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December 18, 2017

Delivered by Email, RESS & Courier

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

Dear Ms. Walli:

Re: InnPower Corporation
2017 Rate Application (EB-2016-0085)
Response to Interrogatories

Pursuant to Procedural Order No. 7, please find enclosed InnPower Corporation's response to interrogatories.

If you require any further information, please contact the undersigned.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Original signed by John A.D. Vellone

Per:

John A.D. Vellone

cc: Intervenors of record in EB-2016-0085

INNPOWER CORPORATION

EB-2016-0085

RESPONSE TO INTERROGATORIES
Pole Attachment Charges

Procedural Order No. 7
Filed: December 18, 2017

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EXHIBIT 8 – Rate Design – Pole Attachment

8-Staff-1

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7
Exhibit 8, Section 5

As per InnPower's evidence filed November 27, 2017, InnPower provided an updated pole attachment rate of $64.24. OEB staff notes that this is a 187% increase from the current rate of $22.35

a) Please define which corporate customers (i.e. 3rd party attachers) are impacted by the joint use pole attachment charge.
b) How many corporate customers are directly affected by the change to the access to power poles charge?
c) Please describe any initiatives undertaken by InnPower to inform these corporate customers of its proposed changes to this charge, prior to and after filing the application.
d) Please describe any feedback received from these corporate customers prior to and after filing the application.
e) If feedback was received, please describe any changes made by InnPower to its proposals prior to and after filing the application.

InnPower Corporation Response:

a) The following corporate customers are impacted by the joint use pole attachment charge
   i. Rogers Communications
   ii. Bell Canada
   iii. Vianet
   iv. Zayo Canada

b) The aforementioned 4 corporate customers identified in the 8-Staff-1 part a) and any potential new customers would be directly impacted by the proposed change to the pole attachment charge.

c) InnPower did not undertake initiatives to inform the corporate customers of the proposed changes to the pole attachment charge prior to the filing of the application. InnPower subsequently sought to withdraw this change. Notification was provided to the corporate customers via registered mail on September 12, 2017 as confirmed by InnPower_Affidavit_20170915.pdf.

d) There has been no direct feedback from the corporate customers identified in response to 8-Staff-1 part a) with the exception of Rogers Communications which has requested Intervenor Status on September 27, 2017.

e) No changes were made by InnPower due to feedback received.

8-Staff-2

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7
EB-2015-0004 February 25, 2016 Hydro Ottawa Decision

OEB staff notes that in the Hydro Ottawa Decision page 7, the OEB stated that it "will rely on the number of attachers per pole information filed by Hydro Ottawa". InnPower has submitted its evidence and calculated its proposed pole attachment charge in terms of the number of attachments per pole, instead of the number of attachers per pole. OEB staff notes that InnPower's calculation is inconsistent with the Hydro Ottawa's Decision despite InnPower stating in its November 27, 2017 filing, "InnPower has, to the maximum extent possible, proposed a methodology that is consistent with the Hydro Ottawa Decision...". OEB staff notes that it has provided further interrogatories below which may assist InnPower in resubmitting its evidence, although this may not a complete list of required updates.

a) Please resubmit InnPower's evidence to be fully consistent with Hydro Ottawa's Decision. For example, the number of attachers per pole needs to be calculated. InnPower has submitted the number of attachments per pole, instead of the number of attachers per pole. Updates to the costs in sections A to K of the November 27, 2017 filing and inputs need to be revised to reflect the number of attachers per pole and other associated data.

b) On page 8 of the EB-2015-0004 February 25, 2016 Hydro Ottawa Decision, the OEB preferred to rely on actual information when available, rather than a projection. The OEB determined that the number of attachers per pole should be based on the number of attachers per pole specific to Hydro Ottawa at the end of 2013. Please confirm the following:

i. Is InnPower's revised Number of Attachers per pole based on InnPower's historical data at the end of 2016? Please explain.

ii. If this is not the case, please explain.

InnPower Corporation Response:

InnPower has reviewed the preamble provided by Staff and concurs that the terminology utilized in the evidence clearly states "attachments" versus "attachers". The number of "attachers" was equal to the number of "attachments" in the field verification undertaking, however InnPower should have stated this fact. InnPower has updated the Field Verification tab in Column "I" to reflect the actual attachers.

a) As the number of attachers and attachments are the same InnPower has not revised the Number of Attachers of 1.09 in Sections A to K of the November 27, 2017 filing. The filing has been updated to reflect the "attachers" on the Field Verification tab.

b) The number of attachers per pole is based on InnPower's 2016 historical data.

8-Staff-3

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7

The allocation of indirect costs was based on a pole height of 40 feet as referenced in Section "I Allocation Factor" on page 5. OEB staff notes that other factors also contributed to InnPower's computed allocation percentage.

a) Please provide further details on the assumptions that InnPower used to calculate the 39.85% allocation, such as:
- **i. Height of Pole**
  - **i. What % of 40 foot poles comprise InnPower's total joint use poles?**
  - **ii. Please explain why only 40 foot poles were included?**
- **ii. Buried depth**
- **iii. Clearance Space**
- **iv. Telecommunication Space**
- **v. Separation Space**
- **vi. Power Space**
- **vii. Total of Equal Sharing Allocation of spaces**

InnPower Corporation Response:

a) The following responses address the clarification of assumptions requested,
- i. Height of Pole
  - i. InnPower does not have a % for 40 foot poles for joint use.
  - ii. The calculation of the allocation was based on a 40 foot pole as that was the standard utilized prior to 2005. Please refer to the DSP documents after the response to vi for confirmation and % of pole heights.
- ii. Buried depth – the depth is determined by 10% of the height of the pole plus 2 feet (Utilities Standards Forum). For a 40 foot pole, this is 6 feet. This space is allocated to both IPC and Attachers.
- iii. Clearance Space – is 17.25 feet (Utilities Standards Forum). This space is allocated to both IPC and Attachers.
- iv. Telecommunication Space - is 2.00 feet (Utilities Standards Forum). This space is allocated solely to Attachers.
- v. Separation Space - is 3.25 feet (Utilities Standards Forum). This space is allocated solely to Attachers.
- vi. Power Space – is 11.5 feet which is the remainder of the height of the pole less the designated areas (i-v).
- vii. The buried depth of 6 feet plus the clearance space of 17.25 feet equals a total of 23.25 feet that is shared equally between IPC and Attachers.

8-Staff-4

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7

Regarding Section "A - Administration Costs Per Pole" and Section "B – Loss in Productivity", several hourly burden rates are included.

a) Please show how these hourly burden rates are generated and explain further.

InnPower Corporation Response:

a) In Section A – Administration Costs per pole, 2 hourly rates were utilized which represent the Wage Band of the employee performing the function described.

   i. Hourly Rate Burdened of $48.50 represents the Account Payable Representative at $32.12 per hour and then burdened at 51%. The burden of 51% is calculated based on the components identified in response to 1-VECC-58 part b).
   ii. Hourly Rate Burdened of $51.55 represents the GIS Associate at $34.14 per hour and then burdened at 51%. The burden of 51% is calculated based on the components identified in response to 1-VECC-58 part b).

8-Staff-5

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7
EB-2015-0004 February 25, 2016 Hydro Ottawa Decision

Regarding Section "B – Loss in Productivity" (LIP), certain pole replacement costs are included.

On page 10 of the EB-2015-0004 February 25, 2016 Hydro Ottawa Decision, the OEB did not approve the cost of returning crews for pole replacement in the LIP calculation as these costs were already being recovered through distribution rates.

a) Please confirm that the cost of returning crews for pole replacement are excluded in the LIP calculation as these costs are currently recovered through distribution rates.
b) If this is not the case, please explain and update the evidence with the cost of returning crews excluded.

InnPower Corporation Response:

a) InnPower confirms that the cost of the returning crews for pole replacement have been excluded in the LIP calculations.
b) Not applicable.

8-Staff-6

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7
EB-2015-0004 February 25, 2016 Hydro Ottawa Decision
EB-2015-0141 August 4, 2016 Hydro One Decision

On page 13 of the EB-2015-0004 February 25, 2016 Hydro Ottawa Decision, the OEB determined that a 5% reduction in the net embedded cost per pole is reasonable to account for inclusion of power-specific assets. On page 12 of the same decision, the OEB concluded that a net embedded cost based on 2013 year-end net book value was consistent with the findings in the decision.

On page 11 of EB-2015-0141 Hydro One Decision, the OEB accepted 15% as a reasonable reduction to the net embedded cost per pole to account for the power-specific assets. All parties to this application agreed that 15% was a reasonable reduction.

Regarding Section "D – Net Embedded Cost per Pole" of the above noted reference, InnPower included the average Net Book Value (NBV) of Account 1830 as per the 2016 Fixed Asset Continuity Schedule.

OEB staff notes that InnPower has included a 5% reduction to the balance in Section "D – Net Embedded Cost per Pole", Section "E – Depreciation Expense", and Section "F – Pole Maintenance Costs" to account for inclusion of power-specific assets.

OEB staff also notes that the average of the Gross Cost of Account 1830, as per the 2016 Fixed Asset Continuity schedule, is utilized in the calculation of the Net Embedded Cost per Pole, rather than the NBV amount. OEB staff also notes that an average calculation is used, rather than using the balance as at December 31, 2016.

a) **Please update the calculations to reflect the NBV amount of Account 1830 as at December 31, 2016, rather than using average of the opening and closing Gross Cost.**

b) **Please clarify and explain why a 5% reduction to the balances in Section "D – Net Embedded Cost per Pole", Section "E – Depreciation Expense", and Section "F – Pole Maintenance Costs" to account for inclusion of power-specific assets is appropriate, versus a different percentage such as 15%, please update evidence as required.**

c) **On page 9 of the EB-2015-0004 February 25, 2016 Hydro Ottawa Decision, the OEB approved the use Hydro Ottawa's 2013 historical cost as the basis for determining the pole attachment charge with no inflation adjustment. Please confirm that all costs incorporated into InnPower's revised pole attachment charge is based on 2016 historical costs with no inflation adjustment. If this is not the case, please explain.**

InnPower Corporation Response:

a) InnPower has updated the NBV amount of Account 1830 as of December 31, 2016. The revised value is $9,022,429. InnPower had previously utilized the average of the opening and closing balance to reflect Rate Base calculations.

