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Vice President
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BY COURIER

November 30, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli,

EB-2015-0141 – Rogers Communication Partnership et al. for Leave to Bring a Motion to Review and Vary Decision EB-2013-0416/EB2014-0247 – Hydro One Interrogatory Questions

Please find attached Hydro One Networks' Inc. interrogatory questions to Rogers Communication Partnership et al. ("Carriers") regarding the evidence that was filed by Carriers on November 20, 2015.

Two (2) hard copies will be sent to the Board shortly.

An electronic copy of the Interrogatories, have been filed using the Board's Regulatory Electronic Submission System.

Sincerely,

ORIGINAL SIGNED BY

Oded Hubert

Enc.

cc. Intervenors (electronic)

1 **Hydro One Networks' Interrogatories to Carriers**

2
3 **HONI-1**

4 **Reference: Carriers' Evidence #38**

5
6 Should Carriers cover the underlying costs of services they request or incur or should these costs
7 be recovered from the broader customer base of the LDC?

8
9 **HONI-2**

10 **Reference: Carriers' Evidence #6**

11
12 In Exhibit I, Tab 4, Schedule 4, the Carriers asked Hydro One to confirm the number of poles
13 used to calculate the per pole costs in Table 16 of Exhibit G2, Tab 5, Schedule 1. In the response
14 to that interrogatory, Hydro One acknowledged that there was an error in the pole count of
15 1,730,300. In the Oral Hearing for application EB-2013-0416 and in response to the Carrier
16 interrogatory I-4-4, the pole count was corrected to 1,535,344. Using the corrected pole count
17 and the formulae found in Exhibit I, Tab 1, Schedule 1, please calculate:

- 18
19 1. The Net Embedded Cost
20 2. Depreciation per pole
21 3. Capital Carrying Costs
22 4. Pole maintenance (Lines & Forestry) costs
23 5. Capital related costs
24 6. Allocated capital costs

25
26 Using the Loss of Productivity (part C) and Administration (part H) values found in Exhibit I-1-
27 1, calculate what the Telecom Joint Use rate would be for 2012?

28
29 **HONI-3**

30 **Reference: Carriers' Evidence #6 (Exhibit I, Tab 3, Schedule 2, Part b)**

31
32 Using the acquisition cost (net of capital contributions) of \$2,810,044,338 and the accumulated
33 depreciation (net of accumulated depreciation for capital contributions) of \$913,502,183 for
34 USofA #1830 as per Tab I4 from Hydro One's 2015 Cost Allocation Model submitted with its
35 pre-filed evidence, please calculate the following:

- 36
37 a. The Net Embedded Cost
38 b. Depreciation per pole
39 c. Capital Carrying Costs
40 d. Pole maintenance (Lines & Forestry) costs
41 e. Capital related costs
42 f. Allocated capital costs

1 Using escalated Loss of Productivity (part C) and Administration (part H) values found in
2 Exhibit I-1-1 from 2012 to 2015 at 3% per year and the values calculated in parts a to f,
3 determine the 2015 Joint Use rate for Telecom.
4

5 **HONI-4**

6 **Reference: Carriers' Evidence #7, part a**
7

8 Please indicate where in the rate methodology from the 2005 Decision, the OEB states that
9 vegetation management should not be recovered as part of the pole maintenance costs.
10

11 **HONI-5**

12 **Reference: Carriers' Evidence #7, part c, ii**
13

14 In the Carriers' submitted evidence statement #7, part c, ii, states "poles with Wireline
15 Attachments require dramatically different types and costs of vegetation management activities,
16 it is unfair and inappropriate in principle for Hydro One to allocate vegetation costs to Wireline
17 Attachers on a gross averaging basis based on its entire inventory of poles." Explain the
18 "different types of costs of vegetation management".
19

20 **HONI-6**

21 **Reference: Carriers' Evidence Appendix D**
22

23 Please confirm that the Agreement for Licensed Occupancy of Power Utility Distribution Poles
24 submitted as Appendix D to the Carriers' evidence is an assignment from the purchase of
25 Mountain Cablevision Ltd by Rogers and is the same template Agreement and Contract
26 Administration Guide that was executed by all Carriers January 1, 2006.

