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BY E-MAIL AND WEB POSTING

July 30, 2015

TO: All Rate-Regulated Electricity Distributors

Intervenors in Toronto Hydro-Electric System Limited ("THESL") Wireless Attachment Proceeding (EB-2013-0234)

Intervenors in the Canadian Distributed Antenna Systems Coalition ("CANDAS") Proceeding (EB-2011-0120)

RE: Wireless Attachment Consultation

Board File No. EB-2014-0365

The Ontario Energy Board (OEB) issued a <u>letter</u> on December 14, 2014 to initiate a consultation regarding a proposal to amend distributor licences to allow market rates to be charged for wireless pole attachments. This letter summarizes the comments received from stakeholders in response to the proposal, and outlines the next step in the consultation process.

Background

In its <u>Decision and Order</u> in proceeding EB-2013-0234, the OEB determined that Toronto Hydro-Electric System Limited (THESL) could charge market rates for all wireless pole attachments. Other distributors currently charge for wireline and wireless pole attachments \$22.35 per pole attachment per year, as set by the OEB in proceedings RP-2003-0049 (the Canadian Cable Television Association proceeding) and EB-2011-0120 (the Canadian Distributed Antenna Systems Coalition proceeding).

Following the THESL decision, the OEB initiated a consultation process (EB-2014-0365) to consider whether all rate-regulated distributors should have their licences amended to allow them to charge market rates for wireless pole attachments, under the same conditions as those already established by the OEB for THESL.

Comments from Stakeholders

The OEB invited stakeholders to provide comments, in writing, on the proposal. Comments were received from the Electricity Distributors Association, Hydro One Networks Inc., the Large Distributors¹, Oakville Hydro Electricity Distribution Inc., and the School Energy Coalition. These comments are available on the OEB's website.

The comments received generally support that electricity distributors should be able to charge market rates for wireless pole attachments. Some parties indicated that the OEB could consider whether there is merit in allowing distributors to retain a portion of the incremental net revenues as an incentive to pursue this potential stream of revenue offsets. The comments also focused on whether distributors should be allowed the flexibility to choose between implementing market rates for the wireless pole attachments and continuing with OEB-approved rates in areas with few, if any, competitors. Other comments were related to the methods for recording and reporting the activities associated with providing wireless attachment services.

Next Step

Stakeholders' comments have assisted the OEB in its consideration of the proposal to allow electricity distributors to charge market rates for wireless pole attachments. The OEB intends to initiate a proceeding on its own motion to amend rate-regulated distributor licences in the near future.

If you have questions regarding this consultation, please direct them to lndustryRelations@ontarioenergyboard.ca or 416-440-7604. The OEB's toll free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli Board Secretary

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¹ Comprised of the following electricity distributors: Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro Ottawa Limited, PowerStream Inc., and Veridian Connections Inc.