



## Telecom Order CRTC 2008-317

Ottawa, 21 November 2008

### TELUS Communications Company – Customer Volume Pricing Plan

Reference: Tariff Notice 320

1. The Commission received an application by TELUS Communications Company (TCC), dated 13 August 2008, proposing revisions to its General Tariff item 504 – Customer Volume Pricing Plan (CVPP). Specifically, TCC proposed that the CVPP would no longer apply to any interexchange private line (IXPL) services that are offered over forborne routes.
2. In support of its application, TCC submitted an updated price cap model demonstrating that the proposed revisions would not result in the service basket index (SBI) exceeding the service basket limit (SBL) for the Other Capped Services basket, as well as a customer impact summary. TCC submitted that, with the exception of one customer, the proposed changes would have no impact on customers' abilities to meet their existing, respective Minimum Monthly Billing Commitments (MMBCs).
3. The Commission approved the above-noted application on an interim basis effective 27 August 2008 in Telecom Order 2008-229.
4. The Commission received comments from MTS Allstream Inc. (MTS Allstream) and reply comments from TCC. The public record of this proceeding, which closed on 18 September 2008, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."
5. MTS Allstream submitted that, within a CVPP contract, a customer can add or cancel circuits as long as that customer meets the MMBC. MTS Allstream noted that, as IXPL routes were forborne, circuits on those routes had remained part of the CVPP until such time as the CVPP contract expired or new rates were negotiated between TCC and the customer. MTS Allstream argued that customers would lose pricing stability and be subjected to price increases on both forborne and non-forborne routes if their CVPP MMBC could no longer be met due to the exclusion of services on the forborne routes. MTS Allstream requested that the Commission deny final approval of TCC's application or, alternatively, direct TCC to introduce terms that would allow customers to mitigate the negative impacts of TCC's proposed changes.
6. TCC submitted that implicit with the introduction of forbearance was the fact that rates would move to the appropriate market level and that, in the case of forborne IXPL services, customers would move to suppliers who were best able to meet their needs.
7. With regards to forborne IXPL routes, the Commission notes that, when it has forborne from the regulation of IXPL routes, it has forborne from regulating the rates for these routes. The Commission further notes that customers can add or cancel circuits on their CVPP contract and that TCC's customers are free to choose a different supplier for a forborne route if their needs change.

8. With regards to non-forborne routes, the Commission notes that CVPP is assigned to the Other Capped Services basket which, pursuant to Telecom Decision 2007-27, is subject to an overall basket constraint of inflation and a rate element constraint of 10 percent.
9. The Commission finds that the proposed tariff revisions comply with the basket constraint requirement that the SBI not exceed the SBL for the Other Capped Services basket. As TCC proposed changes to terms and conditions, the rate element constraint is not applicable. Accordingly, the Commission considers that TCC's proposal is consistent with the pricing requirements in Telecom Decision 2007-27.
10. In light of the above, the Commission **approves on a final basis** TCC's application.

Secretary General

### **Related documents**

- Telecom Order CRTC 2008-229, 20 August 2008
- *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*