



Pipeline Services Survey Results July 2016

1.0 Introduction

The National Energy Board (Board) strives to promote an efficient pipeline transportation system, where the services that shippers receive from pipeline companies meet shippers' needs. Towards this end, the Board examines various indicators of how well Canadian energy and transportation markets are working.

In 2016, the Board conducted its seventh Pipeline Services Survey (Survey). The Survey was last conducted in 2011. The Survey is a means to obtain direct feedback from the shippers of NEB-regulated pipeline companies on the quality of service provided by those pipelines and on the Board's processes with respect to tolls and tariffs. The Board also considers the survey results as an input when deciding which pipeline companies to audit as part of its financial regulatory audit program and in focusing the audit objectives and scope. The Board's objective is to facilitate continual improvement in pipeline services and the 2016 Survey is in keeping with this objective.

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

This Report is 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 and, where appropriate, 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, without the names of the respondents attributed.

2.0 Surveys Issued and Response Rate

Pipeline companies were asked to provide the Board with the names of those shippers active on their systems. The Board then sent each one of those shippers the Survey.

The Survey was sent to 375 more shippers this year than in 2011 due to the inclusion of three additional companies (Enbridge Bakken, Enbridge Southern Lights and TransCanada Keystone) and the fact that the shipper lists for a few companies had grown substantially. These expanded shipper lists seem to indicate that they included shippers that were not necessarily “active”. Active shippers are those that deal with the pipeline on a regular basis and could respond to the questions in the Survey.

The overall response rate was approximately twenty-two per cent (22%), down slightly from the 2011 rate of twenty-three per cent (23%).

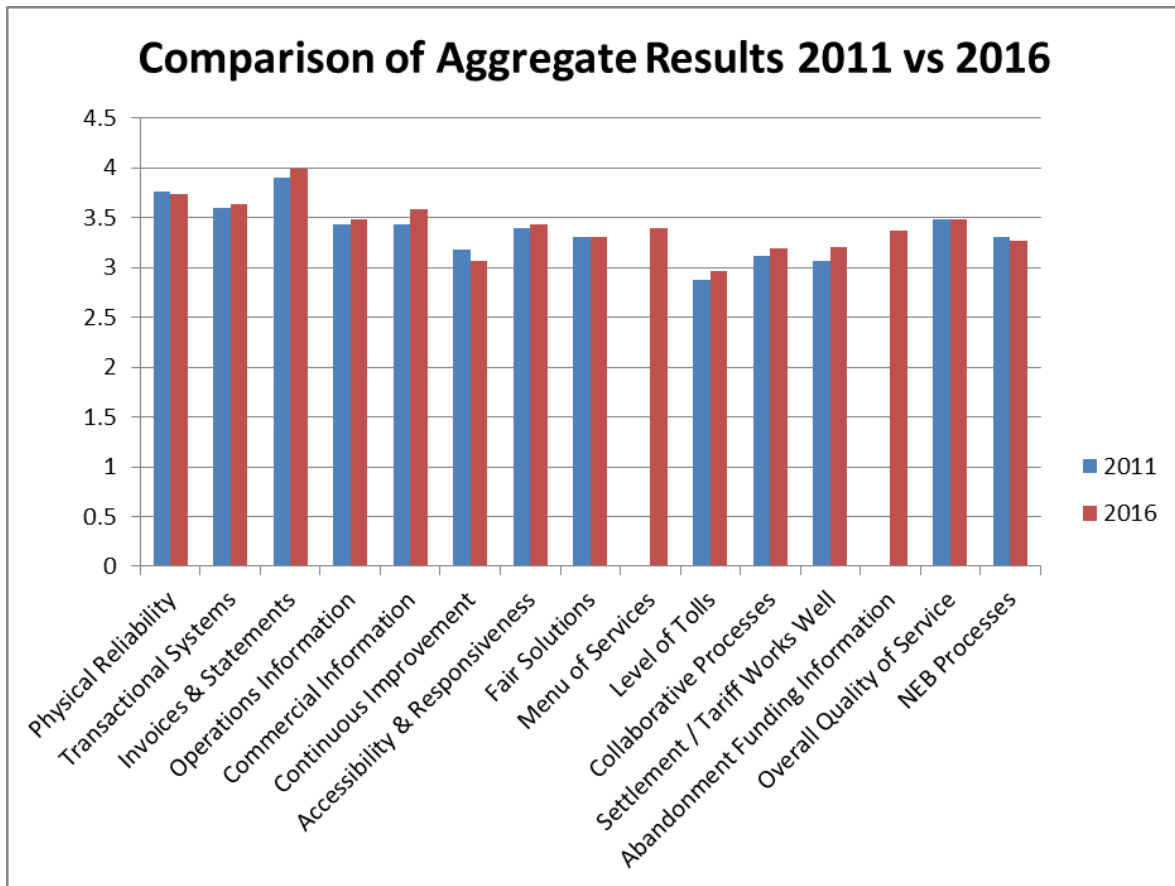
Survey Response

Company	Surveys Issued	Responses	Response Rate
Alliance	35	12	34.3%
AltaGas	11	5	45.5%
Enbridge Bakken	15	1	6.7%
Enbridge Mainline	107	16	15.0%
Enbridge Southern Lights	9	2	22.2%
Enbridge Westspur	43	10	23.3%
Express	16	8	50.0%
Foothills	63	14	22.2%
Kinder Morgan Cochin	10	1	10.0%
Maritimes & Northeast	15	7	46.7%
NOVA Gas Transmission	206	54	26.2%
Plains Midstream	15	6	40.0%
Trans Mountain	10	7	70.0%
TransCanada Keystone	23	9	39.1%
TransCanada Mainline	310	36	11.6%
Vector	44	8	18.2%
Westcoast Field Services	15	5	33.3%
Westcoast Transmission	59	19	32.2%
Total	1006	220	21.9%

3.0 Comparison of Pipeline Services Aggregate Survey Results for 2011 and 2016

As shown on the chart below, satisfaction with services on NEB-regulated pipelines has not changed much since the last survey in 2011. The industry average on most questions was up slightly. The questions on satisfaction with the provision of commercial information and whether the current settlement or tariff arrangements are working well were up the highest, with increases of 4.7 and 4.6 per cent respectively. Shippers' satisfaction with the degree to which pipeline companies demonstrate an attitude of continuous improvement was down 3.8 per cent. Satisfaction with NEB processes to resolve disputes was down 1.2 per cent and satisfaction with the physical reliability of pipeline operations was down 0.5 per cent.

