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June 17, 2021

Delivered by Email & RESS

Ms. Christine Long, Registrar
Ontario Energy Board
P.O.Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: 2021 Cost of Service Rate Application
Espanola Regional Hydro Distribution Corporation ("ERHDC")
OEB File No.: EB-2020-0020
Response to Requirements in Decision and Rate Order**

Pursuant to the Decision and Rate Order dated June 10, 2021, the Ontario Energy Board ("OEB") has ordered ERHDC to file additional information with respect to Account 1508 – Broadband Pole Attachment Variance Account as follows:

1. The OEB requires ERHDC to report what cost has been included in base rates for inclusion in the variance account; and
2. The OEB requires ERHDC to confirm how it will determine the incremental revenue from new attachments.

ERHDC's response to these requirements are set out below in the same numerical order:

1. ERHDC currently has no costs (\$0) related to facilitating pole attachments in its base rates. Prior to Bill 257, all costs were treated as either recoverable and billed out to the pole attacher or as capital contributions that would otherwise be due and payable by the attacher. In the event that this is not permitted under Bill 257, ERHDC proposes to record all incremental costs related to administering and facilitating new broadband attachments in the deferral account.
2. ERHDC intends to treat all incremental revenue after April 12, 2021 (the date Bill 257 received royal assent) based on the pole attachment counts at year-end 2020 as revenue to be allocated to the variance account. At December 31, 2020 ERHDC had 1,801 telecom

connections across three different telecom providers. Given these counts are materially stable year over year outside of major projects, ERHDC proposes to treat all revenue derived after April 12, 2021 from incremental unit counts beyond 1,801 as revenue from new attachments for the purpose of the variance account.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

A handwritten signature in black ink, appearing to read 'Flora Ho', with a stylized, cursive script.

Flora Ho

cc: Intervenor of record in EB-2020-0020