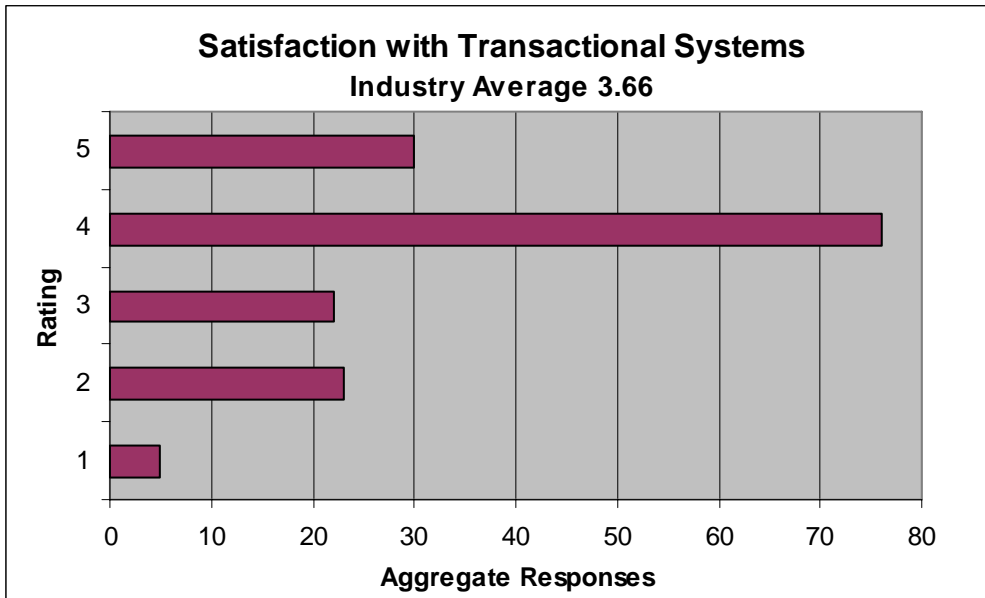
Satisfaction with the physical reliability of pipeline operations increased this year from 3.62 last year to 3.99 this year. Eighty-two per cent (82%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
3	13	13	84	47	3.99

2. How satisfied are you with the quality, flexibility and reliability of the pipeline company's transactional systems (nominations, bulletin boards, reporting, contracting, etc)?

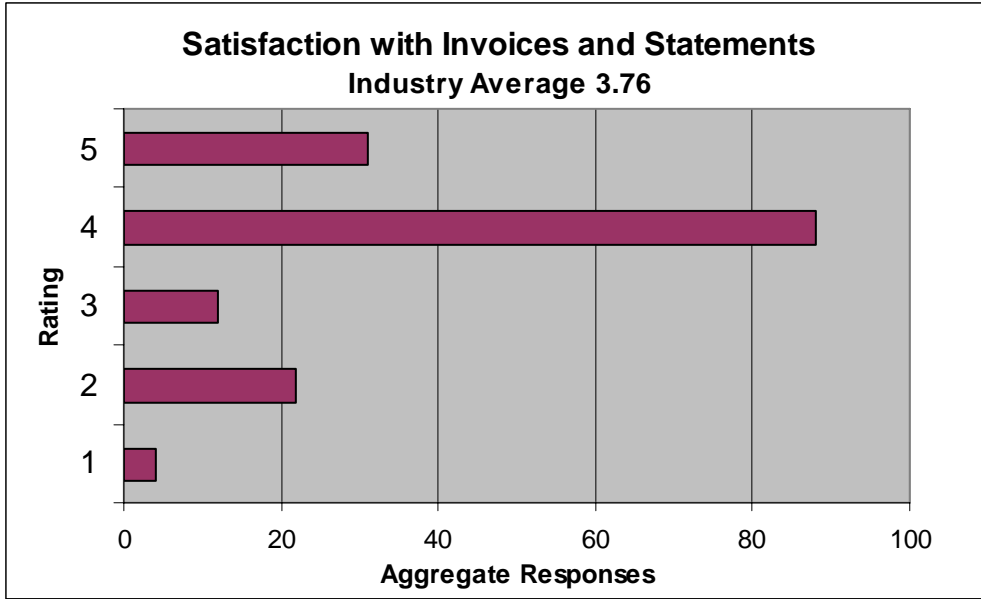
The satisfaction rating score for this question increased from last year. The rating rose from 3.58 last year to 3.66 this year. Sixty-eight per cent (68%) of the shippers gave their pipelines a score of satisfied (4) or very satisfied (5). Some of the shippers noted that the system was not flexible and would prefer a system that was completely web-based rather than having nominations calculated manually on spreadsheets.



1	2	3	4	5	Average
5	23	22	76	30	3.66

3. How satisfied are you with the timeliness and accuracy of the pipeline company's invoices and statements?

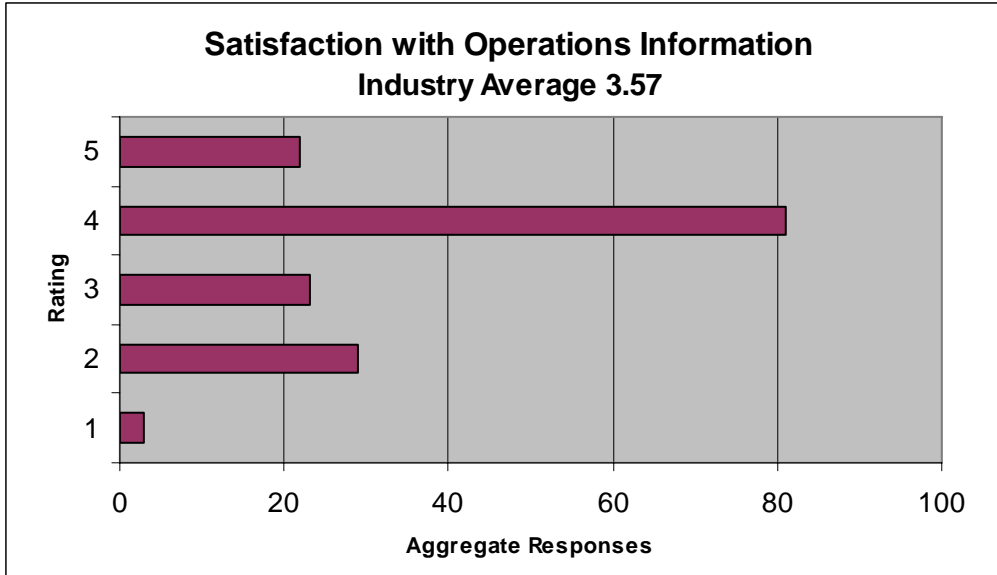
The satisfaction rating for this year has increased from last year. The rating rose slightly from 3.72 last year to 3.76 this year. While shippers again this year generally found invoices and statements to be without concerns or errors, some shippers on a few pipelines advised that the invoices are often late. Seventy-six per cent (76%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
4	22	12	88	31	3.76

4. How satisfied are you with the timeliness and usefulness of operations information (outages, available capacity, scheduled maintenance, flows, etc) provided by the pipeline company?

