



## Telecom Order CRTC 2026-77

PDF version

References: 2023-56, 2023-56-1, 2023-56-2, 2023-56-3, and 2023-56-4

Gatineau, 24 April 2026

*Public records: 1011-NOC2023-0056; Bell Aliant Regional Communications, Limited Partnership Tariff Notices 569, 569A, 569B, 569C, and 569D; Bell Canada Tariff Notices 7663, 7663A, 7663B, 7664, 7664A, 7664B, 7664C, 7673, 7701, and 7712; Bell MTS Inc. Tariff Notices 852, 852A, 852B, 852C, and 852D; Saskatchewan Telecommunications Tariff Notices 378, 378A, 378B, 378C, and 378D; TELUS Communications Inc. Tariff Notices 583, 583A, 583B, 583C, 601, 657, 657A, 657B, 657C, and 672*

### **Final rates and final terms and conditions for aggregated wholesale high-speed access services over fibre-to-the-premises facilities**

#### **Summary**

The Commission is taking action to ensure Canadians benefit from new choices and greater affordability of high-speed Internet services.

With more competition in the marketplace, all providers have to work harder to win Canadians' business. Strong competition means Canadians benefit from innovative new plans, better customer service, and greater affordability when buying home Internet and other communications services.

In February 2025, the Commission began allowing competitors across Canada to use the largest telephone companies' fibre networks to sell a wide range of communications services, including home Internet, television, telephone, and smart home services. Competitive providers have responded by announcing plans to deliver new competitive choices for up to 8.5 million Canadian households.

This order sets final rates, including the associated terms and conditions, that competitors will pay for access to these fibre networks. These rates were calculated using the Commission's long-standing approach, which carefully considers the costs that incumbents have incurred to build networks. They are based on a thorough, objective, and highly technical analysis of robust evidence. This evidence includes thousands of individual costing elements filed by Canada's largest telephone companies and more than a dozen submissions made by third parties during the process.

The rates replace existing interim rates for access to large telephone companies' fibre networks that the Commission previously set in late 2024. The final rates set in this order are similar to those interim rates, which dozens of competitors have successfully been using to bring new offers to market and attract tens of thousands of new customers. Finalizing these rates provides certainty for the industry and will allow competitors to continue offering new choices to Canadians while also

ensuring Canada's largest telephone companies are compensated fairly for the investments they make to connect Canadians to fibre.

In addition to providing competitor access and setting rates, the Commission is also working to make it easier for Canadians to take advantage when new competitive offers come into the marketplace. This includes recent proceedings designed to make it easier for Canadians to shop for, compare, and choose the plan that best meets their needs.

The Commission will continue its active market surveillance to ensure that its approach translates into new choices and more affordable pricing for Canadians. The Commission will also closely track industry progress in investing to connect more Canadians to high-speed Internet and other communications services. In doing so, the Commission will follow the evidence and act quickly to adjust its approach if necessary.

Even though final fibre rates have now been set, the Commission will continue to focus on promoting competition and investment for telecommunications services. This will include completing the review of competitor rates for cable networks. Even with new access to fibre networks, many competitors continue to sell services over cable. Ensuring just and reasonable final rates for that access is essential to promoting competition, fair returns, and equitable regulatory treatment between fibre and cable networks.

## **Introduction**

1. In Telecom Regulatory Policy 2024-180, the Commission required Canada's largest telephone companies to provide competitors with workable wholesale access to their fibre-to-the-premises (FTTP) networks. In that policy, the Commission also took steps to ensure continued investments so that more Canadians can access high-quality, higher-speed Internet.
2. This order establishes cost-based, just and reasonable final rates to enable wholesale FTTP access. It also sets final rates for other services associated with both FTTP and non-FTTP wholesale high-speed access (HSA) services.

## **Background**

3. In March 2023, in Telecom Notice of Consultation 2023-56, the Commission began a review of its wholesale HSA framework to ensure Canadians benefit from greater choice and more affordable Internet services.
4. As part of that proceeding, the Commission directed large Internet service providers (ISPs) to file proposed tariffs and associated cost studies for aggregated wholesale HSA services, including FTTP services, using the Phase II costing methodology.
5. In launching that proceeding, the Commission recognized that it would take time to develop a record with the evidence needed to make a final determination on how to encourage more

competition and continued investment in modern fibre networks. To address pressing competitive concerns, the Commission ran an expedited process to determine whether competitors should gain temporary access to aggregated wholesale FTTP services until a final determination could be made.

6. That expedited process resulted in Telecom Decision 2023-358, issued in November 2023. That decision provided competitors with temporary access, beginning no later than 7 May 2024, to aggregated wholesale FTTP services over the networks deployed by Bell Canada and TELUS Communications Inc. (TELUS)<sup>1</sup> in Ontario and Quebec. These were the regions where the Commission found that competition had declined most significantly. The Commission also set interim rates for Bell Canada's and TELUS (Quebec)'s temporary aggregated wholesale FTTP services in that decision.
7. In August 2024, in Telecom Regulatory Policy 2024-180, the Commission published its final determinations regarding the status of aggregated HSA services. That regulatory policy required Bell Aliant Regional Communications, Limited Partnership (Bell Aliant); Bell Canada; Bell MTS Inc. (Bell MTS); Saskatchewan Telecommunications (SaskTel); and TELUS (collectively, the incumbent local exchange carriers [ILECs]) to provide, where it was not already available, aggregated wholesale FTTP services, subject to certain conditions, by 13 February 2025. The Commission set interim rates for that access in October 2024 in Telecom Order 2024-261 and then interim terms and conditions for aggregated wholesale FTTP services in January 2025 in Telecom Order 2025-13.
8. Competitor access to aggregated wholesale FTTP services is having a positive and growing impact on choice and competition. New and existing competitors are using aggregated wholesale FTTP services to expand their coverage while offering a wide range of new options to consumers, including in Internet, television, home telephone, and smart home services. Up to 8.5 million households could benefit from new competition across Canada, given that:
  - TELUS is now offering retail Internet services using aggregated wholesale FTTP services in Ontario and Quebec;
  - Bell Canada has announced that it will begin offering retail Internet services using aggregated wholesale FTTP services in Alberta and British Columbia; and

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<sup>1</sup> TELUS operates as an incumbent local exchange carrier in two distinct geographic markets. In western Canada, TELUS is an incumbent Internet service provider (ISP) throughout most of Alberta and British Columbia. In Quebec, TELUS is an incumbent ISP in and around Lower St. Lawrence and the Gaspé Peninsula. In this order, the Commission will use "TELUS" when referring to the company's operations as a whole and "TELUS (Alberta and British Columbia)" and "TELUS (Quebec)" when referring to the company's operations in those provinces.

- competitor ISPs have been offering retail Internet services using aggregated wholesale FTTP services in various regions across Canada.
9. This increased choice is expected to apply continued downward pressure on Internet prices, in particular for consumers who are bundling their communications services. The Commission expects this trend to continue as other competitors leverage wholesale HSA services, including aggregated wholesale FTTP services, to enter new markets across the country. The Commission will continue to closely monitor Internet service competition and is ready to adjust its regulatory approach as necessary. In doing so, the Commission will be guided by its objectives of ensuring the continued (i) growth of consumer benefits resulting from robust competition between ISPs and (ii) investment in high-speed Internet for the benefit of Canadians.

### **Rate-setting process**

10. The aggregated wholesale HSA framework provides competitors with an opportunity to use the networks of incumbents, which include the ILECs and incumbent cable carriers,<sup>2</sup> to bring competitive Internet plans and other communications services to market. As a cornerstone of this framework, the Commission sets the rates that competitors pay when using incumbent networks. These rates reflect the costs that incumbents have incurred to deploy their networks, ensuring that incumbents maintain a financial incentive to invest in these networks.
11. The Commission uses a well-established, long-standing process to set rates for wholesale HSA. First, the Commission requires incumbents, which own and operate Internet networks, to file proposed tariffs and associated cost studies using the Phase II costing methodology. Next, the Commission performs objective and highly technical analyses of the proposed tariffs and associated cost studies. These analyses are based on (i) evidence filed by incumbents, (ii) submissions filed by competitor ISPs and other third parties, and (iii) additional information requested by the Commission.
12. In setting rates for aggregated wholesale FTTP services, the Commission evaluated and assessed thousands of different costing elements filed by the ILECs. Throughout this process, the Commission solicited additional information by means of submissions from third parties, and through five rounds of requests for information (RFIs) to the ILECs. In total, those RFIs included more than 60 questions and covered a broad range of costing considerations related to access, capacity-based billing (CBB), and service charges for wholesale FTTP services.
13. A complete list of the final rates for aggregated wholesale FTTP services can be found in Appendix 1 to this order. An explanation of the Commission-approved adjustments to the

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<sup>2</sup> In this order, “incumbent cable carriers” refers to Bragg Communications Inc., carrying on business as Eastlink; Cogeco Communications Inc.; Rogers Communications Canada Inc.; and Videotron Ltd.

proposed tariffs and associated cost studies filed by each ILEC can be found in Appendix 2 to this order.

14. The Commission has not yet set certain final rates for access to the FTTP facilities operated by Bell Aliant in Atlantic Canada and Bell MTS in Manitoba. These companies have only recently provided the information that the Commission needs to finalize the rates for FTTP access and FTTP install, move, or change service charges (both with and without a site visit). These rates will remain interim, as per Telecom Order 2024-261, until the Commission completes its analysis and issues a future order.
15. The Commission notes that Bell Aliant, SaskTel, and TELUS each use a flat rate (i.e., blended access and CBB rates) for their aggregated wholesale fibre-to-the-node (FTTN) services. Consequently, the approved final CBB rates in this order will apply only to each company's aggregated wholesale FTTP service. These rates may be applied to these companies' aggregated wholesale FTTN services in the future if the Commission (i) determines that Bell Aliant's, SaskTel's, and/or TELUS's FTTN access and CBB rates are to be unblended, and (ii) approves those unblended rates.

### **Terms and conditions**

16. The terms and conditions for wholesale access set the boundaries of the service in a way that allows the service to be costed, thereby allowing the Commission to set just and reasonable rates for the service. By outlining how the service must be delivered, measured, and supported, terms and conditions create a clear commercial and technical framework that clarifies obligations and liabilities, while ensuring that parties operate under predictable and enforceable rules.
17. Beyond their operational role, terms and conditions also ensure that access to incumbent facilities is provided transparently and on a non-discriminatory basis, in accordance with the Commission's policy and regulatory frameworks.
18. In Telecom Order 2025-13, the Commission approved, on an interim basis, the proposed tariff pages, including the terms and conditions, for aggregated wholesale FTTP services. The Commission also stated that it would set final terms and conditions for these services upon complete analysis of the record.
19. The Commission completed a fulsome review based on the record of this proceeding and finds that clarification is needed for several elements of the proposed terms and conditions. A detailed analysis of the Commission's adjustments for each ILEC can be found in Appendix 3 to this order. These adjustments clarify and ensure consistency across the terms and conditions, which will allow competitors to plan effectively around costs and operational requirements when using aggregated wholesale FTTP services.

## Markup

20. The Phase II costing methodology, on its own, does not cover all the costs that an incumbent incurs when a competitor uses its network. Accordingly, the Commission has consistently used markups, which are designed to cover fixed and common costs and the embedded cost differential, to ensure that the incumbents maintain a financial incentive to invest in their networks for the benefit of Canadians. The costs captured by these markups are added to the output of the Phase II costing methodology to establish the final rate.
21. Over the history of wholesale HSA services, the markup has typically been set at 30%. As part of this proceeding, parties were invited to provide comments and supporting evidence to determine whether the 30% markup should be maintained or changed.
22. Parties generally agreed that a markup on wholesale HSA services remains an appropriate method of capturing certain categories of costs. However, there were differing views on the appropriate amount for this markup. Certain independent ISPs and incumbents, which include the ILECs and incumbent cable carriers, were of the view that the 30% markup should be maintained. Other incumbents requested an increase to the 30% markup, with some of these requesting the application of a supplemental markup. Conversely, some interveners, such as the Competitive Network Operators of Canada (CNOC), TekSavvy Solutions Inc. (TekSavvy), and the Canadian Anti-Monopoly Project, supported lowering the markup. These interveners also opposed the application of any supplemental markup.
23. Parties that were in favour of changing the markup largely based their arguments on policy reasons. Bell Canada; Bragg Communications Inc., carrying on business as Eastlink; SaskTel; and TELUS submitted that raising the markup would better support investment by allowing incumbents to mitigate risk and the lengthy cost recovery times associated with the operation of their networks. Various interveners, including CNOC and TekSavvy, indicated that lowering it would better support competition by improving the pricing that independent ISPs can offer.
24. The Commission considers, however, that the parties that favoured changing the markup did not offer sufficient quantitative evidence to justify their proposed changes, nor did they demonstrate that the existing 30% markup is not just and reasonable. By contrast, several incumbents provided evidence to show that a 30% markup remains reasonable. This was based on internal assessments and specific examples where fixed and common costing elements have either remained constant or increased in recent years. In addition, the Commission considers that there are strong policy reasons to support maintaining the 30% markup, including supporting regulatory predictability, consistency, and business continuity.
25. The Commission therefore finds that maintaining a 30% markup for aggregated wholesale HSA services is an appropriate method of capturing certain categories of costs. Accordingly, the standard 30% markup is reflected in the final approved rates set in Appendix 1 to this order.