The questions on satisfaction with the menu of transportation services and with the information received about abandonment funding were new this year. Therefore, there is no comparable rating from the 2011 Survey.



4.0 Aggregate Results on Pipeline Services for 2016

This section summarizes the aggregate results for all of the pipelines for each question in the Survey related to pipeline services. The charts below show the distribution of responses and the industry averages.

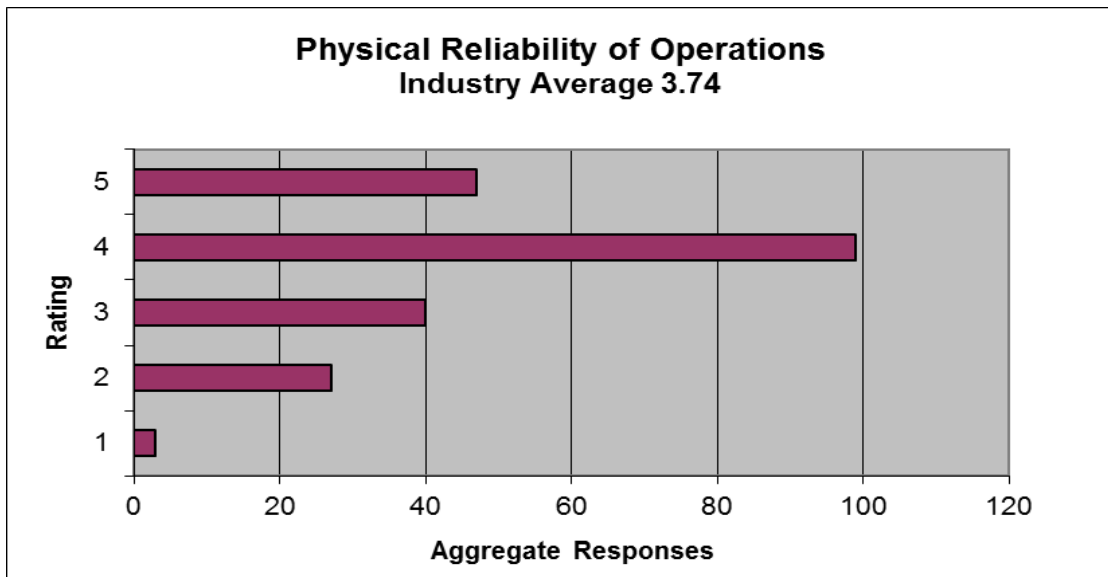
For the majority of the questions on satisfaction with pipeline services, respondents were asked to rate their satisfaction with the services they receive on a scale of 1 to 5, where:

- 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?

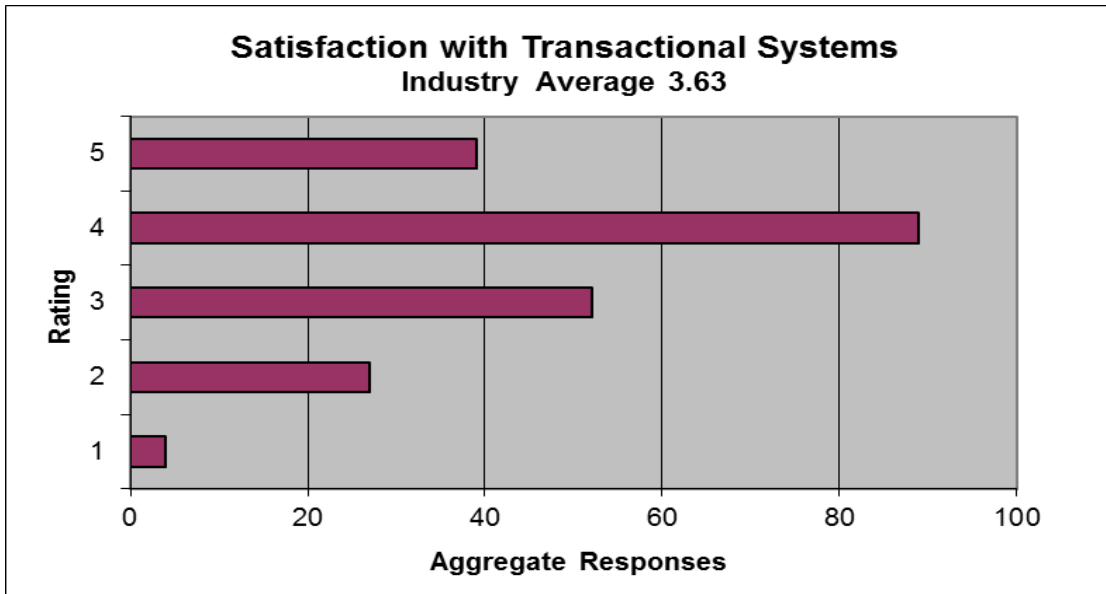
Satisfaction with the physical reliability of pipeline operations decreased very slightly from the 2011 Survey from 3.76 to 3.74. Sixty eight per cent (68%) of shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5). Some shippers expressed concerns with outages due to planned maintenance for integrity work.



