

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF Decision EB-2013-0416/EB-2014-0247 of the Ontario Energy Board (the “**OEB**”) issued March 12, 2015 approving distribution rates and charges for Hydro One Networks Inc. (“**Hydro One**”) for 2015 through 2017, including an increase to the Joint Use Pole Access Charge;

AND IN THE MATTER OF the Decision of the OEB issued April 17, 2015 setting the Joint Use Pole Access Rate as interim rather than final;

AND IN THE MATTER OF the Decision and Order issued June 30, 2015 by the OEB granting party status to Rogers Communications Partnership, Allstream Inc., Shaw Communications Inc., Cogeco Cable Inc., on behalf of itself and its affiliate, Cogeco Cable Canada LP, Quebecor Media, Bragg Communications, Packet-tel Corp., Niagara Regional Broadband Network, Tbaytel, Independent Telecommunications Providers Association and Canadian Cable Systems Alliance Inc. (collectively, the “**Carriers**”);

AND IN THE MATTER OF Procedural Order No. 8 of the OEB issued March 31, 2016 setting dates for, *inter alia*, interrogatories to Hydro One.

**Further Interrogatories
of the Carriers to
Hydro One**

April 8, 2015

Introduction

For the purpose of these interrogatories, all capitalized terms not expressly defined herein have the same meaning as ascribed to them in the Carriers' first set of interrogatories dated August 21, 2015.

In addition, the Carriers rely upon the following information which has been provided by Hydro One in this proceeding.

*Reference: Response to Interrogatory (VECC) #5 (b)
Response to Interrogatory Carriers #1 (a) Attach. 1
Transcripts – Technical Conference, Jan 12, 2016, pp. 41-42
Undertaking JT2
Undertaking JT3*

Type of Attacher	Quantity
Rate paying telecom	
– Non Reciprocal Full	230,016
– Non Reciprocal Service	21,367
– Reciprocal Full	24,605
– Reciprocal Service	2,461
– Bell MEU	15,614
– Generator Telecom	3,435
Bell Canada	331,238
Other	117,468
Total attachments	746,204

Poles that contain “Joint Use”	576,068
Average number of attachers	1.30
Total no. of poles	1,535,344

Carriers-01

Poles that contain “Joint Use” 576,068

- (a) What does “poles that contain ‘Joint Use’” mean? Do they refer to Joint Use Poles that actually have at least one Wireline Attachment on them? Or do they refer to all poles that have been designed and built as Joint Use Poles, whether or not they actually have Wireline Attachments on them?
- (b) Are these 576,068 poles that contain ‘Joint Use’ all owned by Hydro One?
- (c) Under Hydro One’s joint use agreement with Bell (the “**Bell JUA**”), does Bell have the right to attach to or otherwise access all 576,068 poles?
- (d) Do the 576,068 poles represent the entire pool of Joint Use Poles that are shared by Bell and Hydro One and covered by the Bell JUA (referred to as the “**Joint Use Pool**”)?
- (e) If not, how many Joint Use Poles are included in the Joint Use Pool? How many Joint Use Poles in the Joint Use Pool are owned by Hydro One and how many are owned by Bell?

Carriers-02

Total no. of poles = 1,535,344

- (a) You have restated that the total number of poles in 2012 was 1,535,344, of which 576,068 were identified as “containing Joint Use”. That leaves 959,276 poles that do not “contain Joint Use”, i.e. “Non-Joint Use”.
- (i) Are all of these 959,276 poles designed and installed as Joint Use Poles or are they single use poles designed only for use by Hydro One?
- (ii) Please provide a breakdown of the sizes and numbers of the poles used by Hydro One.

Pole height in feet	Joint Use Poles	Non-Joint Use	All Poles
30			
35			
40			
45			
50 and higher			
Total			

- (b) Under the Bell JUA, does Bell have the right to access all of these 1,535,344 poles? If not, how many poles does Bell have the right to access?