## Retroactivity

26. When there is a difference between interim and final rates, the Commission may apply retroactive adjustments to rates that were previously designated as interim.
27. The Commission notes that the rates for the temporary aggregated wholesale FTTP service set in Telecom Decision 2023-358 have not yet been made final. It also notes that the temporary and the final services are separate and distinct. The Commission considers, however, that from a costing perspective, the temporary and final aggregated FTTP services are not significantly different. In addition, the rates of both the temporary and the final services were based on the same company-provided cost models. Therefore, the Commission finds that the final rates for the temporary service should be the same as the final rates established in this order for the aggregated wholesale FTTP services mandated as a result of Telecom Regulatory Policy 2024-180 (the final aggregated FTTP service).
28. The Commission considers it appropriate to apply retroactive adjustments for aggregated wholesale FTTP services as of the date the service was made effective. For Bell Canada and TELUS (Quebec), this is the date of the interim approval of their tariff pages for both the temporary and the final approved aggregated FTTP services. For Bell Aliant, Bell MTS, SaskTel, and TELUS (Alberta and British Columbia), this is the date of introduction of the final approved aggregated FTTP service.
29. Accordingly, the Commission approves the retroactivity of rates for aggregated FTTP services as follows:
- Bell Canada and TELUS (Quebec): The retroactivity of rates for the temporary aggregated FTTP service is to be applied effective **7 May 2024** for any rate that was set on an interim basis in Telecom Decision 2023-358.
  - Bell Canada and TELUS (Quebec): The retroactivity of rates for the final aggregated FTTP service is to be applied effective **20 January 2025** for any rate that was set on an interim basis in Telecom Order 2024-261.
  - Bell Aliant, Bell MTS,<sup>3</sup> SaskTel, and TELUS (Alberta and British Columbia): The retroactivity of rates for the final aggregated FTTP service is to be applied effective **13 February 2025** for any rate that was set on an interim basis in Telecom Order 2024-261.

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<sup>3</sup> For Bell Aliant and Bell MTS, this excludes the access rates and the service charges for install, move, or change (both with and without a site visit).

30. In Telecom Notice of Consultation 2023-56, previously existing aggregated wholesale HSA FTTN service rates were made interim effective 8 March 2023. Moreover, a 10% reduction was applied to the costs of traffic-sensitive components used to inform those rates. The Commission notes that Bell Canada and Bell MTS both have CBB rates, which comprise traffic-sensitive components, that are equally applicable to FTTN and FTTP services.
31. Accordingly, the Commission approves the retroactivity of CBB rates for aggregated FTTN service as follows:
- Bell Canada and Bell MTS: The retroactivity of rates is to be applied effective **8 March 2023** for any CBB rate that was set on an interim basis in Telecom Notice of Consultation 2023-56.

## **Next steps**

### **Active market surveillance**

32. In establishing the wholesale HSA framework and the rates and associated terms and conditions for the related services, the Commission has examined the evidence to make determinations that promote competition for Internet services and continued investment in telecommunications networks.
33. While there are positive signs of the benefits that the wholesale HSA framework has brought to Canadians, the Commission will continue to assess the effectiveness of its framework. The Commission will make the necessary adjustments to ensure that Canadians receive the high-quality telecommunications services they need at prices they can afford.
34. In doing so, the Commission will conduct active market surveillance to gather the evidence required to effectively evaluate the framework's ongoing impact. The Commission will closely track, among other things, the new options that competitors bring to the market, the responses of other competitors, the number of households that are subscribing to new offers, and the network investments that continue to take place by assessing the number of homes that are being connected to FTTP in various regions of the country.

### **Additional costing initiatives**

35. Setting these final rates represents an important step in the Commission's efforts to support stronger competition across Canada. The Commission's focus now turns to finalizing wholesale rates for the incumbent cable carriers. In addition, the Commission will continue its work to set final FTTP rates for Bell Aliant and Bell MTS and FTTN rates for all ILECs. The Commission is committed to moving quickly to set final rates, including the associated terms and conditions, for these remaining services.

## Conclusion

36. In light of all of the above, the Commission approves, on a final basis, the rates set in Appendix 1 to this order for the aggregated wholesale HSA services of Bell Aliant, Bell Canada, Bell MTS, SaskTel, and TELUS.
37. The Commission directs Bell Aliant, Bell Canada, Bell MTS, SaskTel, and TELUS to issue revised tariff pages reflecting the final approved rates, including the associated terms and conditions, by **8 May 2026**.
38. Throughout this proceeding, the ILECs filed several tariff notices (TNs) that were approved on an interim basis. In light of the determinations in this order, the following TNs are now closed:
  - Bell Canada: TN 7663, TN 7663A, TN 7663B, TN 7701, and TN 7712
  - Bell MTS: TN 850, TN 850A, TN 850B, and TN 871

Secretary General

## **Appendix 1 to Telecom Order CRTC 2026-77**

### **Final approved rates for aggregated wholesale high-speed access (HSA) services effective 24 April 2026**

#### **Bell Aliant Regional Communications, Limited Partnership (Bell Aliant) aggregated fibre-to-the-premises (FTTP) capacity-based billing (CBB) rate**

- \$42.85 per 100 megabits per second (Mbps)

#### **Bell Aliant service charges**

- Diagnostic maintenance charge per access per diagnostic request – \$107.63
- Diagnostic maintenance charge per access per 15-minute increment or part thereof on the same request – \$32.59
- Service charge per asymmetric digital subscriber line (ADSL) aggregated high-speed service provider interface (AHSSPI) port for 10 gigabit Ethernet (GE) or 100 GE – \$1,159.00
- CBB service charge per order for 1000 Mbps, 10 GE, or 100 GE Internet Protocol (IP) AHSSPI (IP-AHSSPI) – \$165.95
- CBB service charge per IP-AHSSPI for 1000 Mbps, 10 GE, or 100 GE IP-AHSSPIs – \$139.54
- Monthly rate per service provider interface (ADSL-AHSSPI) for 10 GE and 100 GE – \$327.88

#### **Bell Canada aggregated FTTP access rates – Ontario and Quebec**

- 3 Mbps to 1500 Mbps – \$68.26
- 1501 Mbps to 8000 Mbps – \$77.20

#### **Bell Canada aggregated fibre-to-the-node (FTTN) and FTTP CBB rate – Ontario and Quebec**

- \$44.19 per 100 Mbps

#### **Bell Canada service charges**

- FTTP install, move, or change (without site visit) – \$10.46
- FTTP install, move, or change (with site visit) – \$240.86

- Diagnostic maintenance charge per access per diagnostic request – \$107.63
- Diagnostic maintenance charge per access per 15-minute increment or part thereof on the same request – \$32.59

**Bell MTS Inc. (Bell MTS) aggregated FTTP and FTTP CBB rate**

- \$20.25 per 100 Mbps

**Bell MTS service charges**

- Diagnostic maintenance charge per access per diagnostic request – \$107.63
- Diagnostic maintenance charge per access per 15-minute increment or part thereof on the same request and same visit – \$32.59
- Service charge per very high-speed aggregated high-speed service provider interface (V-AHSSPI) for speeds up to 1 gigabit per second (Gbps) – \$1,159.00
- Service charge per V-AHSSPI for 10 GE or 100 GE – \$1,159.00
- CBB service charge per order (subsequent to the initial provisioning of the V-AHSSPI) – \$205.11
- CBB service charge per V-AHSSPI (applicable to each network capacity change that is made subsequent to the initial provisioning of the V-AHSSPI) – \$185.55
- Monthly rate per service provider interface (V-AHSSPI) for 10 GE or 100 GE – \$327.88

**Saskatchewan Telecommunications (SaskTel) aggregated FTTP access rate**

- All speeds (15 Mbps to 1 Gbps) – \$67.97

**SaskTel monthly HSA FTTP service enablement charge per access**

- HSA FTTP service enablement charge (per competitor HSA access connection per month) – \$5.65 – to be in effect for 10 years from the date the final mandated aggregated HSA FTTP service for SaskTel was introduced: 13 February 2025

**SaskTel aggregated FTTP CBB rate**

- \$35.76 per 100 Mbps

**SaskTel service charges**

- Service charge without site visit – \$80.38
- Service charge with site visit – \$261.82
- CBB service charge per order – \$772.00
- Domain name activation
  - First additional domain name (one domain name per HSA interface included), per domain name – \$772.00
  - Subsequent domain name requested on same order, per subsequent domain name – \$273.00
- Unified Aggregated Interface
  - 1 GE, 10 GE, and 100 GE Unified Aggregated Interface service charge (per interface) – \$1,017.68
  - Monthly rate – Unified Aggregated Interface (1 Gbps, 10 Gbps, 100 Gbps) – \$55.89

**TELUS Communications Inc. (TELUS) aggregated FTTP access rate – Alberta and British Columbia**

- 15 Mbps to 1500 Mbps – \$77.21
- 1501 Mbps to 5000 Mbps – \$81.81

**TELUS aggregated FTTP CBB rate – Alberta and British Columbia**

- \$42.12 per 100 Mbps

**TELUS service charges – Alberta and British Columbia**

- FTTP install, move, or change (without site visit) – \$6.71
- FTTP install, move, or change (with site visit) – \$250.67
- Network-to-network interface (NNI) service charges
  - E1000 interface service charge (per interface) – \$1,199.00
  - 10G interface service charge (per interface) – \$1,199.00

- CBB capacity service charge (per order) – \$685.44
- ADSL NNI service – Alberta and British Columbia
  - E100 interface (per interface) monthly charge – \$55.15
  - E1000 interface (per interface) monthly charge – \$59.01
  - 10G interface (per interface) monthly charge – \$313.36

**TELUS aggregated FTTP access rate – Quebec**

- 15 Mbps to 1500 Mbps – \$57.86
- 1501 Mbps to 5000 Mbps – \$62.45

**TELUS aggregated FTTP CBB rate – Quebec**

- \$42.12 per 100 Mbps

**TELUS service charges – Quebec**

- FTTP install, move, or change (without site visit) – \$6.71
- FTTP install, move, or change (with site visit) – \$250.67
- NNI service charges
  - E1000 interface service charge (per interface) – \$1,199.00
  - 10G interface service charge (per interface) – \$1,199.00
- CBB capacity service charge (per order) – \$685.44
- E100 interface service charge (per interface) – \$1,199.00
- ADSL virtual point-of-presence NNI (A-NNI) change fee – \$500.00
- ADSL NNI service – Quebec
  - E100 interface (per interface) monthly charge – \$55.15
  - E1000 interface (per interface) monthly charge – \$59.01
  - 10G interface (per interface) monthly charge – \$313.36

## Appendix 2 to Telecom Order CRTC 2026-77

### Adjustments to proposed rates for aggregated wholesale high-speed access (HSA) services

#### Access rates

#### Installed first cost factor for shared feeder plant – Bell Canada, TELUS (Alberta and British Columbia), and TELUS (Quebec)<sup>1</sup>

1. Bell Canada and TELUS proposed to distribute the cost of certain shared network facilities across end-users based on the access usage speed that is provisioned for each customer. Those companies submitted that higher-speed users tend to consume more data and therefore use a greater proportion of shared network capacity than lower-speed users.
2. Bell Canada and TELUS stated that the driver of the shared feeder plant cost is not the speed of the end-user. Those companies added that this allocation was being proposed to create differentiation in service speed rates.

#### *Commission's analysis*

3. The Commission finds that the actual driver of these costs is the 1:32 capacity ratio of the shared feeder plant, not the usage that each of these 32 accesses consumes. Each fibre feeder and splitter at the central splitting point is equally shared among 32 end-users. This is true regardless of the speed subscribed to by each end-user.
4. The Commission was concerned that, if shared network costs are allocated by speed, then costs would be more heavily allocated to higher-speed services for each fibre feeder and splitter. This could result in higher rates for high-speed services and lower rates for low-speed services, which could inhibit the demand and competitive offerings for higher-speed fibre-to-the-premises (FTTP) services.
5. For these reasons, the Commission did not apply an installed first cost factor for shared plant when developing the interim rates for Bell Canada and TELUS (Quebec) in Telecom Decision 2023-358. Also, for these reasons, the Commission did not apply an installed first cost factor for Bell Canada, TELUS (Alberta and British Columbia), and TELUS (Quebec) in Telecom Order 2024-261. In Telecom Decision 2023-358, the Commission determined that the driver of the incremental cost to be included within the cost study (and the rate) should be the

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<sup>1</sup> TELUS Communications Inc. (TELUS) operates as an incumbent local exchange carrier in two distinct geographic markets. In western Canada, TELUS is an incumbent Internet service provider (ISP) throughout most of Alberta and British Columbia. In Quebec, TELUS is an incumbent ISP in and around Lower St. Lawrence and the Gaspé Peninsula. In this order, the Commission will use “TELUS” when referring to the company’s operations as a whole and “TELUS (Alberta and British Columbia)” and “TELUS (Quebec)” when referring to the company’s operations in those provinces.

1:32 capacity ratio of the shared feeder plant, not the usage that each one of those 32 accesses consumes. The Commission considers that the same conditions exist today, and that the cost should continue to be driven by the 1:32 capacity ratio of the shared feeder plant.

6. The Commission therefore denies, on a final basis, the inclusion of an installed first cost factor for shared feeder plant for Bell Canada, TELUS (Alberta and British Columbia), and TELUS (Quebec).