1	2	3	4	5	Average
3	27	40	99	47	3.74

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

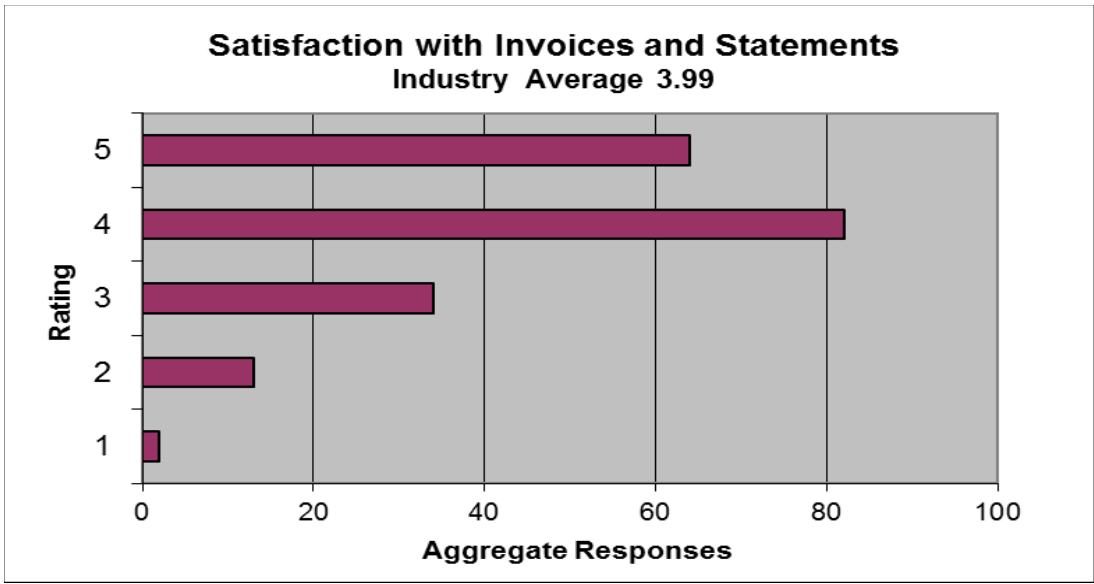
The satisfaction rating score for this question increased slightly from 2011. The rating rose from 3.60 to 3.63 this year. Sixty per cent (60%) of the shippers gave their pipelines a score of Satisfied (4) or Very satisfied (5). While some shippers noted that nomination and bulletin board systems provided good functionality, others noted that on some pipelines they would like increased flexibility and transparency.



1	2	3	4	5	Average
4	27	52	89	39	3.63

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

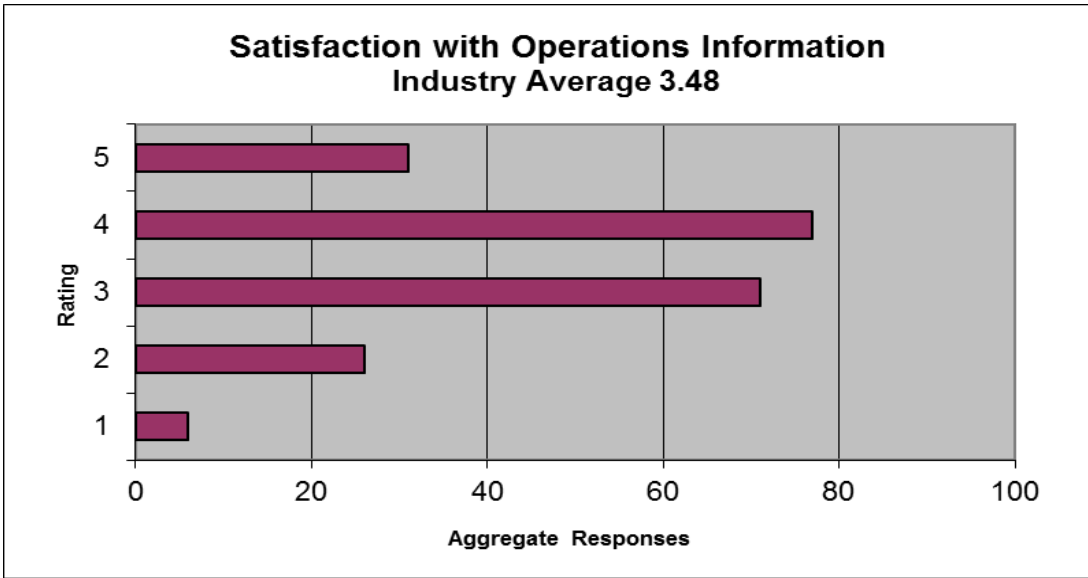
The satisfaction rating for this question increased from 3.90 in 2011 to 3.99 this year. Seventy-five per cent (75%) of the shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5). Shippers generally found invoices and statements to be accurate and issued in a timely manner; however, shippers on a few pipelines noted that their invoices often needed revisions and they would like to receive them a bit earlier.



1	2	3	4	5	Average
2	13	34	82	64	3.99

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?

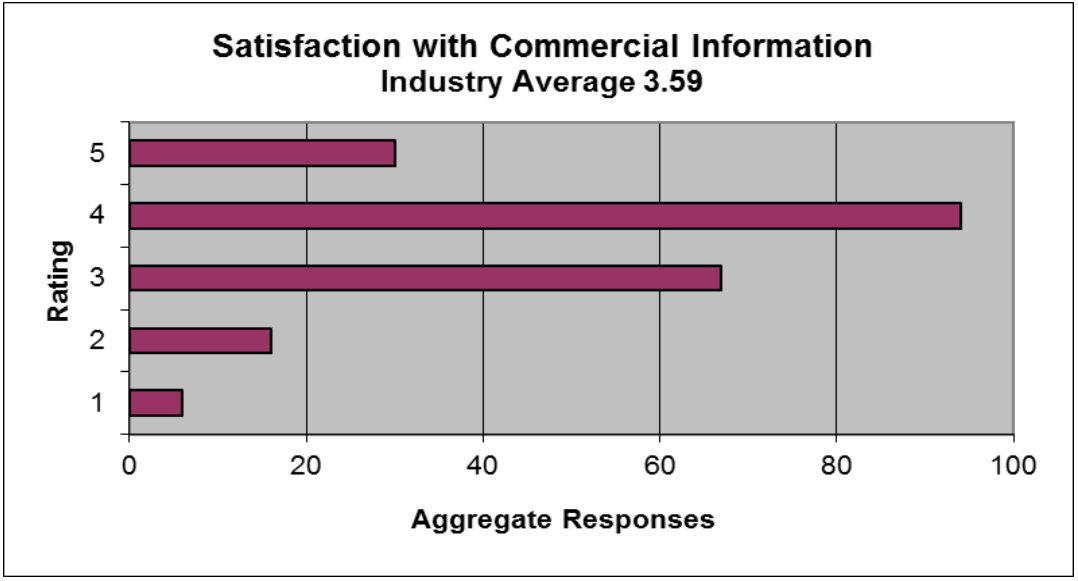
This question showed a slight increase in satisfaction from 3.43 in 2011 to 3.48 this year. The comments on this question indicated that some companies provide timely and effective information on outages and scheduled maintenance, while others provide information that is not timely or lacks sufficient detail. Fifty-one per cent (51%) of shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5).



