



February 6, 2018

**By Email**

Ontario Energy Board  
PO Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, ON  
M4P 1E4  
Attention: Board Secretary (boardsec@oeb.ca)

RE: Review of Miscellaneous Rates and Charges (EB-2015-0304) Draft Review of the Board – Framework for Determining Wireline Pole Attachment Charges

1. Cable Cable is responding to the Ontario Energy Board's call for submissions on its Draft Report – Framework for Determining Wireline Pole Attachment Charges issued December 18, 2017.
2. Cable Cable is an independent Broadcast Distribution Undertaking and Telecom operating in Rural Kawartha Lakes. The homes and businesses our systems pass are far apart and the poles between them are many. This makes our pole cost per home passed ratio one of the highest in the Province of Ontario.
3. In reviewing the OEB Draft Report, the most obvious concern for Cable Cable is the impact this 230% increase will have on our company's ability to operate sustainably. Similarly, such an increase would limit Cable Cable's ability to invest further in our systems in keeping up with consumer demand and expanding to fill the broadband gaps.

4. It is an unfortunate truth that this additional cost will have to be passed downstream with that burden possibly lightened by reducing operational costs such as staffing and other fringe expenditures which have been important in our culture as a community-based, family-first operation.
5. Currently Cable Cable has been submitting the interim rates which should not be taken to mean we are in agreement with how these rates have been determined. In fact, we are opposed to the proposed interim rates and other rates suggested, going forward. There are some serious concerns about the conclusions in the Draft Report specifically, with the methodology in which these rates were determined.
6. It does not make sense that these suggested rates are so significantly different for Ontario when compared to rates in other provinces. However, in reviewing the Nordicity report it was found to be full of mistakes and used incomplete and untested data. Furthermore, we understand the process was flawed with lateral agendas and input which was not even considered.
7. For instance, the OEB retained an expert who made a recommendation but that recommendation of a \$38.70 rate was overwritten by the authors of the Draft Report to show a rate of \$52.00. This same expert argued for the proportionate usage methodology when it appeared before the New Brunswick Utilities Board a few years ago but now it wants to introduce a variation of the equal sharing methodology - one that is much more punitive towards Companies like Cable Cable. This just doesn't make sense.
8. Cable Cable does not understand how it is possible that while the CRTC, ISED and US regulators are creating rules to stimulate broadband investments the OEB is moving in the opposite direction. This is supported in the Draft Report where the author suggested that the pole owners should be allowed to charge "market rates".
9. I remind the OEB that the pole occupancy market is a monopoly where setting market rates means 'the sky is the limit'. It is Cable Cable's position that determinations in setting market rates as it applies to pole occupancy and other support structures would better serve Canadians under the jurisdiction of the CRTC.



10. The CRTC has the necessary resources and experience in setting support structure rates and has developed a balanced rate-setting methodology that allows pole owners to recover a reasonable portion of its costs while assuring consumers do not subsidize telecoms as a result of their occupancy.
11. This Draft Report is unsustainable in any capacity and should be shelved. If it is implemented as proposed, it will have significant consequences on small carriers like Cable Cable. In the interim, it is important for the OEB to work with the respective levels of Government to set aside the Draft Report and implement one of the following recommendations;
  - (a) Set a new universal rate by adjusting the old rate of \$22.35 for 12 years of inflation. Or,
  - (b) Hold a full and proper hearing that meets all the procedural fairness requirements as it did back in 2005.
  - (c) Cede jurisdiction over hydro poles and other support structures to the CRTC.

Sincerely,

A handwritten signature in black ink, appearing to read "M Fiorini", with a stylized flourish extending to the right.

Michael Fiorini, CEO  
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*cc: The Honourable Glen Thibault, The Honourable Bob Chiarelli, The Honourable Navdeep Bains, MP Jamie Schmale, MPP Lorie Scott, City of Kawartha Lakes Council c/o Mayor Andy Letham, CRTC Chair Ian Scott*

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