Canadian Electricity Association | Association canadienne de l'électricité

Filed via My CRTC Account

Mr. Claude Doucet, Secretary General
Canadian Radio-television and Telecommunications Commission
Les Terrasses de la Chaudière
1 Promenade du Portage
Gatineau, Québec J8X 4B1

10 July 2020

RE: Response to intervenors regarding potential barriers to the deployment of broadband-capable networks in underserved areas in Canada, Telecom Notice of Consultation CRTC 2019-406

Dear Mr. Doucet,

1. The Canadian Electricity Association (CEA) would like the Commission to note that the electrical distribution industry has had a workable support structure contractual relationship with the telephone companies for more than one hundred years and a similar relationship with the cable TV companies for approximately fifty years. With the current Telecommunications Act and its supporting regulations and subsequent decisions, these pre-existing contractual relationships were not taken into consideration and the electrical industry was not directly consulted. At this point, our concern is that we are being portrayed as encouraging discriminatory practices and providing so called "special deals", which is in fact, the exact opposite from our operating practices of providing non-discriminatory access. We welcome an open and amicable dialogue with the Commission about support structures and ways to improve the many aspects of their use **so long as the primary purpose of electrical infrastructure is respected**. To read many interventions submitted in this consultation which calls into question the need for engineering review, 'excessive' make ready costs, and attachment fees while also calling for shot clocks and CRTC regulation of all support structures, one might be led to believe that the primary purpose of electrical infrastructure is to accommodate telecommunications equipment.

2. CEA members are enthusiastic partners with the proposed roll out of improved telecommunications services for Canadians, which includes 5G as well as rural and remote broadband, but our members first priority is safe and reliable service to their electrical customers and any action that would disrupt that core responsibility is unacceptable. Balancing the rollout of advanced telecommunications networks with safety and the essential nature of electrical service is a critical part of a successful go forward relationship and the electric utilities fully support establishing that balance. Rules and regulations surrounding the ILEC/CLEC relationship need to evolve to also support that balance and not just their own needs.

Response to Intervenors

3. Permitting delays are noted by CLECs and CEA responds that while some telecoms cite delays of over one year, CEA members endeavor to process telecom applications in a timely fashion. It should be understood that there are a number of factors including the size and complexity of the proposed telecommunications carriers' installations, existing age and condition demographics of the utility structures, as well as the coordination with third parties which impact electrical utilities' timeframes for processing such

applications. Also relating to delays, CEA believes that we were the only intervenor to note that worker safety, be it telecommunications or electrical utility, as well as public safety are critical considerations of the engineering review of new attachments. Performing the important due diligence of an engineering review, which can include working with municipalities, Occupational Health and Safety, government environment departments, government highways departments etc. are significant tasks and CEA members, because they are ultimately liable for their infrastructure cannot assume additional risk.

4. CEA puts forward that the significant delays seen by the CLECs, when dealing with electrical infrastructure are caused by both ILECs and CLECs delaying, or in some cases denying, their competitors access. We ask the Commission to consider the operational requirements and differences of the telecom industry and the electrical utilities when assessing the reason for access delays.

5. Related to delays, CEA could support the idea of 'shot clocks' raised by Xplornet and others but only as best practise guidelines for turn around times and only if they are **reciprocal and reasonable such that both electrical utilities and telecoms see direct operational benefits.** CEA in our original submission noted that one of several shot clocks for telecoms would include the timely removal, transfer, consolidation, or relocation of telecommunication equipment. It would also be necessary for each provincial/territorial electrical utility regulatory authority to approve such shot clocks. The notion of shot clocks to complete work can only be used as a guideline because the timeframes associated with completion of any work requirements will vary with circumstances, as noted above. The onus to complete work within fixed timeframes is good in theory but sometimes difficult to achieve in practice; therefore, any guidelines established must recognize this.

6. Several intervenors are of the opinion that make ready work is being used instead of a routine infrastructure maintenance and replacement programs. CEA and its members disagree that is a business practise used in the electrical industry. Because of strict safety and reliability measures that all provincially regulated utilities must follow, all CEA members have robust maintenance and asset replacement programs. Electrical make ready work is required to ensure that the regional utility standards are satisfied[1], when new telecom attachments would violate separation and clearance requirements, or even overload an otherwise adequate pole to ensure the safety of workers and the public. CEA notes this has been overlooked by all other intervenor submissions. We ask the Commission to note the difference between electrical make ready and telecommunication make ready. Because electrical make ready work is an integral part of ensuring worker safety and the electrical reliability of the grid, CEA agrees with First Mile Connectivity, BCBA and others who recommend that CRTC funding for rural broadband should include make ready work.

7. CEA also asks the Commission to note that while Hydro One is repeatedly referenced, it is only one company and a federal review of rural and remote broadband cannot focus on only one company in one province. There are success stories throughout Canada of electrical utilities working with telecoms and

[1] CEA's May 7th submission noted that the Canadian Standards Association which sets the standards on which all Canadian electrical utilities follow has representation from telecoms

municipalities to improve service in every province[2]. As such, CEA asks the **Commission to investigate the specific situations noted by the intervenors to ask whether the core problem is indeed caused by the electrical utilities or, as CEA and others to this consultation have noted, is created by regulated decisions that apply to the CLECs and ILECs.** These regulated decisions, within the highly competitive telecommunications industry, can create challenges and inequities. An example of this is where CLECs are not required to make their strands available for other ILECs or CLECs to attach to. It is the CEA's opinion that the CRTC mandate both that CLECs make their facilities available for use by others and ILECs should accept wireless attachments by others on their infrastructure to address these barriers.