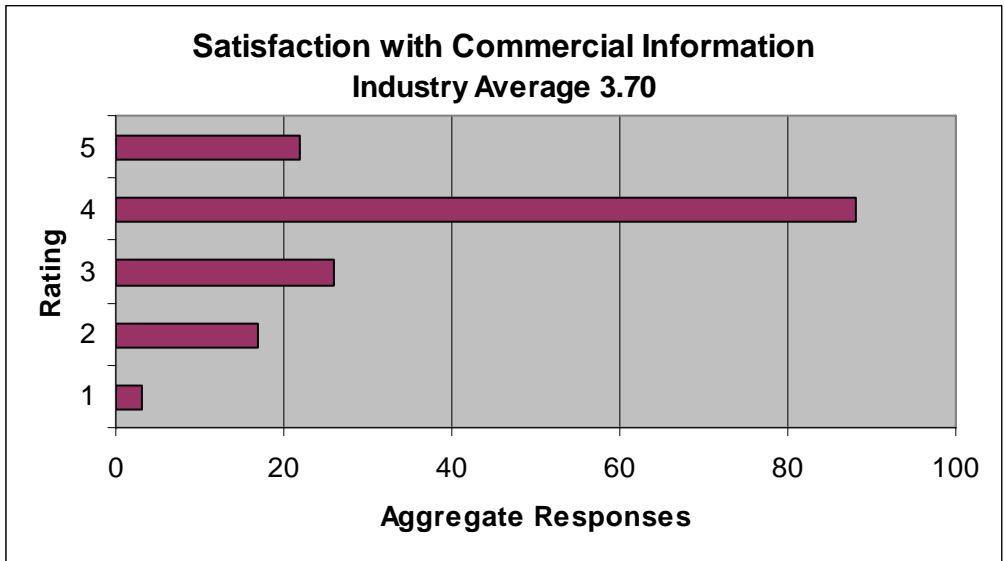
This question showed an increase in satisfaction. The rating increased from 3.43 last year to 3.57 this year. Several shippers indicated that communication needs to be more effective. Sixty-five per cent (65%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
3	29	23	81	22	3.57

5. How satisfied are you with the timeliness and usefulness of commercial information (tolls, service changes, new services, contract information, etc) provided by the pipeline company?

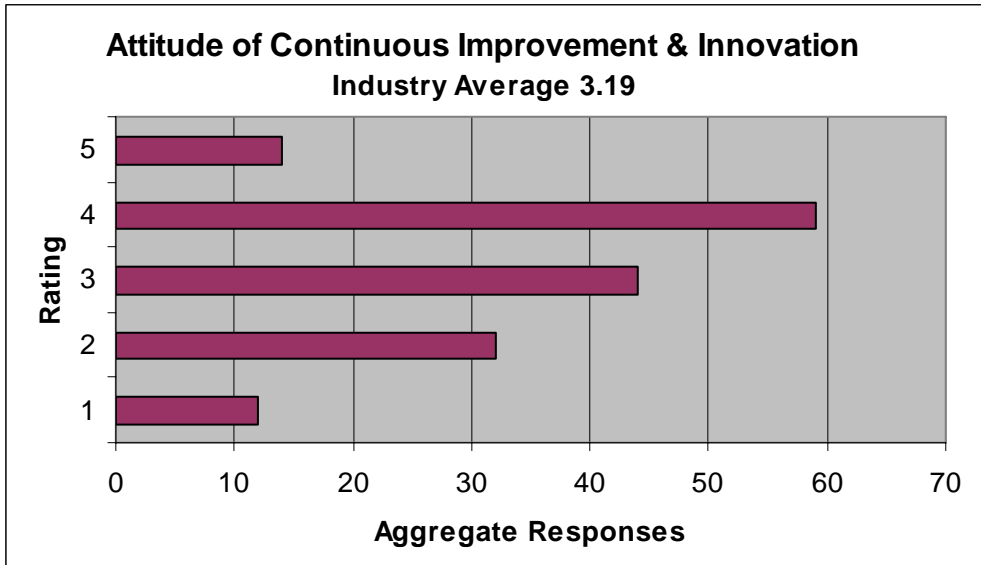
Again this year, shippers indicated an increase in satisfaction with the timeliness and usefulness of commercial information. The satisfaction rating increased from 3.60 last year to 3.70. Shippers for a number of pipelines indicated that better communication of information on tolls would be appreciated. Seventy per cent (70%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
3	17	26	88	22	3.70

6. How satisfied are you with the degree to which the pipeline company demonstrates an attitude of continuous improvement and innovation?

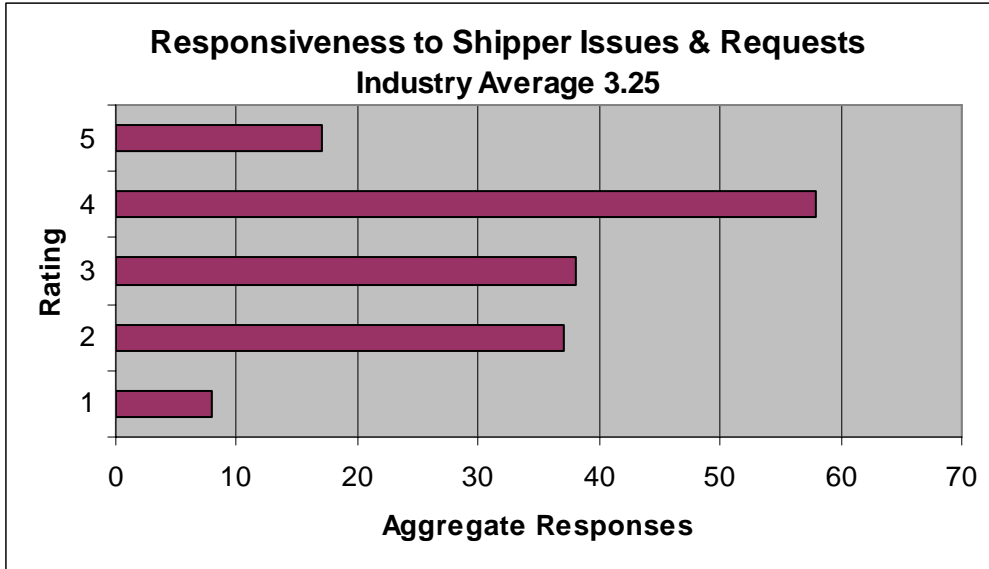
Shippers indicated a minor decrease in satisfaction this year for this question. The rating decreased to 3.19 this year from 3.20 last year. Shippers noted that while pipelines demonstrated the desire to improve, actual improvements were limited. Forty-five per cent (45%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
12	32	44	59	14	3.19

7. How satisfied are you with the accessibility and responsiveness of the pipeline company to shipper issues and requests?