1	2	3	4	5	Average
6	26	71	77	31	3.48

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?

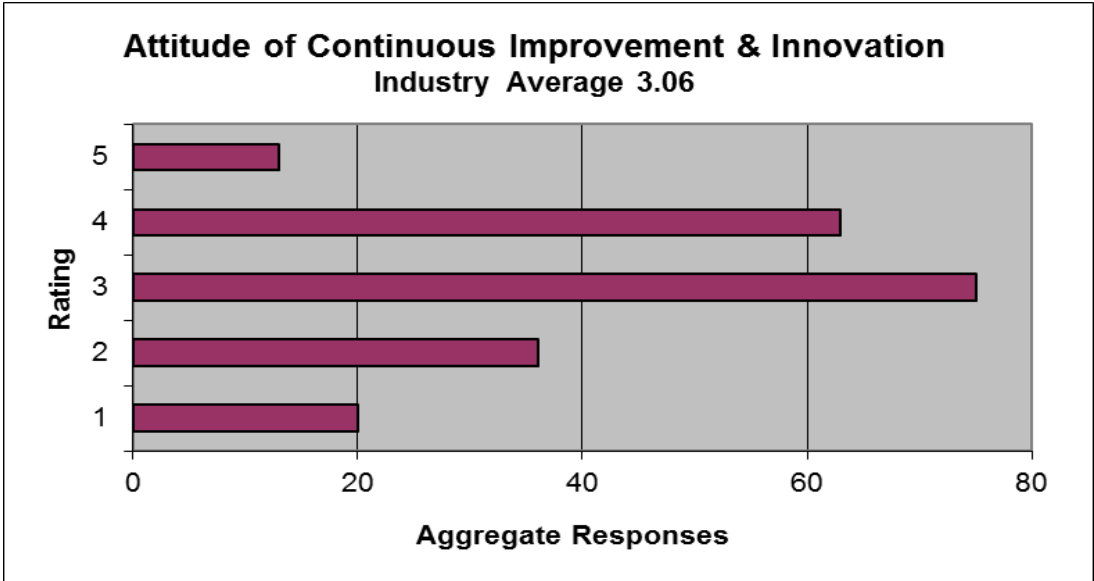
Shippers indicated an increase in satisfaction with the timeliness and usefulness of commercial information. The satisfaction rating increased from 3.43 in 2011 to 3.59 this year. Shippers for a number of pipelines indicated that they receive timely and useful information. A few shippers noted that more timely communication of information on service changes and tolls would be helpful. Fifty-eight per cent (58%) of the shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5).



1	2	3	4	5	Average
6	16	67	94	30	3.59

6. The Board defines continuous improvement as a pipeline taking the initiative to make improvements by adding new or modifying existing services and systems based on the feedback and requests from shippers. With this definition in mind, how satisfied are you with the degree to which the pipeline company demonstrates an attitude of continuous improvement and innovation?

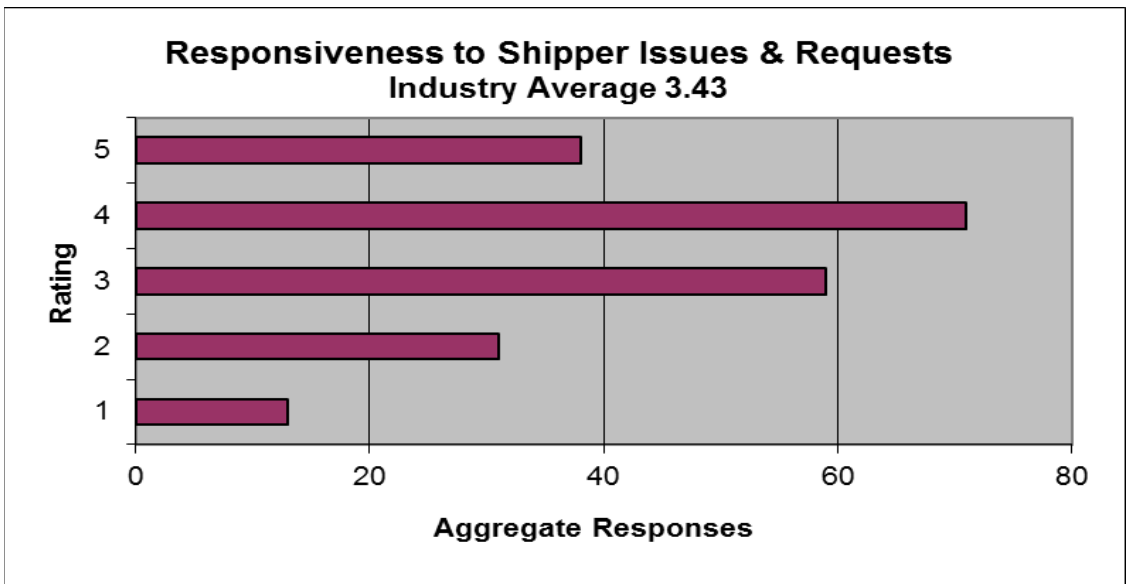
Shippers indicated a decrease in satisfaction this year compared to 2011 for this question. The rating decreased to 3.06 from 3.18 in 2011. Feedback from shippers was mixed, with some indicating that their pipelines are willing to work with shippers to improve processes and services, while other pipelines stick to their traditional way of doing business and are unwilling to compromise on key shipper issues. Thirty-seven per cent (37%) of the shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5).



