Ontario Energy Board

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BY E-MAIL AND WEB POSTING

November 5, 2015

TO: **All Rate Regulated Electricity Distributors**

Intervenors in the Canadian Distributed Antenna Systems Coalition **Proceeding (EB-2011-0120)**

Intervenors in Hydro One Networks Incorporated (HONI) Incentive Regulated Proceeding and Specific Charge for Cable and Telecom Companies Access to the Power Poles charged by HONI. (EB-2013-0416/2015-0141)

Intervenors in Hydro Ottawa Limited Incentive Regulation Proceeding (EB-2015-0004)

Intervenors in Toronto Hydro-Electric System Limited (THESL) Wireless Attachment Proceeding (EB-2013-0234)

Intervenors in THESL Incentive Regulation Proceeding (EB-2014-0116)

RE: Review of Miscellaneous Rates and Charges (EB-2015-0304)

The purpose of this letter is to announce that the Ontario Energy Board (OEB) is initiating a comprehensive policy review of miscellaneous rates and charges applied by electricity distributors for specific activities or services they provide to their customers.

The OEB's Approach

This review will encompass many different categories of miscellaneous rates and charges and therefore will be conducted through a number of phases and components. The first phase will consider specific service charges as defined in the OEB's 2006 Distribution Rate Handbook. These charges generate miscellaneous service revenues

that result in lower distribution rates and include charges for customer administration, non-payment of accounts, service calls, temporary services, pole attachments and distributor-specific services.

As a first component of this phase, the OEB plans to prioritize the review of wireline pole attachments. The OEB will establish a Pole Attachments Working Group (PAWG) to provide advice on the technical aspects and related details to be addressed in respect of pole attachments. The subsequent review of pole attachments will consider the methodology used for determining charges, including the appropriate treatment of any revenues that carriers may receive from third parties.

The OEB is seeking expressions of interest for participation in the proposed PAWG. Based on these expressions of interest, staff will select a representative group of people representing wireline industry, electricity distributors and consumer groups. It is expected that the PAWG will meet approximately four times.

Those interested in nominating themselves or a third party to participate in the PAWG should submit a letter addressed to the Board Secretary at the OEB's mailing address set out above or by e-mail to boardsec@ontarioenergyboard.ca by **November 19, 2015.** That letter must quote file number **EB-2015-0304**, and include the following:

- The name of the nominee and the interest or constituency represented; and
- A short statement identifying the nominee's relevant experience and qualifications.

A second component of this phase will review the other aspects of specific service charges including the methodology for setting the charges, the appropriate level of standardization across the province and mechanisms for keeping the charges up to date. A consideration will be whether it continues to be appropriate for the OEB to establish default service charges.

Subsequent phases related to retail service charges and other regulated charges are expected to be initiated in the next fiscal year. Additional details will be provided later.

Cost Awards

Cost awards will be available to eligible persons under section 30 of the *Ontario Energy Board Act*, 1998 for their participation in the PAWG The costs awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues.

Appendix A contains information regarding cost awards for this consultation, including in relation to eligibility requests and objections. In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

If you have questions regarding this consultation, please direct them to lndustryRelations@ontarioenergyOEB.ca or 416-440-7604. The OEB's toll free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli Board Secretary

Appendix A

Participation in the Pole Attachments Working Group Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the OEB a written submission to that effect by **November 19, 2015** identifying the grounds on which the person believes that it is eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the OEB's *Practice Direction on Cost Awards*). All requests for cost eligibility will be posted on the OEB's website.

If an OEB licensee has any objections to any of the requests for cost eligibility, such objections must be filed with the OEB by **December 3, 2015**. Any objections will be posted on the OEB's website. The OEB will then make a final determination on the cost eligibility of the requesting participants.

Eligible Activities

Cost awards will be available in relation to participation in the Pole Attachments Working Group. Cost awards will cover preparation, attendance and reporting time in relation to a working group meeting. The maximum allowable hours per participant has not yet been determined.

Cost Awards

When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the OEB's Cost Awards Tariff will also be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The OEB will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the OEB acting as a clearing house for the cost award payments. These documents can be found on the OEB's website at www.ontarioenergyboard.ca on the "Rules, Guidelines and Forms" webpage.