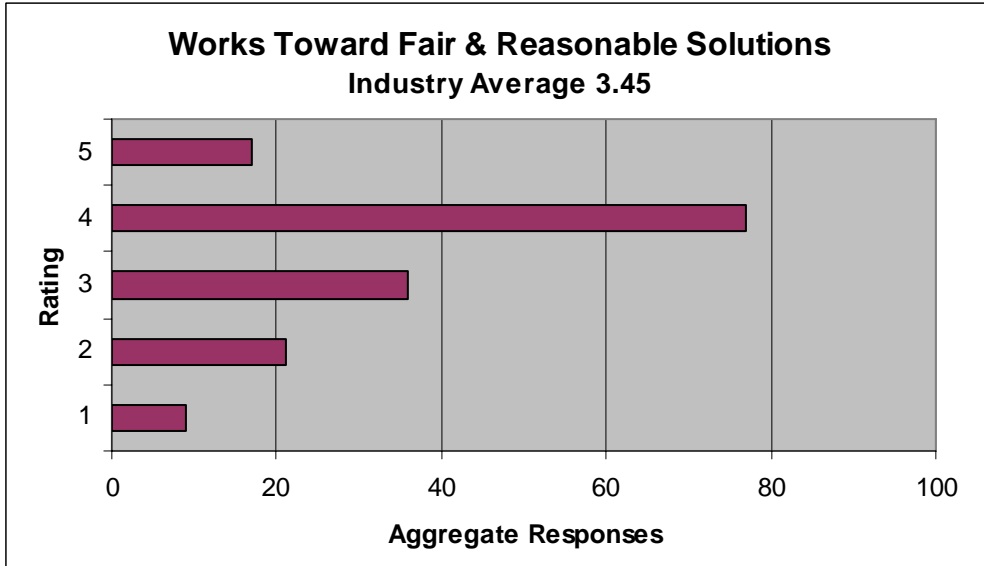
Shippers indicated an increase in satisfaction rating from 3.21 last year to 3.25 this year. It was noted that for a number of pipelines there is a need for more consistency with regard to response times as the time pipelines take to respond to issues and requests tends to be slow. Forty-seven per cent (47%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
8	37	38	58	17	3.25

8. How satisfied are you that the pipeline company works towards fair and reasonable solutions when resolving issues?

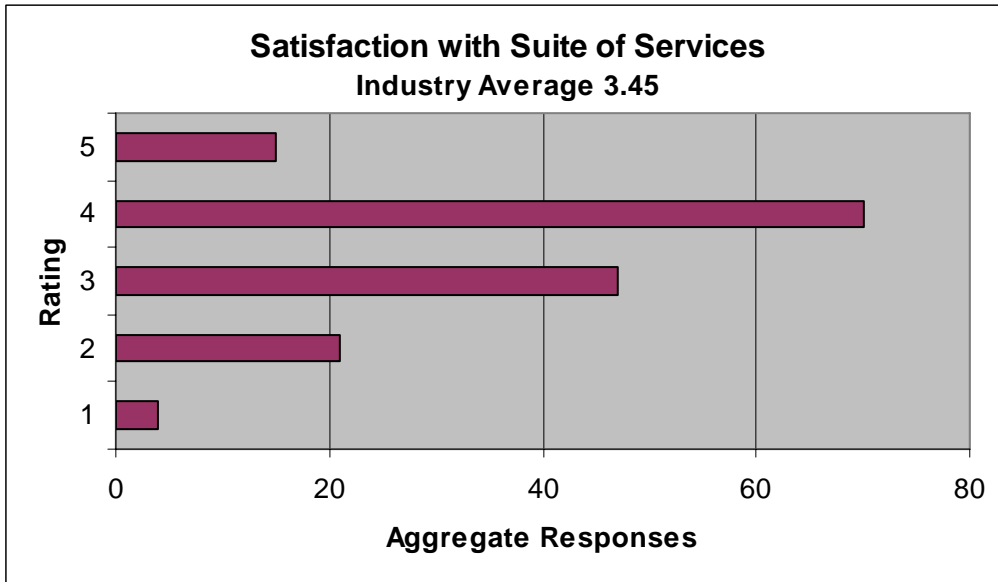
The satisfaction rating for this question increased this year from last year. The rating rose from 3.31 last year to 3.45 this year. Most of the shippers generally found they received fair and reasonable solutions to their problems. Fifty-nine per cent (59%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
9	21	36	77	17	3.45

9. How satisfied are you with the suite of services offered by the pipeline company?

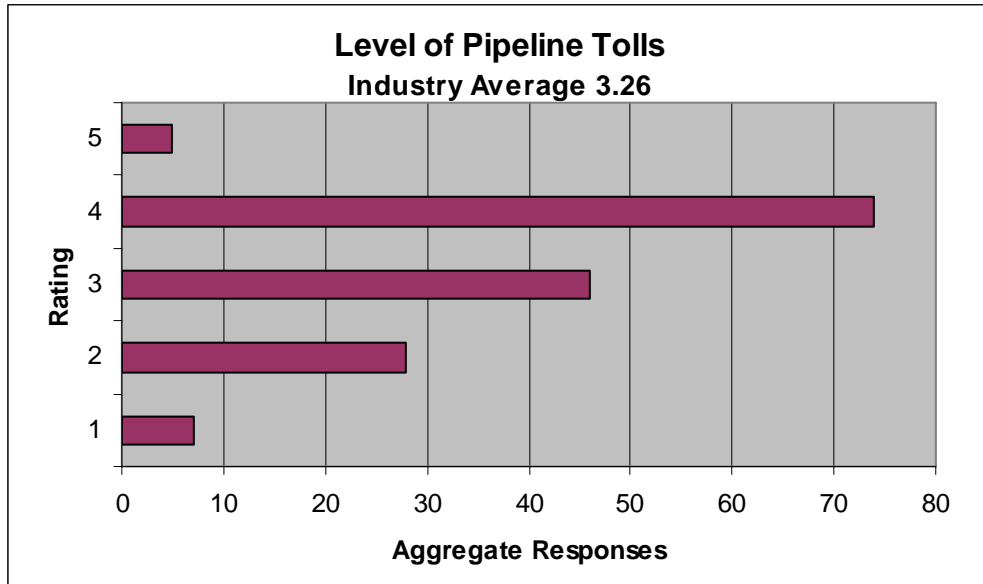
The satisfaction rating increased to 3.45 this year from 3.42 last year. Some shippers indicated that the suite of services is very limited for some of the pipelines and that they would like to see the addition of some new services. Fifty-nine per cent (59%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
4	21	47	70	15	3.45