1	2	3	4	5	Average
20	36	75	63	13	3.06

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

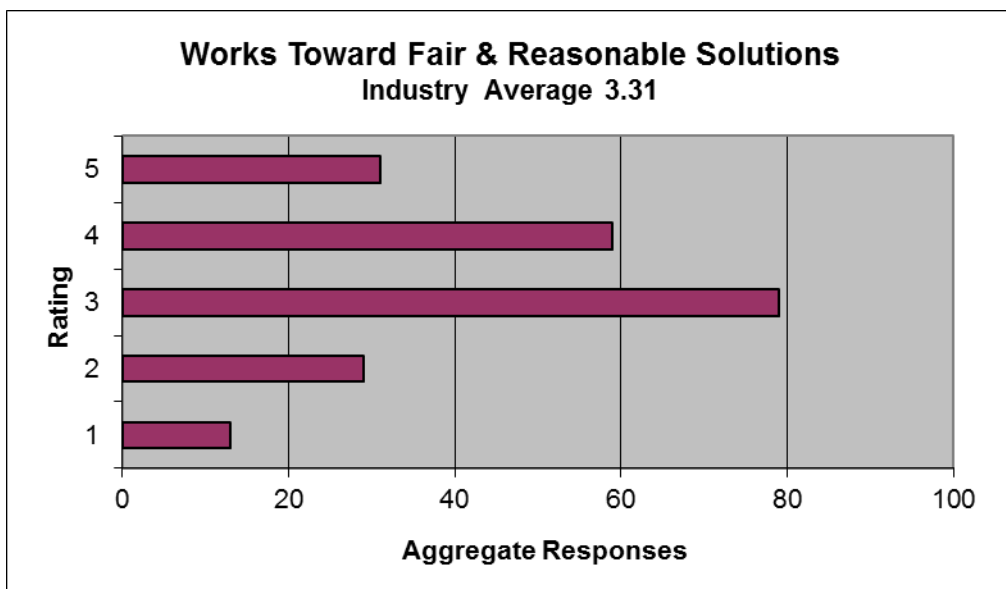
Shippers indicated a slight increase in satisfaction rating from 3.39 in 2011 to 3.43 this year. Shippers noted that some pipeline's responsiveness was good, while on other systems the responsiveness was slow or the customer representative lacked sufficient experience or knowledge. Fifty-one per cent (51%) of the shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5).



1	2	3	4	5	Average
13	31	59	71	38	3.43

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

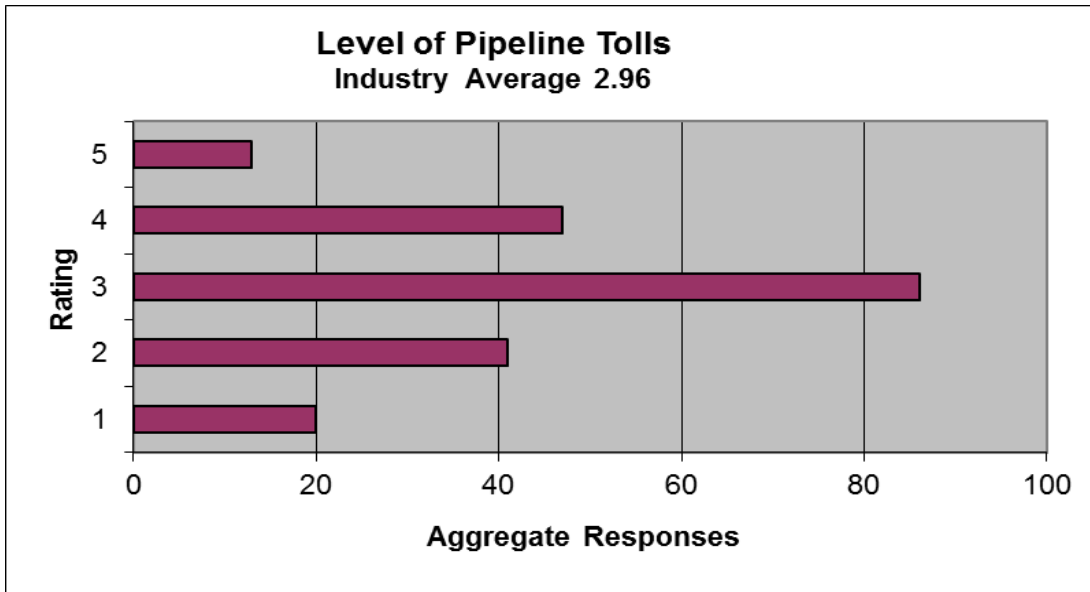
The satisfaction rating for this question was virtually unchanged from 2011 to 2016, moving from 3.30 to 3.31 this year. Shippers on a few pipelines indicated that the pipeline is not motivated to collaborate and negotiations are often one-sided in the pipeline's favour. Forty-three per cent (43%) of shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5).



