

VERIDIAN CONNECTIONS INTERROGATORY #10

INTERROGATORY

In paragraph 51 Wirebury states: "This is only the case if assets are stranded and existing customers are not allowed to switch when a better service offering is made available". This implies that existing distribution customers ought to be permitted to switch distributors:

- (a) What mechanism does Wirebury propose for this?
- (b) If the majority of the customers on a given distribution feeder subscribed with an alternate distributor, would all customers on the network be obligated to transfer to the new distributor?
- (c) How would the new distributor compensate the incumbent distributor for its distribution infrastructure?

RESPONSE

- (a) Wirebury's position is that existing customers will not be harmed by competition and in fact, could benefit. However, if existing customers are prevented from changing distributors and are required to pay the stranded asset costs associated with other customers switching, they could be worse off.
- (b) Wirebury believes that customer choice should normally prevail and that customers should not be forced to switch distributors.
- (c) The switching customers would be required to compensate the incumbent distributor for any stranding, as described in Wirebury's response to Board Staff at Ex. J12, T10, S7.

