



*More Than You Expect.*

February 9, 2017

Ontario Energy Board,  
P.O. Box 2319,  
2300 Yonge Street,  
Suite 2700,  
Toronto, Ontario,  
M4P 1E4.

**Attention: Board Secretary ([boardsec@oeb.ca](mailto: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**

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1. Nexicom Inc. (Nexicom) 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. Nexicom is a SILEC, CLEC, ISP, Home and Business Security and Independent Broadcast Distribution Undertaking serving Central Ontario. As many of our customers live in rural areas, they are often far apart. As such, Nexicom uses many hydro poles to serve its customers.
3. In light of the foregoing, Nexicom has grave concerns in regards to the conclusions in the Draft Report and, in particular, the intention to impose a \$52 rate across the Province. The impact of this 230% increase has serious impact to Nexicom's operations and future broadband expansion plans.
4. Such an increase is both punitive and discriminatory. Punitive in the sense that there is no offsetting source of revenue, and the proposed rate is in some cases double, triple and quadruple what other Hydro and Telecom pole rates are in the rest of Canada. In the present competitive marketplace, rates to customers

**Nexicom Inc.**

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cannot be increased without loss of customers. Decreases in employees and community support is not in the best interest for Ontario's growth. In addition, since pole occupancy is a monopoly, rates with no ceiling are punitive to companies such as Nexicom.

5. Such an increase is discriminatory. Discriminatory in the sense that Nexicom's dominant competitor in Ontario, Bell Canada, does not pay these rates because of reciprocal arrangements with Hydro companies that are not available to competitive telecom providers. This places Nexicom at a competitive disadvantage in delivering its SILEC, CLEC, ISP, Home and Security and BDU services.
6. Nexicom submits that such rates would greatly curtail its plans to extend its existing plant to the unserved and underserved areas it intends on serving in Central Ontario. Such a result would appear to be in contradiction with the Provincial and Federal desire to stimulate and grow as quickly as possible broadband deployment.
7. Currently Nexicom has been submitting the interim rates, however this should not be taken to mean Nexicom is in agreement with these rates or the manner in which they were developed. In fact, Nexicom totally opposes the proposed interim rates and the methodology in which these rates were determined.
8. Nexicom respectfully submits that the Ontario government should work with the OEB to set aside the Draft Report and implement the following:
  - Set a new universal rate by adjusting the old rate of \$22.35 for 12 (twelve) years of inflation; or
  - Hold a full and proper hearing that meets all of the procedural fairness requirements as was done in 2005; and
  - Immediately have the OEB explore ceding its jurisdiction over hydro pole and other support structure rates to the CRTC. The CRTC have developed a long established rate setting methodology for pole and support structure rates.

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Sincerely,

Clayton Zekelman  
Owner/President

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c.c. to: The Honourable Glen Thibault  
Ontario Minister of Energy  
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The Honourable Bob Chiarelli  
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