



Telecom Order CRTC 2022-290

PDF version

Ottawa, 19 October 2022

Public record: Tariff Notices 1158 and 1158A

Northwestel Inc. – Terrestrial Enterprise Internet Services – Request to ratify rates for certain Optimized Internet service speed tiers

Applications

1. The Commission received an application from Northwestel Inc. (Northwestel), dated 20 July 2022, in which the company proposed changes to item 1736 –Terrestrial Enterprise Internet Services of its General Tariff. The application was filed as Tariff Notice (TN) 1158.
2. In its application, Northwestel proposed to correct an administrative error in its TN 1136, which was approved in Telecom Order 2021-423. In TN 1136, the company proposed to introduce a 600 megabits per second (Mbps) speed tier for Optimized Internet service in Type A communities. Northwestel submitted that the rates filed in TN 1136 for one-year, three-year, and five-year contracts at the 600 Mbps speed tier were inadvertently rounded to the nearest dollar. The discount structure for Optimized Internet packages on contracted terms of one, three, or five years is generally 20%, 30%, and 40% off the month-to-month rate, respectively. Northwestel indicated that by correcting the administrative error in the rates filed in TN 1136, the contract rates for the 600 Mbps speed tier would decrease from \$10,534.00 to \$10,533.60 for the one-year contract, decrease from \$9,217.00 to \$9,216.90 for the three-year contract, and increase from \$7,900.00 to \$7,900.20 for the five-year contract.
3. Northwestel indicated, in confidence, the number of customers who were inadvertently billed at the unrounded five-year contract rate, instead of at the rate filed and approved in TN 1136. The company submitted that its systems automatically charge customers based on the percentage discount from the month-to-month rate, without rounding to the nearest dollar.
4. The corrected rates proposed by Northwestel pass the price floor test, based on the price floor test results that were submitted in TN 1136.
5. The Commission received an amendment to TN 1158, dated 28 July 2022, in which Northwestel proposed to reclassify TN 1158 from a Group A filing to a Group B

filing because TN 1158 included a request for the ratification of rates charged otherwise than in accordance with an approved tariff.¹

6. In Telecom Order 2022-233, the Commission approved Northwestel's TNs 1158 and 1158A on an interim basis, effective 30 August 2022.
7. The Commission received one intervention from an individual. The intervener simply indicated that they opposed Northwestel's application. Northwestel did not submit a reply.

Commission's analysis

8. With respect to the intervention received for Northwestel's application, the Commission notes that the intervener is from Beaumont, Alberta, which is not an area that is served by Northwestel. The intervener did not provide their reasons for opposing Northwestel's application.
9. Pursuant to subsection 25(4) of the *Telecommunications Act* (the 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 the Commission is satisfied that the rate was charged because of an error or other circumstance that warrants the ratification.
10. The Commission considers that ratifying the rates for Northwestel's 600 Mbps speed tier for Optimized Internet service would not adversely affect customers, since Northwestel's systems have been automatically billing customers the unrounded rate from the period of 3 September 2021 to the date when TN 1158 was granted interim approval.
11. The Commission therefore considers that Northwestel's request for rate ratification is reasonable.
12. In light of the above, the Commission **approves on a final basis** Northwestel's TN 1158 and TN 1158A applications. The Commission ratifies the rates for the one-year, three-year, and five-year contract terms for Northwestel's 600 Mbps speed tier for Optimized Internet service, from **3 September 2021 to 30 August 2022**, the date of the interim approval order.

¹ Tariff applications that are categorized as Group A applications meet certain criteria established by the Commission. They generally deal with housekeeping changes or reflect updates consistent with Commission decisions. They are forborne from Commission approval. Group B tariff applications consist of applications that do not belong to Group A and are not associated with service destandardization and/or withdrawal.

Policy Directions

13. The 2019 Policy Direction² states that the Commission should consider how its decisions can promote competition, affordability, consumer interests, and innovation.
14. The Commission has reviewed Northwestel's applications in light of the 2019 Policy Direction and has considered its aspects to the extent necessary, using measures that are efficient and proportionate to their purpose. The Commission considers that the final approval of these applications is compliant with the 2019 Policy Direction. Specifically, final approval of these applications promotes consumer interests by ensuring that tariff pages are accurate and by preventing an administrative error from negatively affecting the relationship of consumers with their telecommunications service provider.
15. Further, in accordance with subparagraph 1(b)(i) of the 2006 Policy Direction,³ approval of these applications advances the policy objectives set out in paragraph 7(f) of the Act.⁴

Secretary General

Related documents

- Telecom Order CRTC 2022-233, 30 August 2022
- Telecom Order CRTC 2021-423, 17 December 2021

² *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

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.