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September 15, 2005

Mr. Allan MacGillivray
Executive Director
Telecommunications Policy Review Panel Secretariat
280 Albert Street, Room 1031
Ottawa ON, K1A 0C8

Dear Mr. MacGillivray:

Re: BC Hydro Submission to the Telecommunications Policy Review Panel

British Columbia Hydro and Power Authority ("BC Hydro") welcomes the opportunity to provide its comments to the Telecommunications Policy Review Panel regarding the first round of submissions made to the Panel.

As a member of the Canadian Electricity Association ("CEA"), BC Hydro supports the CEA's first and second round submissions to the Panel in their entirety. Furthermore, with respect to issues B.14, and B.16, BC Hydro submits that it is in the best interests of the security, safety and reliability of the Canadian electricity system that issues relating to access by telecommunications and cable companies to electricity support structures continue to be resolved by negotiation between parties and subject to regulation by provincial bodies where negotiation is unsuccessful.

About BC Hydro

BC Hydro is a Crown corporation of the Province of British Columbia. As one of the largest electric utilities in Canada, BC Hydro serves more than 1.6 million customers in an area containing over 94 per cent of British Columbia's population. Between 43,000 and 54,000 gigawatt hours of electricity are generated annually, depending upon prevailing water levels, with approximately 90 per cent produced by hydroelectric generating stations. Electricity is delivered to BC Hydro ratepayers through an interconnected network of 18,286 kilometres of transmission lines and 55,254 kilometres of distribution lines.

Joint Use & Secondary Use of BC Hydro Electricity Support Structures

BC Hydro and TELUS share ownership of approximately 700,000 distribution poles pursuant to a Joint Use Agreement that has been in effect for over 35 years. Under this Agreement, BC Hydro and TELUS agree to share ownership of wood poles to carry overhead power distribution and telecommunications plant. As a result, the parties have built a long relationship and have been able to resolve issues without the involvement of regulatory bodies.

In addition to the joint use poles, BC Hydro has entered into transmission and distribution attachment agreements with a number of telecommunications and cable companies. Before entering into any attachment agreement, BC Hydro ensures that the proposed attachment will have no impact on the safety or reliability of the electrical system. For example, BC Hydro has

standard conditions for access of telecommunication cables to transmission support structures that are designed to direct safe access to the transmission system. These standard conditions are essential as any failure to maintain the safety, reliability and security of transmission support structures will have far-reaching and potentially devastating consequences for workers and the public.

Another factor BC Hydro must consider before entering into an attachment agreement is that rates charged for access to electricity support structures must be cost based and not unfairly subsidise telecommunication and cable companies at the expense of BC Hydro ratepayers or BC taxpayers. BC Hydro's electric service rates are regulated and set based on its costs plus a reasonable rate of return as approved by the British Columbia Utilities Commission ("BCUC"). If BC Hydro under-recovers for access costs; those excess costs are passed along to BC Hydro ratepayers through higher rates or to BC taxpayers through a lower dividend payment to BC Hydro's shareholder, the BC Government. BC Hydro submits that our ratepayers or taxpayers should not be required to subsidise private, competitive entities' access to support structures.

British Columbia Utilities Commission Resolution of Access Disputes

If a telecommunication or cable company objects to BC Hydro's determination of attachment rates or access, the company has recourse to the BCUC. The BCUC is an independent regulatory agency of the Government of British Columbia that operates under and administers the *Utilities Commission Act*. The *BC Utilities Commission Act* addresses the issue of access to electricity support structures, and provides that the BCUC may make an order directing BC Hydro to permit access and may prescribe conditions of and compensation for such access.

The BCUC has the expertise to evaluate safety and reliability concerns associated with attachments to electricity support structures. Failure to appropriately address such concerns in a proceeding concerning access issues could lead to power outages, or risk the safety of workers and the public. The BCUC also has extensive knowledge concerning BC Hydro's costs and rate structure and is therefore in a position to set an appropriate cost based rates for access that do not prejudice BC Hydro ratepayers or BC taxpayers.

It is worth noting, that the BCUC has not needed to consider an order for telecommunications or cable access to BC Hydro facilities, as BC Hydro has been able to successfully negotiate agreements with telecommunications and cable companies. With that success in mind and similar outcomes across the country, BC Hydro submits that none of the submissions to the Panel justify amending section 43 of the *Telecommunications Act*.

Summary

For all of these reasons and the reasons articulated in the CEA's first and second round submissions, BC Hydro submits that electricity support structures and facilities should not be subject to CRTC regulation.

Thank you for your consideration,

Sincerely,

Nicole Prior
Solicitor & Counsel