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OEB updates province-wide wireline pole attachment charge

The Ontario Energy Board (OEB) has set an updated province-wide charge of \$43.63 per pole/per attacher/per year for wireline pole attachments. The charge applies to all electricity distribution utilities that do not have an OEB-approved utility-specific pole attachment charge, and therefore affects about 10% of the province's electricity distribution poles.

Electricity ratepayers pay for the installation and upkeep of electricity poles through the delivery charge on their bill. Pole attachment charges ensure that carriers attaching to poles pay an appropriate share of the cost of buying, installing and maintaining poles. Without pole attachment charges, ratepayers of electricity utilities would be subsidizing telecom carriers.

Utility-specific pole attachment charges have been approved by the OEB for Hydro One (\$41.28), Toronto Hydro (\$42), Hydro Ottawa (\$53.00) and InnPower (\$38.82), which together own about 90% of the distribution poles in Ontario.

The pole attachment rate was last set by the OEB in 2005 at \$22.35 per pole, and was based on capital cost data from the 1990s.

The OEB calculated the updated pole attachment charge using more current cost data. Based on the results of its review, including comments received on the draft report, the OEB has concluded that an increase in the pole attachment charge to \$43.63 is reasonable given the rate freeze benefit that carriers have received over the last 13 years, despite an escalation in electricity distribution costs. The \$43.63 pole attachment charge is lower than the \$52 charge proposed in the draft report.

Attachments to electricity poles can be telecommunication and cable equipment. As a condition of their licence, electricity distributors are required to provide access to their hydro poles for telecommunications and cable carriers. This reduces duplication of infrastructure and decreases overall costs.

The final Report issued today by the OEB is the culmination of a two-year review. The OEB retained an expert consultant and convened a working group comprising electricity distributors, electricity ratepayer groups, and carriers. It also asked interested parties to comment on a draft report, and received 33 letters of comment.

In light of concerns raised by smaller rural carriers in particular, in terms of the impact of an increased charge on them and their plans to expand network coverage, the OEB has also concluded that it is appropriate to phase in the updated charge. From September 1, 2018 to December 31, 2018, the pole attachment charge will be \$28.09, which represents the escalation of the 2005 charge by inflation. The \$43.63 charge will take effect on January 1, 2019.

[Read the OEB Report.](#)