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Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2003-0249

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

AND IN THE MATTER OF an Application pursuant to section 74 of the *Ontario Energy Board Act, 1998* by the Canadian Cable Television Association for an Order or Orders to amend the licenses of electricity distributors

BEFORE: Gordon E. Kaiser
Vice Chair and Presiding Member

Paul Sommerville
Member

Cynthia Chaplin
Member

DECISION AND ORDER

The Applicant, Canadian Cable Television Association ("CCTA") seeks access to the power poles of the regulated electricity distribution utilities in Ontario for the purpose of supporting cable television transmission lines. Specifically, the CCTA is seeking an Order under section 74(1) of the *Ontario Energy Board Act* which would amend the licences of these utilities in a fashion that would specify the uniform terms of access including a province-wide uniform rate or pole charge for such access.

In the past, the CCTA members have rented space on the utilities' poles under private contract. That contract came to an end in 1996. Since then, the parties have been unable to reach further agreement with respect to rates.

Should there be a province-wide rate?

The cable companies argued for a standard province-wide rate. There is precedent for this in terms of the CRTC decision as well as the Nova Scotia and Manitoba decisions. A province-wide rate has the advantage that it is simple to administer. This is certainly one of the goals the Board hopes to achieve in this decision. Moreover, the cost data at the individual LDC level is incomplete. Calculating these costs for ninety different utilities will be a challenge for all concerned.

This is not to say there should not be relief available for electricity distributors who feel the province-wide rate is not appropriate to their circumstances. Any LDC that believes that the province-wide rate is not appropriate can bring an application to have the rates modified based on its own costing. Absent any application, the province-wide rate will apply as a condition of licence, as of the date of the Order.

What costs should be used to calculate the rate?

The annual pole rental charge of $15.65 proposed by the CCTA is a function of both the direct and the indirect cost as set out in Appendix 1. The direct costs consist of the administration cost and the loss of productivity. The total direct cost estimate of $2.61 is based on the CRTC decision.

The EDA claims that there is no reason why the Board should use a $1.92 estimate of loss of productivity as advanced by the CCTA. The EDA points to different data from five different LDCs which range from $0.67 per pole in the case of Hydro One Networks to $5 per pole in the case of Guelph Hydro. References are also made to the evidence of Manitoba Hydro filed by the CEA which calculated a loss of productivity of $6.39 per joint use pole.

There is no question that there is a wide variation in these costs and estimates. The EDA recommends that if this Board determines that it should use the CCTA model to arrive at a uniform annual pole charge, the Board should use the highest Ontario data available to set that uniform rate. That rate would be $32.81 using the Toronto Hydro data and the productivity loss estimate for Guelph Hydro. The Board disagrees and concludes that province-wide representative cost data are more meaningful in the circumstances. For the purposes of calculating the rate in this proceeding, the Board has adopted the direct costs set out in the CCTA application and reproduced in Appendix 1.

EB-2015-0004

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 an application by Hydro Ottawa Limited ("**Hydro Ottawa**") for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2016 through to December 31, 2020.

Evidence of Allstream Inc. ("Allstream")

August 21, 2015

Appendix A

Entity	Regulated Rate	Net Embedded Cost/Pole	Regulatory Decision
Bell Canada	12.48	231.44	CRTC 2010-900
Bell Aliant	18.53	224.92	CRTC 2010-900
Telebec	16.05	174.31	CRTC 2010-900
TELUS	17.24	203.35	CRTC 2010-900
TELUS Quebec	9.58	157.59	CRTC 2010-900
MTS	16.49	161.20	CRTC 2010-900
OEB Provincial Rate	22.35	478	RP-2003-0249
Alberta	18.35	51.00	EUB 2000-86
Nova Scotia Power Inc.	14.15	342.00	2002 NSUARB 1
New Brunswick	18.00 (subject to increase)[2]	N/A	June 19, 2006 NB PUB Decision
Toronto Hydro	42.00	N/A	EB-2014-0116, Decision and Order July 23, 2015

[2] Note that the New Brunswick rates are currently being considered by the regulator in that province. However, even the proposed rate and net embedded costs are considerably lower than Hydro Ottawa's.

ONTARIO ENERGY BOARD

FILE NO.: EB-2015-0004 Hydro Ottawa Limited

VOLUME: Technical Conference

DATE: August 25, 2015

coordinating committee?

MR. RICHARD: No, I'm not.

MR. CASS: So Rogers is not part of the utility?

MR. RICHARD: I am not myself.

MR. CASS: No, no. I mean the carriers. Like, is Rogers part of the Ottawa Utility Coordinating Committee? TELUS? Quebecor? Allstream?

MR. MacDONALD: I believe Allstream is part of that committee, and it's represented.

MR. RICHARD: Yes, Rogers is.

MR. CASS: Okay. Thank you. And do each of the carriers participate fully in the regular meetings and take advantage of the opportunity for information sharing through that committee?

MR. RICHARD: Yes, I believe they do. Yes.

MR. CASS: Thank you.

Now, in respect of the attachments that Rogers pays Hydro Ottawa for the ability to access on Hydro Ottawa's poles, does Rogers then, in turn, charge other companies for the opportunity to take advantage of that by overlashing?

MR. RICHARD: I believe there is costs that are passed on for a third party to Rogers strand.

MR. CASS: Okay. And what does Rogers charge to others for the opportunity to overlash?

MS. MILTON: Can you explain to me how that's relevant, Mr. Cass?

MR. CASS: Absolutely. Again, I understand the

Ontario

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Commission de l'énergie de l'Ontario

ISSUES LIST DECISION

EB-2015-0004

HYDRO OTTAWA LIMITED

August 21, 2015

v. impact on distribution rates;
vi. trade-offs with capital spending;
vii. government-mandated obligations; and
viii. the applicant's objectives?

3.7 Is the compensation strategy for 2016 – 2020 appropriate and does it result in reasonable compensation costs?

3.8 Are the proposed other operating revenues for 2016 – 2020 appropriate?

3.9 Is the customer and load forecast a reasonable reflection of the energy and demand requirements of the applicant for 2016 – 2020?

4.0 LOAD FORECAST, COST ALLOCATION AND RATE DESIGN

4.1 Is the load forecast, including the application of DSM savings and setting of the savings references for the LRAMVA appropriate?

4.2 Are the proposed billing determinants appropriate?

4.3 Are the inputs to the cost allocation model appropriate?

4.4 Are the costs appropriately allocated?

4.5 Are the revenue-to-cost ratios for all rate classes over the 2016 – 2020 period appropriate?

4.6 Are Hydro Ottawa's proposed charges for street lighting appropriate?

4.7 Are the proposed fixed and variable charges for all rate classes over the 2016 – 2020 period appropriate?

4.8 Are the proposed LV Rates appropriate?

4.9 Are the proposed Retail Transmission Service Rates appropriate?

4.10 Are the proposed specific service charges for miscellaneous services, excluding Access to Power Poles, over the 2016 – 2020 period reasonable?

4. 11 Are the costs underpinning the proposed new charges for the specific charge for Access to the Power Poles appropriate and is the rate design appropriate?

4.12 Are the costs underpinning the proposed new MicroFIT and Micro-Net-Metering appropriate and is the rate design appropriate?

4.13 Are the proposed line losses over the 2016 – 2020 period appropriate?