

Mitchell Seaforth Cable TV LTD

**6979 Line 34, West Perth
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February 9, 2018

By Email

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

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

Mitchell Seaforth Cable TV LTD's response to the Ontario Energy Board (OEB) call for submissions on its Draft Report -Framework for Determining Wireline Pole Attachment Charges issued December 18, 2017.

Rural Ontario

Mitchell Seaforth Cable TV provides cable and internet services to 15 small rural communities throughout Southwestern Ontario, stretching from Brussels to Grand Bend. In the Village of Brussels, our 342 Cable Clients occupy 307 full rate poles. When you include 31 service poles, we occupy 1 pole for each Cable TV Client. Every dollar added to the pole rate will be passed along to the customer, 1:1.

In Grand Bend, a seasonal community, our cable system stretches from the Pinery Provincial Park in the south to the settlement of St Joseph in the north. Most of the homes past belong to cottagers who either close their property for the winter or split their time between Grand Bend in summer and travel south in the winter. Seasonal cable subscriptions vary between 4 – 5 months per year. If we were to annualize our seasonal cable clients, the pole count would far exceed the annual cable subscriptions. The pole count would exceed 1 pole per customer.

A pole rate increase of \$30.00 would increase the client bill by \$30.00 or more.

Due to Rural Ontario's high pole count per customer, the cost of pole rental directly affects our ability to expand communication services including high speed broadband connectivity. If the proposed pole rates of \$40 to \$52 were approved it would drastically limit our ability to continue expansion of broadband services.

Pole Attachments

Pole attachments have dramatically improved over the past 10 years. Service wires have been cleaned up and in many cases moved out onto the cable strand. Heavy trunk cables are being replaced with light weight fibre. Abandoned cables are no longer left on the strand. New attachments are engineered at the Cable Operators expense. Where poles require upgrades, all costs are passed along to the Cable Company through make ready charges.

These improvements make it is easier for utilities to work around our attachments and should factor as a benefit in the formula when developing pole rates. I don't understand how a 230% increase to \$52 per pole could even be considered.

Regulated Pole Rates

I believe it's very important to have a single, qualified, unbiased arbitrator setting uniform pole rates. CRTC would be my choice to regulate Ontario pole rates.

I also oppose the suggestion which would allow the market place to establish pole rates. This would cause pole rates to be all over the place. Negotiation would go out the window in favour of raising the rates by pointing to another utilities higher rate. Market place rates were tried by a few small utilities a number of years ago. Working relations between the affected Communication Company and Hydro Utility were negatively affected.

Setting a Fair Pole Rate

In 2005, the CCTA and OEB agreed on \$22.35 per pole, based on an agreed formula. Adjusting the 2005 rate for 12 years of inflation would be an acceptable rate going forward.

In future CRTC should be appointed as the regulator for pole rates in Ontario.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Ward'.

Steve Ward, GM
Mitchell Seaforth Cable TV LTD
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cc: The Honourable Glenn Thibeault, The Honourable Bob Chiarelli, The Honourable Navdeep Bains, MP John Nater, MP Ben Lobb, MP Bev Shipley, MPP Lisa M. Thompson, MPP Randy Pettapiece, MPP Monte McNaughton