10. How satisfied are you with the level of this pipeline company's tolls in relation to the transportation services your company receives?

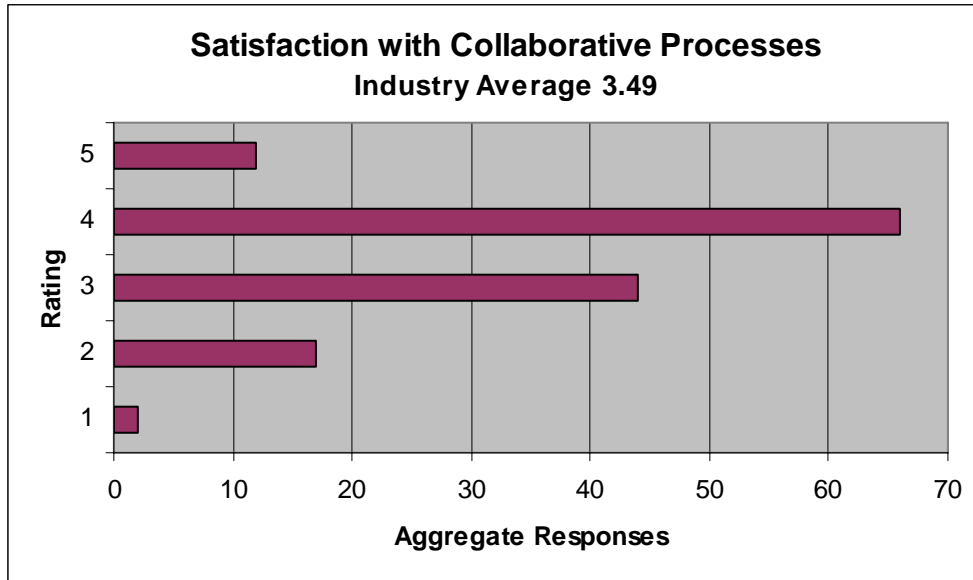
The satisfaction rating for the level of pipeline tolls in relation to transportation services received increased from 3.11 last year to 3.26 this year. Shippers expressed concerns about tolls continuing to climb. According to some shippers there was also some concern about the lack of clarity as to how tolls are calculated and why changes are made. Forty-nine per cent (49%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
7	28	46	74	5	3.26

11. How satisfied are you with the collaborative processes (negotiations or task force meetings) utilized by this pipeline company?

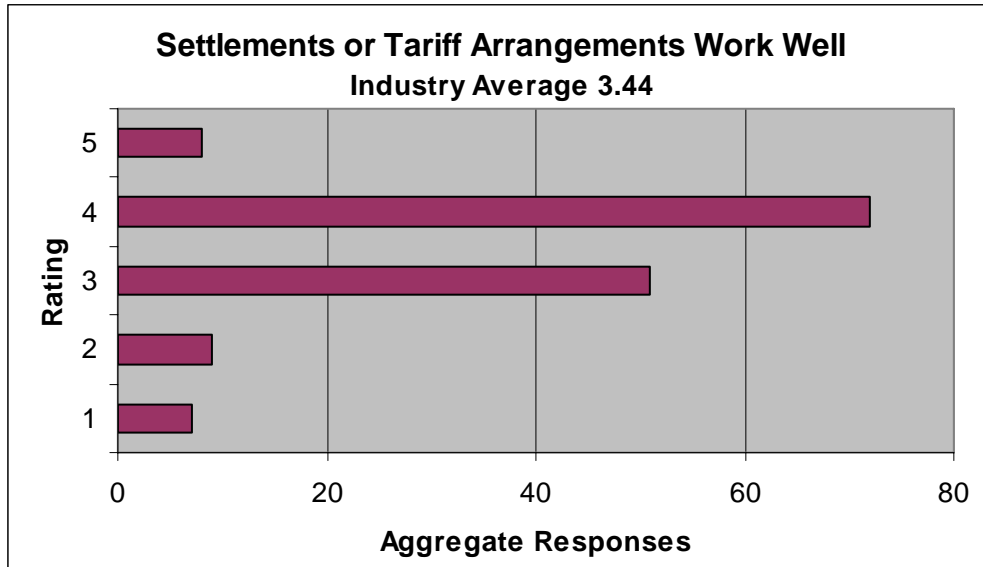
Shipper satisfaction with collaborative processes increased again this year. The rating increased to 3.49 from 3.30 last year. Shippers this year repeated the view that task forces are a good forum for having discussions and that these efforts are effective in resolving toll discussions and standard operational issues. Several shippers expressed a desire to see more shipper meetings. Fifty-five per cent (55%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
2	17	44	66	12	3.49

12. How satisfied are you that the current negotiated settlement agreement or tariff arrangements work well to provide fair outcomes?

