



Telecom Order CRTC 2018-22

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Ottawa, 19 January 2018

Public record: Tariff Notice 1004

Northwestel Inc. – Revision to Operation of the Yukon Mobile Radio System

Application

1. The Commission received an application from Northwestel Inc. (Northwestel), dated 27 November 2017, in which the company proposed to revise its Special Services Tariff item 779 – Operation of the Yukon Mobile Radio System (OYMRS).¹
2. Specifically, Northwestel submitted that when it filed Tariff Notice 998 to introduce OYMRS in August 2017, there was one rate element, Special Services Tariff item 779.3.b),² that did not have final sign-off from the relevant customer (hereafter, the Customer). Northwestel anticipated receiving this sign-off imminently, and thus proceeded with the tariff filing to provide service to the Customer.
3. In the current application, Northwestel submitted that due to some equipment provision issues related to a third-party provider, the Customer had agreed to pay a month-to-month rate on a per-site basis for the affected rate element based on the current network configuration until the issues are fully resolved, instead of paying the previously negotiated monthly rate for network-wide support. Northwestel therefore proposed to update rate element 779.3.b) to reflect this arrangement and to rename this rate element “Second Line Support” for clarity.
4. Northwestel noted that the new rate reflects costs for the existing network, which are lower than those for the upgraded network that had been assumed in Tariff Notice 998. Northwestel stated that the resulting cost savings are reflected in the lower rate for the Customer. Northwestel certified that the new arrangement would continue to pass the price floor test.
5. Northwestel indicated that it and the Customer have agreed to apply the revised rate retroactively to the start date of their arrangement. Therefore, the company requested that the Commission ratify the charging of the rate for the period from 31 August 2017 to the approval date of its application, pursuant to subsection 25(4) of the *Telecommunications Act* (the Act).

¹ Under this tariff item, Northwestel provides operation and maintenance services, as well as Internet Protocol virtual private network data service to backhaul the radio traffic between various radio sites.

² Item 779.3.b) – O&M (per arrangement) provides for (i) maintenance of the network on a system-wide basis, and (ii) a third-party provider for second line support services as a condition of the arrangement with the Customer.

6. The Commission approved Northwestel's proposed tariff pages in Tariff Notice 1004 on an interim basis in Telecom Order CRTC 2017-463, effective 20 December 2017.
7. The Commission received no interventions regarding Northwestel's application.

Commission's analysis and determinations

8. The Commission considers that since Northwestel is proposing to charge a lower rate for item 779.3.b) than the rate included in Tariff Notice 998, and since Northwestel's costs to provide the support service have also decreased from those included in the cost study filed with Tariff Notice 998, the revised arrangement between the company and the Customer will continue to meet the price floor test while the equipment provision issues are being resolved.
9. With respect to Northwestel's rate ratification request, pursuant to subsection 25(4) of the Act, the Commission may ratify the charging of a rate by a Canadian carrier otherwise than in accordance with a tariff approved by the Commission if it is satisfied that the rate was charged because of an error or other circumstance that warrants the ratification.
10. The equipment provision issues are not under Northwestel's direct control, and when the company submitted Tariff Notice 998, it had assumed that the issues would be resolved to the Customer's satisfaction. Since Northwestel lowered the rate for rate element 779.3.b) on a retroactive basis under its arrangement with the Customer, services were provided without an approved tariff.
11. Accordingly, the Commission finds Northwestel's proposed rate revision to be appropriate, and is satisfied that Northwestel charged the rate in question without an approved tariff due to circumstances beyond its control. The Commission therefore finds it appropriate to ratify the charging of the rate as requested by the company.
12. In light of the above, the Commission **approves on a final basis** Northwestel's application. The Commission also ratifies the charging of the rate by the company for rate element 779.3.b) for the period from 31 August 2017 to 20 December 2017.

Secretary General