



## Telecom Order CRTC 2005-258

Ottawa, 12 July 2005

### TELUS Communications Inc.

Reference: Tariff Notice 180

#### Residence Features Bundle

1. The Commission received an application from TELUS Communications Inc. (TCI), dated 31 May 2005, to revise General Tariff (CRTC 21461), item 315 in order to introduce the Residence Features Bundle. The company indicated that its proposed Residence Features Bundle would be offered to residential customers who have TCI as both their Local Exchange Carrier (LEC) and Primary Interexchange Carrier (PIC) at the time of billing, and would provide them with local exchange service and a choice of up to six local features for a proposed monthly rate of \$39.95.
2. TCI provided additional information on its application in a letter dated 14 June 2005, submitted in response to Commission interrogatories dated 8 June 2005.
3. The Commission finds that the proposed Residence Features Bundle meets the definition of a tariffable bundle as set out in *Review of price floor safeguards for retail tariffed services and related issues*, Telecom Decision CRTC 2005-27, 29 April 2005 (Decision 2005-27). The Commission finds, however, that the imputation test as filed by TCI in support of its proposed Residence Features Bundle does not meet the imputation test requirements stipulated in Decision 2005-27.
4. In Decision 2005-27, the Commission determined that, when filing applications for approval of tariffable bundles, the incumbent local exchange carriers must demonstrate that the revenues from a bundle would equal or exceed the cost of all service elements which make up the bundle. The Commission is of the view that, under TCI's proposal, long distance service would be a service element of the proposed tariffable bundle. The Commission notes that TCI did not provide revenue or costing information for the long distance service element of the tariffable bundle.
5. The Commission notes, however, that in its reply to the Commission's interrogatories, TCI indicated that it is prepared to offer the proposed Residence Features Bundle without the PIC requirement in order to permit expeditious approval. The Commission considers that removal of the PIC requirement from the tariff would bring the proposed Residence Features Bundle into compliance with Decision 2005-27.
6. The Commission also notes that TCI proposed a condition of service that customers who select a reseller or sharing group for billing of their long distance services would not be eligible for the bundle. The Commission notes that TCI did not provide any rationale to justify the exclusion of these customers. The Commission is of the view that this condition of service unjustly discriminates against these customers, particularly given that TCI local exchange customers whose PIC carrier is not TCI would be eligible for the bundle. In the Commission's view, this condition should not be included in the proposed tariff.

7. The Commission **approves on an interim basis** TCI's application with the following amendments:
  - a) removal of the condition that customers must have TCI as its PIC; and
  - b) removal of the condition that customers who select a reseller or sharing group for billing of their long distance services are not eligible for the bundle.
8. The Commission directs TCI to file amended tariff pages within two business days of this Order. The revisions take effect one week from the date of this Order as requested by TCI.

Secretary General

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*