

INTERROGATORIES FOR TORONTO HYDRO-ELECTRIC SYSTEM LIMITED

FROM THE CONSUMERS COUNCIL OF CANADA

EB-2013-0234 – Section 29 Application

February 7, 2013

Issue 1 – What is the current and likely future state of modern wireless networks?

Issue 1/CCC/1

(Reference: Notice of Application)

THESL is seeking an order that the Board refrain from regulating the terms, conditions and rates for the attachment of wireless telecommunications devices, or wireless attachments. Please define what is meant by, “wireless telecommunications devices” for the purposes of this application. If wireless technology changes going forward, how does it impact the relief requested in this application? Is this application based on specific technology? If not, why not? If so, what is that technology? Please explain.

Issue 1/CCC/2

(Pre-Filed Evidence of THESL, p. 2)

The evidence filed on June 14, 2013, indicates that at that time there were wireless attachments on 130 of THESL’s poles, and 61 of THESI’s poles. Of the wireless attachments on THESL’s poles 128 are for WiFi services, and 2 are for cellular services. Of the wireless attachments on THESI’s poles, 52 are for WiFi services and 9 are for cellular services. Please provide an update, indicating the number and type of pole attachments currently in place for both THESL and THESI. Please explain what specific technologies in terms of wireless telecommunications devices are currently attached to THESL and THESI poles.

Issue 1/CCC/3

(Pre-Filed Evidence of THESL, p. 2)

Does THESL currently have applications for pole attachments from wireless service providers? If so, does THESL expect to facilitate those attachments? If not, why not? If so, at what price?

Issue 1/CCC/4

Please provide a copy of THESL's current policy regarding wireless attachments. Under what specific conditions does THESL deny access to its poles? Please explain the extent to which safety, reliability and operational concerns impact THESL's decisions to allow for wireless attachments to its poles.

Issue 1/CCC/5

(Pre-filed Evidence of THESL, p. 2)

For each year since THESL and THESI have been allowing for wireless attachments on poles, please indicate how many attachments were made in each year. When was the most recent attachment made? Please indicate what THESI's charges for wireless pole rentals.

Issue 9 – If the Board were to forbear from regulating the terms, conditions, and rates for the attachment of wireless equipment to THESL's distribution poles, what are the potential impacts on THESL's ratepayers in terms of rates and of service?

Issue 9/CCC/6

(Pre-filed Evidence of THESL, p. 3)

The evidence states that THESL proposes to charge a competitive rate for wireless attachments to its poles. Furthermore, the evidence states that doing so will improve THESL's ability to recover its true costs, and provide a benefit to its ratepayers and to its shareholder.

- a) Please indicate what the "true costs" for pole attachments are. Please include all assumptions;
- b) Please explain why THESL's shareholder should be provided a benefit arising from the rental of utility poles paid for by ratepayers. Why is THESL not proposing to treat all revenues resulting from pole rentals as a revenue offset?

Issue 9/CCC/7

Has THESL done an analysis as to what the demand might be for wireless attachments to its poles over the next five years? If not, why not? Please provide a forecast setting out how this proposal will impact ratepayers for the next five years

Issue 9/CCC/8

Please provide all correspondence and presentations provided to THESL's senior management and Board of Directors regarding this application.

Issue 9/CCC/9

Please provide all correspondence and presentations provide to THESL's shareholder regarding this application.

Issue 9/CCC/10

Please explain why THESL is of the view that ratepayers will benefit if it moves to a market based pricing model. Has THESL done an analysis as to what revenue it could achieve with a cost-based approach relative to a market based pricing model. If so, please provide that analysis. If not, why not? Please provide all cost-benefit analyses undertaken regarding the move to market-based pricing for wireless attachments.

Issue 10 – If the Board does refrain from regulating the terms, conditions and rates of wireless attachments, what is the appropriate treatment of and/or disposition of the costs and revenues?

Issue 10/CCC/11

Please provide the terms of reference for the study produced by Dr. Church. Was Dr. Church retained through an RFP process? If so, please provide a copy of the RFP. If not, why not? What are the total expected costs associated with retaining Dr. Church as an expert in this proceeding? What have been the costs incurred to date? Please provide all details. How are these costs to be recovered?

Issue 10/CCC/12

Please provide the terms of reference for the study produced by Dr. Jackson. Was Dr. Jackson retained through an RFP process? If so please provide a copy of the RFP. If not, why not? What are the total expected costs associated with retaining Dr. Jackson as an expert in this proceeding? What have been the costs incurred to date? Please provide all details. How are these costs to be recovered?

Issue 10/CCC/13

The Counsel is concerned that the overall costs of this proceeding may outweigh any benefits flowing to ratepayers from forbearance. Has THESL done a cost-benefit analysis regarding this application? If so, please provide that analysis. If not, why not? Please provide a schedule setting out the total expected costs of this application. Please include forecasts and all actual costs incurred to date. Please include external legal costs, external consulting costs, other expert costs (intervenor and Board Staff), and intervenor costs. Please include all assumptions including hours, hourly rates etc. What is THESL's proposal regarding how these costs should be recovered?

Issue 10/CCC/14

To what extent has THESL, its consultants, or Counsel has corresponded with other LDCs regarding this application. Please provide any correspondence provided to other Ontario LDCs regarding this application.

Issue 10/CCC/15

The Council is interested in how THESL proposes that Board forbear from regulating access to a utility pole, that has been, or is being paid for by utility ratepayers. What is THESL's proposal regarding the treatment of revenues and costs? How will costs be allocated to the new unregulated activity? How will THESL ensure that the regulated distribution business is not cross-subsidizing the unregulated activities?

Issue 10/CCC/16

(Pre-filed Evidence of THESL, p. 3)

The evidence indicates that the current authorized rate for pole attachments is \$22.35 and that it is intended to cover direct and indirect costs. In addition, the evidence indicates that THESL's direct and indirect costs for pole attachments are higher than that. Provide a schedule setting out all of the direct and indirect costs associated with pole attachments. If THESL were to develop a cost-based rate what would that rate be?

Issue 11 – What is the public interest for the purposes of this application?

Issue 11/CCC/17

What does THESL view as to definition of the public interest for the purposes of this application?

Issue 11/CCC/18

On December 16, 2013, the Toronto City Council passed a series of motions regarding the safety of telecommunications towers and antenna. Please explain the nature of these motions. Please explain the extent to which they may impact THESL's application. To what extent will these requirements impact the market for wireless attachments? What are the incremental costs associated with complying with these motions?

Issue 11/CCC/19

Please provide the current Industry Canada and Health Canada regulations regarding wireless attachments. Are these expected to change in the near future (i.e. more controls regarding placement, notification, consultation, emissions etc?) How do these regulations affect THESL's ability to facilitate wireless attachments?

Issue 12 – What options does the Board have if it determines that it will refrain in part from regulating wireless attachments to THESL poles?

Issue 12/CCC/20

Would THESL be amenable to the Board continuing to regulate the terms and conditions for the attachment of wireless telecommunications devices, while allowing for the rates to be based on market rates? If not, why not?

Issue 12/CCC/21

Has THESL considered a scenario whereby access to the utility assets are still regulated, but the rates are based a market based range? If not, why not?

Issue 12/CCC/22

Please explain how THESL intends to ensure that when facilitating wireless attachments the operation of its distribution system is not compromised.