D	Net Embedded Cost per Pole					Data Source
		2016				
	Total Opening NBV (Account 1830)	$ -				
	Total Closing NBV (Account 1830)	$ -				
	2016 NBV of Account 1830	**$ 9,022,429**				2016 NBV - FA Continuity Schedule Line 288
	Adjusted Average NBV	**$ 8,571,308**				5% adjustment to account for inclusion of power specific assets, EB-2015-0004
	NBV per pole	**$ 839.50**				Total Adjusted NBV/Number of In service Poles

b) InnPower reduced the balances in Section D and Section E by 5% to account for the inclusion of power specific assets. The 5% versus the 15% in the Hydro One Decision EB-2015-0141 was chosen for the following reasons,

i. InnPower has reduced both the Net Embedded Cost per pole and Depreciation Expense to account for the inclusion of power specific assets whereas Hydro One proposed only to apply to the Net Embedded Cost per pole

ii. In the determination of the Allocation Factor InnPower has allocated all “power space” to hydro.

c) Confirmed.

8-Staff-7

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7

Regarding Section "F – Pole Maintenance Costs", OEB staff notes that InnPower has included a balance of $208,775 relating to Account 5135. OEB staff is unclear why this balance is included as Account 5135 relates to "Overhead Distribution Lines and Feeders - Right of Way". Account 5135 includes labour with payroll burden, material, trucking and other expenses incurred in connection with tree trimming and other costs associated with maintaining a right of way following construction of a line. Part of the balance in Account 5120 which relates to "Maintenance of Poles, Towers and Fixtures" may also relate to poles.

a) **Please clarify the correct balance and account numbers to use in the calculation of Pole Maintenance Costs and Maintenance Costs associated with maintaining the right of way. Please explain and update evidence as required.**

InnPower Corporation Response:

In the calculation of Section F- Pole Maintenance Costs the following Accounts were included, Account 5135, Account 5120, Account 5125. For Account 5135 only time recorded to trouble calls was included and no vegetation costs were included. IPC believes it is appropriate to include time recorded to trouble calls because staff are required to investigate the root cause of the trouble call**.** InnPower has updated Section F – Pole Maintenance Costs which is presented below.

F	Pole Maintenance Costs		Data Source
		2016	
	Account 5135	$ 183,102	2016 Actuals minus tree trimming expense (Trouble calls)
	Account 5120	$ 6,056	2016 Actuals
	Account 5125	$ 39,794	2016 Actuals
	Total Pole Maintenance	$ 191,174	
	Adjusted Total Pole Maintenance	$ 181,615	5% adjustment to account for inclusion of power specific assets, EB-2015-0004
	Pole Maintenance Cost per pole	**$ 17.79**	Total Adjusted Maintenance Costs/Number of In service poles

8-Staff-8

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7
EB-2015-0004 February 25, 2016 Hydro Ottawa Decision
RP-2003-0249 March 7, 2005 Decision

On page 14 of the EB-2015-0004 February 25, 2016 Hydro Ottawa Decision, the OEB determined that it was appropriate to use the pre-tax carrying cost of capital, which is consistent with the methodology in the 2005 Decision.

Regarding Section "G – Carrying Costs", InnPower has included a WACC of 12% but has provided no support for this percentage.

a) Please provide support for the 12% WACC.
b) Please explain how the 12% WACC is consistent with the pre-tax carrying cost of capital as articulated in 2005 Decision and 2016 Hydro Ottawa Decision.
c) Please explain why InnPower's 2017 cost of capital for the test year, as outlined in InnPower's general 2017 cost of service application, is not being used for the purposes of Section "G Carrying Costs"?

InnPower Corporation Response:

a) InnPower utilized the incorrect value for the calculation of Carrying Costs in Section G. The 12% was the Working Capital Allowance (WCA) applicable to InnPower in 2016 (based on the EB-2013-0139 settlement). InnPower has filed a correction with these IRRs which is based its actual 2016 pre-tax carrying cost of capital.

b) As answered in 8-Staff-8, part a) the use of 12% was an error. It is not consistent as articulated in the 2005 Decision and the 2016 Hydro Ottawa Decision.

c) InnPower has updated its evidence to utilize the 2016 Cost of Capital (which comes from the settlement in EB-2013-0139) of 6.12% and then grossed for pre-tax to 6.9%. InnPower does not propose to utilize its 2017 test year cost of capital because in the Hydro Ottawa Decision the OEB determined it was appropriate to use historical costs (2016) not forecast costs (2017) for the determination of the pole attachment rate.

G	Capital Carrying Costs					Data Source
		2016				
	Cost of Capital	6.9%				2016 Cost of Capital as per EB-2013-0139
	Capital Carrying Cost per Pole	$ 57.93				Net Embedded Cost per Pole/WACC

As a result of the requested changes InnPower has revised the InnPower_APPL_Pole Attachment_20171218.xlsx spreadsheet. Enclosed are the revised calculations for the proposed Pole Attachment Rate.

InnPower Appendix: Calculation of Pole Attachment Charge

	Price Component - Per Pole	$	Explaination
	Direct Costs		
A	Administration Costs	$ 0.99	Refer to Data & Calculation Tab
B	Loss In Productivity	$ 4.00	Refer to Data & Calculation Tab
C	**Total Direct Costs**	**$ 5.00**	**A + B**
	Indirect Costs		
D	Net Embedded Cost Per Pole	$ 839.50	2016 NBV
E	Depreciation Expense	$ 23.66	Based on 2016 FA Continuity TC
F	Pole Maintenance Expense	$ 17.79	
G	Capital Carrying Cost	$ 57.93	2016 Cost of Capital
H	**Total Indirect Costs Per Pole**	**$ 99.37**	**E + F + G**
I	**Allocation Factor**	**39.85%**	Based on 1.09 attachers per pole
J	**Indirect Costs Allocatted**	**$ 39.60**	**H x I**
K	**Annual Pole Rental Charge**	**$ 44.60**	**C + J**

8-SEC-45

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, page 6

Please provide a breakdown of the 12% WACC calculation.

InnPower Corporation Response:

Please see the response to 8-Staff-8.

8-SEC-46

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 6-7

On p.6 the Applicant shows an "Average Number of 3rd Party attachers on a IPC Pole" of 1.09. On p.7, the Applicant shows the "Estimated # of Attachments per pole: of 1.09. Is the Applicant calculation based on attachers or attachments per pole? If it is attachments, please provide the same calculation on a per attacher basis.

InnPower Corporation Response:

Please see the response to 8-Staff-2. InnPower improperly equated attachers and attachments in its pre-filed evidence. The pre-filed evidence was actually based on the number of attachers per pole, not the number of attachments per pole.

InnPower notes that the number of "attachers" was equal to the number of "attachments" in a field verification exercise undertaken by IPC, however InnPower should have stated this fact. InnPower has updated the Field Verification tab in Column "I" to reflect the actual attachers.

8–VECC-58

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 3-4
Pole Attachment Excel Model, Data & Calculations Tab
Exhibit 8, page 15

a) With respect to the calculation of Administration costs, why is the hourly rate different for Billing vs. GIS System Updating and Joint Use Permitting?
b) With respect to the calculation of Administration costs, please indicate what costs are included in the hourly burdened rates and what year they are based on.
c) With respect to the calculation of Administration costs, what year is the 40 hours for each activity based on?
d) With respect to the calculation of Administration costs, please explain why the hourly rates used in the Response to PO#7 for Invoicing and GIS differ from those set out in Exhibit 8, page 15.

InnPower Corporation Response:

a) The hourly rate reflected for the Billing and GIS System/Joint Use Permitting is based on the appropriate Wage Band for the function being performed.

b) The following table identifies the costs contained in the burdened rate %. The rate for 2016 and 2017 remained the same.

Description	2017 Burden Rate
EI/CPP/EHT	9.2%
WSIB	1.2%
Health/Dental/Life	5.8%
Vacation/Stat/Floater/Sick	20.4%
OMERS	14.6%
Total Payroll Burden % Net Salary	**51.2%**

c) The hours of work are from 2016.

d) InnPower in response to PO #7, changed the rates after verifying that the functions were performed by staff that are in different Wage Bands.

8-VECC-59

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 3-4
Pole Attachment Excel Model, Data and Calculations Tab
Exhibit 8, page 15

a) With respect to the calculation of Loss in Productivity, please indicate what costs are included in the hourly burdened rates and what year they are based on.

b) With respect to the calculation of Loss in Productivity, why is the hourly rate different for Pole Replacement versus Wire Down and Tree on Line?

c) With respect to the calculation of Loss in Productivity, please explain why the hourly rates used for Wires Down and Tree on Line in the Response to PO#7 differ from those used in Exhibit 8, page 15.

d) **With respect to the calculation of Loss in Productivity, please explain the incremental activities performed by InnPower as result of 3rd party pole attachments for each of: i) Wires Down, ii) Pole Replacement and iii) Tree on Line.**

InnPower Corporation Response:

a) Please see the response to 8-VECC-58 part b). The costs are based on 2016.

b) The hourly rate is different between Pole Replacement versus Wire Down and Tree on Line due to the Wage Band of the functions performed. The GIS Technician is responsible for: the undertaking of a field visit, design of a pole, creating the estimate, review, obtaining approval, preparing the construction package, setting up the Job in Great Plains and then releasing to construction.

c) Please refer to the response provided in 8-VECC-58 part d).

d) Loss in Productivity (Incremental Costs). Note that only straight time costs have been calculated.

a. **Wire Down -** when a report is received of wire down or low from an external source InnPower dispatches a line truck with 2 staff to verify the report. Once the site is verified and it is determined that the wires are not owned by InnPower the wire owner is notified re the situation. InnPower received 90 wire down or low reports in 2016 in which the wires were not owned by InnPower.
b. **Pole Replacement** – InnPower replaced 150 poles in 2016 in which 1 hour of time of the average 15 hour design time is being allocated to third party attachers. The GIS Technician is responsible for the undertaking of a field visit, design of a pole, creating the estimate, review, obtaining approval, preparing the construction

package, setting up the job in Great Plains and then releasing to construction.

c. **Tree on Wire -** when a report is received of tree on wire from an external source InnPower dispatches a line truck with 1 staff to verify the report. Once the site is verified and it is determined that the wires are not owned by InnPower the wire owner is notified re the tree contact. InnPower received 135 tree contact reports in 2016 in which the wires were not InnPower.

