



Telecom Order CRTC 2008-40

Ottawa, 8 February 2008

Bell Canada

Reference: Bell Canada Tariff Notices 886 and 886A (NST)

Customer-specific arrangement

1. The Commission received an application by Bell Canada, dated 17 December 2007, as amended on 14 January 2008, to revise National Services Tariff item 722.17, Managed Utility Service – Customer Specific Arrangement (CSA). Bell Canada requested approval for an extension of the CSA under contract P3-114 to 31 July 2009 as well as the inclusion of a minimum port commitment and a rate increase of \$2 per dial port.
2. Bell Canada indicated that the minimum port commitment was a result of negotiations with its third-party supplier of the dial ports and a requirement that it concurrently enter into such an arrangement. Bell Canada also indicated that the customer had agreed with the proposed rates and had been charged accordingly.
3. Bell Canada requested ratification of the proposed rates for the CSA from 1 January 2008. Bell Canada indicated that, although the original agreement expired on 31 July 2007, the parties only recently concluded the agreement to extend the contract. In the interim, the customer continued under the provisions of the original CSA and associated tariff related to transition assistance.
4. Bell Canada submitted that, as it proposed to increase rates, no imputation test was required.
5. In Telecom Order 2008-22, the Commission approved Bell Canada's application on an interim basis, effective 24 January 2008.
6. The Commission received no comments regarding this application. The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Commission's analysis and determination

7. The Commission notes that the original CSA was granted final approval in Telecom Order 2005-384. The Commission further notes that the original CSA started in July 2002 with a minimum contract period of three years and a provision for two one-year extensions. Having exercised the extension options, the CSA terminated in July 2007.
8. The Commission notes that under the existing tariff, upon termination, the terms of the transition assistance tariff allow for provision of the services at the tariffed rates until the services are successfully transitioned, such transition period not to exceed 12 months. The Commission, therefore, considers that charging the tariffed rates in place during the last contract extension for the period from 1 August 2007 to 1 January 2008 is consistent with the transition provisions in item 722.17.

9. The Commission considers that, as Bell Canada proposed to increase rates, the service would pass the imputation test at a higher mark-up than the rates previously approved.
10. The Commission notes that Bell Canada also requested ratification of the increased rates from 1 January 2008.
11. Paragraph 25(4)(a) of the *Telecommunications Act* (the Act) stipulates that the Commission may ratify the charging of a rate by a Canadian carrier otherwise than in accordance with a tariff approved by the Commission if it is satisfied that the rate was charged because of an error or other circumstance that warrants the ratification.
12. The Commission considers that the circumstances of this case warrant the ratification of these rates retroactive to 1 January 2008, because (i) the customer continued to use the service, (ii) Bell Canada had only recently concluded the agreement to extend this arrangement, and (iii) the customer had agreed to and had been charged the proposed rates.
13. In light of the above, the Commission **approves on a final basis** the proposed rate increase and revised terms and conditions, effective 24 January 2008, and ratifies, pursuant to subsection 25(4) of the Act, the charging of the increased rates for the period from 1 January 2008 to 24 January 2008.

Secretary General

Related documents

- Telecom Order CRTC 2008-22, 24 January 2008
- *Bell Canada – Customer Specific Arrangement*, Telecom Order CRTC 2005-384, 24 November 2005, as amended by Telecom Order CRTC 2005-384-1, 25 November 2005

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>