1	2	3	4	5	Average
13	29	79	59	31	3.31

9. How satisfied are you that the pipeline company is working to keep its tolls as low as reasonably possible?

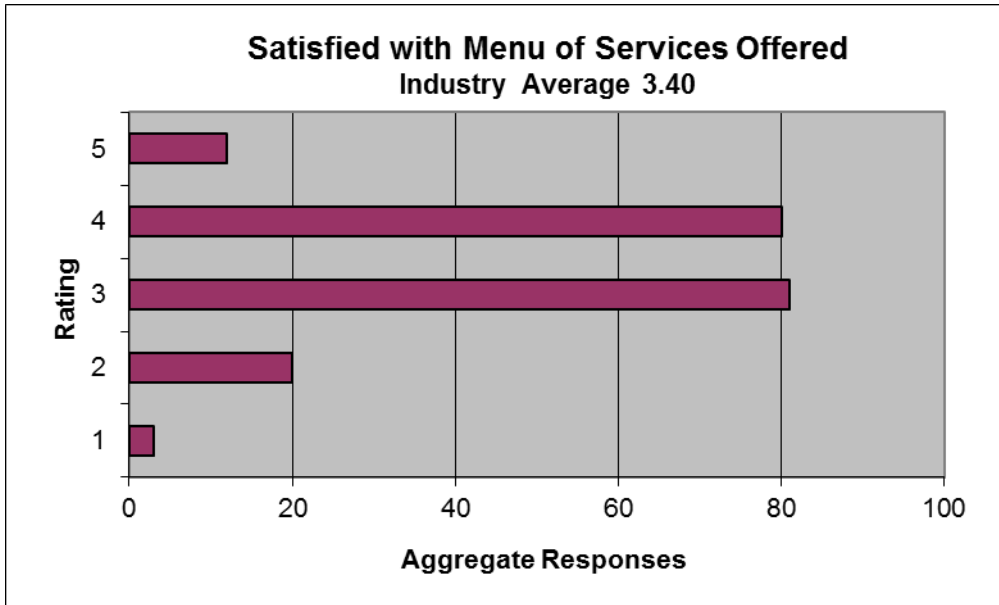
Satisfaction with the level of tolls increased from 2.88 in 2011 to 2.96 in 2016. Some shippers noted that their pipeline company is not focused on keeping tolls as low as possible, and that more transparency is required for shippers to understand why tolls are going up. Twenty-nine per cent (29%) of the shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5). Thirty per cent (30%) of shippers were Very Dissatisfied or Dissatisfied with the level of tolls they are paying.



1	2	3	4	5	Average
20	41	86	47	13	2.96

10. How satisfied are you with the menu of transportation services offered by this pipeline company?

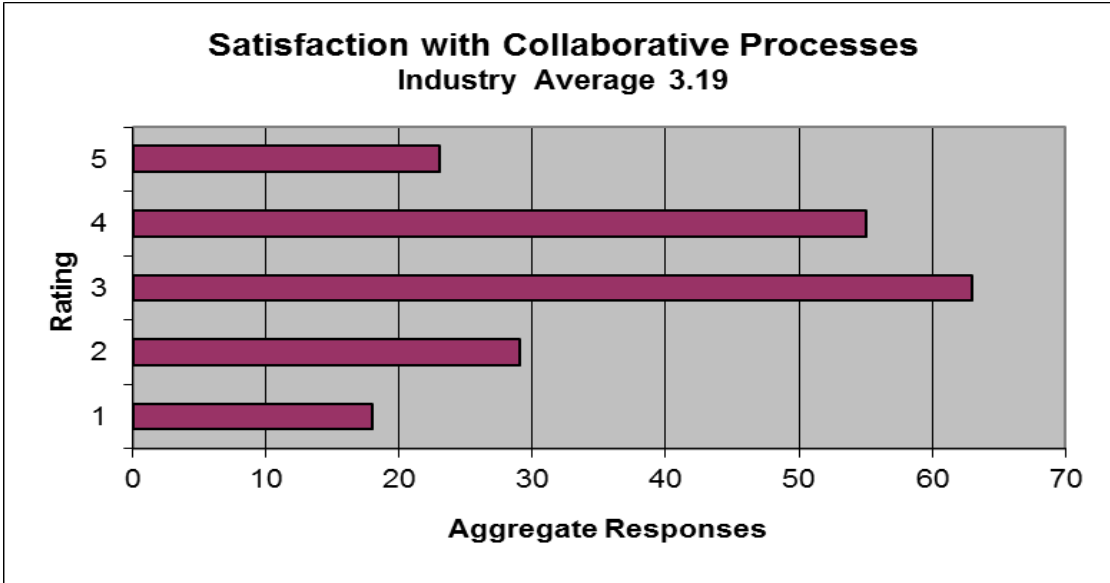
Satisfaction with the menu of transportation services offered by pipeline companies was 3.40 this year. Some shippers noted that the menu of services was meeting their needs, although other shippers stated that there is always room to explore offering new services to increase flexibility. Forty-seven per cent (47%) of shippers were Satisfied or Very satisfied with the menu of services. This was a new question this year, so there is no comparable data from the 2011 Survey.



1	2	3	4	5	Average
3	20	81	80	12	3.40

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

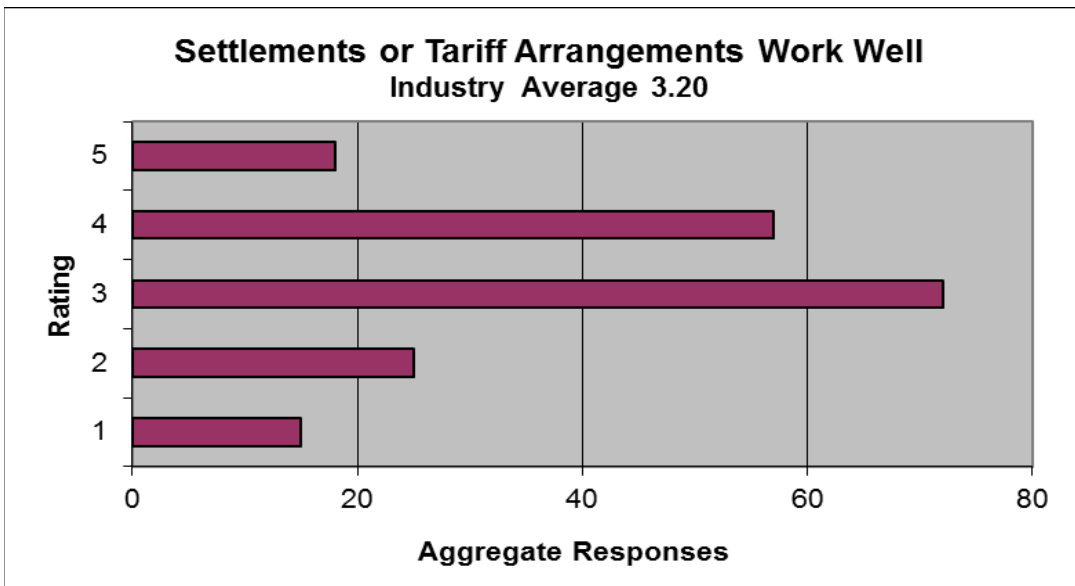
Shipper satisfaction with collaborative processes increased slightly this year. The rating increased to 3.19 from 3.11 in 2011. Forty-one per cent (41%) of the shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5). While some shippers were satisfied with the collaborative processes, a number of other shippers noted that there is no meaningful collaboration when it comes to negotiating tolls and the pipeline is mostly focused on what is best for its own interests.



