



## Telecom Order CRTC 2025-279

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Gatineau, 24 October 2025

*Public records: Tariff Notices 576 and 576A*

### **TELUS Communications Inc. – Tariff Notice 576A – Amendment to support structure service**

#### **Summary**

In Telecom Order 2024-122, the Commission directed TELUS Communications Inc. (TELUS) to file a proposal for the compensation of carriers with lines attached to TELUS's poles when those poles need to be relocated. The Commission also approved an interim formula for compensation.

In response to Telecom Order 2024-122, TELUS filed Tariff Notice 576A, in which it proposed a formula to determine compensation payments to carriers for the public-authority-requested relocation of equipment and facilities.

The Commission considers that the formula submitted by TELUS is an acceptable modification of the Commission's interim formula with minor additional components to recover embedded and administrative costs. The Commission therefore approves TELUS's formula.

The Commission directs TELUS to retroactively apply its formula and recalculate payments for any relocation reimbursements that occurred between 5 June 2024 and 24 October 2025.

The Commission also directs TELUS to disclose the time estimates associated with its administrative cost calculations when compensation is redistributed to the carriers.

#### **Background**

1. In Telecom Decision 2022-311, the Commission addressed an application from Rogers Communications Canada Inc. (Rogers) and Shaw Cablesystems G.P. (Shaw) in which they requested compensation for the relocation of their transmission lines along highways in British Columbia.
2. Rogers and Shaw attach transmission lines to support structures (poles) in British Columbia that are owned by TELUS Communications Inc. (TELUS). When British Columbia's Ministry of Transportation and Infrastructure (MOTI) requires TELUS to relocate poles, TELUS receives compensation from MOTI. Rogers and Shaw do not receive such compensation. They viewed this as unfair and negatively impacting competition.

3. Rogers and Shaw sought a direction from the Commission requiring MOTI to enter into agreements with each of them that would provide for such compensation. In the alternative, they sought a direction requiring TELUS to compensate them when their transmission lines attached to TELUS's poles need to be relocated.
4. In Telecom Decision 2022-311, the Commission directed TELUS to file new tariff pages with proposed wording that would allow for fair compensation of the carriers that attach their transmission lines to TELUS's poles when their facilities must be relocated at MOTI's request.
5. On 16 January 2023, the Commission received Tariff Notice 576 from TELUS, proposing to amend the language contained in Item 404.2.8 – Support Structure Service of its General Tariff. In Telecom Order 2024-122, the Commission stated that the amended tariff pages were not consistent with the intent of its direction. Without a proposed rate or mechanism of compensation on which the public can comment, the Commission lacked the information needed to make its determinations.
6. The Commission therefore directed TELUS to file a proposal for compensation of carriers, with supporting rationale for the mechanism and/or rate proposed. The Commission approved the following interim formula in Telecom Order 2024-122: the share payable to an attaching carrier should be equal to the total compensation that TELUS receives from the public authority for relocating lines attached to TELUS's poles divided by  $n$ , where  $n$  is equal to 1 plus the number of attaching carriers.
7. The Commission indicated that it would address the issue of retroactivity in a final order.

## **Application**

8. In response to the Commission's direction in Telecom Order 2024-122, TELUS filed Tariff Notice 576A, dated 5 July 2024, in which the company proposed a formula and further amendments to the language contained in Item 404.2.8 – Support Structure Service of its General Tariff.
9. TELUS submitted that its formula limits the relocation compensation mechanism to situations where TELUS receives compensation from a public authority having jurisdiction over a right-of-way.
10. TELUS added that it would respect compensation arrangements, if any, between carriers and a public authority. If the carrier's agreement with the public authority states that they are not entitled to any relocation compensation or that they are to receive compensation directly from the public authority, then the carrier will not be eligible for further compensation by TELUS.
11. TELUS proposed the following formula:

- $E = (A - B - C) / (D + 1)$

- E: Shared Relocation Fund, which is the net compensation dollars for each eligible carrier
  - A: Relocation Compensation Dollars, which is the compensation dollars TELUS receives from the public authority for the relocation of its poles and/or facilities and cables
  - B: Pole Cost Reimbursement, which is the compensation dollars TELUS receives for the relocation of its poles, and which is credited in the total embedded costs for poles
  - C: Administrative Costs, which is the costs incurred by TELUS, calculated on a time and charges basis, to manage and coordinate carriers' relocation compensation
  - D: Total carriers, which is the total number of carriers that are eligible for relocation compensation by TELUS and have facilities and cables attached to TELUS's poles
12. TELUS submitted that its formula excludes compensation received for poles (Pole Cost Reimbursement) because compensation related to poles is already captured as credits to the total embedded cost for poles. If the compensation related to poles was used to lower the pole rate and was being shared with carriers, carriers would be compensated twice.
13. TELUS also submitted that Telecom Order 2024-122 will add new administrative burdens. The formula factors in the removal of Administrative Costs incurred to manage and coordinate the distribution of carrier compensation. According to TELUS, this will ensure that the company does not under recover its costs.
14. TELUS submitted that the compensation it receives for facilities and cables being relocated, less Administrative Costs, will then be divided equally between TELUS and all other carriers with facilities and cables attached to TELUS's poles. The calculation of the Shared Relocation Fund ensures that every party is treated equally as it pertains to compensation sharing for the facilities and cables they own. If the resulting Shared Relocation Fund is a negative amount (i.e., if the sum of "B" and "C" is greater than "A"), there will be no distribution of compensation to carriers.
15. TELUS proposed an effective date of 5 June 2024.
16. On 9 August 2024, the Commission received interventions from Rogers and Quebecor Media Inc. (Quebecor).

## **Issues**

17. The Commission has identified the following issues to be addressed in this order:
- What formula should be used to compensate carriers?

- Should the approved formula be applied retroactively?

## **What formula should be used to compensate carriers?**

### **Positions of parties**

#### ***Rogers***

18. Rogers submitted that TELUS did not provide a rationale for prioritizing relocation-cost compensation for its poles or how such an allocation would be determined by TELUS in the public interest. Rogers added that any revised formula should allocate relocation-cost compensation based on a proportionate share of total relocation costs, without deductions.
19. Rogers submitted that TELUS's formula does not allow carriers to report the real costs incurred by the public-authority-requested relocation of their facilities. In the absence of this information, Rogers further submitted that TELUS does not have the incentive to negotiate compensation for the carriers. Rogers claimed that TELUS should negotiate compensation for its own facilities and those of related companies.
20. Rogers also submitted that it has limited visibility on how component "C" of TELUS's formula, which further reduces the amount to be distributed to carriers, is calculated. Rogers further submitted that if component "C" was to be implemented, there would be no or minimal remaining compensation available for sharing between TELUS and third-party carriers.
21. Rogers proposed an alternative approach and submitted that the Commission should deny TELUS's Tariff Notice 576A and amend the Commission's interim formula to clearly limit its application to MOTI-required relocations and make the amended provision final effective 5 June 2024.<sup>1</sup>
22. Rogers submitted that if a revised formula is required, the formula should allocate relocation-cost compensation based on a proportionate share of the total MOTI-required relocation costs and should not include deductions.
23. Rogers proposed the following formula:
  - $A = E \times B / (C + D)$ 
    - A: Relocation-cost compensation payable by TELUS to affected carrier

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<sup>1</sup> Rogers' and Quebecor's interventions covered various concerns which were addressed and finalized by the Commission in Telecom Decision 2022-311 and Telecom Order 2024-122. Accordingly, the Commission only considered submissions within the scope of, and pursuant to the Commission's directions in, Telecom Order 2024-122.

- E: Total relocation-cost compensation paid by MOTI to TELUS
- B: Carrier's total costs of relocating its affected equipment
- C: Total costs of relocating all affected equipment of all affected carriers
- D: TELUS's total costs of the MOTI-required relocation

24. Rogers submitted that the formula identified above is relatively simple to apply and would not give rise to arbitrary allocation and administrative costs. However, it would require carriers to share competitively sensitive relocation cost information with TELUS. The sharing of any such information must be governed by non-disclosure requirements.

***Quebecor***

25. Like Rogers, Quebecor submitted that TELUS's formula does not allow carriers to report the real costs incurred by the relocation of their facilities. Quebecor also noted that carriers have limited visibility of how component "C", which further reduces the amount to be distributed to carriers, is determined.

26. Quebecor also submitted that TELUS could take advantage of component "B" when deducting compensation received from the public authority for the relocation of its poles. The result of components "A" minus "B" could be negligible compared to the actual relocation costs of the carriers.

***TELUS***

27. Regarding the interveners' submissions about TELUS using components "A" and "B" to reduce compensation paid to carriers, TELUS submitted that relocation compensation is a complex process with unique and varying factors for each relocation project. TELUS submitted that it provides MOTI with details of the number of poles affected by the relocation. As per the agreement between TELUS and MOTI, the compensation received from MOTI for poles is calculated at a flat rate, which is deducted in TELUS's formula.

28. Regarding the interveners' submissions about TELUS's arbitrary calculation of component "C", TELUS replied that the administrative costs are all incremental charges resulting from the directives in Telecom Order 2024-122 and are not factored into the pole rental monthly rate. Therefore, TELUS submitted that it should be allowed to recover the costs fully by subtracting the amount from the relocation compensation that it receives. The practice of issuing administrative costs based on time and charges is a common industry standard.

