



Telecom Order CRTC 2014-355

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Ottawa, 8 July 2014

File number: Tariff Notice 294

Saskatchewan Telecommunications – Aggregated Asymmetric Digital Subscriber Line (ADSL) Services

Introduction

1. In Telecom Decision 2014-4, the Commission found that the current rates for the legacy wholesale high-speed access (HSA) services provided by Bell Aliant Regional Communications, Limited Partnership in Atlantic Canada, MTS Inc., and Saskatchewan Telecommunications (SaskTel) may no longer be just and reasonable, and should be reviewed. Accordingly, the Commission made those rates interim and directed these companies to file cost studies for these services.
2. The Commission received an application from SaskTel, dated 30 April 2014, in which the company filed cost studies, but no proposed rates, for item 650.32 – Aggregated Asymmetric Digital Subscriber Line (ADSL) Services of its Competitor Access Tariff.
3. The Commission received an intervention from Canadian Network Operators Consortium Inc. The public record of this proceeding, which closed on 10 June 2014, is available on the Commission's website at www.crtc.gc.ca or by using the file number provided above.
4. CNOC raised concerns, among other things, on the forecasted demand, the calculation of the Outside Plant costs, and the magnitude of the costs for Service Connection and Diagnostic Maintenance. Additionally, CNOC submitted that rates resulting from SaskTel's cost studies should be (a) approved on an interim basis pending further review and (b) made retroactive to 8 January 2014, i.e., the date the rates were made interim in Telecom Decision 2014-4. In reply, SaskTel opposed CNOC's request regarding interim rates and retroactivity, arguing that it is administratively complex to make multiple rounds of rate adjustments.

Commission's analysis and determinations

5. After reviewing the cost studies filed by SaskTel and CNOC's intervention, further analysis is necessary before the Commission can render a final decision on SaskTel's application. The Commission considers that due to the possibility of multiple billing adjustments, it is not practical to address CNOC's request to make rates retroactive to 8 January 2014 at this time. The Commission will determine whether to make the final rates retroactive in its final order.

6. SaskTel's cost studies have identified significant cost reductions which will benefit competitors. In the absence of SaskTel proposing service rates in its application, the Commission considers that it is appropriate that a markup of 30 percent be applied to SaskTel's proposed service costs. The Commission notes that this is consistent with the rate-setting policy for legacy wholesale HSA services.¹
7. In light of the above, the Commission **approves on an interim basis** the following legacy wholesale HSA service rates for item 650.32 of SaskTel's Competitor Access Tariff, effective the date of this order. SaskTel is to issue revised tariff pages² within **10 days** of the date of this order.
 - a) For the Aggregated High Speed Service Provider Interface (AHSSPI) service component
 - i. a non-contracted monthly rate of \$168.75 per interface, for up to 500 megabits per second, and
 - ii. a service charge of \$570.17 per interface.
 - b) For the Aggregated ADSL Access service component
 - i. a non-contracted monthly rate of \$11.27 per access,
 - ii. a service charge of \$202.25 per access, and
 - iii. a service charge of \$86.24 per VLAN³ Remapping.
 - c) For a Diagnostic Maintenance service component
 - i. a service charge of \$167.30 per diagnostic – the Administration Fee labour charges are to be removed.

Secretary General

Related documents

- *Review of rates for certain incumbent local exchange carriers' legacy wholesale high-speed access services*, Telecom Decision CRTC 2014-4, 8 January 2014
- *Billing practices for wholesale residential high-speed access services*, Telecom Regulatory Policy CRTC 2011-703, 15 November 2011, as amended by Telecom Regulatory Policy CRTC 2011-703-1, 22 December 2011

¹ In Telecom Regulatory Policy 2011-703, the Commission approved rates for legacy wholesale HSA services based on costs plus a 30 percent markup.

² Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

³ VLAN stands for virtual local area network.