



Telecom Order CRTC 2017-357

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Ottawa, 6 October 2017

File numbers: Tariff Notices 628 and 628A

TELUS Communications Company – Revision to Interexchange channel rental service

Application

1. The Commission received an application from TELUS Communications Company (TCC), dated 1 August 2017, in which the company proposed a revision to its Special Facilities Tariff section 5.12 – Interexchange channel rental service.¹ Specifically, TCC proposed to extend the end date of the tariff, which is set out in the terms of service, by three years beyond the original end date of 30 November 2016. This change would correspond to the period set out in the renewed contract associated with the tariff.
2. TCC filed an amendment to its application, dated 14 August 2017, in which it explained that the original contract had expired on 30 November 2016, and that finalizing the renewal agreement had required more time than expected. TCC provided a copy of the new contract, dated 1 December 2016, and requested ratification of the rate the company charged during the period from 1 December 2016 to the date of approval of its application, since there was no approved tariff in place as of 1 December 2016.
3. TCC submitted that it was not proposing any monthly rate changes or one-time charges. The company stated that there are no other potential customers for this service, and submitted that since the recurring monthly total paid by the customer is less than \$10,000 and there are no one-time charges, a price floor test is not required.
4. The Commission approved TCC's application on an interim basis in Telecom Order 2017-309, effective 29 August 2017.
5. The Commission did not receive any interventions regarding TCC's application. The public record of this proceeding, which closed on 8 September 2017, is available on the Commission's website at www.crtc.gc.ca or by using the file numbers provided above.

¹ Through this service, TCC provides DS-1 interexchange channels to link a Hydro-Québec substation in Montagnais, Quebec, to its customer's facilities in Churchill Falls, Newfoundland and Labrador.

Issues

6. The Commission has identified the following issues to be addressed in this order:

- Is the rate for the Interexchange channel rental service reasonable?
- Should the Commission approve TCC's ratification request?

Is the rate for the Interexchange channel rental service reasonable?

7. On 15 July 2013, the Commission approved on a final basis Tariff Notice 594, allowing TCC to introduce the Interexchange channel rental service. The tariff provided for the rental of two DS-1 interexchange channels over a three-year period at a monthly rate of \$6,400. The company also proposed a one-time charge of \$215,000 to cover the construction cost of the project.
8. In the present application, TCC did not propose any monthly rate changes. Further, since the customer has already paid the construction costs for the service, the Commission considers it appropriate that TCC has not proposed any one-time charges.
9. In Telecom Regulatory Policy 2009-80, the Commission exempted retail services with 10 or fewer customers and monthly revenues of less than \$10,000 from the requirement to provide a price floor test. Since TCC's monthly revenues from the service are less than \$10,000, a price floor test is not required.
10. Accordingly, the Commission finds the rate for the Interexchange channel rental service to be reasonable.

Should the Commission approve TCC's ratification request?

11. With regard to TCC's request for ratification, 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.
12. The Commission notes TCC's submission that finalizing the renewal agreement took longer than expected. The Commission also notes that the company has been charging the previously approved monthly rate for the service since 1 December 2016.
13. In the circumstances, the Commission considers that it would be appropriate to ratify TCC's charging of the monthly rate during the period in question.

Conclusion

14. In light of all the above, the Commission **approves on a final basis** TCC's application, and ratifies the charging of the rate for the Interexchange channel rental service for the period from 1 December 2016 to 28 August 2017.

Secretary General

Related documents

- Telecom Order CRTC 2017-309, 28 August 2017
- *Review of the price floor test and certain wholesale costing methodologies*, Telecom Regulatory Policy CRTC 2009-80, 19 February 2009