1 **HONI-7**

2 **Reference: Carriers' Evidence Evidence #21 and Appendix D:**

3
4 **Section 1 (Definitions),**

"Line Clearing" means the provision of adequate neutral conductor clearance from tree interference for all attachments carried on, to, or supported by Joint Use Poles, and includes underbrushing, tree removal, cabling or guying of trees, pruning or trimming, treatment of cuts, application of herbicidal sprays and disposal of debris.

"Make-ready Work" means that work which is necessary and required solely for the purpose of directly accommodating the attachment(s) which the Licensee wishes to attach to Networks pole(s) and includes, but is not limited to, initial Line Clearing, any changes or additions to or Rearrangement of Networks' poles or Networks' attachments. Without restricting the generality of the foregoing, Make-ready Work does not include the costs of replacing defective poles, or previously scheduled betterment programs initiated by Networks.

5
6
7 **Section 11 (Division of Costs),**

11.0 DIVISION OF COSTS:

11.1 Except where expressly provided herein, both parties acknowledge and agree that the costs involved in erecting, placing, maintaining and otherwise dealing with the Joint Use Poles and Attachments in specified circumstances shall be borne by or divided between each party or the parties respectively as outlined in Section 13.0 and Decision Table 14 of the CAG.

8
9
10 **Schedule A Section 12.1 (Joint Planning),**

12.0 JOINT PLANNING:

12.1 Every reasonable attempt must be made by the parties to hold regular Joint Use meetings at least annually (and more frequently if required bearing in mind workload activity or problems) to plan for new construction, reconstruction, major changes and planned workload, including Line Clearing programs. Job progress and any problems that have developed since the previous meeting shall be discussed at each meeting.

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12
13
14 **Schedule A Section 13.8 (Division of Costs - Summary Table 14),**

Type Of Work	Reason For Work	Party Paying
Make-ready Line Clearing	for Licensee's Attachments	Licensee
Maintenance Line Clearing	routine Line Clearing	Licensee contributes in Pole Rental Rate
bonding connection	Licensee's requirement	Licensee

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16
17
18

1 **Schedule A Section 14 (Line Clearing),**

14.0 LINE CLEARING:

14.1 Networks shall carry out Line Clearing determined to be necessary for maintenance purposes on existing Joint Use Poles. Permission for maintenance Line Clearing will be obtained from property owners by Networks for both parties prior to the performance of the work. Where permission to clear around the Licensee's Attachments cannot be obtained, the matter shall be left to the Licensee to resolve prior to the scheduled Line Clearing and if such matter cannot be resolved, Networks shall not be obligated to perform the maintenance Line Clearing for the said Attachments.

14.2 The Licensee's monetary contribution towards maintenance Line Clearing of Joint Use Poles which is incorporated in the Pole Rental Rate is based upon and recognizes the following:

- Networks' incremental costs to maneuver in and around Licensee's Attachments as part of maintenance Line Clearing around Joint Use Poles.
- Networks' removal and clean-up of storm damaged trees along a Joint Use Pole Line.
- Maintenance Line Clearing reduces costs for new or added Attachments.
- Licensee's input and influence in the local Line Clearing program to meet joint requirements when feasible.
- Joint interest in maintaining the integrity of Networks' neutral along a Joint Use Pole Line from tree-related damage.

14.3 Maintenance Line Clearing requirements will form part of the regular joint planning meetings. Discussion will also include all Line Clearing required:

- for construction of new Joint Use Poles
- for replacement of existing Joint Use Poles
- for routine maintenance purposes
- to permit Joint Use to be established on existing poles

Networks will consider the Licensee's input in the local maintenance Line Clearing program to meet joint requirements where feasible.

14.4 The costs involved in Make-ready Line Clearing determined by Networks as necessary to be carried out on Joint Use Poles shall be shared as follows:

- (i) Where Joint Use is to be established on existing Networks poles or existing Joint Use Poles must be replaced for said purpose, all Make-ready Line Clearing costs shall be borne by the Licensee; tenders may be called by the Licensee and contracts may be awarded to Networks or to qualified forestry contractors for any Make-ready Line Clearing required by the Licensee provided the work is done in compliance with Networks' Line Clearing specifications; if Networks performs the Make-ready Line

Clearing, the costs for the Make-ready Line Clearing shall be paid by the Licensee within 30 days of the date of the invoice issued by Networks.