B	Loss In Productivity	Hourly Rate Burdened	Hours	Allocation	Total	Data Source
	Wires Down	**2016**				
	Labour - Line Crew	$ 63.45	90	2	$ 11,421.04	Outage Management System/Timesheets
	Vehicle	$ 61.50	90	1	$ 5,535.00	Financial Records
					$ 16,956.04	
	Pole Replacement					
	Labour - Technician	$ 51.55	150	1	$ 7,732.71	Outage Management System/Timesheets
	Vehicle - small	$ 19.00	150	1	$ 2,850.00	Financial Records
					$ 10,582.71	
	Tree on Line					
	Labour - Line Crew	$ 63.45	135	1	$ 8,565.78	Outage Management System/Timesheets
	Vehicle	$ 61.50	135	1	$ 8,302.50	Financial Records
					$ 16,868.28	
	Total LIP Costs				**$ 44,407.02**	
	Total LIP Costs per pole				**$ 4.00**	Total loss in Productivity per/# of Pole Attachments/ # of Attachers per pole

8-VECC-60

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, page 4
Pole Attachment Excel Model, Data and Calculations Tab
Exhibit 2, DSP page 8

a) InnPower indicates that the 10,210 poles in-service is taken from the DSP. At what point in time is this pole count based on?
b) What was InnPower's in-service pole count as of the 2016 year-end?

InnPower Corporation Response:

a) The 10,210 poles in-service is reflective of in service poles for 2016.
b) 10,210

Net Embedded Cost Per Pole			
	2014	**2015**	**2016**
Number of Attachments	6,476	6,606	6,627
NBV for Account 1830	$ 6,976,536	$ 8,260,731	$ 9,022,429
Adjusted NBV	$ 6,627,709	$ 7,847,694	$ 8,571,308
NBV per Pole	$ 668.18	$ 779.70	$ 839.50
Number of In Service Poles	9,919	10,065	10,210

8-VECC-61

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 4 and 7
Pole Attachment Excel Model, Data and Calculations Tab

InnPower indicates that the number of 3rd party "attachments" is 6,627 based on invoices.

a) For what year/period is the invoice count based on?

b) Does InnPower have poles where the same company/corporation would have more than one attachment?

c) If the response to part (ii) is yes, please clarify whether the 6,627 is the number of attachers (i.e., companies with attachments) or the number of attachments.

d) Is pole access charge currently applied per attachment or per attacher?

e) Does InnPower plan to apply its proposed pole attachment charge per attachment or per attacher?

InnPower Corporation Response:

a) The 6,627 value is based on 2016 invoices. Annual invoices are created by adding new permit connections to the previous year total.

b) Yes but the number is very low. In this scenario the attacher would only be charged for 1 attachment.

c) The 6,627 is the number of attachers (companies with attachments or bill units). The use of the word "attachments" was in error.

d) The charge is currently applied per attacher for the number of units.

e) InnPower plans to maintain the current invoicing.

8-VECC-62

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 4 and 7

Page 7 sets out the rent received from pole attachment charges for 2013-2015.

a) Please indicate what the revenues received from Vianet Internet Solutions and Atria Networks were for. If for pole attachment charges, what were the rates charged?

b) Please explain why, for Rogers, some of revenues are based on a rate of $5.59. If approved, will the new proposed charge be applied in this circumstance or will the $5.59 continue to apply?

c) Please explain why, for Hydro One, the revenues are based on a rate of $28.61. If approved, will the new proposed charge be applied in this circumstance or will the $28.61 continue to apply?

d) Based on the 2015 revenues and unit charges, the number of units billed in 2015 were:

			2015	2015		
			Revenue	Rate	Units*	
	Rogers		$86,517	$22.35	3871	
	Rogers		$7,261	$5.59	1299	
	Rogers		$19,646	$22.35	879	
	HON		$1,974	$28.61	69	
	Bell		$38,084	$22.35	1704	
	MTS		$2,123	$22.35	95	
	Total				7917	
	* Based on Revenue divided by the Rate					

Please reconcile the 6.627 number of attachments quoted on page 4 with the 7,917 number calculated above.

e) The table on page 7 does not show the amount of revenue by source for 2016. Please provide the 2016 revenues from each source.

f) Please confirm that there are no streetlights, traffic lights or other 3rd party attachments on any of InnPower's poles.

g) If part (f) not confirmed, please indicate why these attachments are not subject pole attachment charge and revenues reported on page 7.

h) If not confirmed, were these "attachments" included in the field audit results?

InnPower Corporation Response:

a) The revenues from Vianet Internet Solutions is from Pole Attachment rentals and the revenue from Atria Networks is for land fees. InnPower charged Vianet $22.35 per pole per year.

b) The $5.59 is a separate agreement with Rogers for communications site sharing. The revenue will continue as long as the agreement is in place.

c) The Hydro One rate of $28.61 is for permit fees on which Hydro One has attached hydro equipment. The $28.61 will continue to apply until a new agreement is negotiated. InnPower will determine what rate will apply to Hydro One via arm's length negotiations.

d) InnPower has modified Table 3-44 based on the information requested and the new proposed rate resulting from IR's.

Account 4210 - Rent from Electric Property

	2013 Actual	2014 Actual	2015 Actual[2]	Actual Year[2]	Bridge Year[2]	Test Year
				2015	2016	2017
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Rogers - 2013 per OEB @ $22.35 (3,871 units)	$ 85,332	$ 86,517	$ 86,517	$ 86,517	$ 86,517	$ 172,647
Rogers - 2013 per OEB @ $5.59 (1,299 units)	$ 7,261	$ 7,261	$ 7,261	$ 7,261	$ 7,261	$ 7,261
Rogers - Atria @ $22.35 (879 units)	$ 19,646	$ 19,646	$ 19,646	$ 19,646	$ 19,646	$ 39,203
Hydro One @ $28.61 (69 units)	$ 1,774	$ 1,774	$ 1,974	$ 1,974	$ 1,974	$ 3,077
Bell Canada @ $22.35 (1,704 units)	$ 36,252	$ 37,772	$ 38,084	$ 38,084	$ 38,084	$ 75,954
Vianet Internet Solutions (9 units)	$ -	$ 201	$ 201	$ 201	$ 201	$ 401
Zayo Canada (95 units)	$ 2,123	$ 2,123	$ 2,123	$ 2,123	$ 2,123	$ 4,237
Atria Networks (Pop use land fee)	$ 900	$ 14,325	$ 5,400	$ 5,400	$ 5,400	$ 5,400
Actual					$ -	
Pole Rental Expense					$ -	$ -
Total	$ 153,288	$ 169,619	$ 161,207	$ 161,207	$ 161,207	$ 308,181

Customer	Billable Units
Rogers	3,871
Rogers - Atria	879
Bell Canada	1,704
Hydro One	69
Vianet	9
Zayo Canada (Formerly MTS)	95
	6,627

e) Account 4210 has been updated to reflect 2016 actuals by corporate entity.

f) InnPower confirms that there are no streetlights, traffic lights, or other 3rd party attachments in the designated communication space on InnPower's poles.

g) The Pole Attachment rate is only applicable to Canadian Carriers for attachments in the designated communication space.

h) The field audit only verified attachments in the communication space.

8-VECC-63

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 4 and 6
Pole Attachment Excel Model, Data and Calculations Tab
Pole Attachment Excel Model, Field Verification Tab

a) Please confirm that the pole sample audit assessed an estimated total of 2,040 poles of which 1,276 were found to have a total of 1,876 attachments and 765 were found have no attachments. (Note: Minor difference in totals due to rounding)

b) Is the estimated 1.09 attachments per pole meant to represent: i) the number of attachments / pole where the denominator includes only poles with attachments or ii) the number of attachments / pole where the denominator includes all poles?

c) It is noted that the 1.09 is calculated as the ratio of: i) the total number of poles in the sample over ii) then number of attachments identified in the sample. Please explain how this ratio represents the intended value per the response to part (b).

d) Please confirm that, based on the sample, the number of attachments per pole (based on just poles with attachments) is 1.47 (i.e., 1876/1276).

e) **Please explain why, if the number of attachments is assumed to be 6,627, the estimate number of poles with attachments won't be 4,508 (i.e., 6,627/1.47).**

InnPower Corporation Response:

a) Confirmed, with the update to the Field Verification
b) The 1.09 represents the number of attachers/pole where the denominator includes all poles.
c) The outcome of the calculation was to determine the number of attachers per pole in InnPower's service territory. Please refer to the Field Verification Tab as the actual attachers have been identified.
d) Yes, the calculation would be 1.47, InnPower calculated the number of attachers over the entire sample group (ie, 1876/2040 = 1.09).
e) The entire sample group has to be extrapolated to determine the entire population of in-service poles (ie, 6627/1.09 = 6079 differences due to rounding)

8-VECC-64

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 5
Pole Attachment Excel Model, Data and Calculations Tab
EB-2015-0004, Decision, pages 12-13

a) Please explain why InnPower used the average net book value for the most recent historic year when, for Hydro Ottawa, the Board directed that the year-end value be used.
b) Please explain why InnPower used a "power specific adjustment factor" of 5% when, as noted in the Board's Ottawa Hydro Decision, this value is based specifically on the configuration of Hydro Ottawa's assets.
c) Please provide a reference as where in the EB-2016-0085 materials the actual 2016 OM&A for account 5135 can be found.
d) Please indicate in what account pole testing costs are recorded such that they must be added in separately to determine total maintenance costs.
e) Please provide the derivation of the 12% WACC used in the calculation.

