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By Email and RESS

August 20, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: Motion to review and vary pole attachment rate charged by Hydro One Networks Inc. (EB-2015-0141) - SIA Interrogatories

Dear Ms. Walli,

Please find attached the interrogatories of the Sustainable Infrastructure Alliance of Ontario (the "SIA") in the above noted proceeding.

Sincerely,

[original signed by]

Dionisio Rivera

EB-2015-0141

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF a motion by Rogers Communications Partnership et
al. to review and vary Decision EB-2013-0416 /
EB-2014-0247 as it relates to the Specific Charge for Cable and Telecom
Companies Access to the Power Poles charged by
Hydro One Networks Inc.

Interrogatories on behalf of the Sustainable Infrastructure Alliance of Ontario

SIA-1

[Ref: Exhibit G2, Tab 5, Schedule 1, page 31, Table 16]

In its March 12, 2015 Decision in EB-2013-0416, the OEB approved rates for three (2015-2017) of the five (2015-2019) years originally requested by HONI in its application. Please confirm that as a result of this finding in the Decision, HONI would only be seeking to set the pole attachment rate in this proceeding for these same three years (2015-2017), rather than the full five (2015-2019) originally planned.

SIA-2

[Ref: Exhibit G2, Tab 5, Schedule 1, page 31, Table 16]

- a) Please provide the basis of increase for each of the rate components listed in Table 16. That is, how specifically were the new values for 2015-2019 calculated.
- b) For each of the items in a) above, please confirm whether the method of calculation used by HONI is fully aligned with the methodology originally used in determining each of these components in generating the \$22.35 rate in the CCTA Decision.
- c) To the extent any component was calculated differently than in the CCTA Decision, please explain the reason for the deviation from the CCTA Decision methodology.
- d) Please explain the general reasons or cost drivers for the sizeable increase in the maintenance component (\$7.61 to \$82.41) and the sizeable decrease in the depreciation component (\$31.11 to \$12.68) between the \$22.35 CCTA Decision rate and HONI's proposed 2015 rate.

SIA-3

[Ref: Exhibit G2, Tab 5, Schedule 1, page 31]

HONI indicates that it is “increasing the rate by 1% for each year 2016 to 2019”.

- a) Please explain the basis for the proposed 1% escalator.
- b) Is this 1% escalator common with all of HONI’s other approved specific service charges for 2016-2019?

SIA-4

[Ref: Exhibit G2, Tab 5, Schedule 1, page 31, Table 16]

The SIA is interested in exploring the reasonability of the magnitude of the proposed increase to the attachment rate by comparing it against generic benchmarks. For this purpose:

- a) What was HONI’s percentage distribution rate increase over the 2005-2015 period?
- b) What would be the value of the proposed 2015 pole attachment rate if the \$22.35 rate were escalated by the same percentage as HONI’s distribution rates in a) above?
- c) What would be the value of the proposed 2015 pole attachment rate if the \$22.35 rate were simply escalated by the approved OEB inflation factors in each of 2005-2015?

SIA-5

[Ref: Exhibit G2, Tab 5, Schedule 1, page 31, Table 16]

In applying the pole attachment rate to its customers, does HONI prorate it (e.g. for the specific number of months or days an attachment is present on a pole) or is it applied in full if any attachment is present on a HONI pole at any point during the year?

SIA-6

[Ref: Exhibit E1, Tab 1, Schedule 2, page 2, Table 1]

- a) Please confirm that the revenue collected under the current \$22.35 rate in each of 2011, 2012, 2013, 2014, and 2015 is shown under the "Joint Use" line in Table 1? (i.e. \$6.4M, \$6.4M, \$6.5M, \$6.6M, and \$6.7M respectively) Alternatively, please provide the correct values.
- b) Please confirm that the revenue forecast to be collected under the proposed new rates in each of 2016-2019 is also shown under the "Joint Use" line in Table 1? (i.e. \$11.4M, \$11.7M, \$12.0M, \$12.4M, and \$12.7M respectively). Alternatively, please provide the correct values.
- c) For the values in a) and b) above, how many attachments did HONI have on its poles in each of 2011-2015, and how many has it forecast for 2016-2019? Please provide these values broken out into wireline and non-wireline attachments.
- d) What would be the forecast amount of revenue for each of 2016-2019 if the wireline rate were to remain unchanged at \$22.35?
- e) Please provide the variance between forecast revenues under HONI's proposed rates as confirmed in b) and the forecast revenues if the \$22.35 rate were to remain in place as calculated in d).