



Telecom Order CRTC 2018-229

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Ottawa, 6 July 2018

Public record: Tariff Notices 1019 and 1019A

Northwestel Inc. – Revisions to V-Connect service

Application

1. The Commission received an application from Northwestel Inc. (Northwestel), dated 24 April 2018 and amended on 9 May 2018, in which the company proposed a revision to item 1110 – V-Connect Service of its Private Wire Service Tariff. Specifically, the company proposed to increase the number of routes per Internet Protocol Virtual Private Network (IP-VPN)¹ point of presence.² Northwestel requested that its proposed change be made effective 24 May 2018.
2. Northwestel also requested that the Commission ratify rates that were charged in the past otherwise than in accordance with approved tariffs.
3. The company's application received interim approval in Telecom Order 2018-186, effective 24 May 2018.
4. The Commission received no interventions regarding Northwestel's application.

V-Connect service

5. V-Connect service is a retail business service which is used to create wide area networks by providing site-to-site connections that can cover large geographic areas. With the V-Connect service, a customer can establish its own private network using Northwestel's network and those of Northwestel's partners. A customer can connect its sites at designated access points and specify how it wants to interconnect the sites and what bandwidth it wants to provide between sites.
6. Currently, the company's tariff specifies that its V-Connect service supports a maximum of 1,000 routes per IP-VPN point of presence. Northwestel submitted that the experience with the current equipment indicates that the maximum limitation on the current equipment used for this service is in fact 4,500 routes per IP-VPN point of presence.

¹ A VPN is a networking technology that allows users to connect over a public Internet connection to their main network remotely.

² A point of presence is an access point from one place to the rest of the Internet.

7. Northwestel proposed an increase to the limit currently set out in the tariff, from 1,000 to 4,500 routes per IP-VPN point of presence, as customer demand is now exceeding the 1,000 routes per IP-VPN point of presence limit.
8. Northwestel submitted that two customers reported out-of-service issues in early December 2017. Northwestel's Network Operations technicians resolved the customers' issues and reinstated service by implementing additional routes without first seeking tariff approval. The additional routes were only identified to Northwestel's Regulatory Affairs group in April 2018, as soon as it was recognized that the limit noted in the company's tariff had been exceeded.
9. Northwestel requested ratification of the tariff change from a maximum of 1,000 routes per IP-VPN point of presence to 4,500 routes per IP-VPN point of presence, effective 1 December 2017.
10. Northwestel did not provide a cost study as part of its application, arguing that the proposed change simply reflects the actual limitations of the equipment being used.

Commission's analysis and determinations

11. The Commission notes that the current equipment used for this service was factored into the price floor test on the introduction of V-Connect service, previously approved by the Commission on 30 April 2013.³ Further, V-Connect service customers will benefit from the increase in the maximum number of routes with no change in rates.
12. With respect to Northwestel's rate ratification request, 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.
13. The Commission considers that the rates for this service were charged in deviation of the tariff due to a technical and administrative error, and that ratification of the rates is appropriate under the circumstances.
14. In light of the above, the Commission **approves on a final basis** Northwestel's application, effective **24 May 2018**. The Commission also ratifies the charging of the rates by the company for its V-Connect Service for the period from 1 December 2017 to 24 May 2018. Northwestel is to issue revised tariff pages⁴ within **10 days** of the date of this order.

Secretary General

³ See paragraph 12 of Telecom Order 2013-208.

⁴ Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

Related documents

- *Northwestel Inc. – Interim approval of a tariff application*, Telecom Order CRTC 2018-186, 24 May 2018
- *Northwestel Inc. – Introduction of V-Connect service*, Telecom Order CRTC 2013-208, 30 April 2013