



Telecom Order CRTC 2017-242

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Ottawa, 10 July 2017

File number: Tariff Notice 508

Bell Aliant Regional Communications, Limited Partnership – Local channel rates

Application

1. The Commission received an application from Bell Aliant Regional Communications, Limited Partnership (Bell Aliant), dated 15 May 2017, in which the company proposed revisions to the following items from its General Tariff:
 - Item 514.1 – Local Private Line Circuits
 - Item 514.3 – Inter-exchange Voice Grade Data, Alarm and Signal Channels
 - Item 514.4 – Inter-provincial Voice Grade Data, Alarm and Signal Channels
2. Specifically, Bell Aliant proposed changes to correct certain administrative errors in the rates for local channels offered under each service. The company also requested that the Commission ratify the charging of these rates because it had provided the services without an approved tariff in error.
3. In addition, Bell Aliant proposed increases to these rates to take effect on 1 June 2017, as permitted under the price cap regime.
4. The company provided details of the requested corrections and changes, including references to previous tariff notices (TNs) and price cap models. These details are set out in the Appendix to this order.
5. The Commission approved Bell Aliant's proposed rates on an interim basis in Telecom Order 2017-180, effective 1 June 2017.
6. The Commission did not receive any interventions in response to Bell Aliant's application. The public record of this proceeding, which closed on 15 June 2017, is available on the Commission's website at www.crtc.gc.ca or by using the file number provided above.

Issues

7. The Commission has identified the following issues to be addressed in this order:
 - Should the Commission approve Bell Aliant's proposed rates on a final basis?
 - Should the Commission approve Bell Aliant's ratification request?

Should the Commission approve Bell Aliant's proposed rates on a final basis?

8. Bell Aliant stated that due to an administrative oversight, some local channel rates had not been updated in its tariff pages over several years, although they were correctly reflected in its price cap models and implemented in its billing systems. Bell Aliant explained that when the billing codes were updated as part of the company's annual price cap filings, all of the rate elements were billed at the newly calculated rates; however, in mapping the billing codes to the tariff, certain linkages were missed, and the tariff pages were not updated for some rate elements. Bell Aliant submitted that these errors were not immediately apparent at the time, and were recently discovered during an internal review of the above-noted tariff items. The company therefore proposed to reflect the rates that it had missed changing in previous tariff applications.
9. In addition, as part of its 2017 annual price cap increases, Bell Aliant proposed increases of approximately 4% to the rate elements in question.

Commission's analysis and determinations

10. The Commission has reviewed Bell Aliant's price cap models for 2012, 2013, 2014, and 2015, and confirms that the models reflect the increases that were not reflected in Bell Aliant's previous tariff applications.
11. The properly calculated rates meet the annual allowable increase constraint of 10% at the rate element level for the Other Capped Services basket, as required by Telecom Decision 2007-27. In addition, the proposed increases for 2017 to the properly calculated rates meet the constraint.
12. Further, customers have already been paying the rates that would have been reflected in the tariff had it been updated.
13. In light of all the above, the Commission **approves on a final basis** Bell Aliant's proposed rates, as set out in the Appendix to this order.

Should the Commission approve Bell Aliant's ratification request?

14. Bell Aliant requested that the Commission ratify the charging of the rates that were not set out in its tariff, since the tariff was not updated due to an error. The company submitted that customers were advised of the correct rates at the time of each increase.

Commission's analysis and determinations

15. Subsection 25(4) of the *Telecommunications Act* allows the Commission to ratify the charging of a rate by a Canadian carrier otherwise than in accordance with a tariff approved by the Commission if the Commission is satisfied that the rate was, for example, charged because of an error or other circumstance that warrants the ratification.

16. The Commission considers that Bell Aliant charged, and customers paid, the properly calculated rates that reflect the rate element increases set out in its Other Capped Services basket price cap models for 2012, 2013, 2014, and 2015. The Commission also considers that the company did not update its tariff due to an administrative error. Accordingly, the Commission **approves** Bell Aliant's request for ratification of the rates in question, effective on the dates set out in the Appendix to this order.

Secretary General

Related documents

- Telecom Order CRTC 2017-180, 31 May 2017
- *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007

Appendix to Telecom Order CRTC 2017-242

Bell Aliant's proposed corrected rates for previous years and proposed rates effective 1 June 2017

Item 514.1.2.A.: Local Private Line Circuits – Rates and Charges – New Brunswick [NB], Nova Scotia [NS] and Prince Edward Island [PE]

(1) Separate Property or Premises, 2-wire circuit minimum charge

Province	Rate shown in tariff, approved in TN 469	% increase shown in price cap model effective 1 June 2015	Rate charged effective 1 June 2015	% increase effective 1 June 2017	Proposed rate effective 1 June 2017
NS	\$30.86	9.998%	\$33.94	3.830%	\$35.24
PE	\$24.07	9.988%	\$26.47	3.853%	\$27.49