1	2	3	4	5	Average
18	29	63	55	23	3.19

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

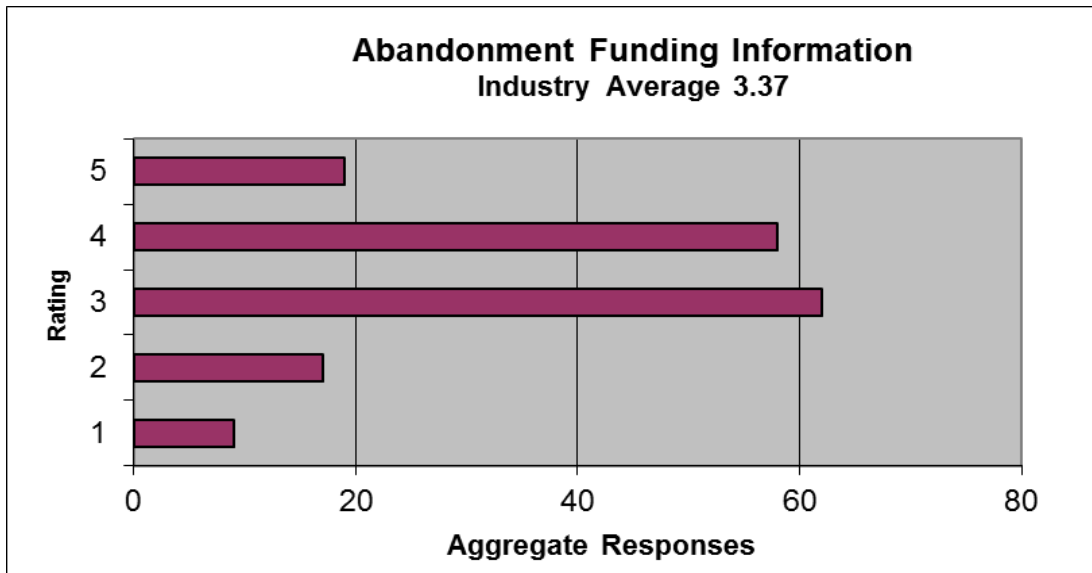
The response from shippers to this question indicated a satisfactory rating of 3.20, an increase from the 2011 rating of 3.06. Some shippers appear to be satisfied with the settlement agreements but several expressed concerns with the negotiation process leading up to the agreement. Forty per cent (40%) of the shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5) and thirty-nine per cent (39%) were neutral.



1	2	3	4	5	Average
15	25	72	57	18	3.20

13. How satisfied are you with the information you are receiving from the pipeline company about abandonment funding?

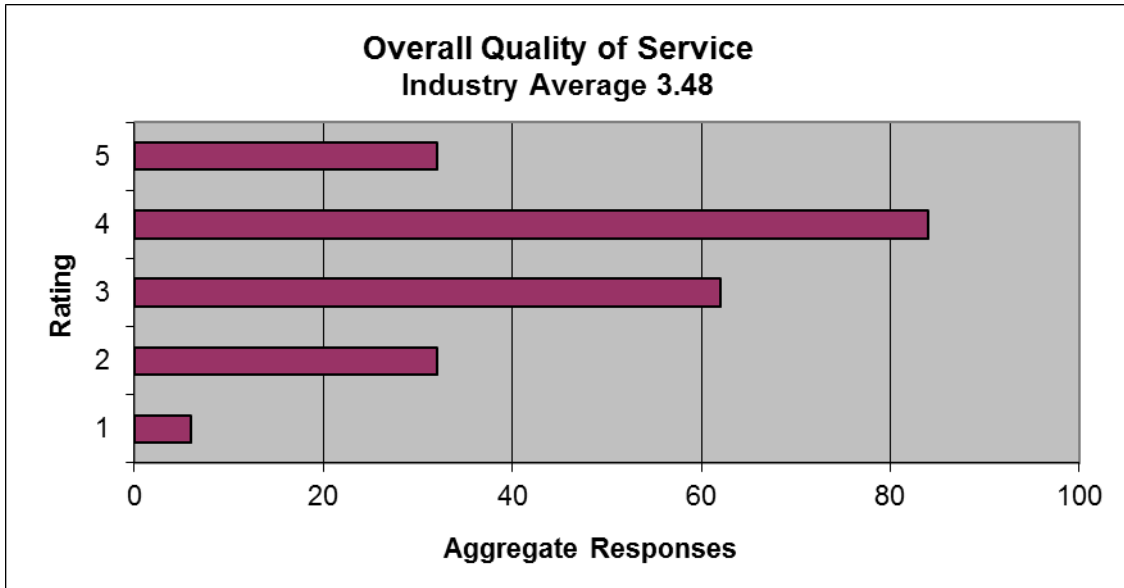
Shippers gave a satisfaction rating of 3.37 for the amount of information they are receiving on abandonment funding. This was a new question so there is no comparable rating from the 2011 Survey. Feedback from some shippers was that they received sufficient information while others stated that more transparency was needed on the details. A few shippers noted that they did not receive any information on the surcharge until it appeared on their invoices.



1	2	3	4	5	Average
9	17	62	58	19	3.37

14. 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 was 3.48 this year, which is the same as the rating in 2011. Generally, shippers were satisfied with the overall quality of service, although concerns around outages and contracting issues were mentioned. Fifty-four per cent (54%) of shippers gave their pipelines a rating of Satisfied (4) or Very satisfied (5).



