



Telecom Order CRTC 2018-402

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Ottawa, 22 October 2018

Public record: Tariff Notice 80

CoopTel – Revisions to residential and business optional services

Background

1. In Telecom Regulatory Policy 2013-160, the Commission established new pricing rules in order to provide (i) consumers with access to a wider range of services and prices on a timelier basis, and (ii) small incumbent local exchange carriers (ILECs) with greater pricing flexibility. The Commission permitted small ILECs to use rate ranges and rate de-averaging for certain services, including optional services. Specifically, the Commission made the following determinations regarding rate ranges that apply to optional services:
 - the minimum rate in a rate range must be based on a Commission-approved rate for the same service or on a cost study;
 - the maximum rate in a rate range must be less than or equal to the price cap constraint for the service (in the case of optional services, the applicable price cap constraint is that rates are allowed to increase up to any rate approved by the Commission for the same service); and
 - either the maximum or the minimum rate in a range, but not both, may be designated confidential in the published tariff.

Application

2. The Commission received an application from CoopTel, dated 18 January 2018, in which the company proposed certain revisions to item 2.11 – Various Exchange Services of its General Tariff.
3. Specifically, CoopTel proposed to introduce monthly rate ranges for residential and business individual optional features, as well as for bundled residential and business optional services. CoopTel further proposed that the maximum rates in the rate ranges be publicly available in its tariff and that the minimum rates be confidential. Much of the evidence filed in support of the application was provided in confidence.
4. CoopTel noted that the Commission has approved rate ranges for residential and business optional services for the majority of small ILECs.

Residential and business individual optional features

5. CoopTel proposed that for certain residential optional features, the currently approved monthly rates be established as the maximum rates in the rate ranges, and that for other residential optional features, the currently approved rates be established as the minimum monthly rates in the rate ranges. CoopTel proposed minimum and maximum rates to complete each rate range based on existing monthly rates that the Commission has approved for other ILECs for the same features.
6. Similarly, CoopTel proposed that for certain business optional features, the currently approved monthly rates be established as the maximum rates in the rate ranges, and that for other business optional features, the currently approved rates be established as the minimum monthly rates in the rate ranges. With the exception of the Long Distance Restriction feature, CoopTel proposed minimum and maximum rates to complete each rate range based on existing monthly rates that the Commission has approved for other ILECs for the same features. CoopTel's proposal regarding the Long Distance Restriction feature was filed in confidence.

Residential and business bundled optional services

7. CoopTel proposed to introduce monthly rate ranges for the following residential service packages: the Contact bundle, the Messenger bundle, and the Intégral bundle. The currently approved rates for these bundles were proposed as the maximum rates in the new rate ranges. CoopTel also proposed to introduce monthly rate ranges for the following business service packages: the Exécutif bundle and the Productif bundle. The currently approved rates for these bundles were proposed as the maximum rates in the new rate ranges. CoopTel's proposals regarding the minimum rates in the rate ranges for these bundles were filed in confidence.
8. The company indicated that in Telecom Decision 2007-117, the Commission determined that the bundling rules, including the requirement to file and obtain Commission approval for a tariff, no longer apply with respect to bundles for which the retail price equals at least the sum of the rates of all the retail tariffed services included in the bundle.
9. The Commission received no interventions regarding CoopTel's application.

Commission's analysis and determinations

Residential and business individual optional features

10. The Commission considers that CoopTel's proposed rate ranges for its residential and business individual optional features, except the business Long Distance Restriction feature, meet the regulatory requirements set out in Telecom Regulatory Policy 2013-160. The Commission finds these rate ranges to be reasonable.

11. With respect to the business Long Distance Restriction feature, the Commission considers that CoopTel's proposed minimum rate does not meet the requirement set out in Telecom Regulatory Policy 2013-160 that the minimum rate in a range be based on a Commission-approved rate for the same service. As well, CoopTel did not file a cost study to support its proposed minimum rate.

Residential and business bundled optional services

12. The Commission considers that CoopTel's proposed rate ranges for its residential bundled optional services are consistent with the Commission's regulatory requirements and are reasonable.
13. However, the Commission considers that the proposed minimum rates for the two business bundles do not meet the requirement set out in Telecom Regulatory Policy 2013-160 that the minimum rate in a range be based on a Commission-approved rate for the same service. As well, CoopTel did not file a cost study to support its proposed minimum rates for these bundles.

Conclusion

14. In light of all the above, the Commission **approves** CoopTel's proposed rate ranges for the following:
 - residential individual optional features;
 - business individual optional features, except the business Long Distance Restriction feature; and
 - residential bundled optional services.
15. However, the Commission **denies** CoopTel's proposed rate revisions for the following:
 - the business Long Distance Restriction feature; and
 - the Exécutif and Productif business bundles.

Secretary General

Related documents

- *Regulatory framework for the small incumbent local exchange carriers and related matters*, Telecom Regulatory Policy CRTC 2013-160, 28 March 2013
- *Review of general tariff bundling rules and requirements for market trials*, Telecom Decision CRTC 2007-117, 23 November 2007