



Telecom Order CRTC 2020-234

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Ottawa, 27 July 2020

Public record: Tariff Notices 551, 551A, and 551B

TELUS Communications Inc. – Request for ratification of Competitor Digital Network Services access charges

Application

1. The Commission received an application (Tariff Notice [TN] 551) from TELUS Communications Inc. (TCI), dated 20 April 2020, in which the company proposed to revise item 224 – Competitor Digital Network (CDN) Services of its Carrier Access Tariff. Specifically, TCI proposed to
 - correct the service order charge for CDN Other Central Office (CO) Connecting Link (copper-based)¹ service in item 224.3.5, which was inadvertently reduced on 1 June 2019, by increasing it from \$125.06 to \$126.98; and
 - indicate that the service order charge in item 224.3.5 is frozen, effective 14 March 2019, pursuant to Telecom Decision 2019-74.
2. On 27 April 2020, TCI filed an amendment to its application (TN 551A) in order to
 - correct the monthly rate for CDN Optical Co-location Link service in item 224.3.4, which had been omitted from the rate decreases applied in TCI's 2019 Annual Price Cap tariff issuance for wholesale services submitted on 28 May 2019.
3. On 30 April 2020, TCI filed a further amendment to its application (TN 551B), in which it requested that the Commission ratify the charging of rates without an approved tariff for its CDN Services, for the period from 1 June 2019 to the effective date of the relevant revised tariff pages.
4. The Commission approved TCI's applications on an interim basis in Telecom Order 2020-173, effective 28 May 2020. The Commission indicated that it would address the ratification request in a subsequent order.
5. The Commission received no interventions with respect to the applications.

¹ CO Connecting Link service connects two points within a single central office.

Commission's analysis and determinations

6. With respect to TCI's ratification request, the Commission notes that, pursuant to subsection 25(4) of the *Telecommunications Act*, it 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.
7. In Telecom Decision 2019-74, TCI's request for a rate freeze for its CDN Other CO Connecting Link (copper-based) service was approved, effective 14 March 2019. Subsequently, however, TCI incorrectly applied the I-X constraint² to the approved frozen rate when it submitted its Annual Price Cap tariff issuance for wholesale services on 28 May 2019, and reduced the rate from \$126.98 to \$125.06, effective 1 June 2019. Consequently, TCI has been applying the incorrect rate for that service since that date.
8. TCI proposed to begin applying the approved frozen rate of \$126.98 as of the date of the Commission's interim approval of its applications. It also proposed that no customers who had been paying the lower rate since 1 June 2019 would be retroactively billed.
9. The Commission considers that, under the circumstances, it would be appropriate to ratify the charging of the rate for CDN Other CO Connecting Link (copper-based) service for the period of 1 June 2019 to the date of Telecom Order 2020-173. Accordingly, the affected customers will not be billed retroactively for the time they were paying the lower rate.
10. With respect to CDN Optical Co-location Link service, TCI submitted that the service charge was reduced on 1 June 2019, but the monthly rate decrease was inadvertently not applied. The monthly rate should have been reduced from \$10.07 to \$9.92 by applying the I-X constraint of -1.514%, effective 1 June 2019. TCI proposed to refund customers who had overpaid for the service.
11. The Commission considers that ratification of the CDN Optical Co-location Link service rate is not appropriate because this would amount to approving the overcharging of the rate. Rather, the Commission considers it appropriate to direct TCI to refund customers of the service without approving the company's ratification request.
12. In light of the above, the Commission **approves on a final basis** TCI's applications TN 551 and TN 551A. With respect to the ratification request in TN 551B, the Commission

² The I-X constraint is defined as inflation (I) less a productivity offset (X).

- **approves** TCI's request for ratification of the rate charged for CDN Other CO Connecting Link (copper-based) service from 1 June 2019 to 28 May 2020; and
- **denies** TCI's request for ratification of the rate charged for CDN Optical Co-location Link service, and **directs** TCI to refund the balance owing to customers who overpaid for the service from 1 June 2019 to 28 May 2020.

13. Revised tariff pages are to be issued within 10 calendar days of the date of this order. Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

Policy Directions

14. In accordance with subparagraph 1(b)(i) of the 2006 Policy Direction,³ the Commission considers that the approval of these applications will advance the policy objective set out in paragraph 7(f) of the *Telecommunications Act*.⁴
15. In accordance with the 2019 Policy Direction,⁵ the Commission considers that this order, which is based on a complete record, can promote competition, affordability, consumer interests, and innovation. Specifically, approval of these applications will promote consumer interests and innovation, since it will (i) benefit customers because an overcharged rate will result in refunds to consumers while an undercharged rate will not result in retroactive consumer billing and (ii) ensure that consumers will continue to have access to high-quality telecommunications services as a result of this service revision.

Secretary General

Related documents

- Telecom Order CRTC 2020-173, 28 May 2020
- *TELUS Communications Inc. – Application to modify the provision of various wholesale services*, Telecom Decision CRTC 2019-74, 14 March 2019

³ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

⁴ The cited policy objective is: 7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective.

⁵ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019