InnPower Corporation Response:

a) InnPower utilized the average net book value as this value reflects the ½ year rule for depreciation and is the methodology utilized for rate base calculation.
b) InnPower utilized a 5% adjustment for power specific assets as in the Hydro Ottawa decision as the configuration of InnPower's poles is undertaken with brackets versus cross arms.
c) The amounts for Account 5135 are recorded in Appendix 2-JA in the Chapter 2 Appendices,
d) Pole Testing Costs are recorded in Account 1830.
e) Please refer to the response in 8-Staff-8.

8-VECC-65

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, page 3-5 Pole Attachment Excel Model, Data and Calculations Tab

a) If the pole attachment charge is to be applied per attachment/attacher, why isn't the total Administration costs divided by the number of attachers/attachments as opposed to being divided by the number of poles with attachments?

b) .The formula used to actually determine the LIP per pole includes the use of "brackets" such that it does not match that set out in cell H29 of the Data and Calculations Tab. Please review and reconcile.

c) **Again, if the pole attachment charge is to be applied per attachment/attacher, why isn't the total LIP costs simply divided by the number of attachers/attachments in order to determine the contribution of LIP costs to the "rate"?**

InnPower Corporation Response:

a) Please refer to 8-Staff-2 for the explanation of attachers versus attachments.
b) The calculation of the LIP costs is as follows, (total LIP Costs divided by total number of In Service Poles) and then the number of attachers.
c) If calculated only using the attachers the maintenance costs would increase to approx. $7.28. The cost per pole has to be calculated to determine the overall LIP costs per LIP costs.

8-VECC-66

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pages 3-5
Pole Attachment Excel Model, Data and Calculations Tab

a) Please update the proposed pole attachment charge calculation to reflect any corrections/revisions identified as a result of the interrogatory process.

InnPower Corporation Response:

a) InnPower has provided an updated APPL_Pole_Attachment_20171218 spreadsheet reflecting the changes from IR's.

8-Rogers-1

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7
Pole Attachment Excel Model, Data and Calculations Tab
Pole Attachment Excel Model, Field Verification Table
Table 3-44 - Account 4120 Revised (Nov 27 2017) ("Table 3-44")
Exhibit 8 – Rate Design, Tab 1/Sch.10 - Specific Service Charges (June 3 2016)

The number of billable units charged paying a pole attachment rate can be derived from Table 3-44 as follows:

Attacher	No. of billable units	Current		Proposed	
		Rate	Revenues	Rate	Revenues
Rogers	3,871	$22.35	$ 86,517	$64.24	$248,692
Rogers (Atria)	879	$22.35	$19,646	$64.24	$56,471
Hydro One	69	$28.61	$1,974	$64.24	$4,433
Bell	1,703	$22.35	$38,062	$64.24	$109,409
Vianet	9	$22.35	$201	$64.24	$578
MTS Allstream	95	$22.35	$2,123		-
TOTAL	**6,626**		**$148,523.00**		**$419,583.**

1. **Please confirm that attachers are billed based on the number of poles to which they are attached on not on the number of attachments they have on each pole. For example, if Rogers has two separate attachments on the same pole, it would be billed a single pole attachment fee.**
2. **In the above table, confirm the number of billable units for each attacher. If the number is incorrect for any attacher, provide the correct number.**
3. **In your original submission for the pole access charge (page 17 of Exhibit 8), you show 6,627 poles with attachments. Please reconcile this number with the revised figure of 6,095 poles with attachments set out in the Pole Attachment Spreadsheet.**
4. **On the 'Field Verification Tab' of the Pole Attachment Spreadsheet, you list 40 different locations where there are joint use poles with attachments. For each of these 40 locations, provide:**
   (a) the names of each attacher; and
   (b) the length of poles used.

InnPower Corporation Response:

1. InnPower confirms that attachers are billed on the number of poles in which they are attached. If Rogers has two separate attachments on the same pole, Rogers would only be billed a single pole attachment fee.

2. InnPower confirms the number of billable units except for Bell which should be 1,704.

3. InnPower has provided the following table confirming the billable units for each attacher in which InnPower invoices. The only change is for Bell Canada in which the correct value should be 1,704 versus 1,703. Following InnPower has also provided an update to Table 3-44 based on the outcome of IRR's. See also the response to part 4 below.

Customer	Billable Units
Rogers	3,871
Rogers - Atria	879
Bell Canada	1,704
Hydro One	69
Vianet	9
Zayo Canada (Formerly MTS)	95
	6,627

Updated Table 3-44 Resulting from IRR's

Account 4210 - Rent from Electric Property

	2013 Actual	2014 Actual	2015 Actual[2]	Actual Year[2] 2015	Bridge Year[2] 2016	Test Year 2017
Reporting Basis	**CGAAP**	**CGAAP**	**CGAAP**	**MIFRS**	**MIFRS**	**MIFRS**
Rogers - 2013 per OEB @ $22.35 (3,871 units)	$ 85,332	$ 86,517	$ 86,517	$ 86,517	$ 86,517	$ 172,647
Rogers - 2013 per OEB @ $5.59 (1,299 units)	$ 7,261	$ 7,261	$ 7,261	$ 7,261	$ 7,261	$ 7,261
Rogers - Atria @ $22.35 (879 units)	$ 19,646	$ 19,646	$ 19,646	$ 19,646	$ 19,646	$ 39,203
Hydro One @ $28.61 (69 units)	$ 1,774	$ 1,774	$ 1,974	$ 1,974	$ 1,974	$ 1,974
Bell Canada @ $22.35 (1,704 units)	$ 36,252	$ 37,772	$ 38,084	$ 38,084	$ 38,084	$ 75,954
Vianet Internet Solutions (9 units)	$ -	$ 201	$ 201	$ 201	$ 201	$ 401
Zayo Canada (95 units)	$ 2,123	$ 2,123	$ 2,123	$ 2,123	$ 2,123	$ 4,237
Atria Networks (Pop use land fee)	$ 900	$ 14,325	$ 5,400	$ 5,400	$ 5,400	$ 5,400
Actual					$ -	
Pole Rental Expense					$ -	$ -
Total	$ 153,288	$ 169,619	$ 161,207	$ 161,207	$ 161,207	$ 307,077

The value of 6,627 is consistent with page 17 of Exhibit 8 and the Pole Attachment spreadsheet filed on November 27, 2017. The 6,095 value represents the number of poles with attachers, thus the 6,627 attachments times the number of attachers of 1.09. InnPower has clarified the difference on the Data & Calculation tab.

A	Administration Costs Per Pole	Hourly Rate Burdened	Hours	Allocation	Total	Data Source
	Prepare Billing/Financial Reconciliations/Annual Statements	$ 48.50	40	1	$ 1,940.05	Time sheets
	GIS System Updates/Maintenance	$ 51.55	40	1	$ 2,062.06	Time sheets
	Joint use permit application processing	$ 51.55	40	1	$ 2,062.06	Time sheets
	Total Admin Cost Per Year				**$ 6,064.16**	
	Total Number of IPC poles (in service)	**10,210**				IPC Distribution System Plan
	Number of Pole Attachments	**6,627**				Determined from Invoices
	Number of Attachers per pole	**1.09**				Field survey if 1/5 of IPC's Service Territory
	Number of Poles with Attachers	**6,095**				
	Total Admin Cost per pole	**$ 0.99**				

4. InnPower has updated the InnPower_APPL_Pole_Attachment spreadsheet on the Field Verification tab with the name of each attacher and the length of the pole as requested.

8-Rogers-2

Relationship with Bell Canada ("Bell")

1. **Based on the information in Table 3-44, Rogers is on 4,750 joint use poles for which it pays the full attachment rate while Bell is on only 1,703. It is counterintuitive that Bell would be on so few poles, particularly considering that it is the incumbent provider. Therefore, we are seeking to confirm that there are other arrangements that allow Bell to utilize, through a shared arrangement or otherwise, InnPower joint use poles.**

   (a) **On how many InnPower joint use poles does Bell have wireline attachments for which it does not pay the current pole attachment fee of $22.35?**
   (b) **What compensation or other consideration does Bell provide to InnPower for these wireline attachments?**

2. **Does InnPower currently have a joint use or pole sharing agreement with Bell under which each party has reciprocal access to the joint use poles owned by the other? If the answer is yes, please provide a copy of the current version of the agreement, as well as any prior agreements since 2013.**

3. **In respect of the agreement or pole-sharing arrangement with Bell:**
   (a) **What percentage of poles has InnPower agreed to contribute and what percentage of poles has Bell agreed to contribute as part of the polesharing arrangement?**
   (b) **Currently, how many joint use poles are owned by Bell and how many joint use poles are owned by InnPower?**
   (c) **How many InnPower poles is Bell on? What consideration, if any, does Bell pay to attach to these InnPower poles?**
   (d) **How many Bell poles is InnPower on? What consideration does InnPower pay to attach to these Bell poles?**
   (e) **When an InnPower joint use pole that is part of the pole sharing agreement requires replacement, does Bell contribute to the replacement cost of the new pole? If so, what amount does Bell contribute?**
   (f) **When a Bell joint use pole that is part of the pole sharing agreement requires replacement, does InnPower contribute to the replacement cost of the new pole? If so, what amount does InnPower contribute?**

4. **Does InnPower provide to Bell, pursuant to an agreement or otherwise:**

   (a) **any services for work it performs on Bell joint use poles (*e.g.,* pole replacement, pole straightening, wires down, trees on wire, vegetation management, storm or emergency repairs); or**
   (b) **any administrative services in relation to Bell poles (*e.g.*, processing permit applications, GIS and inventory, invoicing)?**

If yes, provide the rates and amounts received by InnPower for any such work for each of the years 2014, 2015 and 2016. Indicate whether the amounts received by InnPower allowed it to fully recover its costs for performing such work.

