



## Telecom Order CRTC 2009-297

Ottawa, 21 May 2009

### **Bell Canada – Rate Schedules for Primary Exchange (Local) Service and Pay Telephone Basic Access Line Service**

File number: Tariff Notices 7189 and 7189A

#### **Introduction**

1. The Commission received an application by Bell Canada, dated 3 April 2009 and amended on 20 April 2009, in which the company proposed revisions to its General Tariff in order to modify item 70 – Rate Schedule for Primary Exchange (Local) Service.
2. Specifically, Bell Canada proposed increases to
  - i) where a rate range is in effect, both the maximum monthly rates in the rate ranges and to the current rate for individual business line (IBL) service;
  - ii) where a rate range is not in effect, the monthly rate for IBL service;
  - iii) the monthly rates for Message Rate business service; and
  - iv) the monthly rates for two-party and four-party business lines.
3. In addition, Bell Canada proposed an increase to the monthly rates for its Pay Telephone Basic Access Line (PAL) service in all rate bands, including those rate bands where the Commission has forborne from regulating IBL service.
4. Bell Canada requested that the proposed revisions take effect on 1 June 2009.
5. Bell Canada amended its original proposal regarding the rates for its PAL service in all rate bands where the Commission has forborne from regulating IBL service. The company indicated that on 1 June 2008 it had increased its PAL service rate from \$33.22 to \$35.48 in such rate bands.<sup>1</sup> In order to align its prices with the approach adopted by the Commission in Telecom Order 2008-242, Bell Canada proposed to revert back to the \$33.22 rate for the PAL service in these rate bands effective 1 June 2009.
6. The company further proposed to credit affected customers and requested that the Commission ratify the charging of rates other than in accordance with an approved tariff, for the period of 1 June 2008 until approval of the present application. The company submitted that such ratification was necessary given that the net effect of the company's proposal would be the uninterrupted charging of the rate that was in effect prior to 1 June 2008, even while the company had an approved tariff reflecting a higher rate.

<sup>1</sup> Those rate bands are A1, A2, B3, C2b, F1, and F5.

## Commission's analysis and determinations

7. In Order 2000-858, the Commission set final rates for the PAL service of the major incumbent telephone companies at 75 percent of the tariffed rates for IBL service.
8. In Telecom Order 2008-242, the Commission considered that the PAL service rates in rate bands where the Commission had forborne from the regulation of IBL service would be set at 75 percent of the business rates that were in place just prior to forbearance.
9. The Commission considers that Bell Canada's application with respect to its proposed PAL service rates complies with the Commission's determinations in Telecom Order 2008-242. The Commission further considers that the other proposed rate changes comply with the basket and rate element level constraints established in Telecom Decision 2007-27.
10. Accordingly, the Commission **approves on an interim basis** Bell Canada's proposed rate changes, effective 1 June 2009. The Commission also approves Bell Canada's proposal to credit its PAL customers. In its final disposition of the application, the Commission will address Bell Canada's other requests.

Secretary General

## Related documents

- *Bell Aliant Regional Communications, Limited Partnership, Bell Canada, and TELUS Communications Company - Local exchange service and payphone access line service*, Telecom Order CRTC 2008-242, 29 August 2008
- *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007
- *CRTC sets final rates for payphone access lines*, Order CRTC 2000-858, 15 September 2000

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