**Distribution and feeder fibre penetration adjustment – Bell Canada, Saskatchewan Telecommunications (SaskTel), and TELUS (Alberta and British Columbia)**

7. In their respective submissions, Bell Canada, SaskTel, and TELUS (Alberta and British Columbia) proposed varying distribution and feeder fibre penetration adjustment factors. This factor represents a company's expected usage of the deployed fibre feeder and distribution equipment, given that a company builds to all homes in an area but does not retain all subscribers in the homes it passes. Bell Canada, SaskTel, and TELUS (Alberta and British Columbia) proposed distribution and feeder fibre penetration factors that were below 50%.

***Commission's analysis***

8. In Telecom Order 2024-261, the Commission reduced the distribution and feeder fibre penetration adjustment factor to 50% for TELUS (Alberta and British Columbia). The Commission did this under the consideration that, in an ideal competitive market, two facilities-based competitors have a 50% chance of gaining retail or wholesale subscribers.
9. The Commission finds that this consideration continues to be valid and expects continued competitive intensity between facilities-based providers in the retail and wholesale Internet market related to FTTP deployment. As a result, the Commission considers that the distribution and feeder fibre penetration adjustment factor should be set to 50% for aggregated HSA FTTP access for all companies that set it below that amount.
10. The Commission therefore denies the use of a sub-50% distribution and feeder fibre penetration adjustment factor for Bell Canada, SaskTel, and TELUS (Alberta and British Columbia) and sets the factor as 50%, on a final basis, for those companies' aggregated HSA FTTP access rates.

**Feeder/distribution capital unit cost and poles/conduit structure cost factors – Bell Canada, SaskTel, and TELUS (Alberta and British Columbia)**

11. In its proposed rate submission for HSA FTTP access, Bell Canada proposed developing the costs for distribution fibre, pre-connect drop wires, feeder fibre and central splitting point, and support structure costs using information from a 10-year period (5 years of historical information and 5 years of forecast). Following the establishment of the interim rates in Telecom Decision 2023-358, Bell Canada revised the approach and proposed to use six years of historical data, from 2018 to 2024, in revised models.

12. In setting Bell Canada's interim rates in Telecom Decision 2023-358, which were maintained in Telecom Order 2024-261, the Commission considered that 5 of the 10 years of data used to develop unit costs are forecasted, and that the accuracy of forecasts is subject to in-year variations. Both these factors can lead to over- and under-estimation of unit costs and associated cashflows.
13. The Commission also considered that, for support structures (poles and conduit), Bell Canada deviated from standard Phase II methodology to develop costs. In particular, Bell Canada did not adjust the costs of support structures to account for the fact that poles and conduit are shared assets that transport services beyond HSA and Internet. Bell Canada contended that the poles and conduit costs included are a result of FTTP deployment. However, the Commission considered that poles and conduit, and all support structures, are shared assets to be used by services other than FTTP services. As a result, despite Bell Canada's argument that the initial installation is being driven by FTTP deployment, the Commission considers that the use of these assets could be shared among numerous other services. As a result, the associated costs should be recovered from all services using these facilities.
14. For Bell Canada's interim rates, initially approved in Telecom Decision 2023-358 and reapproved in Telecom Order 2024-261, the Commission made two adjustments. The first adjustment was using the five-year historical average (2018 to 2022) to develop unit costs for distribution fibre, pre-connect drop wires, and the feeder fibre and central splitting point. The second adjustment was replacing Bell Canada's actual and forecasted investment for support structures with costs developed with the use of Bell Canada's capital cost factors, specifically the structure cost factors. The Commission found that this approach is in line with the methodology set out in the Phase II Manual.
15. TELUS (Alberta and British Columbia), in its initial proposed rate submission, stated in its study report that outside plant equipment, which includes fibre drop wires, distribution fibre, feeder fibre, poles, and conduit, had been developed using an internal forecasting model used for capital budgeting purposes. TELUS (Alberta and British Columbia) explained that this forecasting model was necessary to take into consideration the cost of TELUS (Alberta and British Columbia)'s network deployment, which is currently in progress.
16. When setting interim rates in Telecom Order 2024-261 for TELUS (Alberta and British Columbia), the Commission adjusted the company costs to only use historic costs. This is because in Telecom Regulatory Policy 2024-180, the Commission stated that companies that have mandated FTTP deployment under regulated terms and conditions are subject to a five-year head start for any FTTP deployed after the date of that regulatory policy. This means that forecasted, or not yet complete, TELUS (Alberta and British Columbia) construction should not be considered in the rate-setting exercise because it (i) will not be available to Internet service providers (ISPs) until August 2029 and (ii) is not representative of the cost of the current FTTP base that ISPs will have access to. The Commission therefore approved, in Telecom Order 2024-

261, the use of historical costs from 2018 to 2023 to set capital costs, using these averaged historical costs to establish feeder, distribution, and drop wire costs.

17. Through requests for information (RFIs) sent to the incumbent local exchange carriers (ILECs) since the establishment of the interim rates, the Commission collected the actual capital investment and FTTP locations built, by year, from 2008 to 2024.
18. In response to an RFI, SaskTel revised its proposed rate to take into account the Commission's determination in Telecom Regulatory Policy 2024-180 that all FTTP access facilities deployed by the ILECs after 13 August 2024 be exempt from wholesale HSA access for a period of five years.

***Commission's analysis***

19. Through its analysis of the RFI responses, the Commission determined that the capital information used in the interim rates accounted for 50% of the locations built by the end of 2022 for Bell Canada and 52% of the locations built by TELUS (Alberta and British Columbia) by the end of 2023. Using information from 2014 to 2023 for both companies, however, would account for 81% of all locations built by Bell Canada and 99.5% for TELUS (Alberta and British Columbia).
20. The Commission considers that this expanded timeline takes into account a greater proportion of the historical build for Bell Canada and TELUS (Alberta and British Columbia). It also balances the potential impact from changes in technology with the impact arising from the ILECs' practice of deploying first in areas that generate lower costs and higher revenue and only proceeding to areas that generate higher costs and lower revenue later. As a result, the Commission considers this new 10-year historical period to be more appropriate and more representative of the average cost for feeder and distribution capital.
21. To use the additional historical data from 2014 to 2023, however, the Commission needed to make adjustments to the information provided by Bell Canada. In the original submission, and in the follow-up RFI responses, Bell Canada submitted historical costing information from 2018 to 2024 in sufficient detail for it to be processed within the company's costing calculator. The same level of granularity was not sought nor provided, however, for costing information prior to 2018 that was provided via RFI responses.
22. The Commission then, for Bell Canada, compared the information in a granular and non-granular format for the years in which both formats were available (2018 to 2024). With this information, the Commission proportionally adjusted and distributed the costs for 2014 to 2018 using annual costs and asset-level costs information provided by Bell Canada. The Commission did this to create annual unit costs for distribution fibre, pre-connect drop wires, and feeder fibre and central splitting point that could be processed by the Bell Canada costing calculator.
23. Finally, as determined on an interim basis in Telecom Decision 2023-358, in respect to support structures (poles and conduit) for Bell Canada, the Commission took into consideration Bell

Canada's deviation from standard Phase II methodology to develop costs (i.e., Bell Canada not adjusting the costs of support structures to account for the fact that these assets are shared assets that transport much more than FTTP services). The Commission maintains the view that the usage of these support structure assets could be shared among numerous other services. The Commission therefore recalculated the costs of these assets using the company-specific structure cost factors, in compliance with the Phase II Manual.

24. The Commission therefore denies, on a final basis, the proposal by Bell Canada to include five years of historical information and five years of forecast information to create the unit costs for distribution fibre, pre-connect drop wires, feeder fibre and central splitting point, as well as the poles and conduit support structures.
25. Similarly, the Commission denies, on a final basis, using capital unit costs developed using a company's internal forecasting model used for capital budgeting purposes for TELUS (Alberta and British Columbia).
26. The Commission instead approves, on a final basis, the use of 10 years of historical data for Bell Canada and TELUS (Alberta and British Columbia) to develop the unit costs for distribution fibre, pre-connect drop wires, feeder fibre and central splitting point for Bell Canada and for fibre drop wires, distribution fibre, feeder fibre, poles, and conduit for TELUS (Alberta and British Columbia). The Commission also approves, on a final basis, the use of poles and conduit costs developed using the company-specific support structure factors for Bell Canada.
27. The Commission also approves, on a final basis, SaskTel's revision to its proposed FTTP rates to remove the cost of FTTP access facilities deployed after 13 August 2024.

**Application of a service-specific capital increase factor to the optical network terminal instead of an asset-specific capital increase factor and adjustment of the unit cost for the optical network terminal – SaskTel**

28. SaskTel proposed the use of a capital increase factor (CIF) of 10% for the optical network terminal (ONT) from 2021/2022 onwards, sourcing a CIF from 2013. The ONT unit cost identified by SaskTel was also substantially higher than that identified by the other companies using the same equipment.
29. Following SaskTel's response to RFIs about the CIF and the ONT equipment cost, the Commission noted that the CIF was substantially higher than the CIF being used by SaskTel in its own Phase II Manual for 2020/2021 and 2021/2022 (where the value was 0%). The Commission therefore requested the detailed purchase order records for the ONT.

**Commission's analysis**

30. Commission staff asked SaskTel to calculate a service-specific CIF for the wholesale HSA FTTP service instead and apply that against the ONT from 2021/2022 onwards. In Telecom Decision 2016-117, the Commission stated that with respect to the proposal to use an asset-

specific CIF instead of a service-specific capital unit cost factor, asset-specific CIFs are based, in part, on the functions of an asset beyond those that may pertain to the wholesale HSA service. In that decision, the Commission reaffirmed that with respect to wholesale HSA services, it is more appropriate to continue using a service-specific capital unit cost factor than an asset-specific CIF.

31. The Commission recognizes that the application of a service-specific CIF had previously been approved in Telecom Regulatory Policy 2011-703. In that regulatory policy, the Commission noted that CIFs, which reflect corporate average unit cost changes for general classes of assets (i.e., asset-specific CIFs), are in line with the approved filing process set out in the Phase II Manuals. However, the Commission also stated in that regulatory policy that this does not preclude the use of service-specific CIFs that are deemed more appropriate.
32. The Commission considers that, in certain instances, particularly in instances where the asset-specific CIF could be substantially different from a service-specific CIF, it is more appropriate to employ the approach adopted in Telecom Regulatory Policies 2011-703 and 2011-704 and use a service-specific CIF. SaskTel has itself calculated the service-specific CIF, using its own information. The Commission finds this CIF to be appropriate.
33. Regarding the ONT unit cost, the Commission recalculated, using information collected through RFIs, a revised ONT unit cost. For this recalculation, the Commission used the ONT purchase order price, the exchange rate provided by SaskTel, and SaskTel's loading factors for warehousing and distribution and taxes. This revised ONT unit cost was lower than that originally provided by SaskTel in its FTTP access rate submission and comparable to the ONT unit cost for other FTTP access providers that were using the same equipment. Given this, the Commission determines that the recalculated ONT unit cost is more appropriate.
34. The Commission therefore denies the use of the 10% CIF for SaskTel for the ONT in the company's FTTP access rate. Instead, the Commission approves, on a final basis, the use of an asset-specific CIF, established at 2%, as calculated by SaskTel.
35. The Commission also denies the ONT unit cost provided by SaskTel in its initial FTTP access rate submission. Instead, the Commission approves, on a final basis, the revised ONT unit costs calculated by the Commission using the information collected from SaskTel by way of RFIs.

#### **Option value markup for multi-gigabit speeds – Bell Canada**

36. Bell Canada submitted that an option value markup<sup>2</sup> should apply to network facilities used to provide multi-gigabit speeds (10-gigabit-capable symmetrical passive optical network [XGS-

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<sup>2</sup> The argument for the option value markup is largely dependent on a report provided by J. Gregory Sidak of Criterion Economics, LLC. The report mentions that speeds delivered over the XGS-PON access (i.e., speeds above 1.5 gigabit per second [Gbps] on FTTP) should account for the risk that the company bears when it grants wholesale ISPs a real option to demand future access at a price that is determined today. Bell Canada submitted that the option value markup is an additional markup that will ensure that the proper economic incentives are provided for all market participants, both

PON] speeds) where that equipment is non-redeployable. Bell Canada added that, if there is investment in network facilities to provide multi-gigabit service to wholesale customers, and if companies lose those customers to another provider (or if the customers switch to lower speeds on its network), then the network facilities cannot be redeployed elsewhere for other purposes. Bell Canada asserted that the option value markup mitigates this risk and maintains the incentive to invest.

37. The Commission removed the option value markup when setting the interim rates for Bell Canada in Telecom Decision 2023-358 and maintained its removal in Telecom Order 2024-261.

