



Telecom Decision CRTC 2010-292

Ottawa, 19 May 2010

The Consumers' Association of Canada and Canada Without Poverty – Touch-Tone charges for rotary dial customers

File number: 8661-P8-200917305

In this decision, the Commission determines that it was inappropriate for Bell Canada to impose the monthly rate of \$2.80 for Touch-Tone service to certain residential subscribers. In particular, the Commission finds that the Touch-Tone service charge should not have been billed to Bell Canada's grandfathered rotary dial customers, and directs Bell Canada to reimburse or credit those affected customers, with applicable interest.

1. The Commission received an application by the Consumers' Association of Canada and Canada Without Poverty (collectively, the Consumer Groups), dated 23 December 2009, in which they argued that Bell Canada's application of the monthly rate of \$2.80 for Touch-Tone service to the company's grandfathered rotary dial customers (grandfathered customers) represented an unauthorized rate increase.
2. The Commission received comments from Bell Canada and TELUS Communications Company (TCC). The public record of this proceeding, which closed on 15 February 2010, can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.

Was Bell Canada's monthly charge for Touch-Tone service inappropriately applied to grandfathered customers and, if so, what remedial actions are required?

3. Bell Canada's General Tariff states that individual line services must be equipped for Touch-Tone service at rates specified in item 2150.5. However, it also specifies that a customer subscribing to residence individual line services installed before 8 March 1993, not equipped for Touch-Tone service, can remain on rotary dial service until the customer moves to a different premise.
4. The Consumer Groups submitted that Bell Canada has been charging the monthly rate of \$2.80 for Touch-Tone service since at least 28 September 2009 to customers previously identified as grandfathered customers in both regulated and forborne exchanges. The Consumer Groups submitted that
 - in forborne exchanges, such a charge is a violation of the stand-alone residential primary exchange service (PES) rate cap established in Telecom Decision 2006-15, and
 - in regulated exchanges, the charge represents an unauthorized rate increase in violation of section 25 of the *Telecommunications Act* and Telecom Decision 2007-27.

5. The Consumer Groups submitted that Bell Canada should be required to return all grandfathered (affected) customers to rotary dial service, unless the customer requests in writing to stay on Touch-Tone service. Further, the Consumer Groups requested that all monies collected from grandfathered customers be reimbursed or credited.
6. The Consumer Groups also submitted that Bell Canada should
 - notify all customers, in writing, who have been unjustly charged for Touch-Tone service, providing an explanation of grandfathered service;
 - explain, for customers in forborne exchanges, stand-alone residential PES as defined in Telecom Decision 2006-15;
 - provide an explanation of the rate cap on stand-alone residential PES services; and
 - pay their costs associated with the filing of this application.
7. The Consumer Groups further submitted that they were concerned additional charges that customers had not requested may have been added to the bills of some 20,000 accounts.
8. Bell Canada indicated that it had undertaken a revenue assurance program for Touch-Tone service in 2009, and had determined that a number of residential customers subscribing to individual, two- and four-party line service were provisioned with Touch-Tone service but were not being charged the \$2.80 monthly rate. Bell Canada indicated that, as Touch-Tone service is mandatory, billing corrections were initiated for all underbilled customers. Bell Canada submitted that no other services were affected.
9. Bell Canada submitted that the revenue assurance program was strictly limited to customers that had already been provisioned with Touch-Tone service, and thus the billing charges were intended to ensure that these customers were properly paying for the services they were receiving. However, Bell Canada submitted that, for reasons unknown, the customer referred to in the Consumer Groups' application was billed the Touch-Tone monthly rate but should have remained classified as a grandfathered customer. Bell Canada submitted that as a result of this complaint, the company has provided additional training to its service representatives regarding the revenue assurance program and grandfathered rotary dial service.
10. Bell Canada acknowledged that other grandfathered customers may have been affected by this program, as some have already contacted the company to have the Touch-Tone charges removed. Bell Canada submitted that all customers who have contacted the company, including the customer referred to in the Consumer Groups' application, have received a credit on their account.
11. Bell Canada submitted that, in order to ensure that no other customers have been inappropriately charged for Touch-Tone service, it would send a letter to all individual line customers that subscribed to their telephone service prior to 8 March 1993, and all two- and four-party line customers that were charged for Touch-Tone service as part of the revenue assurance program. Bell Canada submitted that it is these subsets of customers that may include customers who continue to be eligible for grandfathered rotary dial service, and who

may have been inadvertently provisioned with Touch-Tone service. Bell Canada noted that all eligible customers that contact the company and wish to revert to rotary dial service will be credited the Touch-Tone rates with interest, retroactive to the date that Bell Canada began billing for Touch-Tone service.

12. Bell Canada submitted that as the revenue assurance program was strictly limited to addressing underbilled Touch-Tone service customers, there has been neither an unauthorized rate increase in regulated exchanges, nor a violation of the rate cap on stand-alone residential PES services in forborne exchanges. TCC submitted that rate adjustments to ensure compliance with Commission-approved tariffs do not cause rate cap or rate ceiling implications.

Commission's analysis and determinations

13. The Commission notes that the imposition of the charges for Bell Canada's residential customers subscribing to individual, two- and four-party lines provisioned with Touch-Tone service represents a billing correction for customers not eligible for the grandfathered rotary dial service. As such, the Commission considers that billing these customers neither violates the rate cap on stand-alone residential PES in forborne exchanges set out in Telecom Decision 2006-15, nor represents an unauthorized rate increase in regulated exchanges.
14. The Commission notes that Bell Canada has acknowledged that more than one grandfathered customer has been affected by its revenue assurance program, and that these customers should not have had Touch-Tone service provisioned on their line. The Commission considers that it was inappropriate for Bell Canada to impose the monthly rate of \$2.80 for Touch-Tone service to any grandfathered customer, since it was contrary to the conditions identified in Bell Canada's General Tariff.
15. The Commission notes Bell Canada's admission that the customer referred to in the Consumer Groups' application had been charged for Touch-Tone service in error, and that Bell Canada has credited the account of the individual, as well as the accounts of other grandfathered customers who have contacted the company to date.
16. The Commission notes that Bell Canada has already begun to provide additional training regarding its revenue assurance program and grandfathered rotary dial service to its service representatives, and will be sending a letter to all affected customers that may have been inappropriately charged the monthly rate for Touch-Tone service. The Commission considers that Bell Canada is taking steps to rectify the inappropriate charging of the Touch-Tone service monthly rate and is satisfied with the approach proposed by Bell Canada.
17. The Commission directs Bell Canada to reimburse or credit any grandfathered customer who contacts the company, with applicable interest,¹ for rates improperly charged pursuant to item 2150.5 of its General Tariff in relation to individual, two- and four-party line services in accordance with the company's Terms of Service, unless the customer requests to stay on Touch-Tone service.

¹ Interest is to be calculated as per Article 19 of the company's Terms of Service.

18. In regard to the Consumer Groups' request for Bell Canada to cover their costs, the Commission notes that the Consumer Groups should file an application for costs in the manner provided for in the *CRTC Telecommunications Rules of Procedure*.

Secretary General

Related documents

- *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007
- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006, as amended by Order in Council P.C. 2007-532, 4 April 2007

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