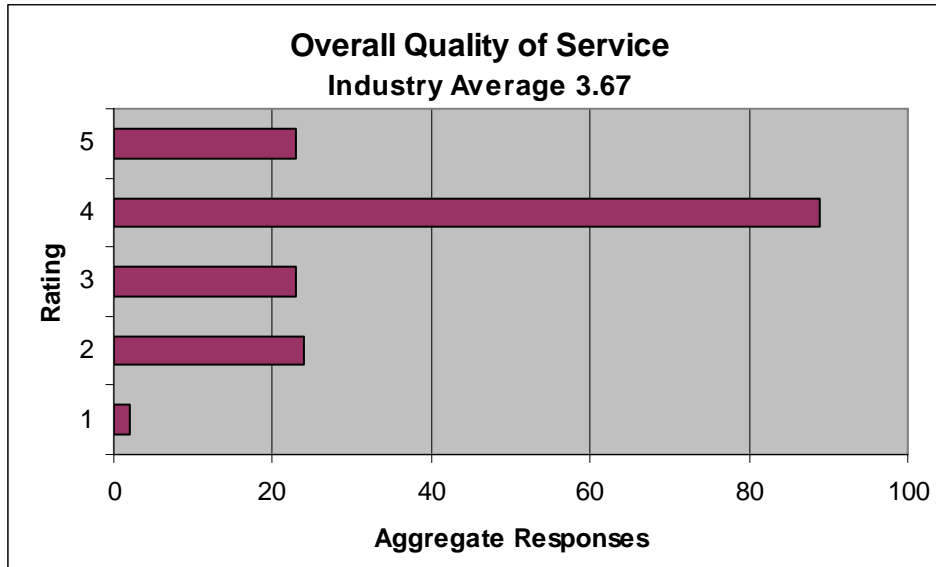
The response from shippers to this question indicated a satisfactory rating of 3.44, an increase from last year's rating of 3.39. Shippers appear to be satisfied but many expressed concerns with negotiations that are presently underway for future settlements. Fifty-four per cent (54%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
7	9	51	72	8	3.44

13. How satisfied are you with the OVERALL quality of service provided by the pipeline company over the last calendar year?

The satisfaction rating for overall quality of service increased this year to 3.67 from 3.40 last year. Most shippers were satisfied with the overall quality of service. Some shippers felt the pipelines could be more responsive to their issues. The key areas of concern were customer service and operational issues. Nearly seventy per cent (70%) of the shippers gave their pipelines a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
2	24	23	89	23	3.67

14. On an overall basis, has the pipeline company's quality of service in the last year:

Rating	Response	%
Improved	25	15%
Remained the Same	123	76%
Decreased	14	9%
Total	162	100%

15. What are the things that this pipeline company does well?

This question provided shippers with an opportunity to list the things that their particular pipeline company is doing well. Some commonly mentioned areas

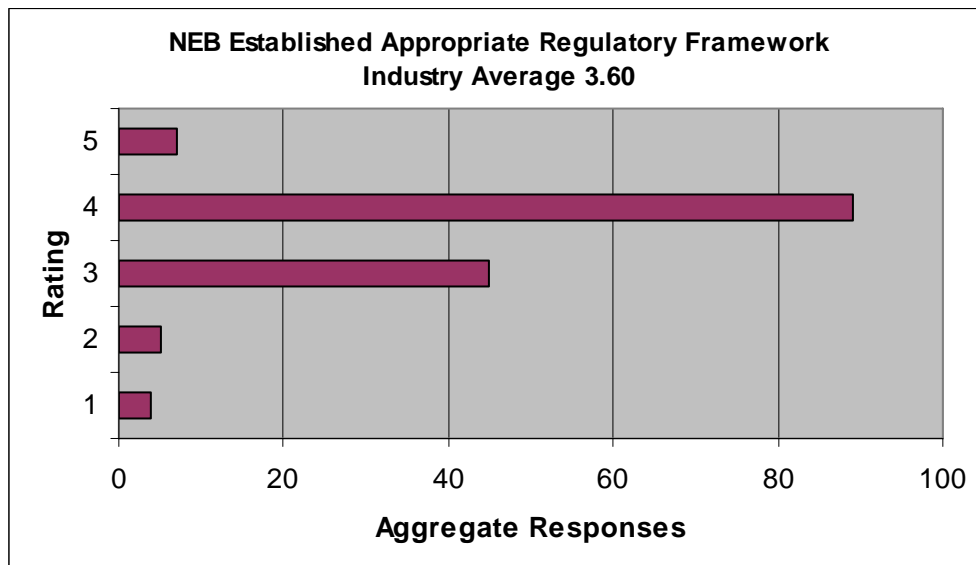
include: good communication; reliable operations; good customer service which is responsive to questions and issues; and being flexible to customer's needs.

16. What are the things that this pipeline company could do better?

This question provided shippers with an opportunity to list the things that their particular pipeline company could do better. Some commonly mentioned areas include: a need to work with customers on specific needs and to respond to requests for improvements; reduce costs so as to lower tolls; more timely and accurate information; increase availability of staff to answer questions; and be more forward-looking and proactive.

17. How satisfied are you that the NEB has established an appropriate regulatory framework in which negotiated settlements for tolls and tariffs can be reached?

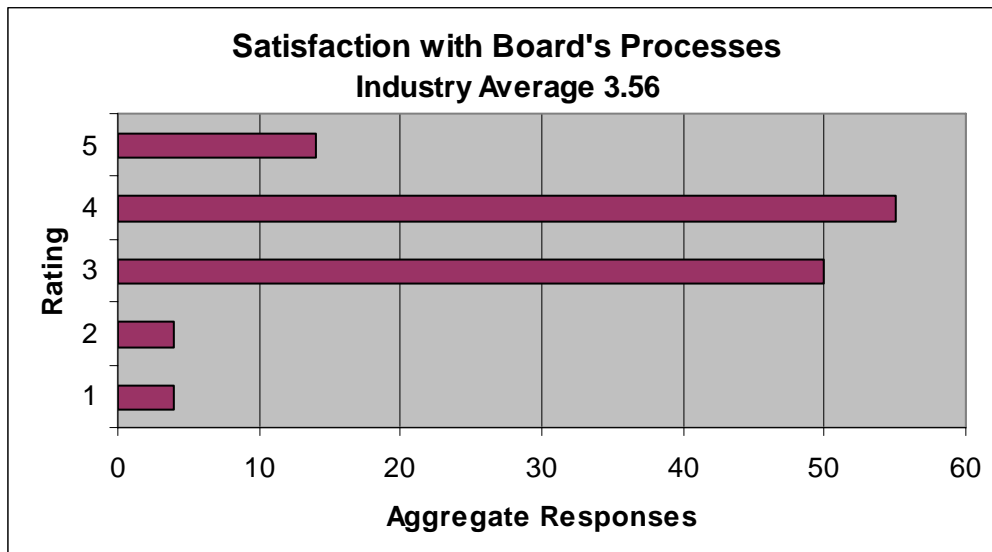
The satisfaction rating for this question declined from last year's rating of 3.65 to 3.60 this year. Most shippers found that the framework is sound and are mostly satisfied but sometimes shippers sense that the NEB is resource-constrained. It was suggested that NEB staff should be more visible and involved in issues as sometimes shippers cannot tell whether the NEB is monitoring developments. Sixty-four per cent (64%) of the shippers gave the Board a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
4	5	45	89	7	3.60

18. When toll and tariff matters are not resolved through settlement, how satisfied are you with the Board's processes to resolve disputes?