***Commission's analysis***

38. The Commission finds, as it did in Telecom Decision 2023-358, that Bell Canada did not provide factual evidence that the facilities to which the company applied the option value markup to support multi-gigabit service could not be redeployed, or that this non-redeployment is a likely occurrence.
39. The Commission also notes that the assets to which Bell Canada has applied the option value markup, and that the company indicates are non-redeployable, are included in the higher speed XGS-PON speed bands and in gigabit passive optical network (GPON) speed bands. The Commission further notes that the installed first cost (IFC) of these assets in the XGS-PON submission and the GPON submission are identical. This suggests that there are identical incremental Phase II costs for XGS-PON and GPON technology, on a per customer basis, for the assets that are argued to be non-redeployable for XGS-PON. The Commission views this as evidence that there is not a risk of these assets being non-redeployable for XGS-PON, given that they could equally be used in the GPON access (where a non-redeployable argument is not being made) if a customer was to decide to reduce their speed below a multi-gigabit band.
40. The Commission therefore denies, on a final basis, the application of the option value markup for Bell Canada.

**Removal of customer premises equipment – SaskTel, TELUS (Alberta and British Columbia), and TELUS (Quebec)**

41. In its proposed rates for FTTP access, TELUS (Alberta and British Columbia) and TELUS (Quebec) included costs for equipment at customer premises for a combination device that serves as both the ONT and the router/gateway, as well as the provider of fibre connectivity.

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incumbents and competitors. It added that, to support efficient network investment, a real option multiplier needs to be applied to the portion of Phase II costs that are non-redeployable.

42. SaskTel, similarly, in its proposed rates for FTTP access, included costs for customer premises equipment that contained both the ONT and a gateway modem/router.

***Commission's analysis***

43. The demarcation point for the service set out in SaskTel's, TELUS (Alberta and British Columbia)'s, and TELUS (Quebec)'s tariff pages is the ONT.
44. When compared to other ILECs providing FTTP services, the customer premises equipment costs for TELUS (Alberta and British Columbia) and TELUS (Quebec) are substantially higher than that of the other ILECs. This is due to the inclusion of the combination device, which serves as both ONT and router/gateway. The Commission considers that equipment functionality that is beyond that of the ONT is not required because the ONT is clearly defined as the demarcation point of the service.
45. Furthermore, given that no other company is proposing such a combination device, the Commission determines that this customer premises combination device is not a requirement for TELUS (Alberta and British Columbia) or TELUS (Quebec) to offer aggregated HSA services over FTTP. To ensure consistency with the other FTTP access rates and configurations, the Commission denies, on a final basis, the inclusion of a combination device and its associated costs. The Commission finds that TELUS (Alberta and British Columbia) and TELUS (Quebec) should be able to configure and provide FTTP services without such a device.
46. SaskTel included both an ONT and a gateway modem/router in its proposed FTTP access rate, even though the tariff pages list the ONT as the service demarcation point. The Commission therefore denies, on a final basis, the inclusion of any customer premises equipment past the service demarcation point. The Commission has removed the gateway modem/router and its associated costs from the SaskTel FTTP access rate.

**Costs related to weather events (capital and expense) – Bell Canada**

47. Bell Canada proposed rates for both FTTP and fibre-to-the-node (FTTN) that include costs that account for expected impacts from catastrophic weather events. It added that these events have become more common over the past several years and that their impact should be included in the associated rates.
48. The Commission did not approve the inclusion of costs related to weather events in the interim FTTP access rates for Bell Canada, which were set in Telecom Order 2024-261. In Telecom Decision 2008-14, the Commission determined that expenses associated with non-recurring events (including catastrophic weather events) were to be excluded from the Phase II costing submissions. The Commission also determined that, although Telecom Decision 2008-14 specifically pertained to expenses, it follows that related capital costs should be excluded as well.

**Commission's analysis**

49. The Commission considers that its determinations in Telecom Decision 2008-14 continue to be appropriate. Accordingly, the Commission denies, on a final basis, the inclusion of both capital and expense costs for weather-related events in the FTTP access rates for Bell Canada.
50. As stated in Telecom Decision 2023-358, Bell Canada raised arguments regarding the inclusion of costs within Phase II submissions that warrant further discussion. Moreover, the Commission considers that the inclusion of costs related to weather events would amount to changing the Commission's determinations in Telecom Decision 2008-14. For these reasons, the Commission reiterates that a follow-up proceeding will be necessary to determine whether its existing directives are adequate or need to be updated.

**Removing ONT installation labour costs from the FTTP access rate – TELUS (Alberta and British Columbia) and TELUS (Quebec)**

51. In Telecom Order 2024-261, the Commission approved the removal of ONT installation labour costs from TELUS (Alberta and British Columbia)'s FTTP access rate because it was determined that TELUS (Alberta and British Columbia) had accounted for these costs in both the installation service charge and the access rate, resulting in a double counting of the costs.
52. The Commission further found that the same ONT installation labour costs were being double counted in the rates for TELUS (Quebec).

**Commission's analysis**

53. To ensure that competitors have access to just and reasonable rates, and that the ILECs cannot over-recover appropriate costs by having the same cost included in both service charges and FTTP access rates, the Commission is removing the ONT installation labour costs from the aggregated FTTP access rate for both TELUS (Alberta and British Columbia) and TELUS (Quebec), while maintaining them in the installation service charge.
54. The Commission therefore denies, on a final basis, the inclusion of ONT installation labour costs in the FTTP access rates for TELUS (Alberta and British Columbia) and TELUS (Quebec) because they are already being recovered through the installation service charge.

**Increasing software life estimate from 7 to 10 years for capital causal to service (software) for FTTP access rates – TELUS (Alberta and British Columbia) and TELUS (Quebec)**

55. The Commission has, in previous decisions, extended the life estimate of causal-to-service costs if the impact of recovering such costs over a shorter period has a significant impact on rates.<sup>3</sup>

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<sup>3</sup> Paragraph 75 of Telecom Decision 2016-117 states that, in cases where there are significant costs causal to a service, such as significant start-up costs and billing system development costs, it is appropriate for the service provider to recover

56. In Telecom Decision 2016-117,<sup>4</sup> the Commission defined costs as significant when the sum of all costs causal to a service is equal to or greater than 20% of the total service cost (i.e., the present worth of annual costs).
57. In Telecom Order 2024-261, the Commission approved, on an interim basis, an extension of the life estimate for capital causal to service (software) from 7 to 10 years for TELUS (Alberta and British Columbia) and TELUS (Quebec) capacity-based billing (CBB) because it made up a substantial portion of the Commission-adjusted rate. Given that the same asset classes were equally present in the FTTP access rates proposed by TELUS, the Commission also increased the equivalent life estimates from 7 to 10 years to ensure consistency.

***Commission's analysis***

58. The Commission finds that, without increasing the life estimate from 7 to 10 years, the capital causal to service (software) will continue to form a substantial portion of the CBB rate for TELUS (Alberta and British Columbia) and TELUS (Quebec), above the 20% referenced in Telecom Decision 2016-117.
59. The Commission also considers that, when adjustments are made to the life estimates in the CBB rate, the same adjustments should be made to identical life estimates in the FTTP access rate. Given that the proposed CBB rate applies to both TELUS (Alberta and British Columbia) and TELUS (Quebec), it follows that the adjustment to life estimates for capital causal to service (software) in the proposed CBB rate should also apply to the proposed FTTP access rate for both TELUS (Alberta and British Columbia) and TELUS (Quebec).
60. The Commission therefore approves, on a final basis, the following revised life estimates for the FTTP access rates for TELUS (Alberta and British Columbia) and TELUS (Quebec):
- capital causal to service (software) for FTTP access rates – life estimate increased from 7 years to 10 years.

**Start-up and network augmentation costs for speeds equal to or greater than 1.5 Gbps – TELUS (Alberta and British Columbia) and TELUS (Quebec)**

61. In their response to an RFI, TELUS (Alberta and British Columbia) and TELUS (Quebec) provided proposed rates and associated cost studies for aggregated FTTP access for speeds above 1.5 Gbps (delivered over XGS-PON). TELUS (Alberta and British Columbia) and TELUS

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these costs over the life of the service or over a reasonable period (e.g., 10 years or 15 years, as appropriate) that is longer than the study period. Accordingly, when there are significant costs causal to a service, an adjustment is necessary to ensure that these costs are recovered over the life of the service or the reasonable period.

<sup>4</sup> See footnote 20, Telecom Decision 2016-117.

(Quebec) also proposed start-up and network augmentation costs associated with such service speeds.

62. TELUS (Alberta and British Columbia) and TELUS (Quebec) noted that they began deploying the XGS-PON technology in 2020 as an overlay to their existing networks. XGS-PON was deployed on top of the existing technology to provide higher speeds without significantly altering the underlying access network architecture or replacing the entire network infrastructure. XGS-PON deployment included upgrading equipment at both ends of the access network (i.e., at the central office and at the end-user's premises) to allow for higher bit rates. It also included the use of additional passive optical splitters to physically isolate the XGS-PON traffic.

***Commission's analysis***

63. The Commission finds that the start-up and network augmentation costs submitted by TELUS (Alberta and British Columbia) and TELUS (Quebec) substantially increase the proposed rates when compared against what was being proposed by those companies for speeds of up to 1.5 Gbps. The Commission further notes that these costs are substantial enough to be a barrier to entry for competitors for speeds greater than 1.5 Gbps.
64. In previous decisions, the Commission directed companies to recover asset costs over a longer period if the costs comprise a significant portion of the total service cost. The Commission has traditionally done this by extending the life estimate within the proposed cost study for the impacted cost elements.<sup>5</sup>
65. Given that TELUS (Quebec)'s access rate for speeds above 1.5 Gbps would be more than double its rate for speeds equal to or less than 1.5 Gbps, the Commission considers that this far exceeds the 20% threshold set in Telecom Decision 2016-117 and would therefore constitute a barrier to entry for competitors. Accordingly, the Commission considers that asset recovery should be spread over a 10-year recovery period. While this impacts TELUS (Alberta and British Columbia) to a lesser degree, the same adjustment is being applied to the rates of both TELUS (Alberta and British Columbia) and TELUS (Quebec) to ensure consistency.
66. The Commission further notes that start-up and network augmentation costs are for the benefit of all TELUS (Alberta and British Columbia) and TELUS (Quebec) customers, not just those of the wholesale aggregated HSA service. Therefore, the Commission considers that these costs should be spread between both the retail and wholesale customers of TELUS (Alberta and British Columbia) and TELUS (Quebec) using the all-carrier approach.
67. The Commission considers that using the cost allocation approach proposed by TELUS (Alberta and British Columbia) and TELUS (Quebec) would cause TELUS (Quebec) to shoulder a

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<sup>5</sup> See paragraphs 75 and 76 of Telecom Decision 2016-117.

substantial portion of the allocated costs. It would also render TELUS (Quebec)'s rate uneconomical for competitors and would constitute a further barrier to entry for competitors. Accordingly, the Commission considers that all start-up and network augmentation costs associated with the introduction of speeds equal to or greater than 1.5 Gbps should be recovered over the entirety of TELUS (Alberta and British Columbia)'s and TELUS (Quebec)'s territories.

68. In light of the above, the Commission approves, on a final basis, the following adjustments to the FTTP access rates for speeds equal to or greater than 1.5 Gbps for both TELUS (Alberta and British Columbia) and TELUS (Quebec):

- The start-up and network augmentation costs associated with the introduction of the 1.5 Gbps speed over XGS-PON is to be spread over a 10-year period.
- The all-carrier approach is to be used to recover costs over the entirety of TELUS (Alberta and British Columbia)'s and TELUS (Quebec)'s territories.

#### **Unrecovered costs – Bell Canada**

69. Bell Canada included a portion of the unrecovered upfront and development costs related to disaggregated wholesale HSA service within its proposed FTTP access rates, claiming that this is warranted because it continues to provide this service in Ontario and Quebec despite almost non-existent demand.

70. In Telecom Decision 2023-358, the Commission denied the recovery of costs related to disaggregated wholesale HSA service in Bell Canada's interim rates for FTTP access because, per the Phase II Manual, cross-impacts of one service are not meant to be recovered in the rates of another service. The Commission also considered, on an interim basis, that disaggregated wholesale HSA service is still being offered, and that the question of whether the associated rate should be revised is the subject of the current proceeding (Telecom Notice of Consultation 2023-56).

#### ***Commission's analysis***

71. The Commission considers that, if there are any unrecovered costs, they should either be accounted for in the adjusted rates for disaggregated wholesale HSA service, if the Commission determines that new rates should be set, or should only be considered once the Commission renders a determination on the provisioning of disaggregated wholesale HSA service.

72. To date, the Commission has not established final rates for the disaggregated wholesale HSA service. Nevertheless, the Commission reiterates its finding that any costs resulting from the disaggregated wholesale HSA service should be accounted for in that service's cost, per the methodology set out in the Phase II Manual.

73. The Commission therefore denies, on a final basis, the inclusion of unrecovered costs related to disaggregated wholesale HSA service within Bell Canada's aggregated HSA FTTP access rates.

**Bad debt percentage adjustment – Bell Aliant Regional Communications, Limited Partnership (Bell Aliant), Bell Canada, and Bell MTS Inc. (Bell MTS)**

74. In their rate submissions for aggregated FTTP access, Bell Aliant, Bell Canada, and Bell MTS proposed a company-specific percentage in relation to bad debt. Although the bad debt percentage was filed in confidence, it was more than double that of any other ILEC.

***Commission's analysis***

75. The Commission recognizes that Bell Canada operates in an environment that traditionally experiences a higher level of competitive intensity and therefore may incur more bad debt. However, such competitive intensity should not cause its bad debt percentage to be double that of the other ILECs.

