



Telecom Order CRTC 2010-708

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Ottawa, 23 September 2010

Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Interest on deposits

File numbers: Bell Aliant Tariff Notice 333 and Bell Canada Tariff Notice 7274

1. The Commission received applications by Bell Aliant Regional Communications, Limited Partnership and Bell Canada (collectively, the Bell companies), dated 11 August 2010, proposing to change each company's General Tariff item 22 – Interest on Deposits, in order to revise the rate used to calculate interest payments on customer deposits held for credit purposes.
2. Specifically, the Bell companies proposed to use the Bank of Canada's target for the overnight rate plus 1.25 percent as the basis for the interest calculation. They submitted that the proposed change would favour customers because the interest paid by the Bell companies would be higher. The Bell companies noted that the change in interest calculation would enable them to comply with Bill 60 in the province of Quebec.¹
3. In addition, the Bell companies requested ratification, pursuant to subsection 25(4) of the *Telecommunications Act* (the Act), for the charging of the proposed rate for the period from 30 June 2010 to the date of approval of these applications. The Bell companies proposed to implement the change effective 30 June 2010 in order to comply with the requirements of Bill 60.
4. These applications were approved on an interim basis in Telecom Order 2010-612.
5. No comments were received regarding these applications. The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

¹ Bill 60 amends the Quebec Consumer Protection Act. Among other things, it introduced a new rule on the use of the security deposit. A new section, section 214.11, states "The merchant must return the security deposit to the consumer, with interest at the rate determined by regulation, minus any amounts due under the contract, within 30 days after the date on which the contract expires if it is not renewed or the date on which the contract is cancelled." Section 79.12 of the associated regulation states "For the purposes of section 214.11 of the Act, the rate of interest on the amount provided as a security deposit is the Bank Rate of the Bank of Canada increased by 1%. The interest must be calculated from the date on which the consumer provided the security deposit until the date on which the merchant returns it to the consumer."

6. The Commission notes that, pursuant to Telecom Decision 86-7, the Bell companies are required to have a tariff incorporating a formula for the calculation of the interest rate to be paid on customer deposits based on the bank prime rate or equivalent.
7. The Commission considers that the Bell companies' proposal complies with Telecom Decision 86-7. The proposed change also benefits customers in both Quebec and Ontario.
8. Regarding the request for ratification, the Commission notes that subsection 25(4) of 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.
9. The Commission considers that ratification would ensure that the Bell companies' customers benefit from the proposed change in the tariff from the date the Bell companies implemented it.
10. In light of the above, the Commission **approves on a final basis** the Bell companies' applications and ratifies the charging of the rates for the period from 30 June to 22 August 2010.

Secretary General

Related documents

- Telecom Order CRTC 2010-612, 23 August 2010
- *Review of the general regulations of the federally regulated terrestrial telecommunications common carriers*, Telecom Decision CRTC 86-7, 26 August 1986