



Managed Network Systems, Inc.
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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)

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

1. Managed Network Systems Inc. (MNSi) 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. MNSi is a competitive telephone, Internet and television provider serving the City of Windsor and parts of Essex County. MNSi uses many hydro poles to serve its customers in both urban and rural areas.
3. In light of the foregoing, MNSi 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 MNSi'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 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 MNSi.
5. Such an increase is discriminatory. Discriminatory in the sense that MNSi's dominant competitor in Ontario, Bell Canada, does not pay these rates because of reciprocal

arrangements with Hydro companies that are not available to us. This places MNSi at a competitive disadvantage in delivering its Internet and telephone services.

6. MNSi 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 Windsor and Essex County. 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 MNSi has been submitting the interim rates, however this should not be taken to mean MNSi is in agreement with these rates or the manner in which they were developed. In fact, MNSi totally opposes the proposed interim rates and the methodology in which these rates were determined.
8. MNSi 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Zekelman', with a long horizontal flourish extending to the right.

Clayton Zekelman
President

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