76. The Commission considers that, in both the study reports and the spreadsheets associated with the proposed rates, Bell Aliant, Bell Canada, and Bell MTS did not provide any evidence, explanation, calculations, or rationale to support their calculation of the proposed bad debt percentage.

77. In light of the above, the Commission denies, on a final basis, the bad debt percentage proposed by Bell Aliant, Bell Canada, and Bell MTS. The Commission adjusts those companies' bad debt percentage downward to align with that of the other ILECs. This adjustment applies to all rates approved in this order for Bell Aliant, Bell Canada, and Bell MTS that comprised a bad debt percentage, including FTTP access rates, CBB rates, and applicable service charges (including the diagnostic maintenance charge proposed in tariff notice [TN] 7673).

**Speed banding in tariff pages**

78. Within their respective tariff pages, many companies set multiple access rate speed bands, maintaining the structure that the companies initially proposed. However, in Telecom Order 2024-261, the Commission approved truncated speed bands by company.

***Commission's analysis***

79. The Commission considers that the ILECs should respect the speed bands approved by the Commission on both an interim and final basis. As a result, the Commission considers that the ILECs must update their tariff pages to reflect the speed bands approved by the Commission in this order and in Telecom Order 2024-261.

80. The Commission therefore directs the ILECs to update their tariff pages to reflect the speed bands established by the Commission in this order.

## **CBB rates**

### **Restatement of 2023 unit costs related to CBB rates – Bell Aliant, Bell Canada, Bell MTS, TELUS (Alberta and British Columbia), and TELUS (Quebec)**

81. In its proposed CBB rates, Bell Aliant, Bell Canada, and Bell MTS included 2023 vintage unit costs, which those companies restated to 2024 using a restated CIF/productivity improvement factor (PIF) combination. TELUS (Alberta and British Columbia) and TELUS (Quebec) included 2022 vintage unit costs in their proposed CBB rates, which those companies restated to 2023 using CIFs and a PIF.

### ***Commission's analysis***

82. In Telecom Decision 2016-117, the Commission determined that, for aggregated HSA service, an annual factor of -26.4% should be applied against all traffic-sensitive components.

83. In Telecom Decision 2023-358, the Commission upheld the application of the -26.4% annual factor to CBB cost inclusions for TELUS (Quebec) but did not make a similar adjustment for the 2023 unit costs for Bell Aliant, Bell Canada, and Bell MTS. Given that TELUS (Alberta and British Columbia) and TELUS (Quebec) proposed the same CBB rate, the same adjustment was approved for TELUS (Alberta and British Columbia)'s CBB cost inclusions in Telecom Order 2024-261.

84. The Commission considers that the 2022 historical unit costs that TELUS (Alberta and British Columbia) and TELUS (Quebec) used in their proposed CBB rates were, in some cases, identical to the unit costs filed as part of the proceeding that led to Telecom Decision 2016-117. In that decision, the costs were referenced as being of a 2016/2017 vintage. Accordingly, the Commission considers these unit costs to be of a 2016/2017 vintage rather than the 2022 vintage indicated by TELUS (Alberta and British Columbia) and TELUS (Quebec) in their proposed CBB rate submissions.

85. The Commission considers that -26.4% is still an appropriate annual factor for all traffic-sensitive components, given that Bell Aliant, Bell Canada, Bell MTS, TELUS (Alberta and British Columbia), and TELUS (Quebec) have not provided sufficient evidence on the record of this proceeding to justify changing it at this time.

86. The Commission therefore determines, on a final basis, that an annual factor of -26.4% should be applied against the traffic-sensitive components included in Bell Aliant's, Bell Canada's, Bell MTS's, TELUS (Alberta and British Columbia)'s and TELUS (Quebec)'s proposed CBB rates. The annual factor must be applied throughout the study period against all traffic-sensitive components.

**Plug-in quantities related to CBB – TELUS (Alberta and British Columbia) and TELUS (Quebec)**

87. In their initial proposed rates and associated cost studies, TELUS (Alberta and British Columbia) and TELUS (Quebec), which proposed using the same CBB rate, employed a straight average of costs associated with four different configurations of plug-ins at the router edge for the CBB service.

***Commission's analysis***

88. The Commission finds that, when creating a unit cost for a proposed rate, if numerous configurations are possible for deployment, companies typically establish weighted average capital unit costs using the weight of each configuration that has been deployed or is planned to be deployed.

89. Commission staff issued an RFI to TELUS (Alberta and British Columbia) and TELUS (Quebec) about the methodology they used and asked those companies to provide the actual revised quantities being deployed for each plug-in configuration.

90. Once TELUS (Alberta and British Columbia) and TELUS (Quebec) provided the requested information, the Commission adjusted the straight average with a new weighted average based on actual configurations deployed. The Commission considers that this aligns with the Phase II costing methodology and is consistent with what those companies are currently using.

91. In light of the above, the Commission denies the straight average plug-in quantity methodology employed by TELUS (Alberta and British Columbia) and TELUS (Quebec). In addition, the Commission approves, on a final basis, the weighted average methodology of plug-in configurations for the CBB rate.

**Increasing software life estimate from 7 to 10 years for capital causal to service (software) for CBB rates and from 5 to 10 years for capital causal to service (hardware) for CBB rates – TELUS (Alberta and British Columbia) and TELUS (Quebec)**

92. The Commission has, in previous decisions, extended the life estimate of causal-to-service costs if the impact of recovering such costs over a shorter period of time has a significant impact on rates.<sup>6</sup>

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<sup>6</sup> Paragraph 75 of Telecom Decision 2016-117 states that, in cases where there are significant costs causal to a service, such as significant start-up costs and billing system development costs, it is appropriate for the service provider to recover these costs over the life of the service or over a reasonable period (e.g., 10 years or 15 years, as appropriate) that is longer than the study period. Accordingly, when there are significant costs causal to a service, an adjustment is necessary to ensure that these costs are recovered over the life of the service or the reasonable period.

93. In Telecom Decision 2016-117,<sup>7</sup> the Commission defined costs as significant when the sum of all costs causal to a service is equal to or greater than 20% of the total service cost (i.e., the present worth of annual costs).
94. In Telecom Order 2024-261, the Commission approved, on an interim basis, an extension of the life estimate for capital causal to service (software) within the CBB rate from 7 to 10 years for TELUS (Alberta and British Columbia) and TELUS (Quebec) because it made up a substantial portion of the Commission-adjusted rate. Given that the same asset classes were equally present in the FTTP access rates proposed by TELUS (Alberta and British Columbia) and TELUS (Quebec), the Commission also increased the equivalent life estimates from 7 to 10 years to ensure consistency.

***Commission's analysis***

95. The Commission finds that, without increasing the life estimate from 7 to 10 years, the capital causal to service (software) will continue to form a substantial portion of the CBB rate for TELUS (Alberta and British Columbia) and TELUS (Quebec), above the 20% referenced in Telecom Decision 2016-117.
96. The Commission also finds that, with these adjustments, the capital causal to service (hardware) for the CBB rate now forms a significant portion (i.e., equal or greater than 20% of the total service cost) of the CBB rate. The Commission finds it appropriate to increase the life estimate of the capital causal to service (hardware) for TELUS (Alberta and British Columbia) and TELUS (Quebec) CBB from 5 to 10 years, per Telecom Decision 2016-117.
97. The Commission therefore approves, on a final basis, the following revised life estimates for the CBB rates for TELUS (Alberta and British Columbia) and TELUS (Quebec):
- capital causal to service (software) for CBB rates – life estimate increased from 7 years to 10 years; and
  - capital causal to service (hardware) for CBB rates – life estimate increased from 5 years to 10 years.

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<sup>7</sup> See footnote 20, Telecom Decision 2016-117.

## Service charges

### Service charges and other charges – Bell Aliant, Bell Canada, and Bell MTS

#### ***FTTP install, move, or change (with site visit) and FTTP install, move, or change (without site visit) – Bell Canada***

98. In Telecom Decision 2023-358, the Commission approved, without changes, Bell Canada’s proposed service charge rates for FTTP install, move, or change (with site visit) and FTTP install, move, or change (without site visit).
99. In Telecom Order 2024-261, the Commission approved an update for the “with site visit” service charge that Bell Canada had provided in TN 7664A. This update resulted in a small reduction from the prior interim rate. The “without site visit” rate remained unchanged.
100. The Commission approves, on a final basis, an additional adjustment to the “with site visit” and “without site visit” service charge rates to reflect the application of the adjusted bad debt percentage mentioned at paragraph 77. These service charge rates can be found in Appendix 1 to this order.

#### ***Diagnostic maintenance charge – Bell Canada***

101. In TN 7673, Bell Canada proposed to amend the diagnostic maintenance charges contained in its General Tariff for items 5410,<sup>8</sup> 5420,<sup>9</sup> 5440,<sup>10</sup> and 5450.<sup>11</sup> In that TN, Bell Canada requested service charge rates of \$108.59 for each diagnostic maintenance charge per access per diagnostic request, and \$32.88 for each diagnostic maintenance charge per access per additional 15-minute increment or part thereof on the same request. The Commission considers Bell Canada’s costs to be reasonable because the relevant rate has not been reviewed in 10 years and it is not uncommon to see increases in expense-driven rates over such periods. However, the Commission has reduced the rates slightly to reflect the application of the adjusted bad debt percentage used for the Bell Canada access, CBB, and other service charge rates. The Commission approves, on a final basis, these revised rates, which can be found in Appendix 1 to this order.

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<sup>8</sup> Item 5410 – Gateway Access Service.

<sup>9</sup> Item 5420 – High Speed Access Service.

<sup>10</sup> Item 5440 – Gateway Access Service – Fibre to the Node.

<sup>11</sup> Item 5450 – High Speed Access Service – Fibre to the Node.

***Diagnostic maintenance charges – Bell Aliant and Bell MTS***

102. The Commission notes that both Bell Aliant and Bell MTS proposed to proxy the rates of the diagnostic maintenance charge per access per diagnostic request and the diagnostic maintenance charge per access per additional 15-minute increment or part thereof on the same request on Bell Canada's rates. The Commission also notes that Bell Canada's proposed diagnostic maintenance charge rates are supported by cost studies. The Commission finds that Bell Canada's rates that are proxied by Bell Aliant and Bell MTS are reasonable, with minor adjustments, as noted above. Specifically, the Commission has reduced the diagnostic maintenance charge, updated by Bell Canada in TN 7673, to align the bad debt percentage for Bell Canada.
103. The Commission approves, on a final basis, the revised Bell Canada rates as equally applicable to Bell Aliant and Bell MTS. These rates can be found in Appendix 1 to this order.

***Very high-speed aggregated high-speed service provider interface for speeds up to 1 Gbps other service charge – Bell MTS***

104. The Commission noted that the existing rate for Bell MTS's service charge per very high-speed aggregated high-speed service provider interface (V-AHSSPI) for up to 1 Gbps was very high compared to the other speeds. Bell MTS's existing rate is \$4,097.57. For the 10-gigabit Ethernet (GE) and 100 GE speeds, the Commission approved an interim rate of \$1,159.00 in Telecom Order 2024-261.
105. In response to a Commission RFI, Bell MTS replied that the difference is due to a series of manual processes that are automated for higher speeds but that are not yet in place for lower speeds. Although Bell MTS stated that these manual processes are being automated, it indicated that it would take between three and four years to complete that work. In its RFI response, however, Bell MTS proposed to set the rate equal to that of the 10 GE and 100 GE rate, making a single service charge for all V-AHSSPI speeds. Bell MTS submitted that the proposed service charges for 10 GE and 100 GE V-AHSSPI speeds are based on approved interim rates for Bell Canada.
106. The Commission accepts Bell MTS's proposal and approves, on a final basis, the rate found in Appendix 1 to this order.

***Other service charges and associated charges – Bell Aliant and Bell MTS***

107. The Commission also approves, on a final basis, several other service charge rates that were approved on an interim basis in Telecom Order 2024-261, with no changes. These rates can be found in Appendix 1 to this order.

***Service charges and other charges – TELUS (Alberta and British Columbia)***

108. TELUS (Alberta and British Columbia) and TELUS (Quebec) proposed, for the most part, identical service charges. The Commission considers that, when identical, the same adjustments

should be made to both companies. These adjustments will also be addressed directly in the “Service charges and other charges – TELUS (Quebec)” section later in this appendix.

***FTTP install, move, or change (with site visit) and FTTP install, move, or change (without site visit)***

109. In Telecom Order 2024-261, the Commission approved, on an interim basis, the establishment of site visit and non-site visit service charge rates for both TELUS (Alberta and British Columbia) and TELUS (Quebec) for which those companies had proposed a single rate regardless of whether a site visit was required. The Commission maintains the view that differentiation in rates, which allows ISPs to incur costs for activities only when those activities occur, is beneficial to an ISP when compared to a single blended rate.
110. Before the Commission published Telecom Order 2024-261, Commission staff requested through RFIs that TELUS provide a breakdown of proposed rates between a site visit and a non-site visit. In response, TELUS identified which costs would be driven by a site visit (including on-site technician work time, technician travel time, etc.). The Commission then separated those costs in the TELUS service charge study. The Commission calculated separate service charges for “site visit” and “without site visit,” resulting in the interim rates set in Telecom Order 2024-261.
111. Through an RFI, Commission staff requested that TELUS recalculate the service charge rates in light of the Commission’s directions and assumptions. This resulted in minor changes to what the Commission had calculated in the TELUS model. The Commission completed an analysis of these new rates proposed by TELUS and determined that they are just and reasonable. The Commission approves, on a final basis, these revised rates, which can be found in Appendix 1 to this order.

