



Telecom Order CRTC 2025-275

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Public record: Tariff Notice 981

Bell Canada – Change to support structure tariff

Summary

The Commission is taking action to help ensure that Canadians benefit from more choice of high-quality Internet services. One way it supports this is by making it easier for companies to deploy new telecommunications networks across Canada.

This order focuses on access to the millions of telephone poles owned or controlled by large telephone companies. These poles, amongst other things, carry a significant amount of the cables that connect Canadians to high-speed Internet. The Commission allows other providers – like cable companies – to use these structures to deploy their own networks. This makes it easier for them to bring new choices to market because it removes the need for them to build their own structures where it is not cost efficient to do so.

The Commission received an application from Bell Canada proposing a new tariff rate for the company's poles in its Ontario and Quebec serving areas. This new rate takes into account changes made in Telecom Regulatory Policy 2023-31 and Bell Canada's updated costs.

In this order, the Commission approves a final rate of \$1.32 per billing unit per month.

The Commission considers that this new final rate will allow Bell Canada to recover costs for its support structure facilities, which will facilitate the deployment of broadband networks and help ensure that Canadians benefit from increased competition, lower prices, and high-quality Internet services.

Background

1. The current tariff rate charged by Bell Canada for access to its poles in Ontario and Quebec is \$1.04 per billing unit per month, which was established more than 14 years ago in Telecom Decision 2010-900.
2. In Telecom Regulatory Policy 2023-31, the Commission made several determinations to facilitate access to poles owned or controlled by Canadian carriers. In that policy, the Commission anticipated that adjustments to the existing rates may be warranted, given some of the new responsibilities of the incumbent local exchange carriers

(ILECs) resulting from the policy. Specifically, the Commission stated in paragraphs 50 and 51:

50. While the Commission acknowledges that ILECs may not be fully compensated for their maintenance costs solely through the attachment rates, it considers this appropriate, because a portion of the costs can be allocated to the pole owner's operations as well. It therefore follows that attachers should not bear the full burden of the pole maintenance costs.

51. Moreover, ILECs can file a new cost study for support structure services if they believe that rates are no longer just and reasonable. Failing to do so, ILECs cannot impose additional charges to attachers in order to increase the compensation for a category of costs already covered in the tariffed rates.

Application

3. On 16 October 2023, the Commission received an application from Bell Canada proposing a new tariff rate of \$2.09 per billing unit per month for its poles in its Ontario and Quebec serving areas. The application included a cost study for the company's proposed pole attachment rate.
4. The Commission issued three requests for information (RFIs), on 17 July 2024, 1 October 2024, and 11 December 2024. In these RFIs, the Commission requested further information from Bell Canada to clarify elements of its cost study and to support the company's proposed rate.
5. On 17 February 2025, Bell Canada filed a procedural request for immediate approval of an interim rate following the issuance of Telecom Order 2025-21, in which the Commission approved the terms and conditions with changes to facilitate access to support structures. The Commission approved making Bell Canada's current rate of \$1.04 per billing unit per month interim as of 11 March 2025 in Telecom Order 2025-77.
6. The Commission received interventions from Bragg Communications Inc., carrying on business as Eastlink; Cogeco Communications Inc., on behalf of Cogeco Connexion Inc.; Quebecor Media Inc., on behalf of its subsidiaries Freedom Mobile Inc. and Videotron Ltd., and Rogers Communications Canada Inc., on behalf of itself and its affiliate Shaw Cablesystems Ltd. (collectively, the cable carriers). The Commission also received interventions from TELUS Communications Inc., and from Canadian Communication Systems Alliance, Coopérative de câblodistribution de l'Arrière-Pays, Coopérative de Câblodistribution de l'Île-aux-Coudres, Coopérative de Câblodistribution de Ste-Hedwidge, Cooptel, Développement Innovations Haut-Richelieu, Fédération des coopératives de câblodistribution et de télécommunication du Québec, Independent Telecommunications Providers Association (ITPA), and MRC de Montcalm.