- The Commission ratifies the charging of the corrected rates from 1 June 2015 to 31 May 2017
- The Commission approves on a final basis the proposed rates effective 1 June 2017

(2) Same Property or Premises, 2-wire and 4-wire circuit minimum charge

Province/ Item	Rate shown in tariff, approved in TN 469	% increase shown in price cap model effective 1 June 2015	Rate charged effective 1 June 2015	% increase effective 1 June 2017	Proposed rate effective 1 June 2017
NB, 2- or 4-wire	\$20.09	9.955%	\$22.09	3.848%	\$22.94

- The Commission ratifies the charging of the corrected rates from 1 June 2015 to 31 May 2017
- The Commission approves on a final basis the proposed rates effective 1 June 2017

(2) Same Property or Premises, Minimum Mileage, same property, 2-wire and 4-wire

Province/ Item	Rate as shown, approved in TN 403	% increase shown in price cap model effective 1 June 2012	Rate charged effective 1 June 2012	% increase shown in price cap model effective 1 June 2013	Rate charged effective 1 June 2013	% increase shown in price cap model effective 1 June 2014	Rate charged effective 1 June 2014	% increase shown in price cap model effective 1 June 2015	Rate charged effective 1 June 2015
NS, 2-wire	\$9.92	9.980%	\$10.91	5.041%	\$11.46	7.679%	\$12.34	9.968%	\$13.57
PE, 2-wire	\$7.74	9.948%	\$8.51	5.053%	\$8.94	7.718%	\$9.63	9.969%	\$10.59
NS, 4-wire	\$19.84	9.980%	\$21.82	5.041%	\$22.91	7.679%	\$24.67	9.968%	\$27.13
PE, 4-wire	\$14.52	9.948%	\$15.97	5.053%	\$16.77	7.718%	\$18.06	9.969%	\$19.86

- The Commission ratifies the charging of the applicable corrected rates as follows:
 - from 1 June 2012 to 31 May 2013;
 - from 1 June 2013 to 31 May 2014;
 - from 1 June 2014 to 31 May 2015; and
 - from 1 June 2015 to 31 May 2017

Province/ Item	Rate charged effective 1 June 2015	% increase effective 1 June 2017	Proposed rate effective 1 June 2017
NS, 2-wire	\$13.57	3.832%	\$14.09
PE, 2-wire	\$10.59	3.777%	\$10.99
NS, 4-wire	\$27.13	3.870%	\$28.18
PE, 4-wire	\$19.86	3.877%	\$20.63

- The Commission approves on a final basis the proposed rates effective 1 June 2017

Item 514.3.2.A.: Inter-exchange Voice Grade Data, Alarm and Signal Channels – Rates and Charges

(1) Local loops

Province/Item	Rate as shown, approved in TNs 469 and 480	% increase shown in price cap model effective 1 June 2015	Rate charged effective 1 June 2015	% increase effective 1 June 2017	Proposed rate effective 1 June 2017
PE, 4-wire	\$18.70	10.000%	\$20.57	3.841%	\$21.36
Newfoundland and Labrador (NL), Single wire centre (WC), 2- or 4-wire	\$48.91	9.988%	\$53.80	3.848%	\$55.87
NL, Two or more WCs, 2- or 4-wire	\$97.83	9.997%	\$107.61	3.847%	\$111.75

- The Commission ratifies the charging of the corrected rates from 1 June 2015 to 31 May 2017
- The Commission approves on a final basis the proposed rates effective 1 June 2017

Item 514.4.2.A.: Inter-provincial Voice Grade Data, Alarm and Signal Channels – Rates and Charges

(1) Local loops

Province/Item	Rate as shown, approved in TN 452A	% increase shown in price cap model effective 1 June 2014	Rate charged effective 1 June 2014	% increase shown in price cap model effective 1 June 2015	Rate charged effective 1 June 2015	% increase effective 1 June 2017	Proposed rate effective 1 June 2017
NB, 2-wire	\$25.15	5.010%	\$26.41	9.996%	\$29.05	3.821%	\$30.16
NB, 4-wire	\$50.31	5.009%	\$52.83	9.994%	\$58.11	3.837%	\$60.34
NL, Single WC, 2- or 4-wire	\$45.41	7.708%	\$48.91	9.998%	\$53.80	3.848%	\$55.87

NL, Two or more WCs, 2- or 4-wire	\$90.84	7.695%	\$97.83	9.997%	\$107.61	3.847%	\$111.75
NS, 2-wire	\$28.64	4.993%	\$30.07	9.977%	\$33.07	3.840%	\$34.34
NS, 4-wire	\$57.30	5.009%	\$60.17	9.988%	\$66.18	3.838%	\$68.72
PE, 2- or 4-wire	\$17.81	4.997%	\$18.70	10.000%	\$20.57	3.840%	\$21.36

- The Commission ratifies the charging of the applicable corrected rates from 1 June 2014 to 31 May 2015, and from 1 June 2015 to 31 May 2017
- The Commission approves on a final basis the proposed rates effective 1 June 2017