***Network-to-network interface service charge per interface***

112. Both TELUS (Alberta and British Columbia) and TELUS (Quebec) proposed identical network-to-network interface (NNI) service charges per interface for each company for both the E1000 speed (\$1,538.44) and the 10 GE speed (\$1,593.60).
113. The Commission approved these interim rates for TELUS (Quebec) in Telecom Decision 2023-358 for the temporary service and then again in Telecom Order 2024-261 for the final service. For TELUS (Alberta and British Columbia), the Commission approved only the 10 GE speed on an interim basis in Telecom Order 2024-261. This was because it had already approved an existing rate of \$1,199.00 for speeds up to 1000 Mbps for TELUS (Alberta and British Columbia) in Telecom Decision 2013-659.
114. In establishing the final rates, the Commission notes that Bell Aliant, Bell Canada, and Bell MTS had proposed a single rate for the NNI service charge (\$1,159.00). The Commission approved this rate on a final basis in Telecom Decision 2013-659 for all speeds (at the time, speeds only went up to 1000 Mbps) for Bell Aliant and Bell Canada (there was no rate for Bell MTS’s

predecessor company in Telecom Decision 2013-659). The Commission later approved a 10 GE rate of \$1,159.00 for both Bell Aliant and Bell Canada in Telecom Order 2015-163.

115. Despite offering increased speeds of 10 GE and 100 GE, Bell Aliant, Bell Canada, and Bell MTS did not propose higher NNI service charge rates. Instead, Bell Aliant and Bell MTS both opted to use the Bell Canada rate. Similarly, SaskTel proposed a single rate of \$1,017.68 for the service charge applicable to 1 GE, 10 GE, and 100 GE.
116. When comparing the ILECs, the Commission considered that both TELUS (Alberta and British Columbia) and TELUS (Quebec) proposed an NNI service charge rate that is substantially higher than that of the other ILECs. Their proposed rate also introduced a rate structure whereby the rates would differ by speed when no other company proposed such a structure. The Commission finds that applying the rate of \$1,199.00, as approved for TELUS (Alberta and British Columbia) for other speeds in Telecom Decision 2013-659, would still result in TELUS (Alberta and British Columbia) and TELUS (Quebec) having the highest service charge of all the ILECs.
117. Therefore, the Commission approves, on a final basis, the use of the TELUS NNI service charge, which was approved on a final basis in Telecom Decision 2013-659, as the NNI service charge for all speeds. This (i) aligns with the existing approved E100 speed service charge in the TELUS tariff pages, (ii) aligns with the methodology currently being recommended for Bell Aliant, Bell Canada, and Bell MTS, and (iii) puts the ILEC NNI service charges in line with each other.

***Other service charges and associated charges***

118. The Commission also approves, on a final basis, several other service charge rates with no changes. These rates can be found in Appendix 1 to this order. These rates were not changed from what TELUS proposed when setting the interim rates, which were approved in Telecom Order 2024-261.

**Service charges and other charges – TELUS (Quebec)**

***FTTP install, move, or change (with site visit) and FTTP install, move, or change (without site visit)***

119. In Telecom Decision 2023-358, the Commission approved a single FTTP install, move, or change service charge for TELUS (Quebec). In Telecom Order 2024-261, the Commission approved, on an interim basis, the establishment of site visit and non-site visit rates for both TELUS (Alberta and British Columbia) and TELUS (Quebec). This approval aligned with the establishment of the two rates approved for the other ILECs. The Commission maintains the view that differentiation in rates, which allows ISPs to incur costs for activities only when those activities occur, is beneficial to ISPs.
120. Through RFIs, Commission staff requested that TELUS provide a breakdown of proposed rates between a site visit and a non-site visit. In response, TELUS identified which costs would be driven by a site visit (including on-site technician work time, technician travel time, etc.). The Commission then separated those costs in the TELUS (Alberta and British Columbia) and

TELUS (Quebec) service charge study. The Commission calculated separate service charges for site visit and non-site visit, resulting in the interim rates set in Telecom Order 2024-261.

121. Through RFIs, Commission staff requested that TELUS (Alberta and British Columbia) and TELUS (Quebec) recalculate the service charge rates, given the Commission's directions and assumptions. This resulted in minor changes to what the Commission had calculated in the TELUS (Alberta and British Columbia) and TELUS (Quebec) model. The Commission completed an analysis of these newly calculated rates. The Commission approves, on a final basis, these revised rates, which can be found in Appendix 1 to this order.

***NNI service charge per interface***

122. TELUS (Alberta and British Columbia) and TELUS (Quebec) proposed identical NNI service charges per interface for each company for both the E1000 speed (\$1,538.44) and the 10 GE speed (\$1,593.60).
123. The Commission approved these interim rates for TELUS (Quebec) in Telecom Decision 2023-358 for the temporary service and then again in Telecom Order 2024-261 for the final service. For TELUS (Alberta and British Columbia), the Commission approved only the 10 GE speed on an interim basis in Telecom Order 2024-261. This was because it had already approved an existing rate of \$1,199.00 for speeds up to 1000 Mbps for TELUS (Alberta and British Columbia) in Telecom Decision 2013-659.
124. In establishing the final rate, the Commission notes that Bell Aliant, Bell Canada, and Bell MTS had proposed a single rate for the NNI service charge (\$1,159.00). The Commission approved this rate on a final basis in Telecom Decision 2013-659 for all speeds (at the time, speeds only went up to 1000 Mbps) for Bell Aliant and Bell Canada (there was no rate for Bell MTS's predecessor company in Telecom Decision 2013-659).
125. Despite offering increased speeds of 10 GE and 100 GE, Bell Aliant, Bell Canada, and Bell MTS did not propose higher NNI service charge rates. Instead, Bell Aliant and Bell MTS both opted to use the Bell Canada rate. Similarly, SaskTel proposed a single rate of \$1,017.68 for the service charge applicable to 1 GE, 10 GE, and 100 GE.
126. When comparing the ILECs, the Commission considered that both TELUS (Alberta and British Columbia) and TELUS (Quebec) proposed an NNI service charge rate that is substantially higher than that of the other ILECs. Their proposed rate also introduced a rate structure whereby the rates would differ by speed when no other company proposed such a structure. The Commission finds that applying the rate of \$1,199.00, as approved for TELUS (Alberta and British Columbia) for other speeds in Telecom Decision 2013-659, would still result in TELUS (Alberta and British Columbia) and TELUS (Quebec) having the highest service charge of all the ILECs.
127. Therefore, the Commission approves, on a final basis, the use of the TELUS NNI service charge, which was approved on a final basis in Telecom Decision 2013-659, as the NNI service charge

for all speeds. This (i) aligns with the existing approved E100 speed service charge in the TELUS tariff pages, (ii) aligns with the methodology currently being recommended for Bell Aliant, Bell Canada, and Bell MTS, and (iii) puts the ILEC NNI service charges in line with each other.

***Other service charges and associated charges***

128. The Commission also approves, on a final basis, several other service charge rates with no changes. These rates can be found in Appendix 1 to this order.

**Service charges and other charges – SaskTel**

***FTTP install, move, or change (with site visit) and FTTP install, move, or change (without site visit)***

129. Following its initial TNs and responses to RFIs, SaskTel revised its proposed service charges to correct errors and adjust time estimates. Regarding the FTTP install, move, or change service charges, SaskTel initially did not propose a “without site visit” service charge. In response to RFIs, SaskTel proposed a “without site visit” service charge in the tariff pages it filed following Telecom Regulatory Policy 2024-180.
130. The Commission compared the time estimates provided in support of SaskTel’s “with site visit” and “without site visit” service charges to those of the other ILECs because the service charges that SaskTel was proposing were substantially higher than those of Bell Canada and TELUS.
131. For the interim rates set in Telecom Order 2024-261, the Commission (i) adjusted the time estimates for sales representative activities, (ii) corrected a formulaic error in the “without site visit” calculation, and (iii) recalculated the “with site visit” and “without site visit” rates according to the number of related expected orders for each.
132. In setting the final rate, the Commission reviewed the new time estimates provided in support of SaskTel’s proposed rates, particularly for senior clerk associates. Through an RFI response, SaskTel filed an updated set of time estimates and activities for the “with site visit” and “without site visit” service charges. In this study, SaskTel resubmitted updated numbers for the aggregated FTTP service charges alongside historical 2010 asymmetric digital subscriber line (ADSL) touch times to differentiate the business processes of ADSL and HSA FTTP services.
133. When compared to Bell Canada and TELUS, the Commission finds these time estimates to be excessive. This is also true when the revised time estimates are compared to those submitted by SaskTel in its initial cost study filing for senior clerk associates, as well as those for sales representatives (within the “Business Office and Sales” category) if a site visit is required.<sup>12</sup> In the Commission’s view, these revised time estimates, despite having been reduced, are still

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<sup>12</sup> SaskTel submitted that the time estimates provided in its initial 2023 submission were based on those from its 2010 ADSL study.

unreasonable for certain activities when compared to similar tasks from other companies and SaskTel's historical 2010 ADSL touch times.

134. Accordingly, the Commission approves, on a final basis, a reduction of the time estimate for senior clerk associates within the “with site visit” and “without site visit” service charges to match the time estimate from the 2010 ADSL service study that SaskTel provided in its RFI response. The Commission also approves, on a final basis, the touch time for sales representatives, as adjusted in Telecom Order 2024-261, within the “with site visit” and “without site visit” service charges.

***HSA FTTP service enablement fee***

135. In its initial proposal, SaskTel proposed a service charge of \$23,518.64 as an HSA FTTP service enablement fee, chargeable as a one-time fee for each wholesale-based ISP operating in SaskTel's territory using HSA FTTP services. Although several other ILECs have this type of fee, these fees tend to be much lower than the one proposed by SaskTel. The Commission, when setting the interim rates in Telecom Order 2024-261, determined that this could be seen as a barrier to entry for many ISPs. Based on an analysis that led to the interim rates, SaskTel has forecasted that only a small number of ISPs will choose to operate within its territory, given the cost of enabling the service.
136. In Telecom Order 2024-261, the Commission approved an alternative proposal to convert a one-time service charge into an ongoing monthly charge. The Commission calculated the present worth of annual cashflows (PWAC) over 10 years and unitized the PWAC over the present worth of HSA demand over the 5-year study period. This resulted in a rate of \$5.65 per HSA access per month. The Commission then approved this rate, on an interim basis. This resulted in a separate monthly FTTP access charge, which is, on an interim basis, to be in effect for 10 years from the date of the implementation of the final HSA FTTP service.
137. Since Telecom Order 2024-261, the Commission asked SaskTel to comment on this approach and rate calculation through an RFI. In its response, SaskTel did not provide an alternative to the calculation, nor did it object to the manner of calculation.
138. Therefore, the Commission approves, on a final basis, this approach and rate for a 10-year period from the introduction of the final mandated FTTP service for SaskTel (13 February 2025). At the end of the 5-year study period, the Commission can reassess the extent of SaskTel's recovery of the enablement costs if demand exceeds or fails to meet SaskTel's forecast. At that time, the rates could be adjusted accordingly.

***Other service charges and associated charges***

139. The Commission also approves, on a final basis, several other service charge rates with no changes. These rates can be found in Appendix 1 to this order.

## Appendix 3 to Telecom Order CRTC 2026-77

### Terms and conditions

1. In Telecom Order 2025-13, the Commission approved, on an interim basis, the proposed tariff pages, including the terms and conditions, for aggregated wholesale fibre-to-the-premises (FTTP) services submitted by the incumbent local exchange carriers (ILECs).<sup>13</sup> The Commission also stated that it would set final terms and conditions for these services upon complete analysis of the public record.
2. The terms and conditions set out in the tariff pages for aggregated wholesale FTTP services formally define:
  - the scope of the service;
  - the technical specifications of the service; and
  - the responsibilities for provisioning, maintenance, and interconnection.
3. The terms and conditions set the boundaries of the service in a way that allows it to be costed and allows reasonable rates to be set. By outlining how the service must be delivered, measured, and supported, terms and conditions create a clear commercial and technical framework that governs how competitors access the ILEC's fibre network.
4. Beyond their operational role, the terms and conditions ensure that access to FTTP facilities is provided transparently and on a non-discriminatory basis, in accordance with the Commission's policy and regulatory frameworks. They protect both the ILEC and the competitor by clarifying obligations and liabilities, while ensuring that each party operates under predictable and enforceable rules.
5. Setting final terms and conditions for aggregated wholesale FTTP services is essential to ensure regulatory clarity and consistency. The Commission is making targeted changes to proposed wording where clarification and consistency are needed. This will provide competitors with predictable and transparent rules, allowing them to plan effectively around costs and operational requirements when using aggregated wholesale FTTP services.
6. The Commission received interventions related to the proposed terms and conditions from Competitive Network Operators of Canada; Quebecor Media Inc., on behalf of Videotron Ltd. (Quebecor); TekSavvy Solutions Inc.; and Vaxination Informatique.

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<sup>13</sup> In this order, "ILECs" refers to Bell Canada (including Bell Aliant Regional Communications, Limited Partnership and Bell MTS Inc.); Saskatchewan Telecommunications; and TELUS Communications Inc.