Carriers-03

Bell Canada Attachments = 331,238

- (a) In Undertaking JT3, you state that, of these **331,238** poles, “Hydro One and Bell have a reciprocal pole use agreement (HONI 60% - Bell 40%). No annual invoice occurs due to this arrangement”.
- (i) Please explain in detail what these **331,228** poles represent? Are they the portion of the Joint Use Pool that Hydro One has agreed to build?
- (ii) We note that **331,228** represents 57.5% of the total 576,068 Joint Use Poles. Is this meant to approximate the 60% share of the Joint Use Pool for which Hydro One is responsible? If not, please reconcile the 60/40 split with the number of reciprocal poles.
- (iii) In the Joint Use Pool, how do you identify which poles are owned by Bell and which poles are owned by Hydro One?
- (iv) If the actual number of Joint Use Poles owned by each of Bell and Hydro One does not equal a 60/40 split, how is this reconciled? How often does this reconciliation occur?
- (b) Under the Bell JUA, how many Joint Use Poles owned by Hydro One does Bell have the right to use? How many Joint Use Poles owned by Bell does Hydro One have the right to use?
- (c) Under the Bell JUA, does Bell pay any fees to occupy Hydro One’s Joint Use Poles with its Wireline Attachments?
- (d) Under the Bell JUA, does Hydro One pay any fees to occupy Bell’s Joint Use Poles with its equipment?
- (e) Is it correct to conclude that, under the Bell JUA, rather than paying a fee to use Hydro One’s Joint Use Poles, Bell has agreed to install a certain number of Joint Use Poles which it will permit Hydro One to use at no cost?
- (f) Please confirm that our understanding of the Bell JUA stated below is correct. If it is not correct, please explain why.

Bell and Hydro One jointly contribute to a pool of Joint Use Poles that both parties have the right to use. Hydro One will build 60% of the Joint Use Poles and Bell will build 40% of the Joint Use Poles.

To elaborate by way of example, if Hydro One and Bell were to decide to jointly build a total of 1000 Joint Use Poles, at a cost of \$1000 per pole, Hydro One

would build 600 poles at a cost of \$600K and Bell would build 400 poles at a cost of \$400K.

Under the terms of the Bell JUA, Hydro One would have access to both its own 600 poles, as well as the 400 poles built by Bell. It would, for all intents and purposes, access to 600 + 400 = 1000 poles, but at an expenditure of only \$600K. This would mean that, in effect, Hydro One would be only paying \$600 for each Joint Use Pole it has access to.

- (g) In the Technical Conference, you were asked by Mr. Harper of VECC about the fact that Bell did not pay a Pole Attachment Fee. He asked:

“There is a difference here, and the question is how is the difference accounted for? Like, is it something Hydro One eats? It’s something that grosses up the rates to the other carriers, who are paying the full rate? Is it something ratepayers eat?”

How is the difference accounted for? And maybe you want to – you can give me an answer to that, or maybe you want to ponder on that a little bit and give me an answer in writing. That will be fine.”

Please respond to these questions as your response in Undertaking JT3 failed to address these questions specifically.

- (h) Please complete the following table.

“**Bell JUPs**” refer to Joint Use Poles that are part of the Joint Use Pool.

“**Non-Bell JUPs**” refer to Joint Use Poles that are not part of the Joint Use Pool

Type of Joint Use Pole	Number of Joint Use Poles	Number of Wireline Attachers
Non-Bell JUPs that have no Wireline Attachers		
Bell JUPs that have no Wireline Attachers		
Bell JUPs with only Bell as a Wireline Attacher		
Bell JUPs with Bell and at least one Wireline Attacher		
Non-Bell JUPs with at least one Wireline Attacher (excluding Bell)		
TOTAL		

- (i) As we understand it, in BC, BC Hydro and Telus have a joint use arrangement that also involves a 60-40 ownership split between the parties. However, under this arrangement, the poles are truly jointly-owned in that BC Hydro owns 60% of each joint use pole and Telus owns 40% of each joint use pole.

Does Hydro One have a similar pole-sharing arrangement with Bell or any other third party? If so, please describe the arrangement in detail, including:

- (i) the name of any third party joint-owner other than Bell;
- (ii) the ownership split between Hydro One and Bell (or any other third party);
- (iii) how many poles are affected or form part of this arrangement;
- (iv) how costs incurred for these poles are shared between Hydro One and Bell (or the third party); and
- (v) how pole attachment fees received for these poles are shared between Hydro One and Bell (or the third party);

Carriers-04

Reciprocal full poles = 24,605

Reciprocal service poles = 2,461

In your response to Interrogatory Carriers #1(a), you make reference to Attachment 1 for a list of all Wireline Attachers in the communications space that have an executed *Agreement for Licensed Occupancy of Power Utility Distribution Poles*, and pay the OEB-approved Pole Attachment Fee of \$22.35.

