



Northwestel Inc.  
P.O. Box 2727  
Whitehorse, YT  
Y1A 4Y4

10 August 2005

Mr. Leonard Katz  
Executive Director  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, Ontario  
K1A 0N2

Dear Mr. Katz:

**Re: Northwestel Inc. Tariff Notice 825**

Attached for the Commission's approval is a revision to Northwestel's General Tariff CRTC 3001 Maintenance and Repair. The Company proposes to introduce a new service, Item 1503, Maintenance of IP PBX Business Equipment.

In response to evolving Gateways technologies, Northwestel will soon be expanding its Gateways equipment portfolio sales to include IP enabled PBX systems.

Through customer feedback Northwestel has learned that our current maintenance rates offered for traditional PBX systems are not competitive. Please see Attachment 1, which provides Northwestel's current penetration rate of our traditional PBX maintenance product.

While Northwestel intends to review maintenance rates of all PBX systems by the end of 2005, given the Company's planned upcoming launch of IP PBX equipment, In order to be competitive in this market, Northwestel proposes to introduce a specific maintenance product for these systems that meets the expectations and needs of northern consumers by providing the following:

1. Corrective maintenance services to resolve IP PBX equipment failures including: diagnosis and repair of equipment malfunctions, including repair or replacement of defective equipment as required.
2. Preventative maintenance services in accordance with the direction provided by the equipment manufacturer.
3. Configuration back-up services (the IP PBX configuration will be 'backed-up' once a quarter) to ensure service continuity.

Northwestel notes that it is proposing maintenance rates similar to those available in southern Canada plus a mark-up for the higher cost of providing this service in the North. Please see Attachment 1, which provides the pricing rationale. The expected demand and revenue impact from this service is provided in Attachment 2. Northwestel notes that the net revenue impact over three years is small, less than \$20 K per year, therefore as per Order 90-779; Northwestel is not filing an imputation test.

As this is a competitive service, customers will also continue to have the option to purchase repair services from other suppliers.

The Company notes that this proposal is consistent with the Commission's objectives stated in Decision 2000-746, paragraph 53: "The Commission agrees with the objective of maximizing all revenue sources before depending on supplemental funding".

Pursuant to Section 39 of the *Telecommunications Act*, the Company files certain pricing rationale, demand and revenue information in Attachments 1 and 2 in confidence with the Commission, release of this information would assist existing and potential competitors in developing more effective business and marketing plans and would cause specific direct harm to the Company. Abridged versions are provided for the public record.

The Company respectfully requests an approval date of August 24, 2005 with an effective date of August 31, 2005 to allow the Company enough time to implement the appropriate billing changes.

Yours truly,

A handwritten signature in cursive script, appearing to read "Dallas Yeulett". The signature is written in black ink and is positioned above the typed name and title.

Dallas Yeulett  
Manager, Regulatory Affairs

Attachments

**Pricing Rationale**

(#)

### Demand and Revenue Impact

**Demand** number of system maintenance contracts at proposed rates

System Type	Year 1		Year 2		Year 3	
Small		(#)		(#)		(#)
Large		(#)		(#)		(#)
<b>Total</b>		(#)		(#)		(#)

Annual Impact	Year 1		Year 2		Year 3	
Net Revenue \$ 1K		(#)		(#)		(#)

**Key Notes:**

- Number of systems displayed by year is cumulative
- Demand estimates shown refer to projected demand by customers for maintenance contracts (as opposed to overall demand for IP PBX systems).
- (#)
- Please also note that customers will be covered with 1 year of manufacturer warranty before maintenance charges initiate.



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OTTAWA, ON  
K1A 0N2

Dear Mr. Katz:

**Re: Northwestel Inc. Tariff Notice 825**

In compliance with the provisions of the *Telecommunications Act* and Section 29 of the *CRTC Telecommunications Rules of Procedure*, Northwestel Inc. applies herewith for approval of the following tariff amendments:

<u>Tariff</u>	<u>Proposed Effective Date</u>	<u>Description</u>
CRTC 3001	31 August 2005	Original Page 226C
CRTC 3001	31 August 2005	Original Page 226D

Enclosed herewith are copies of the proposed revised tariff pages and a letter of explanation for the changes requested.