Shipper satisfaction decreased from 3.61 last year to 3.56 this year. Some shippers stated the process may be lengthy at times but the outcome appears to be efficient. Other shippers found the Board's processes too cumbersome and think most shippers do not have the resources to pursue such avenues. There is a concern that the Board may take a cookie cutter approach to issues. Fifty-four per cent (54%) of the shippers gave the Board a rating of satisfied (4) or very satisfied (5).



1	2	3	4	5	Average
4	4	50	55	14	3.56

19. What could the Board be doing to improve its processes through which tolls and tariffs are determined?

There were several comments provided for this question. Some comments and suggestions for the Board include: look at the commodity markets and ensure that rates are economic under the current environment; be more involved and ask more questions; audit the consultation process to ensure all shippers are adequately consulted; and provide more communication to industry regarding tolls.

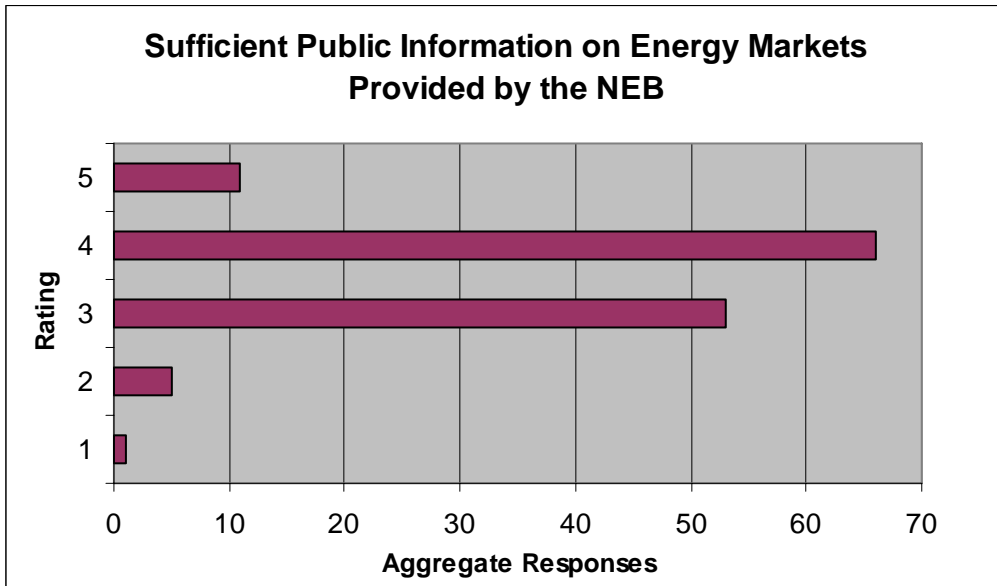
20. Overall Quality of Service (Importance Rating)

Shippers were requested to rate, from 1 (least important) to 5 (most important) the level of importance of the Survey questions to their organizations.

Importance	Service	% Shippers Rating 4 or 5	Rating
1	Physical Reliability	98%	4.85
2	Operations Information	88%	4.39
3	Responsiveness	90%	4.34
4	Transactional Systems	91%	4.28
5	Fair Solutions	84%	4.17
6	Level of Tolls	75%	4.02
7	Invoices & Statements	75%	3.88
8	Continuous Improvement	72%	3.86
9	Commercial Information	64%	3.77
10	NEB Framework	60%	3.72
11	Settlement works well	61%	3.69
12	NEB Processes	54%	3.66
13	Collaborative Processes	54%	3.56
14	Suite of Services	55%	3.55

21. How satisfied are you with the public information provided by the NEB on energy markets?

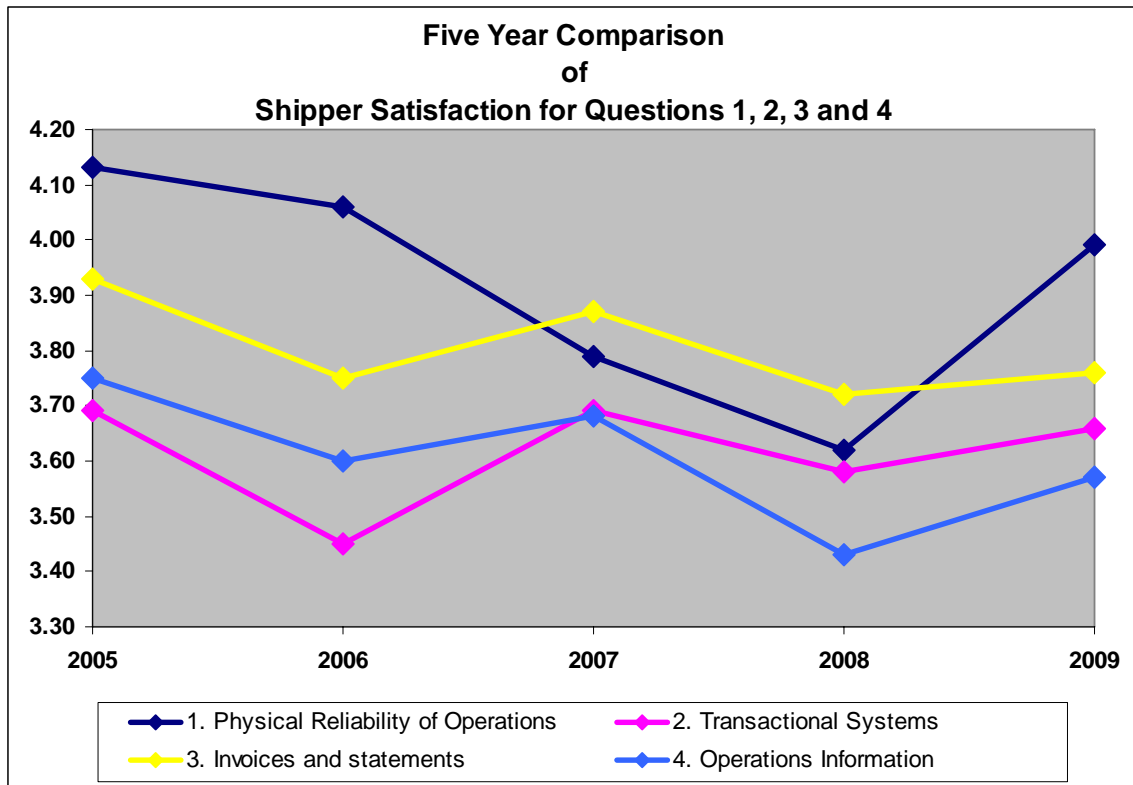
Shipper satisfaction decreased slightly this year. The rating decreased from 3.62 last year to 3.60 this year. Some of the comments provided include that the reports provide very good assessments and are useful for long range planning but that the information should be available in a timelier manner as some of it is out of date. Shippers requested to see more information on the impact of changing supply sources on consumers and on the current amount of storage available. Fifty-seven per cent (57%) of the shippers gave the Board a rating of satisfied (4) or very satisfied (5).



