

VECC INTERROGATORY #1

INTERROGATORY

Reference: Evidence of Wirebury Connections Inc., paragraphs 9, 52 and 58

Preamble: “Maintaining exclusive distribution rights in *unserved* (emphasis added) does not appear to be in the public interest”

“The best way to accommodate customer choice for new and *existing* (emphasis added) customers is to allow overlapping service areas”

“Customer benefits can be improved significantly by allowing unrestricted competition in the unserved portions of the existing service area”

a) Please clarify Wirebury’s position as to whether the OEB should permit overlapping service areas for existing customers.

RESPONSE

As discussed in Wirebury’s reply to Board Staff at Ex. J12, T10, S1, overlapping service areas will reduce the administrative and regulatory work currently associated with service area amendments. The more important factor with respect to economic efficiency is the added customer benefits that are possible through competition for distribution services.

Allowing competition for existing customers by overlap or by other means would generally not be economically efficient if the applicant distributor must build duplicate assets and the existing assets of the incumbent are stranded.

Where overlap is the most efficient and expeditious way to proceed, Wirebury would support the use of this licensing mechanism even in cases where the overlapped area included existing customers.

With respect to the benefits of allowing overlap and competition for existing customers, please refer to Wirebury’s response to Board Staff at Ex. J12, T10, S1 and the expert report attached to LDC Coalition interrogatory, Ex. J12, T15, S7.