5. Does Bell provide to InnPower, pursuant to an agreement or otherwise:
(a) services for work it performs on InnPower joint use poles (*e.g.,* pole replacement, pole straightening, wires down, trees on wire maintenance related to vegetation, storm or emergency repairs); or
(b) administrative services in respect of InnPower poles?

If yes, provide the rates and amounts paid to Bell for such work for each of the years 2014, 2015 and 2016.

InnPower Corporation Response:

1. InnPower can confirm that that there are **no** other arrangements that allow Bell to utilize, through a shared arrangement or otherwise, InnPower joint use poles.
    a. Bell has "0" wireline attachments on InnPower poles, thus "0" attachments in which it does not pay the current fee of $22.35
    b. As there are no attachments in which Bell does not pay the fee there are no considerations and or compensations provided to InnPower
2. No. The agreement with Bell does not have reciprocal access to joint use poles owned by each party.
3. Not applicable based on the response to 2.
4. Not applicable based on the response to 2.
5. Not applicable based on the response to 2.

8-Rogers-3

Other attachers

1. **Provide a list of the names of attachers that currently have wireless attachments on one or more joint use poles. For each wireless attacher identified, indicate what pole attachment fee or other compensation, if any, it pays to InnPower.**

2. **Provide a list of the names of other attachers that currently have non-wireline attachments (*e.g.,* generator facilities, streetlights, traffic signals, signs, banners, flower pots, windmills) on InnPower's joint use poles. For each non-wireline attacher identified, describe the types of attachments it has installed, how many joint use poles it is attached to, where on the pole the attachments are located, and indicate what pole attachment fee or other compensation, if any, it pays for its attachments. If InnPower does not track this information, please explain why. (In any event, indicate what pole attachment fee each attacher pays to InnPower for its other attachments.)**

3. **Please describe the kinds of attachments and attachers for which InnPower charges no pole attachment fee. For each such kind of attachment or attacher that does not pay a pole attachment fee, explain why this is the case.**

4. **Have the revenues, if any, derived from pole attachment fees for wireless or other non-wireline attachments been taken into account in InnPower's calculations for its proposed wireline pole attachment fee? If so, please explain how such revenues were used in the calculations.**

5. **Explain whether the InnPower's proposed pole attachment rate in this proceeding will apply to:**

   (a) Bell wireline attachments pursuant to its pole-sharing arrangement with InnPower;
   (b) Bell wireline attachments outside of its pole-sharing arrangement with InnPower;
   (c) wireless attachments;
   (d) other non-wireline attachments; and
   (e) poles operated or controlled by InnPower but owned by third parties.

   Where the proposed pole attachment rate will not apply to any of above, advise what rate will apply and why the proposed pole attachment rate will not apply.

6. **Has InnPower installed any of its own attachments or equipment within the communications space on its joint use poles? If so, how many poles have such attachments and describe the type and purpose of these attachments.**

7. **Why are there no proposed revenues listed for the 95 MTS Allstream poles in *Table 3-44*?**

8. **Describe the type attachments Hydro One has installed on InnPower's joint use poles.**

InnPower Corporation Response:

1. InnPower confirms that it has no wireless attachers.

Updated Table 3-44 Resulting from IRR's

Account 4210 - Rent from Electric Property

	2013 Actual	2014 Actual	2015 Actual[1]	Actual Year[2]	Bridge Year[2]	Test Year
				2015	2016	2017
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Rogers - 2013 per OEB @ $22.35 (3,871 units)	$ 85,332	$ 86,517	$ 86,517	$ 86,517		$ 172,647
Rogers - 2013 per OEB @ $5.59 (1,299 units)	$ 7,261	$ 7,261	$ 7,261	$ 7,261		$ 7,261
Rogers - Atria @ $22.35 (879 units)	$ 19,646	$ 19,646	$ 19,646	$ 19,646		$ 39,203
Hydro One @ $28.61 (69 units)	$ 1,774	$ 1,774	$ 1,974	$ 1,974		$ 3,077
Bell Canada @ $22.35 (1,704 units)	$ 36,252	$ 37,772	$ 38,084	$ 38,084		$ 75,954
Vianet Internet Solutions (9 units)	$ -	$ 201	$ 201	$ 201		$ 401
Zayo Canada (95 units)	$ 2,123	$ 2,123	$ 2,123	$ 2,123		$ 4,237
Atria Networks (Pop use land fee)	$ 900	$ 14,325	$ 5,400	$ 5,400		$ 5,400
Actual					-$ 162,034	
Pole Rental Expense						-$ 5,597
Total	$ 153,288	$ 169,619	$ 161,207	$ 161,207	-$ 162,034	$ 302,584

2. InnPower has no other attachers in the defined communications space other than those identified in Table 3-44. In addition, some entities defined in Table 3-44 (such as Hydro One) do not attach in the communications space.

3. InnPower has no attachers in the defined communication space other than those identified in Table 3-44. In addition, some entities defined in Table 3-44 (such as Hydro One) do not attach in the communications space.

4. The proposed rate is calculated based on the 2005 CCTA Decision and does not include other revenues.

5. The proposed pole attachment rate would be applied to any attachments made by Canadian Carriers within the communication space of an InnPower pole.

6. InnPower has not installed any of our attachments/equipment within the designated communication space on our poles.

7. Please refer to the updated Table 3-44 for the "Zayo Canada" (previously MTS Allstream poles) for the associated revenue.

8. The Hydro One attachments installed on InnPower poles are not attached in the designated communication space and as such have a different rate.

8-Rogers-4

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pg. 3
Allocation factor of 39.85%; Average number of attachers per pole of 1.09

Allocation Factor

1. **Your Allocation Rate of 39.85% is based on an average number of third party attachers per pole of 1.09. Please provide all steps in the calculation of the average number of attachers per pole. Include all data inputs, supporting evidence and assumptions employed.**

2. **If one were to accept the results of InnPower's field audit as representative of, or a fair proxy for, the entire pole population of InnPower, wouldn't the correct average number of attachments be determined by taking the total number of attachments (2,040) and dividing that number by the total number of poles with attachments (1,276), to come up with a number of 1.47?**

   If you don't agree with this, how would you properly calculate the average number of attachers per pole using the results of the field audit?

3. **Please explain why InnPower undertook a field survey of 20% of its pole population to determine the number of attachments it has on its poles? Does InnPower not keep records of all of its attachments? How does this reconcile with the fact that you produced attachment numbers for the purpose of revenues in *Table 3-44*?**

InnPower Corporation Response:

1. The calculation of the number of attachers per pole of 1.09 was based on a field verification undertaking. InnPower physically visited 40 sites and inspected 2,040 poles within our service territory to record the number of attachers in each of the sites. This information is recorded in the Field Verification tab of the InnPower_APPL_Pole Attachment file. The sites represented InnPower's "urban" and "rural" areas of which photos were taken to support the recorded findings on the spreadsheet. As the number of sites represents 20% of our in service pole count InnPower is of the view that this is a representative sample of its service area.

Pole Attachment Field Verification		Verification %'s	Extrapulated # of Poles
Total Poles with Attachments	1,276	63%	6,384
Total Poles W/O Attachments	765	37%	3,826
Total Number of Poles in Field Audit	2,040		10,210
Number of Poles/Attachers in Field Audit	1,876		
Total IPC In Service Poles	10,210		
% of Poles in Verifcation	20%		
Estimated # of Attachers per Pole	**1.09**		
Methodology			
The Field Verification tab identifies the actual areas in IPC's service territory where the number of attachments per pole were recorded. IPC field visited 1/5 of our actual territory including urban hubs and rural areas. The average span was also recorded which was then utilzed to estimate the number of poles for the verified area.			

2. 2040 is the total number of poles in the field audit. It is not correct to suggest that 2040 is the total number of attachments. The field verification included poles with and without attachments thus InnPower is of the view that the 1,876 poles is the correct number to utilize the average number of attachers.

3. InnPower is currently in the midst of a GIS technology change (vendor and software) which has been delayed due to resource departures in our Operations/Engineering department. Without the GIS data InnPower had to rely on the field verification to provide a fair proxy of attachers per pole. With respect to the number of attachments for invoicing, InnPower had the number of attachments from the old GIS system and then added the new joint use attachments to facilitate the annual billing process.

8-Rogers-5

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pg. 3, 5
Net Embedded Cost of $857.83 per pole
Appendix 2-BA, Fixed Asset Continuity Schedule

Net Embedded Cost

1. **It appears that you have calculated the Net Embedded Cost of $857.83 per pole using the average of the 2016 opening and closing balances for *Account 1830 –Poles, towers & fixtures* in Appendix 2-BA to come up with an average of $9,219,399. Yet, in the same Schedule, the "Net Book Value" is shown as $9,022,429. Please explain why you calculated Net Embedded Cost in this fashion. Provide all calculations and source references to enable replication of the calculations.**

2. **Provide the values of the Net Embedded Costs per pole for each of the years 2014, 2015 and 2016.**

3. **For the following table, provide the information show below in respect of the sizes or classes poles shown. Identify the total number of poles and types of poles (*e.g.,* joint use poles, single use poles, other types of poles) used to determine a per joint use pole cost.**

Pole Height (feet)	No. of poles in inventory	Number of poles with telecom attachments	Average installed cost
30			
35			
40			
45			
50			
55			
60			
65			
Above 65			
	10,210		

4. **If a standard or typical joint use pole designed to accommodate wireline attachments is 40 feet in length, please explain under what circumstances a pole would need to be either less than 40 feet or more than 40 feet, including a description of the type of attacher and attachments would be used.**

5. **Confirm that the capitalized costs associated with the replacement of InnPower's joint use poles are included in *Account 1830* and hence your calculation for the Net Embedded Cost per pole.**

   Please provide a value for such costs (or your best estimate) for each of the years 2014, 2015 and 2016.