- (ii) Where new Joint Use is to be created or an existing line of Joint Use Poles is relocated, Make-ready Line Clearing shall be performed by Networks; notice shall be provided to the Licensee along with the estimate of the costs of the Make-ready Line Clearing work to be performed and the cost of such Line Clearing for the new Joint Use Poles shall be shared 75% by Networks and 25% by the Licensee as will be provided for in an invoice to be issued by Networks. The Licensee shall pay the said costs to Networks within 30 days of the date of the invoice issued by Networks.

15.0 LINE CLEARING SPECIFICATIONS:

- 15.1 The following specifications are a standard for Line Clearing that shall be applied to all Joint Use Poles. Approved arboricultural practices shall be followed while still assuring plant safety and reliability.
- Trees are to be pruned sufficiently to provide clearances with adequate provision to reach the next maintenance Line Clearing cycle, giving due consideration to tree species, growth, planned clearing cycles and location.
 - All pruner and saw cuts are to be made using the natural target pruning technique. All cuts will be made by drop crotch pruning to a lateral or parent limb which should be at least one-third the diameter of the limb being removed.
 - Pruner and saw cuts need not be painted with tree wound dressing unless otherwise specified by Networks' Forestry representative.
 - All brush is to be either burned, chipped or piled neatly off the right of way to a height not exceeding 0.5 meters (18 inches).

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The Agreement for Licensed Occupancy of Power Utility Distribution Poles submitted as Appendix D to the Carriers' evidence, clearly includes the performance of Line Clearing activities by Hydro One, the treatment of the costs and the line clearing specifications. This template agreement was signed by representatives of Rogers Cable Communications Inc. and Rogers Communication Inc. and by many other telecom companies in the province, and is still current. Why should these costs and provisions be excluded from this application, EB-2015-0141?

Why should Hydro One's rate payers bear the full cost of line clearing services around joint use poles, given that the Carriers benefit these services as indicated in the Agreement?

1 **HONI-8**

2 **Reference: Carriers' Evidence #15**

3
4 Statement #15 of the Carriers' evidence cites that the CRTC Decision (submitted by the Carriers
5 as Appendix C) considers that "power utilities should be permitted to levy a separate charge on
6 cable companies to reflect tree trimming activities." Have the vegetation management services
7 been provided by Hydro One? Has the fee for these vegetation management services been
8 charged outside of the OEB-approved rate?

9
10 Have the Carriers received any invoices outside of the OEB-approved rate, since 2006, for the
11 vegetation management services performed by Hydro One around poles that the Carriers are
12 attached to, and which the Carriers don't own?

13
14 **HONI-9**

15 **Reference: Carriers' Evidence #15, #34 and #36**

16
17 If the cost of the vegetation management services provided by Hydro One is to be invoiced
18 outside of the OEB-regulated rate, do the Carriers agree that they would be liable to cover the
19 costs of the vegetation management services provided, as well as the associated administration
20 costs such as billing, tracking of services provided, record retention, update of records, etc.?

21
22 Please provide a detailed record of all of the Carriers' attachments including those Carriers that
23 are over-lashed to another Carrier's strand which would, in the Carriers' view, be subject to such
24 invoicing.

25
26 **HONI-10**

27 **Reference: Carriers' Evidence #20**

28
29 In section 10, 10.1 (a) of the Agreement for Licensed Occupancy of Power Utility Distribution
30 Poles submitted as Appendix D to the Carriers' evidence, the Carriers agree to pay 75% of the
31 full pole rate of \$22.35 which is \$16.75 for "clearance poles". During negotiations, the reduced
32 rate for clearance poles was agreed to by both parties as Hydro One did not perform maintenance
33 Forestry activities for clearance poles at that time. Is this correct?