Issues

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

- What should the rate be for support structures?
- Should the revised rate be applied on a retroactive basis?

What should the rate be for support structures?

8. The current tariff rate charged by Bell Canada (\$1.04 per billing unit per month) was established more than 14 years ago, in Telecom Decision 2010-900. In that proceeding, Bell Canada submitted a cost study that led to a proposed monthly rate of \$4.32 per billing unit per month, although this was adjusted by the Commission to arrive at a rate of \$1.04 per billing unit per month.
9. In this application, Bell Canada proposed a new rate of \$2.09 per billing unit per month. Bell Canada submitted that this rate increase was necessary because it has incurred additional costs due to the determinations in Telecom Regulatory Policy 2023-31. Specifically, Bell Canada noted the provision that requires the company to “absorb the costs” of make-ready work necessary to bring a structure into compliance with construction standards associated with a carrier’s access request. Previously, attachers were billed directly for these costs and, therefore, the current rate does not reflect this new provision.
10. Bell Canada also noted the length of time since the current rate was set. The cost study used in the proceeding leading to Telecom Decision 2010-900 relied on cost data from 2009 or earlier. Bell Canada added that, even in the absence of Telecom Regulatory Policy 2023-31, the current rate significantly understates the current costs associated with the provision of poles in Ontario and Quebec.
11. In support of its new proposed rate, Bell Canada filed a cost study report outlining the costing methodology employed, inputs and assumptions, and associated data demonstrating the cost details and how it arrived at the proposed rate. All documents were produced and submitted following the pricing methodology introduced in Telecom Decision 95-13, which was subsequently upheld in Telecom Decision 2010-900.

Commission’s analysis

12. In this application, Bell Canada initially proposed a new rate of \$2.09 per billing unit per month.
13. Through the three RFIs mentioned above, the Commission carefully analyzed each cost study item considering the previous submissions, interveners’ comments, and Bell Canada’s submission and replies to interveners.

14. The Commission approves a rate of \$1.32 per billing unit per month. To reach a just and reasonable rate, the Commission applied adjustments to several cost study categories. The following table outlines the Commission’s adjustments:

Cost item	Commission adjustment	Rationale for adjustment
Depreciation	Decreased depreciation by amount of productivity loss.	Excluded double counting of productivity loss.
Historical maintenance	Adjusted historical estimate timeframe to five years.	All historical costs should be based on a consistent period.
Additional maintenance	Excluded additional maintenance cost.	Removed deferred maintenance costs that were recovered in prior rates.
Removal	Adjusted historical estimate timeframe to five years.	All historical costs should be based on a consistent period.
Pole inspection	Adjusted historical estimate timeframe to five years.	All historical costs should be based on a consistent period.
Warehousing & distribution	Annualized the cost over the life of the asset.	Poles are warehoused and distributed once in their lifetime. Accordingly, the warehousing & distribution cost has been spread over the life of the asset.
Number of structures to which third parties attach	Recalculated the number of structures to which third parties attach.	Using the percentage of attachers in Bell Canada’s sample of poles is a more straightforward estimation.
Percent-communication factor ¹	Included additional joint-use poles owned by Hydro-Québec in the calculation of the percent communication factor.	Joint-use agreement with Hydro Québec allows Bell Canada to charge third parties for pole attachments on Hydro-Québec poles.

¹ As was approved in Telecom Decision 2010-900, Bell Canada’s Commission-approved percent-communication factor excludes hydro poles in Ontario. Although the calculation of the percent-communication factor does not follow the methodology outlined in the Regulatory Economic Manual, this approach is in line with Telecom Decision 2023-196, which confirms that modifications to the Phase II methodology or costing approaches should continue to be reviewed on a case-by-case basis, as is current practice. This adjustment represents a minor component of the broader set of adjustments approved by the

Loss in productivity	Recalculated the loss in productivity cost using attachments.	The number of attachments is a more appropriate proxy for number of strands.
IS/IT ²	Allocated a portion of the new software cost to Bell Canada.	Attachers should only pay for IS/IT costs on the poles to which they attach.