6. **Confirm that power assets and other equipment belonging to InnPower that are located on poles owned by Bell or other third parties are included in *Account 1830* and hence your calculation for Net Embedded Cost per pole.**

   Please provide a value for such costs (or your best estimate) for each of the years 2014, 2015 and 2016.

7. **Confirm that third party make-ready costs and other contributions to the capitalized installed costs are included in *Account 1830* and hence your calculation for Net Embedded Cost per pole.**

   Please provide a value for such costs (or your best estimate) for each of the years 2014, 2015 and 2016.

8. **Confirm that the costs of guying and anchoring required for a joint use pole without any wireline attachments are included in *Account 1830* and hence your calculation for Net Embedded Cost per pole.**

   Please provide a value for such costs (or your best estimate) for each of the years 2014, 2015 and 2016.

9. **Confirm that, when the addition of a wireline attachment requires additional guying and anchors for a pole, the wireline attacher is responsible for the costs of such guying and anchors.**

InnPower Corporation Response:

1. InnPower has revised the Net Embedded Cost to reflect the NBV for 2016 and has reflected this change in the InnPower_APPL_Pole Attachment file. InnPower utilized the average of the opening and closing balances as this is the methodology utilized to InnPower has enclosed the revised Net Embedded Cost Calculation.

D	Net Embedded Cost per Pole					Data Source
		2016				
	Total Opening NBV (Account 1830)	$ -				
	Total Closing NBV (Account 1830)	$ -				
	2016 NBV of Account 1830	$ 9,022,429				2016 NBV - FA Continuity Schedule Line 288
	Adjusted Average NBV	$ 8,571,308				5% adjustment to account for inclusion of power specific assets, EB-2015-0004
	NBV per pole	$ 839.50				Total Adjusted NBV/Number of In service Poles

2. The following table identifies the Net Embedded Cost per Pole for the requested years utilizing the Net Book Value.

Net Embedded Cost Per Pole			
	2014	**2015**	**2016**
Number of Attachments	6,476	6,606	6,627
NBV for Account 1830	$ 6,976,536	$ 8,260,731	$ 9,022,429
Adjusted NBV	$ 6,627,709	$ 7,847,694	$ 8,571,308
NBV per Pole	$ 668.18	$ 779.70	$ 839.50
Number of In Service Poles	9,919	10,065	10,210

3. As InnPower responded to 8-Rogers-4 part 3, InnPower cannot provide a complete listing of the information requested due to the transition of GIS systems. Detailed information on the height, age and condition of InnPower's poles can be reviewed in InnPower's Distribution System Plan – Appendix E- Distribution Asset Condition Assessment Section 4.1.1 Distribution Wood Poles. The following is an excerpt from Appendix E addressing the height, age and condition of InnPower's poles. Appendix E – Distribution Asset Condition Assessment has been enclosed in this response.

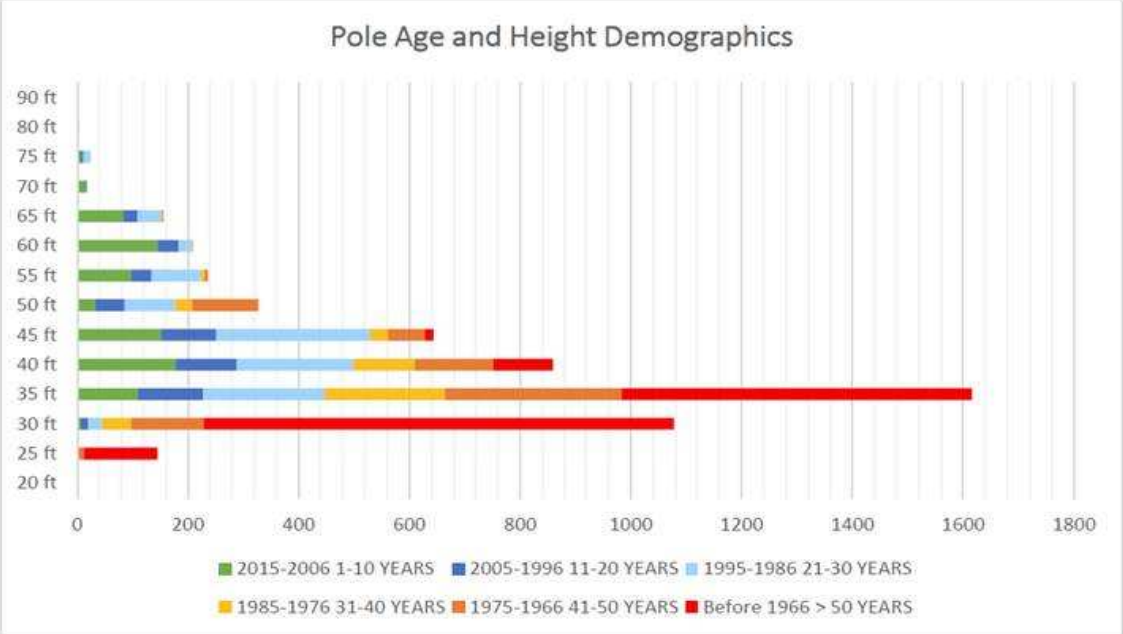

Figure 3 Age Profile of Wood Poles in Different Heights

Table 41 Wood Poles Detailed Age and Height Demographic Information

Pole Height	Installed Quantity	Asset Age (in years)					
		2006-2015	1996-2005	1986-1995	1976-1985	1966-1975	Before 1966
	#	1-10	11-20	21-30	31-40	41-50	>50
20 ft.	1	0	0	0	0	0	1
25 ft.	145	0	0	1	0	11	133
30 ft.	1078	7	13	25	53	131	849
35 ft.	1616	109	119	219	217	319	633
36 ft.	1	0	0	0	1	0	0
40 ft.	859	177	111	211	111	141	108
45 ft.	644	151	100	279	32	66	16
50 ft.	327	33	53	91	31	119	0
55 ft.	236	97	37	90	6	6	0
60 ft.	210	145	38	25	2	0	0
65 ft.	156	83	26	44	2	1	0
70 ft.	18	15	2	1	0	0	0
75 ft.	24	7	4	13	0	0	0
80 ft.	4	2	0	2	0	0	0
90 ft.	2	2	0	0	0	0	0
Total	**5321**	**828**	**503**	**1001**	**455**	**794**	**1740**

4. The circumstances dictating the height of a pole are dependent on the distribution servicing requirements in alignment with the USF Standards – DWG NO. 11-103 Joint Use Pole Separation and Location.

5. InnPower can confirm that the capitalized costs associated with the replacement of an InnPower pole with or without attachments is included in Account 1830. InnPower can provide a total value of additions and disposals for the years 2014 - 2016 but cannot provide the associated costs only due to pole replacements in the time allocated for the IR responses. The following table provides the costs in Account 1830 for additions and disposals for the requested years.

	Additions and Disposals for Account 1830			
		2014	**2015**	**2016**
	Additions	$ 576,011	$ 1,533,272	$ 1,023,314
	Disposals	-$ 11,013	-$ 12,553	-$ 7,383

6. InnPower can confirm that power assets belonging to InnPower and capitalized are recorded in Account 1830. As explained in 8-Rogers-5 part 5, InnPower can only provide the total addition and disposal costs for the requested timeframe.

7. Contributions from third parties associated with poles are recorded in Account 1830. As explained in 8-Rogers-5, part 5, InnPower can only provide the total addition and disposal costs for the requested timeframe.

8. InnPower can confirm that if guying and anchoring is required for a hydro pole then the costs are included in Account 1830. As explained in 8-Rogers-5 part 5, InnPower can only provide the total addition and disposal costs for the requested timeframe.

9. InnPower can confirm that when the request for a wireline attachment requires additional guying and anchors the wireline attacher is responsible for the costs of the guying and anchors.

8-Rogers-6

Ref: Depreciation expense of $23.66 for per pole and depreciation rate of 2.8%
Appendix 2-CG - Depreciation and Amortization Expense - MIFRS (Year 6) – 2017
Depreciation

1. **Describe in detail the methodology, including applicable cost inputs, that was used to determine the Depreciation Expense per pole of $23.66. Describe how the costs of power-specific assets were excluded from the calculation. Include all supporting evidence, assumptions and calculations employed.**

2. **Reconcile the Depreciation Expense per pole of $23.66 and the Depreciation Rate of 2.8% with *Appendix 2-CG*, which shows a depreciation rate for Account 1830 of 2.2%. Please explain which number is correct and why the other number is incorrect.**

3. **Is the expected life of a joint use pole 45 years? If not, provide the expected life of such joint use poles and indicate why it differs from 45 years. Provide any evidence or policy to support such expected life.**

4. **If the expected life of a joint use pole varies with the size of the pole, please provide the expected life for each of the different lengths of poles.**

5. **Provide the number of joint use poles that are currently at or near end-of-life.**

6. **Provide the number of joint use poles that remain in use and are fully depreciated. Indicate whether or not these poles have been included in the count of poles used to determine the Net Embedded Cost per pole and the Depreciation Expense per pole.**

7. **Provide the number of joint use poles that were replaced in each of 2014, 2015 and 2016 pursuant to a proactive replacement program or other capital program. Identify the nature of the capital program(s) for these replacements.**

8. **Complete the table below with respect to joint use poles replaced as part of a proactive replacement program.**

	2014	2015	2016
Number of joint use poles replaced			
Percentage of poles replaced			
Percentage of poles replaced that are beyond their expected life			

9. **Complete the following table.**

	2017	2018	2019	2020
Number of poles to be replaced				
Number of poles to be replaced that are beyond their expected life				

10. In each of the years 2014, 2015 and 2016, how many poles were replaced prematurely due to the requirements of InnPower, other LDCs or third party generators?