34
35 **HONI-11**

36 **Reference: Carriers' Evidence #20**

37
38 Statement #20 refers to *Agreement for Licensed Occupancy of Power Utility Distribution Poles*
39 *(for Telecommunications Attachments)* between Hydro One and Rogers Communications
40 Partnership, s. 11; and Decision Table 14 of the associated Contract Administration Guide. This
41 statement is repeated below:

42
43 *"The Pole Attachment Agreement also governs the means by which Hydro One is*
44 *permitted to recover its "Line Clearing" costs from a Wireline Attacher (referred to as*

1 *the “Licensee” in the agreement), stating that the Licensee’s financial contribution to*
2 *Line Clearing costs has been incorporated into the Pole Rental Rate of \$22.35.*
3 *Unfortunately, this is an incorrect statement because, as stated above, the Pole Rental*
4 *Rate does not include vegetation management costs. At no point did the \$22.35 rate*
5 *include vegetation management costs.”*

6
7 Why did the Carriers sign the agreement if it contains a statement that they claim is incorrect?
8 Was this issue raised and discussed with Hydro One at the time?

9
10 **HONI-12**

11 **Reference: Carriers’ Evidence #21, 22 and 23**

12
13 Statements 21, 22 and 23 in the Carriers’ evidence, cite specific sections of the Agreement for
14 Licensed Occupancy of Power Utility Distribution Poles. Have the Carriers benefitted from the
15 performance of the vegetation management activities performed by Hydro One specifically
16 outlined in Section 14 of the agreement?

17
18 Have any of the Carriers ever requested Hydro One to perform any type of vegetation
19 management activities for their benefit outside of Hydro One’s vegetation management cycle for
20 that specific area? If so, did Hydro One satisfy these Carriers’ requests? Did Hydro One charge
21 the Carriers any additional costs for these services?

22
23 **HONI-13**

24 **Reference: Carriers’ Evidence #23**

25
26 Are the Carriers required to bond to the primary neutral in accordance with CSA standards?
27 Does Hydro One provide the necessary vegetation management activities to maintain the
28 required neutral clearance?

29
30 **HONI-14**

31 **Reference: Carriers’ Evidence #26**

32
33 If a tree were to fall and contact the Carriers’ messenger, could it cause damage to the pole that
34 could in turn result in a power interruption to Hydro One’s customers, which damage or
35 interruption would otherwise not have occurred? If repairs were required to the pole, could these
36 also require an unplanned outage to Hydro One customers?

37
38 **HONI-15**

39 **Reference: Carriers’ Evidence #31**

40
41 Statement #31 of the Carriers’ evidence, cites

42
43 *“A similar diversity of line clearing and brush control requirements (and the associated*
44 *costs) exists within the boundaries of each of vegetation zone. This diversity exists*

1 *because poles within the boundaries of towns and communities (which are more likely to*
2 *have Wireline Attachments) require less vegetation management than other poles.”*

3
4 Please substantiate the claim that “poles within the boundaries of towns and communities (which
5 are more likely to have Wireline Attachments) require less vegetation management than other
6 poles”, giving specific consideration to urban complexities such as maintaining trees that are not
7 accessible from travelled streets (e.g. back lot construction), trimming to customers’
8 specifications, remove debris, brush, tree trunks and wood chips and provision of customer
9 notifications.

10
11 **HONI-16**
12 **Reference: Carriers’ Evidence #33**

13
14 Statement #33 of the Carriers’ evidence cites:

15
16 *“Fewer Wireline Attachments exist on Hydro One poles in the Northern zone, where*
17 *Hydro One asserts that vegetation management costs are highest, with a majority of the*
18 *Wireline Attachments being on Hydro One poles in the Southern zone, where Hydro One*
19 *asserts that vegetation management costs are lowest.”*

20
21 In reference to this statement, please corroborate the statements in the Evidence regarding the
22 geographic locations of these attachments as follows:

- 23
24 a. Supply a detailed map of Ontario showing all registered Carriers and a map of their
25 systems.
26 b. Provide the number of attachments (including over-lashing) for each registered Carrier on
27 Hydro One-owned poles.
28 c. Provide a list indicating which are located in urban, suburban and rural locations.
29 d. Indicate which of these poles are accessible from a travelled road, back lot construction
30 and any other off-road location.

31
32 **HONI-17**
33 **Reference: Carriers’ Evidence #34**

34
35 Supply the detailed evidence that line clearing activities are being managed by municipalities
36 and local residents.