Response to Allstream Interrogatory Question #1

Reference: **Exhibit H, Tab 7, Schedule 1**, Page Specific Charges – Proposed New Charge: Pole Attachments; Decision and Order RP 2003-0249

Question #1:

Preamble: Refer to Appendix 1 of Decision and Order RP 2003-0249, in which the current province-wide pole attachment rate is calculated.

a. Confirm that the value of 3.96 in line "Total Admin per Pole with attachments per year" has not been divided by the number of attachers.

b. Confirm that the value of 8.70 in line "Total LIP per Pole with attachments per year" has not been divided by the number of attachers.

c. Please provide a revised version of the above reference chart calculating Hydro Ottawa's proposed new pole attachment rate, this time dividing the direct costs portion of the rate by the number of attachers.

Response:

a. The total value of $3.96 in line "Total Admin per Pole with attachments per year" has not been divided by the number of attachers.

b. The total value of $8.70 in line "Total LIP per Pole with attachments per year" has not been divided by the number of attachers.

c. OEB rate methodology does not divide Total Admin per Pole by the number of attachers. OEB rate methodology does divide Total LIP per Pole by the number of attachers; however, HOL has not factored it into its direct cost calculation.

Response to Allstream Interrogatory Question #2

Reference: **Exhibit H, Tab 7, Schedule 1**, Page Specific Charges – Proposed New Charge: Pole Attachments

Question #2:

a. Provide all inputs and assumptions used to calculate net embedded cost per pole.

b. Provide the assumed asset life of poles used in the calculation of net embedded costs (if not already addressed in the response to a)).

c. Confirm that the net-embedded cost is based on a "bare pole" basis. If not, please file revised net embedded cost with all power-specific components of the pole removed.

Response:

a. Please see Interrogatory Response to Interrogatory Carriers #6.

b. Please see Interrogatory Response to Interrogatory Allstream #2 a).

c. The net embedded cost is not based on a "bare pole" basis, but rather, includes the cost associated with USofA account 1830 - Poles, Towers & Fixtures.

Response to Allstream Interrogatory Question #3

Reference:

Exhibit H, Tab 7, Schedule 1, Page Specific Charges – Proposed New Charge: Pole Attachments. And Exhibit B Tab 1 Schedule 2, Page 90-94.

Question #3:

Premable: Table 2.2.6 of the Application (Exhibit B Tab 1 Schedule 2 page 90) lists pole replacement as being "proactive" rather than "reactive".

a. Provide the estimated number of poles Hydro Ottawa expects to replace each year from 2015 through 2020.

b. Provide the expected average age per pole over the next 20 years in 5 year increments. Set out all assumptions used in arriving at the estimate.

c. Hydro Ottawa states that "The condition of poles is evaluated against a health index developed by HOL…. poles should be replaced once they fall below 60% of the required strength". In figure 2.2.14, Hydro Ottawa categorizes its poles according to pole condition: good, fair, poor and critical. Are the pole conditions determined based on the health index? If so, what percentage of strength corresponds with each category of pole condition?

Response:

a. See Interrogatory Response to Interrogatory Carriers #9f).

b. The expected average pole age for 2015 is based on known or estimated pole age information for Hydro Ottawa Limited poles as of July 2015. It is assumed that the same number of poles, as is referenced in Interrogatory Response to Allstream #3, part a, is replaced for every five year increment and that the oldest poles are replaced first. Table 1 summarizes the expected average age, per pole, over the next 20 years, in 5 year increments.

Table 1: Expected Average Pole Age between 2015 and 2035

Expected Average Pole Age	Year
35	2015
36	2020
38	2025
39	2030
41	2035

c. Pole condition is determined based on health index as described in Attachment B-1(B) – Annual Planning Report – 2014 Asset Management Plan section 6.1. Table 2, below, shows the corresponding strength by pole condition.

Table 2: Pole Condition and Remaining Strength

Pole Condition	Remaining Strength
Critical	Less than 25%
Poor	25 – 60%
Fair	60-75%
Sound	75-100%

Response to Allstream Interrogatory Question #4

Reference: Exhibit H, Tab 7, Schedule 1, Page Specific Charges – Proposed New Charge: Pole Attachments; Decision and Order RP 2003-0249.

Question #4:

a. In assessing reasonableness of pole replacement costs, does Hydro Ottawa use benchmarks from other utilities? If not, why not?

b. Provide Hydro Ottawa's understanding of why its net embedded cost per pole should be more than three times as high as the basis for the current province-wide rate.

Response:

a. Yes. HOL is within the norm for large urban areas with its pole replacements costs.

b. The current province wide rate was based on a small to mid-sized municipal local distribution company from 1995 where the net embedded cost per pole was lower than HOL's current cost.