



9 February 2018

Board Secretary
Ontario Energy Board
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Subject: Review of Miscellaneous Rates and Charges (EB-2015-0304) Draft Report of the Board – Framework for Determining Wireline Pole Attachment Charges

NRTC Communications is responding to the OEB's call for submissions on its Draft Report – Framework for Determining Wireline Pole Attachment Charges issued December 18, 2017.

NRTC Communications is a small independent telecom company located in Beachburg, Ontario that serves Beachburg, Westmeath, Lapasse, Cobden, Pembroke, Petawawa, Renfrew and surrounding areas. We use hydro poles extensively to provide phone, internet, and television services to our customers. Many of them live on roads that are sparsely populated and require many hydro pole attachments to serve.

After reading the Draft Report, we have grave concerns about the conclusions of the report. In particular, how the intention to impose a \$52 rate for pole attachments will impact our ability to expand our broadband network and improve internet connectivity in the communities we serve. This rate represents a massive 230% increase over the last 13 years.

In reviewing the Draft Report, it wasn't clear how the proposed rate was determined. The rate is simply stated in a table at the end of the report with no calculations or explanations. If the Board is going to set a rate then how the rate is determined should be clear and transparent. As well, it's unclear why pole attachment rates in Ontario are double the average rate in the rest of Canada and quadruple the rates for Bell pole attachments. Bell poles also have power equipment on them, so how would the OEB justify setting the hydro pole rates so much higher for the exact same service?

NRTC Communications' focus is on improving broadband connectivity in the Upper Ottawa Valley. In fact, we are passionate about it. We know that every level of government supports us in this. No one disputes the importance of high-speed broadband in our communities. Yet, this Draft Report is making recommendations that will reduce the feasibility of making broadband upgrades in rural areas.

It also will most certainly increase the costs for our customers. On average, we use two poles per customer to provide services. The recommended increases will amount to at least a \$2 increase per month for each customer. That's on top of the increases that will be necessary to cover the previous massive pole rental increase.



Another point of concern with the Draft report is the suggestion that pole owners be allowed to charge “market rates”, in other words, whatever they want. It’s not clear why a regulator would propose that a utility that holds a monopoly over pole rentals would be allowed to charge unregulated rates. We believe the only sustainable way forward is for pole rental rates to remain regulated. We also believe that in the interest of broadband expansion and affordability that the OEB should cede jurisdiction over hydro poles to the CRTC.

As for the Draft Report, the Board needs to “table” or abandon it. Pole rental rates need to be set back to \$22.35 plus inflation until this matter can be addressed properly. This is the only way forward that supports future broadband deployment and affordability.

Yours truly,

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