**Issues**

7. The Commission completed a fulsome review based on the record of this proceeding and finds that clarification is needed for the following issues:
- minimum capacity commitment for 10 gigabit Ethernet interfaces;
  - segmentation by residential and business end-users;
  - monthly restriction on network-to-network interface capacity changes;
  - limitation on the maximum downstream speed achievable to wholesale customers compared to retail customers;
  - qualification of fibre loop facilities for FTTP access;
  - inclusion of extraordinary fibre drop installation service charge within FTTP tariff applications;
  - clarification regarding the end-user equipment and optical network terminal cost inclusion;
  - clarification regarding tariff wording related to wire centres or central offices; and
  - clarification regarding the definition of “customer.”

**Minimum capacity commitment for 10 gigabit Ethernet interfaces**

8. The ILECs currently offer several options for interfaces related to high-speed access (HSA). One option is a 1 gigabit Ethernet (GE) interface; another is a 10 GE interface. The 10 GE interface currently requires, per the tariff pages, a 3 gigabit per second (Gbps) minimum commitment from an Internet service provider (ISP).
9. In Telecom Regulatory Policy 2011-703, the Commission determined that the underlying context leading to this minimum commitment was network resource management. The Commission also recognized that, without a minimum commitment, competitors could order large-capacity interfaces while only transmitting small volumes of traffic, effectively tying up expensive router resources and forcing premature augments. The Commission considered that the 3 Gbps minimum commitment could evolve over time.

10. Interveners raised concerns regarding the tariff page submissions of Bell Canada;<sup>14</sup> Bell Aliant Regional Communications, Limited Partnership (Bell Aliant);<sup>15</sup> Bell MTS Inc. (Bell MTS);<sup>16</sup> and Saskatchewan Telecommunications (SaskTel).<sup>17</sup> In particular, interveners proposed (i) that the 1 GE interface port should be eliminated as an option for new interface port orders, and (ii) that the 3 Gbps minimum commitment for 10 GE orders should be eliminated because ILECs use software solutions to maximize the use of available interface capacity for their entire wholesale customer base, and there are now negligible price differences between 1 GE and 10 GE interfaces.
11. In its reply, Bell Canada, on behalf of itself, Bell Aliant, and Bell MTS, submitted that the 1 GE interface remains an option for smaller ISPs. It added that there is no compelling reason to remove this option from its tariffed service. Bell Canada further submitted that the 1 GE option does not have a minimum capacity-based billing (CBB) subscription requirement and is therefore suitable for ISPs that are currently growing their business.
12. SaskTel replied that it does not find it unreasonable to require that a purchased interface be used to at least 3 Gbps of CBB. SaskTel indicated that it would be willing to remove the 1 GE interface. However, the company added that having this option relieves any concerns that wholesale customers with very low CBB demand might have in relation to meeting the 3 Gbps minimum commitment for 10 GE interfaces.

#### **Commission's analysis**

13. The Commission recognizes that the 1 GE interface remains of value for smaller ISPs because they could continue to rely on 1 GE interfaces until demand grows. Therefore, the Commission finds that the 1 GE interface option should remain available in the ILECs' tariff pages.
14. Regarding the 3 Gbps minimum commitment for the 10 GE interface, it was set based on the circumstances and Internet service requirements of the early 2010s. At that time, router port capacity was costly and scarce, and a usage floor was viewed as a pragmatic safeguard against inefficient network use. However, the technical and economic environment has since evolved significantly, and the minimum commitment no longer serves its original purpose. Moreover, that commitment may be a barrier for competitors seeking to scale on fibre-based services.

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<sup>14</sup> Item 5410.4(f), notes 3 and 4 of Bell Canada's proposed tariff pages.

<sup>15</sup> Item 642.4(e)(3)a and b of Bell Aliant's proposed tariff pages.

<sup>16</sup> Item 5830, 6(11) and (12) of Bell MTS's proposed tariff pages.

<sup>17</sup> Item 650.34, section 7, notes 8 and 9 of SaskTel's proposed tariff pages.

15. The Commission recognizes that the minimum capacity commitment is still being applied in the tariff pages for other legacy wholesale HSA services, including fibre-to-the-node (FTTN) services. Given that the review of these other wholesale HSA services is ongoing, the Commission considers that it would be premature to alter the terms for these other services at this time.
16. Accordingly, the Commission directs the ILECs to remove the 3 Gbps minimum commitment condition per 10 GE interface for aggregated FTTP services. This determination will apply only to aggregated FTTP services, at least until the Commission completes its review of the remaining wholesale HSA services. This balanced approach updates the framework for wholesale fibre-based services, addresses outdated constraints, and preserves regulatory stability for the remaining wholesale HSA services that are still under examination.

### **Segmentation by residential and business end-users**

17. In the proposed tariff pages of Bell Canada, Bell Aliant, Bell MTS, TELUS (Alberta and British Columbia), and TELUS (Quebec),<sup>18</sup> those companies set their various rates by speed offered. They included a set of speeds available for residential end-users and another set available to business end-users.
18. Interveners submitted that differentiating between residential and business end-users amounts to limiting service availability based on the market segment, and that this distinction should be removed.

### **Commission's analysis**

19. Wholesale HSA tariffs and service definitions have historically distinguished between residential speed tiers and business speed tiers. This distinction means that a competitor cannot simply resell any retail service offered by an ILEC across markets. Instead, a competitor is limited to the wholesale profiles the ILEC makes available to its own residential and business end-users.
20. On 3 March 2020, the Commission launched Telecom Notice of Consultation 2020-83 to determine whether it remains appropriate for the ILECs to differentiate between wholesale HSA services for residential end-users and business end-users within the aggregated and disaggregated wholesale HSA service frameworks.

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<sup>18</sup> TELUS Communications Inc. (TELUS) operates as an ILEC in two distinct geographic markets. In western Canada, TELUS is an incumbent Internet service provider (ISP) throughout most of Alberta and British Columbia. In Quebec, TELUS is an incumbent ISP in and around Lower St. Lawrence and the Gaspé Peninsula. In this order, the Commission will use "TELUS" when referring to the company's operations as a whole and "TELUS (Alberta and British Columbia)" and "TELUS (Quebec)" when referring to the company's operations in those provinces.

21. The Commission has not published a policy determination on the matter. However, the Commission subsequently initiated the current proceeding through Telecom Notice of Consultation 2023-56. Among other things, that notice of consultation was intended to provide the appropriate forum to revisit the aggregated wholesale HSA service framework. This framework could include the differentiation between residential and business wholesale HSA services and whether it continues to be justified in today's marketplace.
22. The Commission recognizes that this issue impacts both the ILECs and the incumbent cable carriers. However, the Commission has not yet completed its assessment of the terms and conditions for the incumbent cable carriers as part of this proceeding.
23. In light of the above, the question of whether to maintain the distinction between residential and business wholesale HSA services within the ILECs' tariff pages will be deferred until the Commission reaches a policy decision on the matter. This will ensure that the issue is considered within the comprehensive framework review that is meant to address it, while allowing the Commission to weigh the legal, policy, and costing implications. Until then, the Commission will maintain the distinction between residential and business speed tiers for end-users.

#### **Monthly restriction on network-to-network interface capacity changes**

24. Interveners highlighted wording in the TELUS (Alberta and British Columbia) and TELUS (Quebec) tariff pages (items 236.3C.3 and 4.10.05.k, respectively) related to the monthly restriction on network-to-network interface (NNI) capacity changes requested by a wholesale customer. An NNI is the interconnection point between TELUS's network and another service provider's network.
25. Interveners submitted that this condition should be removed because TELUS provided no rationale for restricting changes to NNI capacity to once a month. They added that this restriction creates an undue and unjustified impediment to competitors' ability to manage both capacity and costs. Interveners also submitted that wholesale customers may face legitimate circumstances that require them to place more than one order for NNI capacity changes within a single month.
26. In its reply, TELUS submitted that the clause was based on Telecom Decision 2021-181, which states that under the CBB model, competitors determine in advance the amount of capacity they will require to offer retail services. Should demand exceed this capacity, they will have to manage their network capacity until they purchase more. Competitors are able to change their capacity requirements monthly under the CBB model.

#### **Commission's analysis**

27. In Telecom Decision 2012-636, the Commission conducted a detailed review of the various functions and interactions required to fulfill a capacity change request. This review resulted in changes to some of the Commission's determinations in Telecom Regulatory Policy 2011-703.

28. In Telecom Decision 2012-636, the Commission noted its prior practice of imposing standard service order completion intervals across carriers for mandated wholesale HSA services. Telecom Decision 2012-636 did not apply to TELUS (Alberta and British Columbia) or TELUS (Quebec) specifically because those companies did not have CBB-specific rates at that time. However, the Commission considers that the policy considerations that apply to the other ILECs should also apply to TELUS (Alberta and British Columbia) and TELUS (Quebec). This is to ensure consistency across all the ILECs.
29. In light of the above, the Commission directs TELUS to align its tariffs with the Commission-approved timeframes set in Telecom Decision 2012-636.
30. Specifically, the Commission directs TELUS to update its tariffs (items 236.3C.3 for TELUS [Alberta and British Columbia] and 4.10.05.k for TELUS [Quebec]) as follows:

Under the CBB model, competitors determine in advance the amount of capacity they will require to offer retail services. Should demand exceed this capacity, they will have to manage their network capacity until they purchase more. Competitors are able to change their capacity requirements according to the following timeframes:

- For non-complex orders, capacity change will be delivered within 15 business days following the receipt of an order, regardless of when the order is placed in a given month.
- For complex orders, capacity change will be delivered within 60 business days following the receipt of an order, regardless of when the order is placed in a given month.
- CBB charges that relate to either non-complex or complex capacity changes will be prorated as applicable to ensure that appropriate costs are being recovered.

**Limitation on the maximum downstream speed achievable to wholesale customers compared to retail customers**

31. Interveners raised concerns that Bell Aliant, Bell Canada, and Bell MTS did not provide enough details regarding the limitation<sup>19</sup> on the maximum downstream speed achievable where an end-user also subscribes to wireline services from the wholesale provider within their respective tariff pages. Interveners requested that the Commission:

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<sup>19</sup> Bell Canada Item 5460.4(2)b, note 2 (relating to FTTP Gigabit and 1.5 Gigabit speeds), Bell Aliant Item 642.4(d)(2)b, note 2 (relating to FTTP Gigabit and 1.5 Gigabit speeds) and Bell MTS Item 5840, 4.D(2)b, note 2 (relating to FTTP Gigabit and 1.5 Gigabit speeds).

- have this limitation removed from the related tariffs; or
- ensure the maximum speed offered by Bell Aliant, Bell Canada, and Bell MTS to their own retail customers is not higher than that offered to wholesale customers.

32. In reply, Bell Canada, on behalf of itself, Bell Aliant, and Bell MTS, submitted that this limitation is a technical restriction related to the Ethernet port on certain optical network terminals (ONTs).

#### **Commission's analysis**

33. The Commission considers that the evidence indicates that the speed limitation is not a discretionary policy or artificial restriction on wholesale customers but rather a hardware-based constraint in specific network configurations. Given that retail subscribers served by the same ONTs would face the same limitation, wholesale competitors are not being placed at a competitive disadvantage.

34. Accordingly, the Commission finds that the limitation as filed is appropriate.

#### **Qualification of fibre loop facilities for FTTP access**

35. Interveners raised concerns regarding a clause found in the proposed tariff pages of Bell Aliant and Bell Canada (items 642.3(b) and 5460.3(b), respectively), which states that the end-user's fibre loop facility must qualify for FTTP access. Interveners submitted that the clause is vague and lacks sufficient explanation. They added that the Commission should either (i) direct Bell Aliant and Bell Canada to provide clear and reasonable criteria specifying what constitutes qualification for gateway access service (GAS)-FTTP service, (ii) find that the clause needs to be reworded to be more precise and to define the included costs, or (iii) require the removal of this wording from the tariff pages.

36. Bell Canada agreed that additional clarity may be helpful and proposed that the applicable clauses in the tariff pages be adjusted as follows (changes indicated in bold):

**Not all speed tiers are available at all fibre-served addresses.** The End-user's fibre facility must qualify for **the specific speed tier of FTTP Access/GAS-FTTP Access requested.**

#### **Commission's analysis**

37. The Commission considers that the adjustment proposed by Bell Canada provides additional clarity on the limitations of the network elements required to support certain speeds. The Commission also considers that the adjustment would benefit all aggregated wholesale FTTP service customers. While not mentioned by the interveners, Bell MTS has a similar provision in its tariff pages. The Commission considers that the wording should therefore also be adjusted in that company's tariff pages.

38. Accordingly, the Commission directs Bell Aliant and Bell Canada to incorporate the following wording within their respective tariff pages:

Not all speed tiers are available at all fibre-served addresses. The End-user's fibre loop facility must qualify for the specific speed tier of FTTP Access/GAS-FTTP Access requested.

