

**RESPONSES TO CONSUMERS COUNCIL OF CANADA
INTERROGATORIES**

1 **INTERROGATORY 3:**

2 **Reference(s):** Pre-Filed Evidence of THESL, p. 2

3

4 **ISSUE(S):** 1

5

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

9

10 **RESPONSE:**

11 THESL expects to facilitate the particular wireless service provider applications currently
12 before it at a price of \$5000 per attachment.

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1 **INTERROGATORY 5:**

2 **Reference(s):** Pre-Filed Evidence of THESL, p. 2

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4 **ISSUE(S):** 1

5
6 For each year since THESL and THESI have been allowing for wireless attachments on
7 poles, please indicate how many attachments were made in each year. When was the
8 most recent attachment made? Please indicate what THESI's charges for wireless pole
9 rentals.

10

11 **RESPONSE:**

| Year | THESL | THESI | |
|------|-----------------------|-----------------------|-------------|
| | Number of Attachments | Number of Attachments | Rental Rate |
| 2006 | 33 | 90 | \$22.35 |
| 2007 | 26 | 31 | \$22.35 |
| 2008 | 0 | 0 | - |
| 2009 | 179 | 1 | \$22.35 |
| 2010 | 188 | 0 | - |
| 2011 | 0 | 0 | - |
| 2012 | 2 | 9 | \$5000 |
| 2013 | 7 | 1 | \$5000 |
| 2014 | 0 | 1 | \$5000 |

12 The most recent attachment was made on January 16, 2014.

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1 **INTERROGATORY 18:**

2 **Reference(s):** **THESL Prefiled Evidence Page 3, Para 16 and 17**

3
4 **ISSUE(S): 9**

5
6 16. As a result of the Decision and Order of the Ontario Energy Board dated March 7,
7 2005, THESL is authorized to charge \$22.35 for each pole attachment. That
8 figure is intended to cover THESL's direct and indirect costs. THESL's direct
9 and indirect costs for pole attachments are higher than that.

10 17. THESL proposes to charge a competitive rate for wireless attachments to its
11 poles. Doing so will improve THESL's ability to recover its true costs, and
12 provide a benefit to its ratepayers and to its shareholder.

13

14 a) Does the \$22.35/yr rate/charge apply to wireless only or to cable or other attached
15 utilities? Please clarify and provide any other rates/charges for other types of
16 attachments/connections.

17 b) Please provide a breakdown of THESL's costs and contribution to revenue
18 requirement for the existing services/attachments.

19 c) Provide 2013 revenue and calculate the cost recovery ratio(s) for each type of
20 Attachment/connection.

21 d) Discuss the Issue of cross subsidy and how this will change under forbearance.

22 e) Please List # 2013 applicants/customers renting attachments under the THESL OEB
23 rate \$22.35/yr. Provide 2013 revenues and costs.

24 f) Please provide # (NO NAMES) 2013 applicants /customers renting attachments from
25 THESI (specify rate(s)). Provide aggregate revenue

26

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1 **RESPONSE:**

3 a) Unless otherwise noted, the \$22.35/yr rate applies to all Canadian carriers as defined
4 by the *Telecommunications Act* and all cable companies that operate in the Province
5 of Ontario. Please also see THESL's confidential response to OEB Staff
6 interrogatory 22 (Tab F, Schedule 1-22).

7
8 b) THESL is only able to provide a breakdown of its costs in respect of
9 telecommunications attachments (i.e., wireline and wireless) on a typical 40'
10 distribution pole; please see THESL's response to CCC interrogatory 16 (Tab J,
11 Schedule 2-16) for this breakdown. The estimated contribution to revenue
12 requirement of these types of attachments in 2013 was approximately \$4M (estimated
13 \$6M cost less \$2M revenue).

14
15 c) In 2013, the revenues for both types of attachments were as follows:

| Type of Attachment | 2013 Revenues |
|--|---------------|
| Telecommunication Wireline Attachments | \$1,950,000 |
| Telecommunication Wireless Attachments | \$100,000 |

17 In accordance with THESL's response to part b), above, the cost recovery ratios can
18 only be provided for telecommunications attachments on typical 40' distribution
19 poles: 0.33 (\$2M revenue divided by \$6M cost).

20
21 d) It is clear that wireless attachers are currently receiving a benefit or subsidy from the
22 distribution system to the extent that the cost of providing the attachment or
23 maintaining an attachment exceeds the current regulated rate of \$22.35. Under
24 THESL's application, the rate for wireless attachments would be a negotiated rate,

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1 and in the unlikely event that that negotiated rate falls below the cost of providing the
2 attachment or maintaining it, the attachment would not be permitted.

3

4 e) In 2013, eight customers leased attachments at the \$22.35 rate. These customers
5 were: Allstream, Astral Media, Beanfield, Bell, Blink Communications, Cogeco,
6 Rogers, and Telus. The 2013 revenues from these attachments were approximately
7 \$1,950,000. Based on the cost model detailed in THESL's response to CCC
8 interrogatory 16 (Tab J, Schedule 2-16), THESL estimates that the total indirect and
9 direct costs to accommodate these attachments were approximately \$6,000,000.

10

11 f) In 2013, there was one customer with attachments on THESI poles. The rate per
12 attachment was \$5,000, and the aggregate revenue in 2013 was \$50,000.00.