8. Intervenors noted the difference between the CRTC regulated ILEC attachment rate and the OEB provincially regulated wireline attachment rate. In response, CEA would like to draw attention to some of the major differences between the CRTC and the OEB in their rate setting assumptions, methods, and data. The OEB approach prioritizes a safe and reliable electrical system, which is why CEA supports it.

    a. Equal versus proportional sharing methodology: the CRTC uses proportional sharing which provides a lower rate to the Attacher. It is CEA's understanding that the CRTC promotes new telecommunication carriers by allowing new entrants to access ILEC structures at a reduced rates since the ILECs have had the advantage of decades to get a good foot hold in the business.
    b. The average number of Attachers on a joint use pole - actual versus presumptive: The OEB uses actual and the CRTC use a higher presumptive value. Using a higher number of Attachers on a pole will lower the attachment rate.
    c. Net imbedded value of a pole: telecom-only poles tend to be shorter and not as strong as electrical poles which means less indirect cost component in the rate calculation.
    d. Required maintenance programs from the regulator(s) on safety and reliability: the electrical industry has higher regulatory maintenance requirements which increases the indirect cost component in the rate calculation.
    e. In Ontario, there is an electrical distribution safety regulation (O.Reg. 22/04) under the Electricity Act that requires good engineering practices, designer & worker competencies, minimum material standards, inspected installations, and routine audits with required action or consequences. This increases costs to the net imbedded value and maintenance of a pole.
    f. 1995 Milton Hydro values were used in 2005 OEB rate setting which stayed in place until 2015 with no annual inflation index applied.

9. CEA agrees with the Federation of Canadian Municipalities and Sasktel who note that it is difficult to build a business case for rural and remote broadband given low customer density and long/expensive transport. However, CEA does not support a reduced rural attachment rate as a solution. Attachment rates are designed for cost recovery and not having electrical customers subsidize telecommunications customers; a proposed rural rate would violate both.

10. CEA's position is that there are ways that business cases can be improved by telecom companies finding new ways to connect existing customers and acquiring new customers. Our May 7th submission highlighted three distinct ways to do so including: allowing critical infrastructure to become Private Virtual Network

[2] This group in Quebec is a good example of these success stories operating at the provincial level https://www.economie.gouv.qc.ca/ministere/salle-de-presse/communiques-de-presse/communique-de-presse/?no_cache=1&tx_ttnews%5Btt_news%5D=24633&cHash=c1283da46428dad24b5ec1894cf6c84d

Operators, providing new wireless towers to serve large areas centrally, and having industrial customers purchase Industrial Internet of Things (IIoT) services (also called machine to machine communications), once the federal government develops its IIoT strategy.

11. CEA concurs with Sasktel for noting that Canada's geographic diversity is important to consider and that a one size fits all approach for the telecom industry, including engineering standards, is not appropriate for Canada. As such CEA disagrees with Canadian Communication Systems Alliance and their call for a Canada wide standardization. CEA laid out the reasons for our disagreement in our May 7th submission.

12. Most all telecom intervenors call for the Commission to become the regulator of electrical support structures. CEA does not agree with the Commission becoming the regulator because the primary purpose of electrical assets is the safe, reliable and affordable delivery of electricity to our customers; moreover, **oversight by the Commission would not maintain or improve these electrical requirements.** The challenges for rural and remote broadband raised by the ILEC's and CLEC's will not be resolved by a change in regulator. The underlying issues result from the telecoms trying to put speed and cost of construction ahead of safety and established agreed to processes. Electric utilities cannot accept that approach. Currently established processes have evolved through negotiation and dialogue over many years with the carriers into a safe and efficient way to accommodate pole attachments. ILEC's and CLEC's should respect these agreed to processes.

13. While CEA does not agree with the recommendation that the CRTC become the electrical infrastructure regulator, CEA is supportive of exploring prudent solutions, be they legislative or regulatory that allow telecoms to address rural broadband challenges effectively. Related to this, CEA does not necessarily disagree with Cybera and others who state that the CRTC may be a potential entity to offer new services such as a GIS planning, mapping, permitting database of poles as a way for effective and timely collaboration. Key concerns including what data is shared, potential privacy/security concerns, costs for such measures and data quality etc. would need to be closely considered but it is an example of new ways the CRTC may be able to support rural and remote broadband.

Conclusion

14. CEA appreciates the opportunity to participate in this inclusive and consultative process. CEA members recognize that the current COVID-19 pandemic has identified the shortcomings of the existing rural broadband networks and the importance of having a robust network. We also recognize that our industry will play an integral part in this rollout and look forward to collaborating with the Commission and our telecommunication partners with a view to assisting the expansion of broadband networks into underserved regions of Canada, and thereby, better serving both telecommunications and electricity customers in a fair and equitable manner.

Canadian Electricity Association | Association canadienne de l'électricité

Sincerely,

Jeff Pinkowski C.E.T.
Joint Use Administrator, Manitoba Hydro
Chair, CEA Joint Use Practice and Policy Committee

Justin Crewson
Director, Transmission and Distribution Policy, CEA

End of document