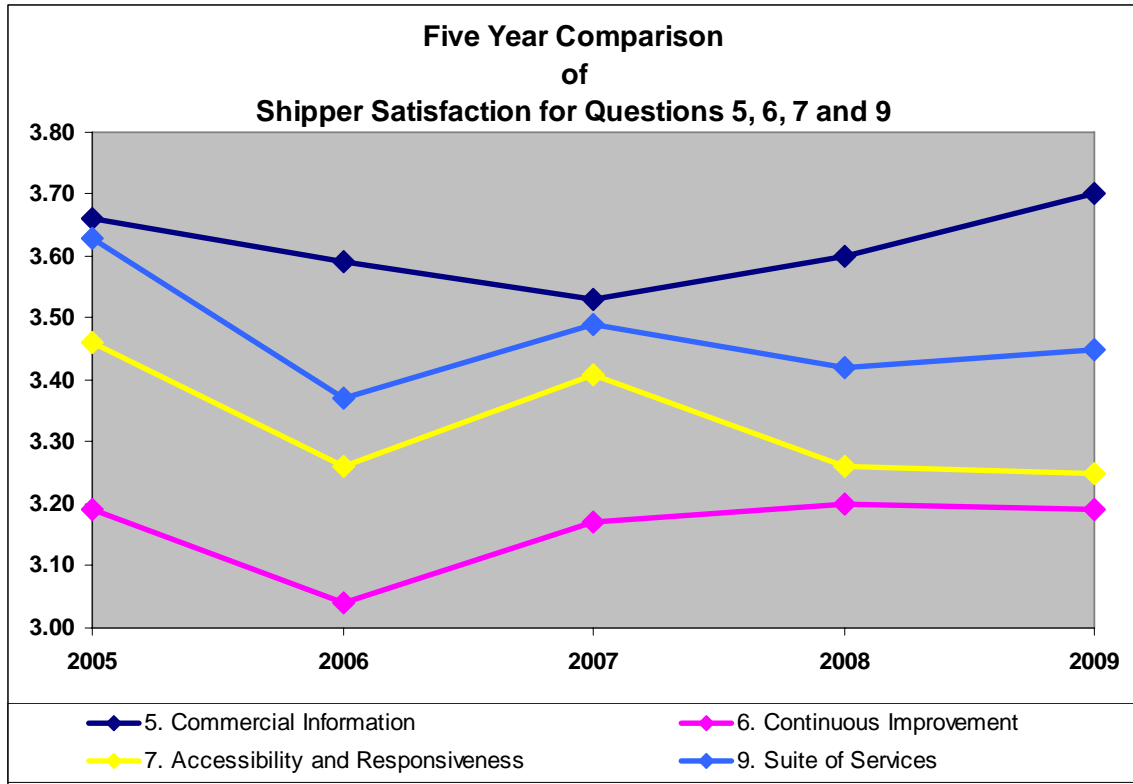
1	2	3	4	5	Average
1	5	53	66	11	3.60

Five Year Comparisons

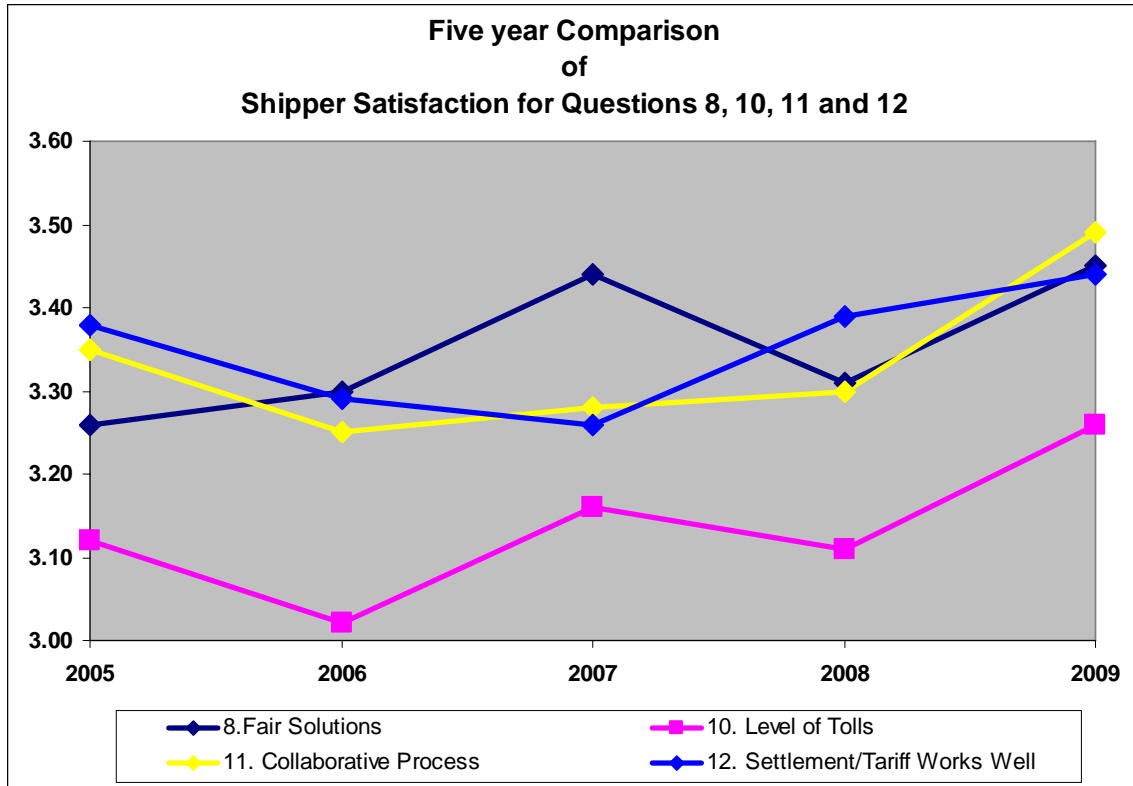
Over the five years that the Survey has been conducted, the following was found:



- The percentage change for satisfaction with Physical Reliability of Operations between the first year that the Survey was conducted in 2005 to this year decreased three per cent (3%). It should be noted that the ratings had continually decreased until this year's Survey, where it increased ten per cent (10%).
- Transactional Systems ratings have remained approximately the same over the last three years with a decrease in the percentage change between the first and current year of the Survey of approximately one percent (1%).
- Invoices and Statements ratings varied over the first four years the Survey was conducted but increased this year from last year by one percent (1%). The percentage change from the first year to this year is a decrease of four per cent (4%).
- Operations Information ratings have decreased by five per cent (5%) over the five year period of the Survey.



