



## Telecom Order CRTC 2020-237

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Ottawa, 30 July 2020

*Public record: Tariff Notice 638*

### **TELUS Communications Inc. – Request for ratification of Asymmetric Digital Subscriber Line (ADSL) Access to Individual Line Service charges**

#### **Application**

1. The Commission received an application from TELUS Communications Inc. (TCI), dated 12 May 2020, in which the company proposed amendments to its Access Services Tariff (CRTC 25082) and requested that the Commission ratify the charging of certain rates. Specifically, TCI proposed to
  - correct the service charge for Asymmetric Digital Subscriber Line (ADSL) Access to Individual Line Service (line-sharing service) in item 4.05.03 of its Access Services Tariff, which was inadvertently reduced on 1 June 2019, by increasing it from \$37.17 to \$37.74; and
  - indicate that all rates in item 4.05.03 are frozen, effective 14 March 2019, pursuant to Telecom Decision 2019-74.<sup>1</sup>
2. TCI noted that when it submitted its Annual Price Cap tariff issuance for competitor services on 27 May 2019, it inadvertently applied the I-X constraint<sup>2</sup> of -1.514% to the approved frozen rate, thus incorrectly reducing the line-sharing service charge rate. The company submitted that this was due to an administrative error.
3. TCI further submitted that no retroactive billing would be applied to customers who have paid the lesser charge since 1 June 2019.
4. TCI requested that, pursuant to subsection 25(4) of the *Telecommunications Act* (the Act), the Commission ratify the charging of rates for its line-sharing service for the period from 1 June 2019 to the date of interim approval of its application.

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<sup>1</sup> In Telecom Decision 2019-74, the Commission approved TCI's request for a rate freeze for line-sharing service, on the basis that the company had provided sufficient evidence to demonstrate that market conditions for this service were such that a rate freeze was justified.

<sup>2</sup> The I-X constraint is defined as inflation (I) less a productivity offset (X).

5. The Commission approved TCI's application on an interim basis in Telecom Order 2020-173, effective 28 May 2020. The Commission indicated that it would address the ratification request in a subsequent order.
6. The Commission received no interventions regarding the application.

### **Commission's analysis and determinations**

7. With respect to TCI's ratification request, the Commission notes that, pursuant to subsection 25(4) of the Act, it 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.
8. The Commission considers reasonable TCI's explanation that it charged the rates in question otherwise than in accordance with an approved tariff because of an administrative error related to its 2019 price cap filing. In addition, the Commission notes that TCI did not propose to retroactively bill customers who paid a lower rate, and that customers have not been negatively affected by this error.
9. Accordingly, the Commission finds that TCI's request for ratification meets the requirements set out in subsection 25(4) of the Act.
10. In light of the above, the Commission **approves on a final basis** TCI's application and ratifies the charging of the rates in question from 1 June 2019 to 1 June 2020.
11. Revised tariff pages are to be issued within 10 calendar days of the date of this order. Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

### **Policy Directions**

12. In accordance with subparagraph 1(b)(i) of the 2006 Policy Direction,<sup>3</sup> the Commission considers that approval of TCI's application will advance the policy objective set out in paragraph 7(f) of the Act.<sup>4</sup>
13. In accordance with the 2019 Policy Direction,<sup>5</sup> the Commission considers that this order, which is based on a complete record, can promote competition, affordability, consumer interests, and innovation. Specifically, approval of this application will promote consumer interests and innovation, since it ensures (i) that customers will

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<sup>3</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

<sup>4</sup> The cited policy objective is: 7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective.

<sup>5</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

henceforth be charged the correct rates for line-sharing service and will not be charged retroactively for the billing error described above, and (ii) that customers will have access to high-quality, innovative telecommunications services.

Secretary General

### **Related documents**

- Telecom Order CRTC 2020-173, 28 May 2019
- *Telus Communications Inc. – Application to modify the provision of various wholesale services*, Telecom Decision CRTC 2019-74, 14 March 2019