



Telecom Decision CRTC 2014-634

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Ottawa, 8 December 2014

File number: 8661-B54-201407825

Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Application to modify the rate structure for residential Temporary Suspension of Service and to change the minimum suspension period

Introduction

1. The Commission received an application from Bell Aliant Regional Communications, Limited Partnership and Bell Canada (collectively, the Bell companies), dated 15 August 2014, in which the Bell companies requested that the Commission approve a uniform one-time charge and suspension period for Temporary Suspension of Service (TSS).
2. Customers may request TSS for regulated residential local exchange services for various periods of time. Currently, in the Bell companies' Ontario and Quebec serving areas, TSS is offered in both high-cost serving areas (HCSAs) and non-HCSAs, with different one-time charges as follows:

Serving area	Suspension period	
	2 weeks to 3 months	4 to 6 months
Non-HCSAs	\$40	\$50
HCSAs	Maximum \$43.60	Maximum \$54.50

The Bell companies' proposal

3. The Bell companies requested that the Commission approve a uniform one-time charge of \$49 and a uniform suspension period of 30 days to six months for TSS for regulated residential local exchange services.¹ They submitted that setting a uniform one-time charge and suspension period would significantly improve the customer experience and reduce confusion for both customers and customer service representatives who face the challenge of explaining these differences when customers wish to suspend their residential services.

¹ The Bell companies stated that they would apply the uniform one-time charge of \$49 to the suspension of up to three residential services of a given customer, including regulated residential local exchange services, Bell TV, and Bell Residential Internet, for any concurrent period from 30 days to six months.

4. The Bell companies submitted that the proposal would result in a rate increase that is inconsistent with the price cap rules² for a very small number of customers who suspend only their regulated local exchange services for a period of two weeks to three months.
5. The Bell companies also submitted that the alignment of the TSS rates to a one-time charge of \$49 would result in lower TSS revenues overall than would have otherwise been generated. However, the anticipated benefits would outweigh the reduction in revenues and would result in a significantly more cost-effective and streamlined approach.
6. The Commission did not receive any interventions with respect to this application. The public record of this proceeding, which closed on 18 September 2014, is available on the Commission's website at www.crtc.gc.ca or by using the file number provided above.

Commission's analysis and determinations

7. The Commission considers that the Bell companies' proposal would contravene the price cap rules for the TSS one-time charges that apply to requests for suspension of services for a period of two weeks to three months. For this option, the one-time charge would increase, at a maximum, from \$40 to \$49, which would represent an increase of 22.5%.³
8. However, the Commission also notes that only a small number of customers have historically taken this option and, therefore, the vast majority of customers wishing to suspend their residential local exchange services would benefit from the Bell companies' proposal. The uniform one-time charge and suspension period would also simplify terms associated with the suspension of services.
9. In light of the above, the Commission considers that, in the circumstances, the benefit to customers is sufficiently persuasive to find that an exception to the pricing constraints should be made in this case to the extent proposed.
10. Accordingly, the Commission **approves** the Bell companies' request to apply a uniform one-time charge of \$49 and a uniform suspension period of 30 days to six months for TSS for residential local exchange services.

² Under the current price cap framework established in *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007, the one-time charges for TSS in non-HCSAs are capped at the existing level while the one-time charges for TSS in HCSAs are permitted to increase annually by the lesser of the annual rate of inflation or 5%.

³ In HCSAs, the Bell companies can charge up to \$43.60. A one-time charge of \$49 would represent an increase of 12.4%.

11. The Bell companies are directed to issue⁴ tariff pages reflecting the revised rates, terms, and conditions within **five days** of the date of this decision.

Secretary General

⁴ Revised tariff pages can be submitted to the Commission without a description page or request for approval; a tariff application is not required.