11. Is it InnPower's practice to automatically replace all poles that are older than their expected useful life? If not, describe how InnPower determines how many poles to replace each year and which poles are replaced. Provide copies of any guidelines, policies or other documents that relate to pole replacement.

InnPower Corporation Response:

1. InnPower utilized the depreciation expense (additions and disposals) recorded for 2016 in Appendix 2-BA Fixed Asset Continuity. The resulting total was then reduced by 5% to account for power specific assets. InnPower elected to use 5% as poles are designed and installed with brackets which is aligned with the Hydro Ottawa Decision. The adjusted value was then divided by the total number of in service poles to achieve the depreciation expense per pole.

2. Appendix 2-CG presents the depreciation expense for 2017. The associated depreciation schedule for 2016 is Appendix 2-CF.The depreciation of 2.2% presented on both 2-CG and 2-CF is calculated by dividing 1 by the expected life of a wooden pole, 45 years. The NBV of $9, 022,429 for 2016 has been offset by the depreciation expense thus the 2.8%.

3. With the transfer to IFRS InnPower has adopted the Kinetrics Service Life Comparison and the useful life of a wood pole is 45 years.

4. The expected useful life of a wood pole does not vary due to the height of the pole.

5. Please refer to the response provided in 8-Rogers-5 part 3.

6. InnPower has approximately 4048 poles that have reached the useful life of 45 years and beyond. All poles have been included in the count of poles used to determine the Net Embedded Cost per pole and the Depreciation Expense per pole.

7. InnPower has provided the following information with respect to new poles for 2014, 2015 and 2016. See the response to 9 below for a description of the general nature of InnPower's pole replacement program.

	2014	2015	2016
Pole Additions	189	292	150
Pole Disposals	43	147	81

8. InnPower has provided the number of poles replaced but cannot provide how many of the poles were joint use.

9. The following table and excerpt from InnPower's Distribution Asset Condition Assessment identifies the Pole Replacement Plan for InnPower.

5.2.1 Wood Poles

As identified in Section 4.1.1.3, a great number of old poles have reached service age of 45 years and beyond but received fair rating from the condition assessment. There are approximately 4048 poles that fall under this scenario. If these poles are scheduled for replacement after the 2017-2021 budget window, these poles would reach 50 years and the failure probability would increase to 7.5%. The number of poles that are expected to fail would be 304 each year. These poles should also be considered for replacement on top of the poor and very poor poles.

Thus, as shown in **Table 47**, it is recommended to replace 106 wood poles in very poor condition and 328 in poor condition in 2017. After 2017, it is recommended to allocate capital budget for replacing 304 poles per year between 2018 and 2021.

Table 47 Recommended Replacement Plan – Wood Poles
Asset **Forecasted Year of Replacement**

	Forecasted Year of Replacement				
	2017	**2018**	**2019**	**2020**	**2021**
Wood Pole Replacement	434	304	304	304	304

Poles are commonly replaced through dedicated pole replacement programs and overhead rebuild projects. InnPower selected six areas with aging overhead infrastructure and provided inspection results for a sample of poles in each of these areas. Appendix A analyzes the inspections in these areas and lists poles that were inspected which would be good candidates for inclusion in an overhead rebuild project. The recommended pole replacement plan provided in **Table 47** includes poles which are replaced as part of an overhead rebuild project.

Pole replacement as a result of road widening and other third party infrastructure projects may also contribute to meeting the replacement plan recommended above.

10. The following number of poles were replaced prior to reaching 45 years of useful life, 2014 - 24 poles, 2015 -60 pole, and 2016 – 39 poles.

11. No, it is not InnPower's practice to automatically replace poles that are older than their expected useful life. InnPower has provided Appendix E – Distribution Asset Condition Assessment which addresses InnPower's pole replacement guidelines.

8-Rogers-7

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pg. 5
Capital Carrying Cost of $102.94 per pole; WACC of 12%
Exhibit 1 – Administrative Documents (filed November 28, 2016)

Capital Cost

1. **When you refer to the Weighted Average Cost of Capital (WACC), please confirm that you are referring to the cost of capital adjustment described at paragraph 9 of the Board's Decision and Order in RP-2003-02 (the CCTA decision).**

2. **Confirm whether or not the Capital Carrying Cost of $102.94 per pole is based on a WACC of 12.0%. Explain in detail how the WACC of 12.0% was determined. Describe all assumptions and factors relied on and provide any supporting documents.**

3. **Reconcile the WACC of 12.0% with the cost of capital of 5.67% provided in Section 2.1.5.f: Cost of Capital in *Exhibit 1* in your general rate application. Please explain which number is correct and why the other number is incorrect.**

4. **If the cost of capital used to calculate the proposed pole attachment fee is not equal to the cost of capital used in your general rate application, provide an explanation for the difference.**

InnPower Corporation Response:

1. InnPower has updated the Average Cost of Capital in alignment with the RP-2003-0249 Decision. As the NBV is based on 2016 historical values InnPower has used the 2016 cost of capital as per EB-2013-0139 of 6.12% and then adjusted for a pre-tax rate of 6.9 %.

G	Capital Carrying Costs					Data Source
		2016				
	Cost of Capital per EB-2013-0139	6.9%				2016 Cost of Capital as per EB-2013-0139
	Capital Carrying Cost per Pole	$ 57.93				Net Embedded Cost per Pole/WACC

2. The revised Capital Carrying Cost is now $57.93 per pole. The use of 12% was an error.

3. InnPower has utilized the 2016 cost of capital as the 2016 historical costs were utilized in the calculation of the proposed pole attachment rate. This is consistent with the Hydro Ottawa Decision which indicates that historical costs should be utilized to determine the pole attachment rate, not forecasted cost for the test year.

4. Answered in 3.

8-Rogers-8

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pg. 3
Pole Maintenance Expense of $22.07 per pole

Pole Maintenance

Pole Maintenance Costs		Data Source
	2016	
Account 5135	$ 208,775	2016 Actuals
Pole Testing Costs	$ 26,410	
Total Pole Maintenance	$237,201	
Adjusted Total Pole Maintenance	$ 225,341	5% adjustment to account for inclusion of power specific assets,
Pole Maintenance Cost per pole	**$ 22.07**	Total Adjusted Maintenance Costs/Number of In service poles

1. **Confirm that your reference to Account 5135 means *Account 5135 - Overhead distribution lines and feeders*: right of way. Please break down the total costs of $208,775 by subaccount within Account 5135 (*i.e.*, Storm Response, Brush Control, Line Clearing, Customer Notifications, etc.), and explain what kind of activities are covered by each of these subaccounts.**

2. **Please confirm that the pole maintenance costs shown here are in respect of InnPower's entire pole population.**

3. **Confirm that, pursuant to Article 10 of the Pole Attachment Agreement dated January 1, 2009 between InnPower and Rogers, Rogers is solely responsible for the trimming or removing of trees, underbrush and any other items as required to establish clearance for its attachments on InnPower's poles.**

4. **Please describe in detail what functions are performed in the activity, "Pole Testing Costs", including how many poles are tested.**

5. **For each of the years 2014, 2015 and 2016, provide all amounts paid to InnPower by third parties for any activities included in Pole Maintenance Costs (excluding tree trimming or vegetation management).**

InnPower Corporation Response:

1. In the calculation of Section F- Pole Maintenance Costs the following Accounts were included, Account 5135, Account 5120, Account 5125. For Account 5135 only time recorded to trouble calls was included and no vegetation costs were included. InnPower has updated Section F – Pole Maintenance Costs which is presented below.

F	Pole Maintenance Costs			Data Source
		2016		
	Account 5135	$ 183,102		2016 Actuals minus tree trimming expense (Trouble calls)
	Account 5120	$ 6,056		2016 Actuals
	Account 5125	$ 39,794		2016 Actuals
	Total Pole Maintenance	$ 191,174		
	Adjusted Total Pole Maintenance	$ 181,615		5% adjustment to account for inclusion of power specific assets, EB-2015-0004
	Pole Maintenance Cost per pole	**$ 17.79**		Total Adjusted Maintenance Costs/Number of In service poles

2. The maintenance costs presented represent InnPower's entire pole population.

3. InnPower confirms that Rogers is solely responsible for the trimming or removing of trees, underbrush and any other items as required to establish clearance for its attachments on InnPower's poles.

4. InnPower undertakes annual pole testing of approximately 1,800 poles per year. Poles are tested at ground line with a resistor graph, boron and tim-bor treatment required if carpenter ants presents and visual inspections are also recorded. The final report provides comments and recommendations that are then utilized in the Pole Replacement Program.

5. The following table identifies the pole testing costs for the requested timeframe.

	2014	2015	2016
Pole Testing Costs	$ 30,953.28	$ 29,254.54	$ 29,904.51

8-Rogers-9

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pg. 3
Administration costs of $0.99 per pole.

Administration Cost

Administration Costs Per Pole	Hourly Rate Burdened	Hours	Allocation	Total	Data Source
Prepare Billing/Financial Reconciliations/Annual Statements	$48.50	40	1	$1,940	Time sheets
GIS System Updates/ Maintenance	$51.55	40	1	$2,062	Time sheets
Joint use permit application processing	$51.55	40	1	$2,062	Time sheets
Total Admin Cost Per Year				**$6,064**	

1. **Please describe in detail the activities or tasks that comprise each of the above three tasks and how they are directly related to the presence of wireline attachments on InnPower's joint use poles.**

2. **Do the costs described above include activities performed in respect of all of InnPower's poles or just the joint use poles with wireline attachments?**

3. **How many joint use permits were processed in 2016?**

InnPower Corporation Response:

1. The following details the tasks for each of the components for administration costs per pole:

Prepare Billing/Financial Reconciliations/Annual – this category represents the annual hours undertaken by the Accounts Payable resource to prepare annual invoices (based on information provided from Operations/Engineering), set up and track accruals in the financial system, undertake monthly reconciliations for input to monthly financial statements and annual statements.

