



## Telecom Order CRTC 2025-125

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Reference: 2023-379

Gatineau, 29 May 2025

*Public record: Tariff Notice 1191*

### **Northwestel Inc. – Tariff Notice 1191 – Addition of Atlin, British Columbia to residential primary exchange service**

#### **Summary**

Canadians need reliable, affordable, and high-quality Internet and cellphone services for every part of their daily lives.

Prior to November 2023, TELUS Communications Inc. (TELUS) was the incumbent telephone service provider in Atlin, British Columbia (Atlin). However, in order to better meet the needs of customers in Atlin, Northwestel Inc. (Northwestel) will now serve the community. The main benefit of this transition will be Northwestel's deployment of fibre in the community. The upgrade will ensure that customers in Atlin gain access to broadband Internet and will allow for the expansion of cellphone services to the area.

As part of this transition, Northwestel filed an application with the Commission in which it proposed a rate for telephone services in Atlin. Northwestel proposed an initial rate similar to TELUS's old rate for the first year, which would gradually increase to the higher Northwestel rate over two years.

The Commission encouraged Northwestel to propose a more affordable transition for customers. Northwestel did so by further reducing the initial rate for telephone service so that it is lower than TELUS's rate. This rate will increase annually by set amounts, over four years, until it equals the higher Northwestel rate approved for other communities in similar locations.

The Commission approves on a final basis Northwestel's application, as amended. Final approval of this application will provide certainty to the community regarding the transition to Northwestel as the provider of telecommunications services for Atlin. As a result, residents will benefit from broadband Internet and cellphone service, which will help improve their access to government, health, and education services.

#### **Background**

1. On 30 August 2023, in Telecom Order 2023-301, the Commission approved on an interim basis Northwestel Inc.'s (Northwestel) Tariff Notice (TN) 1189, in which the company proposed the addition of the community of Atlin, British Columbia (Atlin)

to its General Tariff. The proposal was submitted as part of the transfer of services for Atlin from TELUS Communications Inc. (TELUS) to Northwestel. The transfer also involved improving the way telecommunications services are delivered to the community to enable broadband Internet and cellphone service. The proposal was approved on a final basis in Telecom Order 2023-378, on 20 November 2023.

2. Following interim approval of its proposal, Northwestel began the formal process to transition TELUS's customers in Atlin to Northwestel. This included a requirement to file tariff applications so that Northwestel could provide telephone services to customers in Atlin.

## **Application**

3. On 20 October 2023, Northwestel filed an application, TN 1191, in which it proposed changes to Item 207, Exchange Rates, of its General Tariff to reflect the incorporation of the community of Atlin into its serving territory for the provision of residential primary exchange service (PES).
4. Residents of Atlin had been receiving standard telephone service from TELUS at a monthly rate of \$32.08. Northwestel's standard, Commission-approved Band H1<sup>1</sup> rate for that service in communities like Atlin was \$38.30 at that time.
5. Northwestel initially proposed that, as of 23 November 2023, existing residential PES customers would be billed at the TELUS monthly rate of \$32.08. Annual rate increases would follow in order to align the rate with the Band H1 residential PES rate applicable in Northwestel's Band H1 communities by 1 June 2025.
6. Commission staff requested that Northwestel review its proposal to better support Atlin residents in the transition from TELUS's rates to Northwestel's rates. Northwestel subsequently amended its proposal so that all residential customers would be charged an initial rate of \$26.08, which is \$6.00 less than TELUS's stand-alone PES rate and \$12.22 less than Northwestel's approved Band H1 rate at the time of the application. The rate would increase annually by \$3.05 plus inflation over four years, to align with Northwestel's general Band H1 rate on 1 June 2027. The revised rate would also be available to new customers.
7. Northwestel submitted that the \$6.00 discount from TELUS's stand-alone rate would ensure that customers who subscribe to Northwestel's optional calling features would not see any significant increase to their bills in the short term.
8. On 20 November 2023, the Commission approved the application on an interim basis, with an effective date of 23 November 2023.

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<sup>1</sup> In Telecom Decision 2007-5, the Commission approved two bands for Northwestel: (1) Band D, consisting of all wire centres in Whitehorse and Yellowknife, and (2) Band H1, consisting of all other wire centres.

9. On 24 May 2024, in order to give the community more time to respond to the application, the Commission issued a [letter](#) requiring Northwestel to delay the 1 June 2024 rate increase the company had proposed in its application.<sup>2</sup>

## **Interventions**

10. The Commission received six interventions from community members. Four of the interventions were generally in support of the transfer of services from TELUS to Northwestel, and two were opposed. However, all interveners cited concerns regarding the affordability of services provided by Northwestel, the cost of long-distance services, and the extent of communication about the change in service.

