



Telecom Order CRTC 2009-466

Route reference: Telecom Decision 2009-199

Ottawa, 31 July 2009

MTS Allstream Inc. – Allocation of exogenous adjustment and updated service basket limits

File number: 8678-M59-200816507

In this order, the Commission approves a request by MTS Allstream to adjust the increase to the price ceilings on the monthly rates for stand-alone residential primary exchange service in forborne markets by an additional \$0.03.

Introduction

1. In *MTS Allstream Inc. – Application seeking exogenous treatment of wireline-related costs for the implementation of wireless number portability*, Telecom Decision CRTC 2009-199, 17 April 2009 (Telecom Decision 2009-199), the Commission approved the use of an exogenous adjustment to allow MTS Allstream Inc. (MTS Allstream) to recover its wireless number portability implementation costs. In order to provide the company with the ability to recover the exogenous amount assigned to residential primary exchange service (PES) in forborne markets, the Commission approved an increase of \$0.18 per network access service (NAS) to the applicable price ceilings on the monthly rates for stand-alone residential PES.
2. On 29 May 2009, the Commission received an application by MTS Allstream that was filed pursuant to the Commission's directives in Telecom Decision 2009-199. In its application, the company requested that the Commission permit it to increase the price ceilings on the monthly rates for stand-alone residential PES in forborne markets by \$0.21 per NAS instead of its initial estimate of \$0.18, which the Commission had approved in Telecom Decision 2009-199. MTS Allstream submitted that some multi-line demand figures had inadvertently been included in its initial application when calculating the estimated impact on the price ceilings. The company further submitted that, upon reviewing final demand figures as of 31 December 2008, the final impact on the applicable price ceilings should instead be \$0.21 per NAS.
3. The company noted that, in Telecom Decision 2009-199, the Commission had concluded that an increase of \$0.18 per NAS to the price ceilings for stand-alone residential PES in forborne markets was reasonable. MTS Allstream submitted that because the \$0.21 represents a change of no more than 0.88 percent to the applicable price ceilings, this increase is both reasonable and justified.
4. The Commission received no comments on the application. The record of this proceeding, which closed on 28 June 2009, is available on the Commission's website at www.crtc.gc.ca under “Public Proceedings” or by using the file number provided above.

Commission's analysis and determinations

5. In Telecom Decision 2009-199, the Commission considered that, in the circumstances, a \$0.18 per NAS increase to the applicable price ceiling on the monthly rates would give MTS Allstream the opportunity to recover its wireless number portability implementation costs and did not constitute an unreasonable rate increase.
6. The Commission notes MTS Allstream's submission that it had inadvertently included some 2008 multi-line business PES demand figures in its original calculation. The Commission also notes that the proposed change to the price ceilings on stand-alone residential PES in forborne markets to \$0.21 results from the use of final 2008 residential PES demand figures.
7. The Commission continues to consider that, in the circumstances, the proposed increase to the applicable price ceiling does not constitute an unreasonable rate increase.
8. In light of the above, the Commission **approves** a further increase to the price ceilings on the monthly rates for MTS Allstream's stand-alone residential PES in forborne markets of \$0.03, effective the date of this order. The Commission notes that the cumulative effect of this order and Telecom Decision 2009-199 on the price ceilings on the monthly rates for stand-alone residential PES in forborne markets is an increase of \$0.21 per NAS.

Secretary General

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