

1 **Wirebury Connections Inc. INTERROGATORY #2**

2
3 **Interrogatory**

4
5 Networks concludes that under certain circumstances it would be more economic for an
6 alternative distributor to connect customers.

7
8 Reference: p. 3 L1-7

9
10 Could the same conclusion be reached for connections within the service area of the
11 incumbent distributor as well as on the border between two distributors? If not, please
12 explain why embedded distribution could not be used to provide similar economic
13 benefits within an incumbent's territory.

14
15
16 **Response**

17
18 No. The circumstances are different because the applicant distributor referenced by
19 Networks would be building out from its own neighbouring service territory at a lower
20 incremental cost of connection for a customer and would not result in the under-
21 utilization or even stranding of assets. A similar result could not occur with a new
22 distributor fully embedded in the incumbent distributor's service territory because both
23 the incumbent and the applicant new embedded distributor would have to construct
24 distribution facilities from the same point.

25