GIS System Updates/Maintenance – update GIS system with all required pole attachment updates to the applicable poles

Joint Use Permit processing

a) InnPower receives P.Eng stamped design from 3rd Party
b) InnPower reviews design and provides comments on make ready works

c) Design is sent back to P.Eng for changes and review
d) Design is returned to InnPower
e) Estimate is prepared for make ready work and provided to attacher
f) Attacher makes payment for make ready work
g) InnPower undertakes and completes make ready work in field
h) Attacher notified of completed work, their work can now commence
i) Attacher provides signed Record of Inspection for all works completed
j) Permit package is finalized, updates to GIS undertaken and new attachments provide to Finance

2. The detailed tasks are specific to joint use poles with wireline attachments.

3. A total of 4 permits were processed for a total of 21 attachments.

8-Rogers-10

Ref: InnPower_APPL_Pole Attachment_20171127, Response to Procedural Order No. 7, pg. 3
Loss of Productivity costs of $4.00 per pole.

Loss of Productivity Cost

Loss In Productivity	Hourly Rate Burdened	Hours	Allo-cation	Total	Data Source
Wires Down	**2016**				
Labour - Line Crew	$63.45	90	2	$11,421	Outage Management
Vehicle	$61.50	90	1	$5,535	Financial Records
				$16,956	
Pole Replacement					
Labour - Technician	$51.55	150	1	$7,733	Outage Management
Vehicle – small	$19.00	150	1	$2,850	Financial Records
				$10,583	
Tree on Line					
Labour - Line Crew	$63.45	135	1	$8,566	Outage Management
Vehicle	$61.50	135	1	$8,302	Financial Records
				$16,868	
Total LIP Costs				**$44,407**	
Total LIP Costs per pole				**$ 4.00**	Total loss in Productivity per/# of Pole Attachments/ # of

1. Wires Down

(a) Please describe in detail the activities or tasks that comprise the "Wires Down" work described above and how or why the work is directly related to the presence of wireline attachments on the poles.

(b) How many separate incidents make up the 90 hours of time allocated to this work?

(c) Do the 90 hours represent time spent for hydro wires?

2. Pole Replacement

(a) Please describe in detail the activities or tasks that comprise the "Pole Replacement" work described above and how or why this work is directly related to the presence of wireline attachments on the poles.

(b) How many separate incidents (*i.e.,* poles replaced) make up the 150 hours of time allocated to this work?

(c) Do the 150 hours represent time spent for all pole replacements in 2016 (including single use poles) or just joint use poles?

(d) Do the costs for pole replacement and the number of poles replaced include poles for with InnPower received separate payment to replace these poles (*e.g.,* customer-requested replacements or relocations, makeready work to accommodate wireline attachers)? If so, provide the amount of revenues received and the corresponding number of joint use poles replaced for each of the years 2014, 2015 and 2016.

(e) Provide a description of the differences in crew, equipment, time and number of visits required to complete pole replacements of single use poles or poles without wireline attachments as compared to joint use poles with wireline attachments.

(f) Please confirm that pole replacement costs are capitalized and included in the net embedded costs recorded in Account 1830. If this is not the case, demonstrate that such costs have not been capitalized as such.

3. Tree on Line

(a) Please describe in detail the activities or tasks that comprise the "Tree on Line" work described above and how or why this work is directly related to the presence of wireline attachments on the poles.

(b) How many separate incidents make up the 135 hours of time allocated to this work?

(c) Do the 90 hours represent time spent include hydro wires?

4. Historical costs - Complete the table below with respect to the *Loss of Productivity Costs* for each of the years 2014, 2015 and 2016.

Loss of Productivity Costs	2013	2014	2015	2016
Wires down				$16,956
Pole Replacement				$10,583
Tree on Wires				$16,868
Total LIP Costs				**$44,407**

InnPower Corporation Response:

1. The following details the tasks for each of the components requested;

a. Wires Down - when a report is received of wire down or low from an external source InnPower dispatches a line truck with 2 men to verify the report. Once the site is verified

and it is determined that the wires are not owned by InnPower the wire owner is notified re the wires down. InnPower received 90 wire down reports in 2016 in which the wires were not InnPower.
b. 90 incidents
c. No

2. The following details the tasks for each of the components requested;

a. Pole Replacement – InnPower replaced 150 poles in 2016 in which 1 hour of time of the average 15 hour design time is being allocated to third party attachers. The GIS Technician is responsible for the undertaking of a field visit, design of a pole, creating the estimate, review, obtain approval, prepare construction package, set up Job in Great Plains and then release to construction.
b. 150 replaced poles at 1 hour of design work
c. Joint Use poles
d. InnPower is stating an hour of design time not the entire cost of replacing a pole
e. There is no difference in crew and time and number of visits required to complete pole replacements with or without wireline attachments. The difference is in the permit processing process, notifications, coordination of removal/transfer, etc.
f. Pole replacements costs are capitalized in Account 1830

3. The following details the tasks for each of the components requested;

a. Tree on Wire - when a report is received of tree contact from an external source InnPower dispatches a line truck with 1 person to verify the report. Once the site is verified and it is determined that the wires are not owned by InnPower the wire owner is notified re the tree contact. InnPower received 135 tree contact reports in 2016 in which the wires were not InnPower.
b. 135 incidents
c. The total hours for Tree on Wire is 135

8-Rogers-11

Process for Attaching to Joint use poles (Application, Permits)

1. **Provide a detailed description of the process for a wireline attacher to receive approval to install:**

   (a) its first wireline attachment on a joint use pole; and
   (b) each subsequent wireline attachment.

2. **Provide copies of all forms, permit applications or similar documents that InnPower requires wireline attachers to complete.**
3. **Does InnPower charge a separate permit application fee for wireline attachers to install their attachments on a joint use pole? If so, what is the current fee and what fees did InnPower collect for each of the years 2014, 2015 and 2016.**

4. **For the following kinds of attachers, please advise whether (i) they are required to obtain a permit to install their attachments on InnPower's poles and (ii) InnPower charges a permit application fee to review and process their applications:**

   (a) Bell pursuant to the pole-sharing arrangement;
   (b) Bell outside the pole-sharing arrangement;
   (c) Wireless attachers; and
   (d) Non-wireline attachers.

   Provide details of the amount of the fees charges and the total revenue received from each of these attachers for each of the years 2014, 2015 and 2016.

5. **Confirm that a request from a wireline attacher to install its attachments on a joint use pole is subject to that pole having sufficient space or structural integrity (*i.e.,* spare capacity). Is the determination of whether there is spare capacity on that pole made solely by InnPower? If not, identify any other party that may participate in the determination of whether there is spare capacity.**

6. **If no spare capacity is available, confirm that there is a process by which InnPower will modify or replace the joint use pole to accommodate the wireline attachment, subject to the attacher paying for the costs associated with such work ("Make-ready Work"). Confirm whether any portion of the payments InnPower receives from wireline attachers for Make-ready Work is included in the Net Embedded Cost used for the proposed pole attachment fee.**

7. **Further to Question 6, provide the total annual payments received from wireline attachers for make-ready work for each of the years 2014, 2015 and 2016.**

InnPower Corporation Response:

1. The process outlined in response to 8-Rogers-9 part 1 with respect to the process for a wireline attacher to receive approval to install is the same for the first wireline attachment and subsequent attachments.

2. The permit application process and forms are contained within each agreement.

3. InnPower does not charge a separate permit application fee.

4 i) Yes

4 ii) No

5. The determination of whether there is capacity on a pole is determined solely by InnPower.

6. InnPower confirms that there is a process by which InnPower will modify and or replace a pole to accommodate the wireline attachment subject to the attacher paying for the associated costs (Make-Ready Work). Make Ready Work payables would be recorded in Account 1830 as a contribution.

7. The costs associated with make ready work are as follows:

RPO Payments			
2014	2015	2016	
$ 623,049	$ 359,589	$ 23,162	

8-Rogers-12

Pole Attachment Revenues

1. **Do you agree with the statement, "The owner of a joint use pole should be entitled to recover the direct and indirect costs it incurs from third parties who use and occupy that pole"?**

2. **Calculate the expected revenues from the following pole attachment rates.**

Pole Attachment rate	Revenues	Increase in revenues using $22.35 as a base point
$22.35		
$30.00		
$40.00		
$50.00		
$64.24		

3. **For the various Pole Attachment Rates shown below, please determine what the corresponding <u>monthly electricity rates</u> would be for each class of customer.**

		Pole Attachment Rate				
Class & No. of Customers		$22.35	$30.00	$40.00	$50.00	$64.24
Residential	15,555					
GS < 50	1,034					
GS > 50 to 4,999	88					
Sentinel Lights	161					
Streetlights	2,995					
USL	74					

InnPower Corporation Response:

1. InnPower concurs that the owner of a pole with attachments from a third party should be able to recover costs as outlined in the CCTA Decision RP-2005-0239.

2. As requested InnPower has calculated the associated revenues from the requested Pole Attachment Rates. The $64.24 rate was not calculated as the IR's have modified that rate,

Estimated Pole Attachment Revenues		
Pole Attachment Rate	**Revenues based on 6,627 Attachments**	**Increase in Revenue using $22.35 as a base point**
$ 22.35	$ 148,113.45	
$ 30.00	$ 198,810.00	$ 50,696.55
$ 40.00	$ 265,080.00	$ 116,966.55
$ 50.00	$ 331,350.00	$ 183,236.55

3. InnPower has not determined the corresponding monthly electricity rates for each rate class, as there was insufficient time.