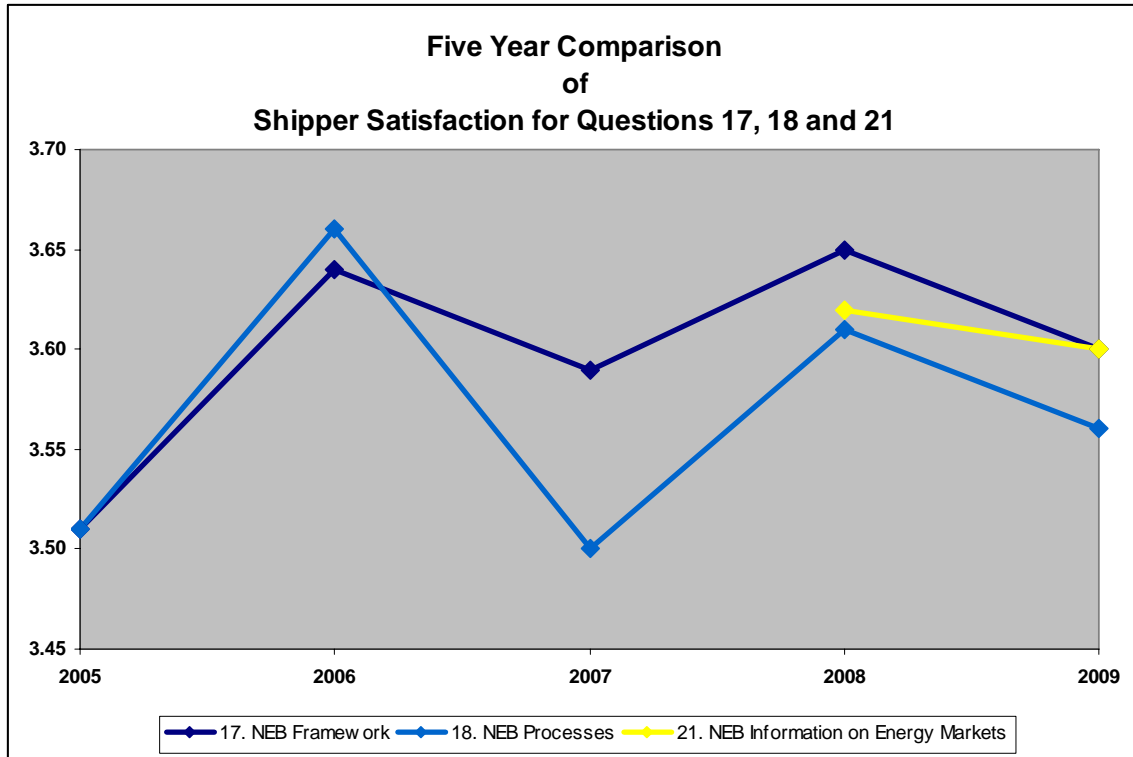
- The Commercial Information ratings have remained near the 2005 level for the five-year period with a one per cent increase from 2005 to 2009.
- Continuous Improvements has held steady with no change from the ratings in 2005 compared to 2009.
- Although the Accessibility and Responsiveness rating decreased this year by less than one percent (1%), from 2005 to 2009 it decreased six per cent (6%).
- Shipper satisfaction on the Suite of Services offered has also decreased five per cent (5%) over the five-year period.



- The shipper satisfaction rating on how pipelines work towards fair and reasonable solutions when resolving issues has increased by six per cent (6%) from 2005 to 2009.
- The rating for Level of Tolls also increased over the five years by approximately four per cent (4%).
- Shipper satisfaction has increased by four percent (4%) from 2005 to 2009 for Collaborative Processes.
- The satisfaction rating for settlements or tariff arrangements decreased during the first three years of the Survey but increased in the last two years to above the 2005 rating level. The percentage change between 2005 and 2009 is an increase of two per cent (2%).



The graph above shows how shipper satisfaction for overall quality of service has changed over the five-year period from 2005 to 2009. After mostly decreasing during the first four years of the Survey, it increased in 2009 by nearly eight per cent (8%) over the 2008 rating. The percentage change over the five year period shows that satisfaction has decreased approximately three per cent (3%) from 2005 to 2009.



A five-year comparison of shipper satisfaction on NEB Framework and Processes shows that although satisfaction was down this year by nearly one per cent (1%) for NEB Framework and Processes, satisfaction overall for both of these has increased from 2005 with NEB Framework increasing nearly one per cent (1%) and NEB Processes increasing three per cent (3%) over the period. NEB Information on Energy Markets shows a comparison of two years as this question was added last year to the survey.

Conclusions

Feedback on Pipeline Services

For the fifth year in a row, the results of this Survey indicate that shippers appear reasonably satisfied overall with the services provided by pipeline companies. The slight increase over last year's results indicates that pipelines are listening to shippers but there is still the opportunity for pipelines to improve their level of service.

The three areas with the highest scores in this year's Survey are:

- Physical reliability of pipeline operations;
- Timeliness and accuracy of invoices and statements; and
- Timeliness and usefulness of commercial information.

The three areas with the lowest scores in this year's Survey are:

- Exhibiting an attitude of continuous improvement and innovation;
- Being more accessible and responsive to shippers issues and requests; and
- The level of tolls in relation to transportation and midstream services received.

Feedback on the Board

The 2009 Survey indicated that shipper satisfaction with the Board has decreased over last year. Approximately sixty-four per cent (64%) of shippers indicated that they are either satisfied or very satisfied with the Board's performance in creating an appropriate regulatory framework; and fifty-four per cent (54%) of shippers indicated that they are either satisfied or very satisfied with the Board's processes to resolve disputes. Areas for improvement noted by shippers were for the Board to be more responsive to shipper issues and to be more collaborative with its stakeholders.