## **Northwestel's reply**

11. Northwestel replied that, when it agreed to provide service to the community of Atlin, it expected to do so at the same rate as the other 94 Band H1 communities in its serving territory, including the other 22 Band H1 communities it serves in British Columbia. Northwestel had not anticipated introducing the operational complexities that would result from different rates being charged in Atlin. Further, Northwestel submitted that it was not able to modify its billing and provisioning systems to match TELUS's previous services to the community.
12. The company indicated, however, that the transition will deliver many benefits to the community, and that it has tried to minimize the rate impacts for the vast majority of its customers by modifying its proposal.
13. Northwestel indicated that it does not have the same pricing flexibility as TELUS because it cannot use rate ranges, and its telephone services are not forborne from regulation.
14. The company noted that, given this, it had proposed a greater discount on the telephone line rate so that customers' overall bills would not increase significantly in the short term, even if they subscribe to an optional calling feature. Northwestel submitted that these additional steps will help residential customers in Atlin during the transition period.

## **Commission's analysis**

15. One of the main benefits of the transfer of responsibility for providing services in Atlin from TELUS to Northwestel will be the expansion of fibre into the community.<sup>3</sup> Northwestel's residential and business customers will have access to broadband

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<sup>2</sup> *Telecom - Secretary General Letter addressed to Imran Khan (Northwestel Inc.) – Subject: Northwestel Inc. Residential Primary Exchange Services Rate Increase in Atlin, BC, 23 May 2024.*

<sup>3</sup> On 20 December 2023, in Telecom Order 2023-420, the Commission approved Northwestel's Broadband Fund change request application for \$4,749,948 of additional funding to introduce fibre Internet access services and fibre transport in Atlin.

Internet services, which will improve the availability of service options that meet their everyday needs (for example, voice over Internet Protocol services as an alternative to traditional voice services) as well as cellphone services.<sup>4</sup>

16. In regard to concerns raised by interveners about the rates for long-distance services, the Commission notes that long-distance services have been forborne from regulation for Northwestel since 2007. Northwestel does have long-distance calling plans, but other options are available, such as pre-paid calling cards. With the addition of Internet services and mobile wireless services, customers will have even more options to reduce the rates for their long-distance services.
17. In regard to adequate notification, the Commission notes that Northwestel's communications plan included reaching out to residential customers in Atlin, both by mail and social media, to assist them with the transition. The company sent a letter to each residential customer with information on several aspects of its services and details on how to contact Northwestel regarding customer accounts. The company also held a town hall for Atlin residents. It followed up with an additional letter to customers in February 2024, and there were joint communications from itself and the Taku River Tlingit First Nation. Additionally, Northwestel's call centre had a dedicated queue for Atlin customers to connect with customer service representatives trained specifically for the Atlin service transition.
18. The Commission is of the view that Northwestel has taken meaningful steps to inform the community about the impacts of the transition and has tried to facilitate an effective transition for customers from TELUS to Northwestel.
19. The Commission is of the view that Northwestel's proposal, specifically, to discount its approved rate for residential telephone service initially and then increase it over four years until it reflects the current rate approved for Band H1 service,<sup>5</sup> would balance the interests of residential customers in Atlin with the company's interests. It would allow the company to slowly align the residential telephone service rates for Atlin customers with the monthly rate charged in the other Band H1 communities for the same service, which is consistent with approaches the Commission has approved in the past.<sup>6</sup> Furthermore, it would ensure that residential rates in Atlin move closer to passing the price floor test.
20. As a result, the Commission considers that approval of Northwestel's proposal is appropriate. However, because Northwestel's proposal included rate increases at specific intervals, consideration must be given to the timing of those rate increases. Furthermore, residential PES customers should be notified of the rate increases.

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<sup>4</sup> Most recently, in December 2024, as a result of the recent completion of the transport component of the fibre expansion, Bell Mobility Inc. launched mobile wireless services in Atlin.

<sup>5</sup> The current rate in Band H1 communities is \$38.91, which came into effect on 1 June 2024.

<sup>6</sup> In Telecom Regulatory Policy 2011-291, the Commission determined that residential telephone rates could be increased to \$30 per month in areas where the local service subsidy had not been eliminated. Increases were to be phased in over a three-year period, in equal annual increments.

## Conclusion

21. In light of the above, the Commission approves on a final basis Northwestel's application, as amended. Specifically, the Commission approves:
- (a) the monthly residential PES rate of \$26.08 for the community of Atlin; and
  - (b) an annual increase to that rate of \$3.05 plus inflation, effective for four consecutive years.
22. The first rate increase is to be implemented at least 30 days after the date of this order. Northwestel is to notify customers of the increase. Any subsequent rate increase can only be implemented after a 12-month period has elapsed.

Secretary General

## Related documents

- *Broadband Fund – Change request – Northwestel Inc.'s Yukon fibre project* Telecom Order CRTC 2023-420, 20 December 2023
- *Northwestel Inc. – Final approval of a tariff application* – Telecom Order CRTC 2023-378, 20 November 2023
- *Northwestel Inc. – Interim approval of a tariff application* – Telecom Order CRTC 2023-301, 30 August 2023
- *Obligation to serve and other matters*, Telecom Regulatory Policy CRTC 2011-291, 3 May 2011, as amended by Telecom Regulatory Policy CRTC 2011-291-1, 12 May 2011
- *Price cap regulation for Northwestel Inc.*, Telecom Decision CRTC 2007-5, 2 February 2007