



Telecom Order CRTC 2018-114

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Ottawa, 5 April 2018

Public record: Tariff Notices 78 and 78A

Cochrane Telecom Services – Revisions to Primary Exchange (Local) Service, Private Branch Exchange Service, and Centrex Service

Application

1. The Commission received an application from Cochrane Telecom Services (Cochrane), dated 3 November 2017 and amended on 11 December 2017, in which the company proposed revisions to Section 100 – Primary Exchange (Local) Service, Section 190 – Private Branch Exchange Service, and Section 210 – Centrex Service of its General Tariff (collectively, the services to be revised). Specifically, the company proposed to combine certain rate elements and make housekeeping changes to remove other rate elements that are unused, in order to simplify its tariff and reflect how it invoices customers. Cochrane also requested that the Commission ratify rates that were charged in the past otherwise than in accordance with approved tariffs.
2. In Telecom Decision 2016-209, the Commission approved forbearance from the regulation of a number of tariffed business local exchange services, including the services to be revised. Since these services no longer require a tariff, Cochrane is not seeking approval of the associated tariff pages; rather, the company is requesting rate approvals and rate ratifications for the period prior to forbearance being granted.
3. The Commission received no interventions regarding Cochrane's application.

Primary Exchange (Local) Service

4. Cochrane proposed to combine the Residence – Individual Line and Residence – Rural approved rate elements, and then to combine these with the approved Touch-Tone service rate. The resulting monthly rate would be \$30.
5. Cochrane noted that it has been charging its customers the combined \$30 rate since 1 November 2014 and that the total amount charged to each customer has not changed as a result of combining the individual rates. The company requested ratification of the combined rate retroactively to that date.

Private Branch Exchange Service

6. Cochrane requested approval to combine the PBX – Town and PBX – Rural rate elements with business Touch-Tone service, which had an approved monthly rate of \$2 as of the date forbearance was granted for Private Branch Exchange Service (31 May 2016).
7. Cochrane submitted that it had received Commission approval to increase the monthly rates for its Private Branch Exchange Service from \$39.96 to \$40.56, with an effective date of 1 July 2008, but due to an internal administrative oversight, it never implemented that increase. Therefore, the proposed combined rate is \$41.96, which is what the company has been charging its customers since 1 July 2008. Cochrane requested ratification of the combined rate retroactively to that date.

Centrex Service

8. Cochrane requested rate approval for the combination of the Centrex Basic and Centrex Basic – Rural rate elements, which each had approved monthly rates of \$40.56 as of the date forbearance was granted (31 May 2016). The resulting rate would be \$40.56, since Cochrane did not propose to combine the line rate with the Touch-Tone rate.
9. Cochrane had filed Tariff Notices 70 and 70A to remove references to certain unused rate elements (i.e. the rental/sale of telephone sets) from its tariffs, but it submitted tariff pages that included incorrect rates for Private Branch Exchange Service and Centrex Service (\$39.96 for each). The Commission approved that application on an interim basis in Telecom Order 2015-30, effective 13 February 2015. Cochrane requested ratification of the combined Centrex Service rates retroactively to that date, in order to correct that error.

Commission's analysis and determinations

10. The Commission has previously approved requests by incumbent local exchange carriers to amalgamate their monthly Touch-Tone service rates with the monthly rates for their residential primary exchange service and home phone service bundles. In approving these requests, the Commission has stated that, as a general policy objective, it considers it appropriate for telephone companies to move towards standardizing Touch-Tone service and incorporating it into basic service for all customers.
11. The Commission considers that Cochrane's proposals to combine rate elements as described above are reasonable, since the proposed rates match approved rates for the services in question. It also considers that the company's proposed housekeeping changes to remove unused rate elements are reasonable.
12. Accordingly, the Commission **approves** the proposed rate revisions and other tariff revisions.

13. With respect to Cochrane's rate ratification requests, pursuant to subsection 25(4) of the *Telecommunications Act*, 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.
14. In the case of Primary Exchange (Local) Service, the proposed ratification of the combined residential rate of \$30 from 1 November 2014 to **5 April 2018** (the date of this order) is reasonable, since the revised rate matches the combined individual approved rates during that period.
15. For Private Branch Exchange Service, the proposed ratification of the combined rate of \$41.96 from 1 July 2008 to 31 May 2016 is reasonable, since the incorrect rate was charged to customers due to an administrative error that benefitted those customers, and the proposed rate matched previously approved individual rates during that period.
16. In the case of Centrex Service, the Commission approved the monthly rate of \$40.56, but it did not approve the incorrect rates listed for Private Branch Exchange Service and Centrex Service in Tariff Notices 70 and 70A, as those rates were not the subject of those applications. The proposed ratification of the combined Centrex Service rate of \$40.56 from 13 February 2015 to 31 May 2016 is reasonable, since the revised rate matched the combined individual approved rates during that period.
17. Accordingly, the Commission finds it appropriate to ratify the charging of the rates as requested by the company.
18. In light of the above, the Commission **approves** Cochrane's application, effective **5 April 2018**. The Commission also ratifies the charging of the rates by the company for its Primary Exchange (Local) Service, Private Branch Exchange Service, and Centrex Service, as described above.

Secretary General

Related documents

- *Cochrane Telecom Services – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2016-209, 31 May 2016
- Telecom Order CRTC 2015-30, 2 February 2015