1	2	3	4	5	Average
6	32	62	84	32	3.48

15. On an OVERALL basis, has the pipeline company's quality of service in the last two years:

Rating	Response	%
Continued to Improve	37	18%
Remained the Same	135	66%
Declined	33	16%
Total	205	100%

16. 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 nominations systems;
- Reliable operations to move the gas or oil;
- Responsive customer service reps;
- Friendly and helpful staff;
- Good communication;
- Willing to resolve shipper's issues; and
- Website easy to navigate.

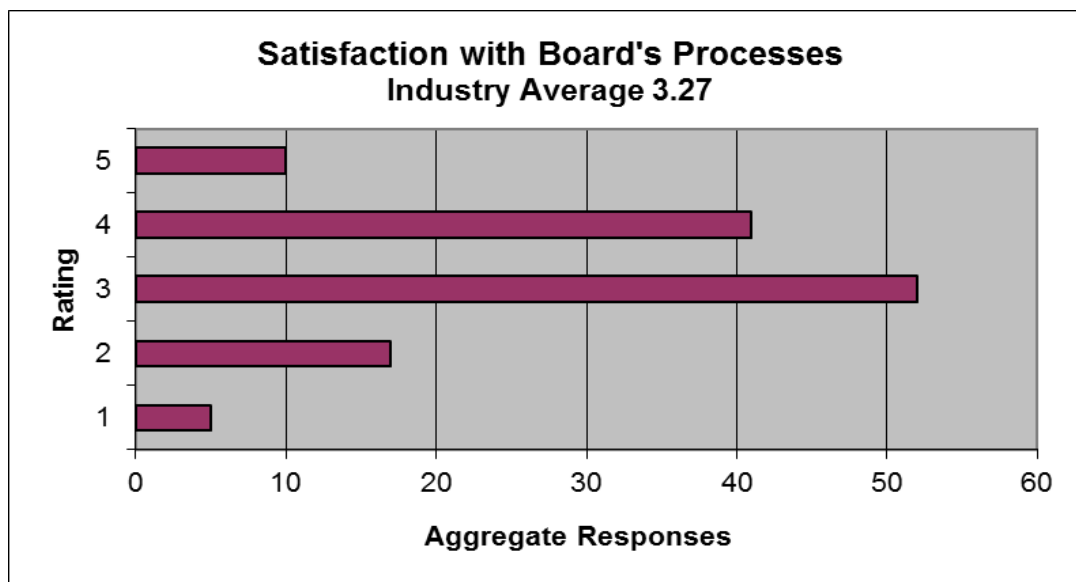
17. What three areas would need to improve the most for this pipeline company to receive a higher overall customer rating from your company?

This question provided shippers with an opportunity to list the things that their particular pipeline company could do better. Some commonly mentioned areas include:

- Manage costs better to keep tolls from increasing;
- More timely and accurate information on operations;
- More flexibility, transparency and communication;
- More genuine collaboration;
- More service offerings;
- Have more experienced and trained staff;
- Coordinate planned maintenance with other pipelines; and
- Quicker resolution of shipper issues.

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 with the Board's processes decreased from 3.31 in 2011 to 3.27 this year. While some shippers stated that the Board's hearing process is fair, others noted that participation in the Board's processes is cost and time prohibitive. A few shippers mentioned that the Board should encourage alternatives to litigation to resolve disputes, such as mediation or alternative dispute resolution. Some shippers raised a concern that they are required to pay the regulatory costs of the pipelines as well as their own. Forty-one per cent (41%) of the shippers gave the Board a rating of Satisfied (4) or Very satisfied (5), while forty-one per cent (41%) remained neutral.



1	2	3	4	5	Average
5	17	52	41	10	3.27

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

Several comments were provided for this question. Some comments and suggestions for the Board include:

- Hold technical conferences prior to hearings;
- Increase consultation with shippers and end-users who burn the gas;
- Simplify and streamline the regulatory process;
- Increase efficiency of the facility approval process;
- Consider the sharing of a pipeline’s regulatory costs rather than shippers paying 100 per cent;
- Use mediation or informal complaint processes to expedite the resolution of issues;
- Have a quicker turnaround on issuing decisions;
- Require more transparency from pipeline companies on operating and maintenance and other expenses; and
- Improve the NEB website.

20. Importance Rating

Shippers were requested to choose the three quality aspects of service that were most important to them. The most important aspects in 2016 were consistent with the 2011 results. The 2016 results are shown in the table below.

Rank	Service	% of Responses
1	Physical Reliability	28%
2	Level of Tolls	16%
3	Operations Information	16%
4	Responsiveness	13%
5	Fair Solutions	7%
6	Transactional Systems	4%
7	Collaborative Processes	4%
8	Commercial Information	3%
9	Continuous Improvement	3%
10	Menu of Services	3%

11	Invoices and Statements	2%
12	Settlement Works Well	1%
13	NEB Processes	<1%
14	NEB Framework	0%

5.0 Conclusions

Feedback on Pipeline Services

Even though there was a five year gap between conducting the Pipeline Services Survey, the results from the 2016 Survey are very consistent with the 2011 Survey results. Shippers continue to be reasonably satisfied overall with the services provided by pipeline companies.

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

- Timeliness and accuracy of invoices and statements;
- Physical reliability of pipeline operations; and
- Quality of transactional systems.

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

- Pipeline working to keep tolls as low as reasonably possible;
- Demonstrating an attitude of continuous improvement; and
- Collaborative processes (negotiations or task force meetings).

Feedback on the Board

The 2016 Survey indicated that shipper satisfaction with the Board's processes to resolve disputes has decreased slightly from 2011. A variety of suggestions were made to improve processes, which are listed under question 19 above. Most of these suggestions fall under the areas of greater consultation with shippers and end-users, and more streamlined and simplified NEB processes when the parties are not able to negotiate a solution. These two areas are aligned with the Board's strategic priorities of "Engage with Canadians" and "Lead Regulatory Excellence". Therefore, the Board will look for ways it can implement these suggestions from shippers into its processes for determining tolls and tariffs going forward.