



THE BOARD OF DIRECTORS

Chair, GAIL REGAN

President, Cara Holdings Ltd.

President, PATRICIA ADAMS
MAX ALLEN

Producer, IDEAS, CBC Radio
ANDREW COYNE

National Editor, Maclean's
GLENN FOX

Professor of Economics, University of Guelph
IAN GRAY

President, St. Lawrence Starch Co.
CLIFFORD ORWIN

Professor of Political Science, University of Toronto

Secretary/Treasurer, ANNETTA TURNER
ANDREW ROMAN

Barrister & Solicitor, Miller Thomson
ANDREW STARK

Rotman School of Management, University of Toronto
GEORGE TOMKO

Resident Expert, PSI Initiative, University of Toronto
MICHAEL TREBILCOCK

Chair, Law & Economics, University of Toronto
MARGARET WENTE

Columnist, The Globe and Mail

October 18, 2011

BY FAX & BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Ms. Walli:

Board File No. EB-2011-0120
Canadian Distributed Antenna Systems Coalition
Energy Probe Interrogatories – CANDAS Reply Evidence

Pursuant to Procedural Order No. 3, issued September 23, 2011, please find attached the Interrogatories of Energy Probe Research Foundation (Energy Probe) in respect of the Reply Evidence filed by the Applicant in the EB-2011-0120 proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc. Helen Newland, Fraser Milner Casgrain LLP (By email)
Michael Schafler, Fraser Milner Casgrain LLP (By email)
Mark Rodger, Borden Ladner Gervais LLP (By email)
Pankaj Sardana, Toronto Hydro, (By email)
Lawrence Schwartz, Consultant to Energy Probe (By email)
Peter Faye, Counsel to Energy Probe (By email)
Interested Parties (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: EnergyProbe@nextcity.com Internet: www.EnergyProbe.org

Ontario Energy Board

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

AND IN THE MATTER OF an application by Canadian
Distributed Antenna Systems Coalition for certain orders under
the *Ontario Energy Board Act, 1998*.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")
ON THE REPLY EVIDENCE ON BEHALF OF CANDAS**

October 18, 2011

**CANADIAN DISTRIBUTED ANTENNA SYSTEMS COALITION
EB-2011-0120**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES ON THE REPLY EVIDENCE
ON BEHALF OF CANDAS**

Interrogatory # 1

Ref: Reply Evidence of Professor R. Ware, para. 23+ at p.13)

Issue: Market for siting wireless attachments

Both Mr. Starkey (at THESL Interrogatory Responses, Tab 4, Schedule 2) and Professor Yatchew (at Yatchew Affidavit, at p.30, line 2) have indicated that macro-cell towers are good substitutes for hydro poles. Their evidence for this is, in part, that Public Mobile deployed macro-cell towers when pole access was denied by THESL.

There appears to be no evidence that Public Mobile deployed macro-cell towers in the Toronto area when pole access was provided to it from THESL, i.e. when both options were available.

Does Professor Ware have any comment on whether the evidence of macro-cell deployment following withdrawal of pole access supports the conclusion that such cells are good substitutes for hydro poles?

Interrogatory # 2

Ref: Reply Evidence of Professor R. Ware, para. 23+ at p.13)

Issue: Market for siting wireless attachments

Mr. Starkey answers “Yes” with elaboration to Energy Probe Research Foundation Interrogatory #3(b) that reads as follows:

**“Does Mr. Starkey believe that all available alternatives (e.g. femtocells) to DAS that he identifies in his report are in the same “product market” as DAS when the market is delineated using the approach of the Competition Bureau?”
(THESL Interrogatory Responses, Tab 4, Schedule 3)**

Does Professor Ware agree that Mr. Starkey has followed the approach to market definition presented in either the Merger Enforcement Guidelines or the Abuse of Dominance Guidelines of the Competition Bureau?

Interrogatory # 3

Ref: Reply Evidence of Professor R. Ware, para. 23+ at p.13)

Issue: Market for siting wireless attachments: Barriers to Entry

Mr. Starkey states that the “economics associated with wireless attachments like DAS Antennae are different from traditional cable attachments” (Starkey Affidavit, p.21). He further states that the primary difference is the “barriers to entry that exist with respect to alternatives supporting traditional wireline attachments but are absent for wireless attachments.” (Starkey Affidavit, p.22).

He also states that

“...it is this relatively unique contiguous nature of a pole-route’s design that creates “barriers to entry” which realistically limits the number of alternative forms of supply thereby arguably creating market power which regulation is intended to combat.” (Starkey Affidavit, p.23).

In Professor Ware’s view, does the contiguous nature of a pole-route’s design create a “barrier to entry” that limits the number of alternative forms of supply? If so, please provide a brief explanation.

Interrogatory # 4

Ref: Reply Evidence of Professor R. Ware, para. 23+ at p.13)

Issue: Market for siting wireless attachments: Barriers to Entry

Mr. Starkey also states, in a footnote relying on his text on p.23 above:

“In the traditional case for regulated pole attachments, the substantial reproduction cost, difficulty in obtaining necessary access to rights-of-way and societal impact (e.g., aesthetics) of erecting competing pole routes increase the relative barriers to entry associated with the market for utility attachments.” (Starkey Affidavit, p.23, fn.21)

- a. If there are barriers to entry associated with regulated pole attachments, would this indicate to Professor Ware that poles would constitute a separate market within the broader “market for utility attachments”?
- b. Please briefly define “entry barriers” as economists use that term and indicate what entry barriers are or may be relevant to the Board.

Interrogatory # 5

Ref: Reply Evidence of Johanne Lemay, at p.21 and Appendix D

Issue: Canadian wireless siting market

Ms. Lemay indicates that Antenna Management Corp (cited by Mr. Starkey) manages only 7 sites in Toronto.

- a. Please confirm that the 7 sites managed by Antenna Management are, per the Antenna Management website, within 5 miles of the center of Toronto and none of them are downtown.
- b. Please also confirm that within 25 miles of the center of Toronto, per the Antenna Management website, the company managed 8 sites, none of them downtown.