Attachment 1 lists the following Wireline Attachers as having Reciprocal Telecommunications Agreements:

- Bell Canada
- Lansdowne Rural Telephone Company
- Northern Tel
- Thunder Bay Telephone

- (a) In the Technical Conference, you stated that, with the exception of the Bell MEU attachments, Bell does not pay the OEB-approved Pole Attachment Fee of \$22.35. Please reconcile this assertion with the fact that you included Bell in Attachment 1 setting out the parties with reciprocal agreements that do pay the OEB-approved Pole Attachment Fee.
- (b) Please describe in detail the nature of the relationship between Hydro One and each of Lansdowne Rural Telephone Company, Northern Tel and Thunder Bay Telephone set out in the Reciprocal Telecommunications Agreements.
- (i) What is the split of the Joint Use Poles each party is obligated to provide?
- (ii) What does each party pay the other for the use of or access to each other's Joint Use Poles?

Carriers-05

Ref: VECC #1(b), (c), (d)

- (a) Throughout this proceeding, Hydro One has provided several numbers representing the number of poles in its inventory, including the total number of poles, Joint Use Poles, etc. Please explain how these numbers have been calculated, assessed or otherwise determined. Does Hydro One ever do an audit to confirm these numbers and reconcile any discrepancies?
- (b) What is the total number of third party Wireline Attachments on Hydro One's distribution poles that pay a different rate other than the Pole Attachment Fee?
 - (a) Please identify the third parties that pay a different rate other than the Pole Attachment Fee and the nature of their attachments.
 - (b) You indicate that the proposed rate in your application uses the ratio adopted in the OEB Decision and Order RP-2003-0249. On what basis did you choose to use the ratio of 2.5 Wireline Attachments per pole?

Carriers-06

Ref: VECC #5(b), (c), (e), (h)

- (a) Please reconcile your response to VECC #5(b) that there are no third party Wireline Attachers in the communications space that do not pay for an attachment to Hydro One poles with the statement that there are 576,068 poles that contain "Joint Use" but only 319,055 of the total number of Wireline Attachments pay the OEB-approved rate?
- (b) Do all of the Wireline Attachments governed by an executed non-reciprocal agreement pay \$16.76?

Carriers-07

Ref: Carriers Interrogatory #1

- (a) Please provide a complete list of the names of the Wireline Attachers that currently have Wireline Attachments on one or more Joint Use Poles, regardless of whether they pay the OEB approved Pole Attachment Fee of \$22.35. If the Wireline Attacher does not pay the OEB approved Pole Attachment Fee, indicate what Pole Attachment Fee or other compensation, if any, it pays to Hydro One for its Wireline Attachments.

Carriers-08

Ref: Carriers Interrogatory #2(b), (c), (d), (f)

- (a) What compensation or other consideration does Bell provide Hydro One for its Wireline Attachments?
- (b) Will the proposed Pole Attachment Fee apply to Bell and its Wireline Attachments? If not, what fee will apply?
- (c) Please explain how the 60/40 split between Hydro One and Bell will still be valid if the Pole Attachment Fee is increased to at least \$37 if not more. If, in Hydro One's view, the current Pole Attachment Rate of \$22.35 is no longer sufficient for Hydro One to recover its costs and such rate should be increased, shouldn't Bell's contribution to such costs (via the capital contribution of a certain number of Joint Use Poles to the shared pool) also be increased? If not, then why not?
- (d) Please provide the rates and amounts received by Hydro One for any services to Bell for work done on Bell poles (e.g., vegetation management, pole replacement, pole straightening, lines down, etc.).
- (e) Please provide the rates and amounts received by Bell, from Hydro One, for work performed by Bell on Joint Use Poles.

Carriers-09

Ref: Carriers Interrogatories 3(b) and 4(c)

- (a) Please confirm that, to date and since providing answers to the Carriers' first set of interrogatories, Hydro One has not conducted any studies or surveys to calculate the average number of Wireline Attachers per Joint Use Pole.

Carriers-10

Ref: Carriers Interrogatory 6(e)

- (a) Please complete the table below with respect to Joint Use Poles replaced as part of a proactive replacement program, based on Hydro One's collection of the relevant date which has commenced:

	2012	2013	2014	2015
Number of poles replaced				
Percentage of poles replaced				
Percentage of poles replaced that are beyond their expected life				

Carriers-11

Ref: Carriers Interrogatory 8(c)

- (a) Please provide the sources and supporting data for the values used to populate the table.

Ref: Carriers Interrogatory 8(f)

- (b) Please provide all amounts paid to Hydro One by third parties for tree trimming or vegetation management for each year from 2010 to 2015.

Ref: Carriers Interrogatory 8(g)

- (c) For each year from 2010 to 2015, provide all amounts paid to Hydro One by third parties for any activities included in *Maintenance (L&F)* costs (excluding tree trimming or vegetation management).