

Wirebury Connections Inc. INTERROGATORY #24

Interrogatory

Networks' evidence is that the legislation does not "guide" the Board to consider customer preference as a factor when determining whether to grant a license amendment. This position appears contrary to the recent decision on jurisdiction, where the Board found that it had broad authority to approve amendments with respect to the public interest. Networks' position on the importance of customer preference also seems to contradict the policy directive from the government to give primacy to protecting consumers (Bill 100).

Reference: Appendix A, p.2, L13-18

- a) Is it Networks' opinion that customer value and customer choice would not be public interest factors that the Board should consider when assessing a license amendment? If so, please explain why.
- b) In light of the government's intent for the Board to give primacy to protecting the interests of consumers, what priority would Networks recommend that the Board give to customer preference?
- c) Why would customer choice not be the deciding factor when dealing with embedded distribution connections that do not have an adverse impact on any other customers?

Response

- a) See Networks' Exhibit J8-12-04. If it is correct in presuming Wirebury is speaking of the Bill 100 in 2000 (three others have come since), Networks would like to point out that the Minister, on first reading of the Bill, June 20, 2000, made an important statements relevant to this interrogatory. The Minister stated that,

"Electricity customers have no choice but to use municipal utilities' wires. They are a monopoly, and operating a monopoly is a privilege."

In debate on the Bill on September 27, 2000, the Minister restated his view, arguing:

"Remember, they're [LDCs] given a monopoly business. This has nothing to do with the competitive side of the generation business of this province."

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On October 2, 2000, the Minister also elaborated his view in greater detail, suggesting that,

“The distribution business in this province is a monopoly. They are wires. Just like Bell has telephone wires that are a monopoly, the federal government and the CRTC make sure that AT&T, Sprint and other companies can put their phone calls on those wires. But those wires are a monopoly, and the rates of return are controlled by a public interest body, in this case called the Ontario Energy Board. For the first time, by the way, consumers will be protected in the distribution wires business in this province.”

See Attachment for the full Hansard text of the Minister’s comments.

- b) See response to (a) above and Networks’ pre-filed evidence at p. 1, lines 17 to 21 and Section 2.
- c) The interrogatory is speculative because it is not proven that embedded distribution connections do not have a detrimental impact.

Attachment: Excerpts from Ontario Hansard, June 20, 2000, September 27, 2002, and October 2, 2002