Should the revised rate be applied on a retroactive basis?

15. During the proceeding under consideration in this order, Bell Canada requested that its proposed rate be made interim.
16. The Commission did not make Bell Canada’s rate interim at the time of its application because the terms and conditions had not been approved. On 28 January 2025, the terms and conditions were approved with changes by the Commission in Telecom Order 2025-21.
17. On 17 February 2025, Bell Canada filed a procedural request for its current wholesale support structure rate to be made interim immediately. The Commission approved making Bell Canada’s current rate interim in Telecom Order 2025-77 on 11 March 2025.

Commission’s analysis

18. The Commission considers that making the final rate retroactive to the date of Telecom Order 2025-77 would recognize the increase in Bell Canada’s costs, while not significantly burdening smaller carriers. Therefore, the Commission approves making the final rate effective as of 11 March 2025.

Conclusion

19. The Commission approves a final rate of \$1.32 per billing unit per month for Bell Canada’s poles in its Ontario and Quebec serving areas. This rate is based on the adjustments outlined in paragraph 14 and detailed in the appendix to this order.
20. Additionally, the Commission approves that the final rate be made retroactive to 11 March 2025.

Commission. A forthcoming proceeding has been announced to consider updates to both the methodology and the Manual.

² The Commission understood “IS/IT” to mean “information systems and information technology.”

21. 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.

Secretary General

Related documents

- *Bell Canada and TELUS Communications Inc. – Interim wholesale support structure rates*, Telecom Order CRTC 2025-77, 11 March 2025
- *Bell Canada, Saskatchewan Telecommunications, and TELUS Communications Inc. – Amended support structure service tariffs*, Telecom Order CRTC 2025-21, 28 January 2025
- *Review of the approach to rate setting for wholesale telecommunications services*, Telecom Decision CRTC 2023-196, 7 July 2023
- *Regulatory measures to make access to poles owned or controlled by Canadian carriers more efficient*, Telecom Regulatory Policy CRTC 2023-31, 15 February 2023, as amended by Telecom Regulatory Policy CRTC 2023-31-1, 22 March 2023
- *Review of the large incumbent local exchange carriers' support structure service rates*, Telecom Decision CRTC 2010-900, 2 December 2010, as amended by Telecom Decision 2010-900-1, 9 December 2010
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Revised rates for unbundled loop wholesale service*, Telecom Order CRTC 2009-775, 14 December 2009
- *Access to telephone company support structures*, Telecom Decision CRTC 95-13, 22 June 1995

Appendix to Telecom Order CRTC 2025-275: Commission-adjusted costs³

	Amount
Embedded and net embedded costs per unit	
Total number of poles	1,927,691
Embedded cost (original cost)	\$816.85
Net embedded cost (net book value)	\$324.77
Annual embedded costs per unit	
Depreciation	\$18.01
Maintenance	\$6.56
Removal	\$0.40
Other taxes (Quebec Public Utilities Tax)	\$1.48
Revenue charge	\$0.30
Debt interest	\$7.48
Return on equity	\$21.27
Income tax expense	\$7.67
Other costs (warehousing and distribution)	\$0.23
Other costs (joint-use management)	\$0.83
Other costs (pole inspection)	\$0.60
Other costs (vegetation and tree trimming)	\$0.03
Total annual embedded cost per unit	\$64.85
Percent-communication factor	58.62%
Percent-utilization factor	49.04%

³ Amounts may not add up exactly due to rounding.

Embedded cost per unit attributed to third parties	\$18.64
Number of structures to which third parties attach	1,363,340
Total embedded cost attributed to third parties	\$25,415,767
Annualized prospective incremental costs (annual equivalent cost)	
Loss in productivity	\$2,144,627
Administration	\$700,531
IS/IT costs	\$1,251,994
Additional resources (IS/IT)	\$263,055
Total incremental costs	\$4,360,207
Total annual costs	\$29,775,974
Number of annual billing units	1,881,693
Annual cost per billing unit	\$15.82
Monthly cost per billing unit	\$1.32