29. Moreover, TELUS submitted that its current practice captures the compensation it receives from public authorities for the relocation of poles as credits to the total embedded costs for poles, meaning that third parties are already benefiting from all

compensation TELUS receives through a lower pole rental rate. TELUS indicated that the formula is addressing the fact that certain relocation costs are already incorporated into the pole rate calculation and must be deducted to avoid carriers receiving an unwarranted double recovery.

30. TELUS submitted that Rogers' formula would result in an unfair allocation of compensation funds for TELUS. TELUS noted that components "D" and "E", as proposed by Rogers, include costs and reimbursements for equipment and facilities that the carriers do not own (i.e., support structures).
31. TELUS submitted that the costs and compensations to be considered should be limited to those for carriers' attached equipment and facilities only and should not include those for poles, which carriers do not own and for which they do not incur any related relocation costs.
32. TELUS also submitted that Rogers' formula fails to account for the charges incurred by TELUS directly related to the administration and redistribution of relocation compensation for carriers.

#### **Commission's analysis**

33. The Commission is of the view that TELUS's formula is an acceptable modification of the Commission's interim formula with minor additional components to recover embedded and administrative costs.
34. Regarding the interveners' concerns about TELUS using component "B" of its formula to reduce the contribution amount received for component "A", the Commission reviewed TELUS's past compensation and reimbursement payments. The relative proportions of components "A" and "B" can vary depending on the public authority's relocation request. By maintaining a record of these proportions, the Commission may review and compare future submissions to determine their reasonableness.
35. The Commission also notes alternative dispute resolution services are available to review situations where third-party carriers believe they are being unfairly compensated, such as staff-assisted mediation, or an expedited hearing.
36. Regarding component "C", the Commission reviewed administrative cost calculations provided by TELUS and found their formula and average estimated cost to be reasonable, without having a significant effect on the overall compensation owed to third-party carriers. In addition, in Telecom Decision 2010-900, the Commission approved the recovery of administrative costs as they relate to support structure billing activities and productivity losses.
37. Rogers' formula deviates from the Commission's current interim formula since it attempts to distribute to affected carriers a proportionate share of the total relocation costs (including support structures). As raised by TELUS, component "E" of Rogers'

formula seeks to recover costs for equipment and facilities that are not owned by the third-party carriers (i.e., support structures).

38. The Commission is of the view that compensation should be limited to carriers' attached equipment and facilities only and should not include the support structures, which carriers do not own.
39. Moreover, Rogers submitted that its formula would require carriers to share competitively sensitive relocation cost information with TELUS. The sharing of any such information would need to be governed by non-disclosure requirements. The requirement to disclose such information could result in increased administrative costs and additional regulatory delays when undertaking an exercise to distribute what are likely relatively small reimbursements.
40. In light of the above, the Commission is of the view that Rogers' formula could result in over-recovery and, in relation to TELUS's formula, is more complex, and would require additional disclosure, which could result in significant delays to the distribution of compensation payments. The Commission considers that TELUS's formula proposes reasonable amendments and more fairly allocates costs between all carriers than the existing interim formula.

### **Should the approved formula be applied retroactively?**

#### **Commission's analysis**

41. The Commission is of the view that if any compensation payments have been made since the publication of Telecom Order 2024-122, the parties may not have been adequately reimbursed using the interim formula.
42. The Commission considers that it is appropriate to apply TELUS's formula retroactively to any compensation payments made by TELUS for the period of 5 June 2024 to 24 October 2025. Any relocation payments made during that period should be recalculated using TELUS's formula and the difference issued to the proper party.

#### **Conclusion**

43. In light of all of the above, the Commission approves TELUS's Tariff Notice 576, as amended by Tariff Notice 576A, on a final basis, effective 5 June 2024.
44. 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.
45. The Commission directs TELUS Communications Inc. to disclose the time estimates associated with their administrative cost calculations when compensation is redistributed to the carriers.

46. The Commission directs TELUS Communications Inc. to retroactively apply its formula and recalculate payments, for the period of 5 June 2024 to 24 October 2025, for any relocation reimbursements that have occurred.

Secretary General

### **Related documents**

- *TELUS Communications Inc. – Tariff Notice 576 – Amendment to Support Structure Service*, Telecom Order CRTC 2024-122, 5 June 2024
- *Rogers Communications Canada Inc. and Shaw Cablesystems G.P. – Application regarding compensation for transmission line relocation in British Columbia*, Telecom Decision CRTC 2022-311, 15 November 2022
- *Review of the large incumbent local exchange carriers’ support structure service rates*, Telecom Decision CRTC 2010-900, 2 December 2010, as updated by Telecom Decision 2010-900-1, 9 December 2010