

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

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

We have grave concerns about the conclusions in the Draft Report and, in particular, the intention to impose a \$52 rate across the Province final rate derived in the Draft Report. The \$52 rate represents an increase of over 230% over the last 13 years. This far exceeds the rate of inflation. Does it make sense for pole attachment rates in Ontario to be double the average rate in the rest of Canada?

Within our territory we use pole attachments from two suppliers, Hydro One and Westario Power. Both suppliers charged rates of \$22.35 per pole in 2016. The new proposed rates would result in our pole attachment cost increasing 132% over two years.

For a small, rural organization such as ours, these represent extremely significant increases that are beyond normal inflationary costs. The additional cost means reducing operational costs in areas that have real effects on our community, including our employees and our customers. These increases will significantly impact our ongoing cost structure and reduce our ability to re-invest in our infrastructure. Rates such as those proposed significantly change the business plan for broadband in rural areas.

Regulators in the United States are creating rules that are specifically designed to reduce barriers to broadband deployment, yet, here in Ontario, we are doing the exact opposite under the direction of the OEB.

The Board should not proceed with the recommendations in the Draft Report and it should hold pole rates at \$22.35 plus inflation. To adopt these proposed rates will potentially delay the expansion of broadband in rural areas.

Yours truly,



Steve Soychak, CFO

Cc: The Honourable Glen Thibault
 The Honourable Bob Chiarelli
 The Honourable Navdeep Bains
 Ben Lobb, Huron-Bruce MP
 Lisa Thompson, Huron-Bruce MPP
 Anne Eadie, Mayor, Municipality of Kincardine