39. In addition, the Commission directs Bell MTS to apply the same change with necessary adaptations, if applicable.

**Inclusion of extraordinary fibre drop installation service charge within FTTP tariff applications**

40. Interveners cited concerns in relation to the wording used for the installation of fibre drop wires where there may be special construction charges. They referenced the tariff pages of Bell Aliant,<sup>20</sup> Bell Canada,<sup>21</sup> Bell MTS,<sup>22</sup> TELUS (Alberta and British Columbia),<sup>23</sup> and TELUS (Quebec).<sup>24</sup>
41. Interveners submitted that these clauses could be used arbitrarily to deter end-user activations. Interveners added that the Commission should direct Bell Aliant, Bell Canada, Bell MTS, TELUS (Alberta and British Columbia), and TELUS (Quebec) to revise their wording to indicate those companies have the burden to substantiate both the need for special construction work and the amount of costs associated with such work. Interveners also submitted that the service should provide for a separate and defined service charge that allocates the exceptional installation cost of a fibre drop wire.
42. Bell Canada, on behalf of itself, Bell Aliant, and Bell MTS, submitted that the interveners' proposed requirements are already being met. It added that if it were to install a drop wire for a retail customer at no charge, it would also do it for a wholesale customer at no charge. Bell Canada explained that this provision is intended to protect the incumbents when extraordinary expenses are incurred. It indicated that per its proposed tariff pages, the wholesale customer would have the option of either cancelling the request or paying for the construction.

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<sup>20</sup> Item 642.6 of Bell Aliant's proposed tariff pages.

<sup>21</sup> Item 5460.6 of Bell Canada's proposed tariff pages.

<sup>22</sup> Item 5840, 6 of Bell MTS's proposed tariff pages.

<sup>23</sup> Item 236.3D of TELUS (Alberta and British Columbia)'s proposed tariff pages.

<sup>24</sup> Item 4.10.06.d of TELUS (Quebec)'s proposed tariff pages.

Bell Canada added that it would provide an estimate of the required work to enable the wholesale customer to make its decision.

43. TELUS submitted that its tariff addresses situations where site-specific, unforeseen factors that have a significant impact on costs are encountered, which are beyond the standard delivery for service installation. TELUS explained that the main objective of the provision is to ensure the recovery of unforeseen construction charges, rather than using them to arbitrarily deny wholesale services to customers. TELUS added that wholesale customers would be notified and given the opportunity to decide whether they want to proceed with the installation of fibre drop wires where there may be special construction charges.

#### **Commission's analysis**

44. The Commission considers that it is a common industry practice for terms and conditions to include special construction provisions to address unforeseen circumstances. Establishing a separate, predetermined service charge for work that cannot be reasonably anticipated would be impractical and potentially inequitable, given that it could result in either overcharging customers in routine cases or under-recovering costs in exceptional situations. The Commission therefore considers that applying a case-by-case approach, supported by estimates provided by the company to the wholesale customer, offers the necessary flexibility while allowing wholesale customers to make an informed decision.
45. The Commission also considers that including tariff provisions that allow for additional charges in cases of unusual or unforeseen construction work is both reasonable and consistent with standard regulatory practice. These clauses serve as a safeguard for the company in situations where the scope of work cannot be forecasted with certainty.
46. Accordingly, the Commission directs the ILECs to maintain the proposed provisions in their tariff pages under which companies may apply construction charges when justified by extraordinary circumstances. Moreover, the Commission reminds the ILECs that they must clearly substantiate both the need for and the amount of such charges upon request. They must also provide wholesale customers with sufficient information (e.g., an estimate) to allow them to decide whether to proceed with the installation. This approach balances the ILECs' need for cost recovery with the need to protect wholesale customers against the arbitrary application of charges without resorting to an impractical predetermined service fee.

#### **Clarification regarding the end-user equipment and optical network terminal cost inclusion**

47. Interveners commented on Item 5460.1(a)(12) of Bell Canada's proposed tariff pages and Item 4.10.02 of TELUS (Quebec)'s proposed tariff pages, submitting that they should be reworded to be more precise. Interveners added that these tariff items should (i) explicitly state that the ONT is part of the service and that its cost is included within the cost of installation for wholesale FTTP access and (ii) explain what choices exist for the ONT.

48. Bell Canada and TELUS (Quebec) submitted that the type of ONT is determined by the company. They added that the type of ONT that is provided will, among other things, support the speed tier ordered by the wholesale customer for any given access and is dependent on supply chain device availability.
49. Bell Canada proposed including the following wording in its tariff pages and those of Bell Aliant and Bell MTS (changes indicated in bold):

Optical Network Terminal (ONT) converts fibre-optic light signals to copper/electric signals at the End-user Premises used to provide FTTP service. The ONT **is included in the service and** may vary depending on the speed of the FTTP service provided. **The Company determines the specific ONT provided.**

#### **Commission's analysis**

50. The ONT is the demarcation point between a carrier's network and the end-user's premises. Therefore, the Commission considers that adopting a common definition would ensure clarity, align technical function with industry practices, and balance the responsibilities of the company and the customer. The Commission also considers that this definition should equally apply to the other ILECs, i.e., SaskTel and TELUS.
51. In light of the above, the Commission directs the ILECs to incorporate the following definition for ONT:

The Optical Network Terminal (ONT) is a device located at the End-user's Premises that converts fibre-optic light signals to electrical signals used to provide FTTP service. The ONT transports data traffic to and from the End-user's Premises through the Company's fibre network and serves as the Company's point of demarcation. The type of ONT may vary depending on the FTTP service speed provided, as determined by the Company.

#### **Clarification regarding tariff wording related to wire centres or central offices**

52. Interveners referenced the proposed tariff pages of Bell Canada,<sup>25</sup> TELUS (Alberta and British Columbia),<sup>26</sup> and TELUS (Quebec),<sup>27</sup> which relate to the wholesale aggregated HSA service being made available only from suitable enabled wire centres or central offices (COs).

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<sup>25</sup> Items 5410.2(c)(1), 5440.2(c)(1), and 5460.2(b) of Bell Canada's proposed tariff pages.

<sup>26</sup> Item 236.3A.1 of TELUS (Alberta and British Columbia)'s proposed tariff pages.

<sup>27</sup> Item 4.10.03 of TELUS (Quebec)'s proposed tariff pages.

53. Interveners submitted that the availability of the service should not be left to companies' discretion and recommended that the Commission remove subjectivity regarding (i) whether a CO is enabled for ADSL, (ii) whether a wire centre is equipped with an aggregated high-speed service provider interface (AHSSPI), and (iii) whether a CO is equipped with an AHSSPI. Interveners also submitted that the tariff pages should set out clear, objective criteria that determine whether service is available at a given location. They added that the Commission should direct Bell Canada and TELUS to propose such criteria and to remove the word "suitably" from the tariff wording.
54. TELUS submitted that the referenced tariff items are copies of Item 226 in its Carrier Access Tariff CRTC 21462, which has been approved since 2006. It explained that these provisions account for situations where a CO may not have the necessary facilities and equipment to provide wholesale or retail FTTP service. TELUS added that, as the company, it is the only party that can determine the availability of suitable equipment and facilities to provide service. TELUS indicated that it provides online tools for customers to check the availability of fibre and copper in a given area.
55. Bell Canada submitted that it does not object to removing the word "suitably" from the referenced clauses in any approved tariff.

#### **Commission's analysis**

56. The Commission considers that the word "suitably" may be open to interpretation, and that the tariff pages should be clear and consistent.
57. To allow for some flexibility in the provision of service, the Commission considers that tariff pages should continue to state that service availability is contingent on the existence of the requisite equipment and facilities.
58. In light of the above, the Commission directs Bell Canada and TELUS to remove the word "suitably" from the relevant provisions in their proposed tariff pages, amending them as follows:

TELUS (Alberta and British Columbia) – Item 236.3A.1 and TELUS (Quebec) – Item 4.10.03

Wholesale Internet FTTP Service is available only from equipped Serving Central Offices as determined by the Company and shall be provided subject to the availability of equipment and facilities as determined by the Company.

Bell Canada – Item 5410.2(c)(1)

[...] includes an Aggregated High Speed Service Provider Interface (AHSSPI) which provides for the aggregation of end-user traffic associated with a single service

provider, from every ADSL enabled Central Office in the Company's operating territory [...].

Bell Canada – Item 5440.2(c)(1)

[...] includes an Aggregated High Speed Service Provider Interface (AHSSPI) which provides for the aggregation of end-user traffic associated with a single service provider, from every equipped Wire Centre in the Company's operating territory.

Bell Canada – Item 5460.2(b)

GAS-FTTP requires an Aggregated High Speed Service Provider Interface (AHSSPI) which provides for the aggregation of End-user traffic associated with a single Customer, from every enabled Central Office in the Company's operating territory.

59. In addition, the Commission directs Bell Aliant and Bell MTS to apply the same change with necessary adaptations, if applicable.

#### **Clarification regarding the definition of “customer”**

60. Interveners referenced the definition of “customer” cited in the proposed tariff pages of Bell Aliant,<sup>28</sup> Bell Canada,<sup>29</sup> and Bell MTS.<sup>30</sup> The interveners submitted that they did not object to basing a wholesale customer's eligibility on its status of registration as a telecommunications service provider (TSP) with the Commission.

61. By contrast, interveners opposed limiting the definition of “customer” to include only digital subscriber line (DSL) providers or competitive local exchange carriers (CLECs). They submitted that a wholesale customer could be a reseller of telecommunications services or a reseller of high-speed retail Internet services. Interveners therefore requested that the Commission direct Bell Aliant and Bell MTS to revise their wording to define eligible customers as an ISP that is registered with the Commission as a TSP.

62. Bell Canada, on behalf of itself, Bell Aliant, and Bell MTS, submitted that the definition it proposed is consistent with other approved tariffs. It added, however, that it is not opposed to changing the definition of “customer” to include other categories of TSPs, as long as such TSPs are duly registered with the Commission.

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<sup>28</sup> Item 642.1(5) of Bell Aliant's proposed tariff pages.

<sup>29</sup> Item 5460.1(a)(3) of Bell Canada's proposed tariff pages.

<sup>30</sup> Item 5840, 1.D of Bell MTS's proposed tariff pages.

**Commission's analysis**

63. Although the definition of “customer” in the proposed tariff pages is consistent with definitions established in previous tariffs, not all entities that require wholesale FTTP service are necessarily DSL service providers or CLECs. The Commission considers that the definition as proposed could exclude some eligible wholesale customers. This would be contrary to the policy objectives of fostering competition and consumer choice.
64. Therefore, the Commission considers it appropriate to update the definition of “customer” to ensure that it is forward-looking, technology-neutral, and includes the full range of Commission-registered TSPs.
65. In light of the above, the Commission directs Bell Aliant, Bell Canada, and Bell MTS to remove the limitation to DSL service providers and CLECs from the definition of “customer” in their proposed tariff pages, amending it as follows:

“Customer” is an eligible Internet Service Provider (ISP) that subscribes to GAS-FTTP. An eligible ISP is a telecommunications service provider that is duly registered with the Canadian Radio-television and Telecommunications Commission (CRTC) in the Exchange for which they are requesting FTTP access.

## Related documents

- *Interim approval of tariff pages and terms and conditions for aggregated wholesale high-speed access services over fibre-to-the-premises facilities*, Telecom Order CRTC 2025-13, 20 January 2025
- *Interim rates for aggregated wholesale high-speed access services over fibre-to-the-premises facilities*, Telecom Order CRTC 2024-261, 25 October 2024
- *Competition in Canada's Internet service markets*, Telecom Regulatory Policy CRTC 2024-180, 13 August 2024
- *Review of the wholesale high-speed access service framework – Temporary access to fibre-to-the-premises facilities over aggregated wholesale high-speed access services*, Telecom Decision CRTC 2023-358, 6 November 2023
- *Notice of hearing – Review of the wholesale high-speed access service framework*, Telecom Notice of Consultation CRTC 2023-56, 8 March 2023, as amended by Telecom Notices of Consultation CRTC 2023-56-1, 11 May 2023; 2023-56-2, 4 July 2023; 2023-56-3, 6 November 2023; and 2023-56-4, 8 April 2024
- *Requests to review and vary Telecom Order 2019-288 regarding final rates for aggregated wholesale high-speed access services*, Telecom Decision CRTC 2021-181, 27 May 2021
- *Show cause proceeding and call for comments – Distinction between residential and business wholesale high-speed access services*, Telecom Notice of Consultation CRTC 2020-83, 3 March 2020, as amended by Telecom Notice of Consultation CRTC 2020-83-1, 8 April 2020
- *Review of costing inputs and the application process for wholesale high-speed access services*, Telecom Decision CRTC 2016-117, 31 March 2016
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada - Introduction of wholesale 10 Gigabit Ethernet interface service*, Telecom Order CRTC 2015-163, 28 April 2015
- *Review of outstanding wholesale high-speed access service issues related to interface rates, optional upstream speed rates, and modem certification requirements*, Telecom Decision CRTC 2013-659, 6 December 2013
- *Wholesale residential high-speed access services – Capacity-based billing model service charge rates and related matters*, Telecom Decision CRTC 2012-636, 21 November 2012

- *Billing practices for wholesale business high-speed access services*, Telecom Regulatory Policy CRTC 2011-704, 15 November 2011
- *Billing practices for wholesale residential high-speed access services*, Telecom Regulatory Policy CRTC 2011-703, 15 November 2011, as amended by Telecom Regulatory Policy CRTC 2011-703-1, 22 December 2011
- *Regulatory policy – Review of certain Phase II costing issues*, Telecom Decision CRTC 2008-14, 21 February 2008, as amended by Telecom Decision CRTC 2008-14-1, 11 April 2008