Yours truly,

A handwritten signature in cursive script, appearing to read 'Dallas Yeulett'.

Dallas Yeulett  
Manager, Regulatory Affairs

Attachments



## Item

## 1503 MAINTENANCE OF IP PBX BUSINESS EQUIPMENT

**1. Definitions**

“Regular Service” means service offered during regular Company business hours.

“Company Business Hours” means those hours the Company is open to conduct business as established by the Company.

“IP PBX” refers to all equipment that meets the conditions of maintenance contracts that are covered under this tariff.

**2. Application**

- (a) This item provides for maintenance of equipment by the Business Systems Division under an agreement, not specifically covered elsewhere in the Company’s tariffs.
- (b) Rates apply after the manufacturer’s warranty on equipment has expired.

**3. Conditions**

- (a) Service is provided at the Company’s discretion.
- (b) Service is provided pursuant to the terms and conditions of the agreement.
- (c) Maintenance rates apply at locations staffed with qualified technicians. At other locations, the customer shall bear the cost of transportation and lodging and other associated incidentals costs or in the case of maintenance bears the cost of shipping the unit to and from one of our maintenance and repair depots.

The maintenance and repair depot for British Columbia and the Yukon is Whitehorse, YT. The maintenance and repair depot for the Northwest Territories is Yellowknife. The maintenance and repair depot for Nunavut is Iqaluit.

The customer shall not bear any costs associated with travel and related expenses when the cause of the technician’s visit is the result of an error on the part of the company in installing the equipment.

- (d) The Company shall determine normal wear and tear.
- (e) Maintenance contracts cover only that equipment outlined, it does not include unlisted items such as: call accounting software, inside wiring, wireless phone systems, redundant CPU’s or UPS, etc. These items, if sold by the Company, are repaired on a time and materials costs basis.
- (f) Maintenance contracts will not be honoured for systems that are not protected by a UPS sold or recommended by Northwestel.
- (g) Where repair or maintenance of equipment requires an upgrade of software or equipment the customer will be required to pay for that upgrade.
- (h) Equipment that the Company can no longer maintain such as manufacture-discontinued products may not be covered under maintenance contracts. In such cases the Company will provide written notification to the customer in advance.



MAINTENANCE AND REPAIR

Item

1503 MAINTENANCE OF IP PBX BUSINESS EQUIPMENT (cont'd)

4. Maintenance Rates

(a) **Base Fee:** Each system type has a base monthly fee regardless of the number of sets.

**Capacity Fee:** This charge varies with the capacity of the system. It is charged for each block of 4-station capacity that requires the addition of cards or expansion modules to the core system.

**Additional Controllers:** Where the customer requires additional nodes or controllers typically at additional locations, a controller fee is charged for each additional controller required.

**Additional Remote Nodes:** Where the customer requires additional nodes typically at additional locations, but using one main controller, a remote node fee is charged for each additional node required.

<b>One-year Contract</b>	<b>Monthly Rate</b>
Base Fee per Controller	\$80.00
Capacity Fee per 4 sets (IP or TDM)	\$16.50
Additional Controllers (each)	\$35.00

<b>Three-year Contract</b>	<b>Monthly Rate</b>
Base Fee per Controller	\$70.00
Capacity Fee per 4 sets (IP or TDM)	\$15.00
Additional Controllers (each)	\$30.00

(b) For work resulting from other than the normal wear and tear of equipment, material at actual cost and labour rates as per Item 309, Installation, Maintenance, Move, Rearrangement and Repair, by the Company shall apply.

(c) Where the customer adds capacity (cards or expansion modules) Northwestel will automatically charge the appropriate rate that reflects this greater capacity.

5. General Restrictions

Northwestel's responsibility to provide maintenance under this service is null and void if any of the following conditions occur:

- the product is subject to abuse, misuse, neglect, flooding, fire, lightning, power surges or "dirty power", third party error or omissions, acts of God, damage or accident;
- the product is modified or alerted (unless explicitly authorized in writing by Northwestel);
- the product is installed or used in combination or in assembly with products not supplied or authorized by Northwestel and/or which are not compatible with or are of inferior quality, design or performance to Northwestel supplied product so as to cause diminution or degradation in functionality;
- there is a failure to follow specific restrictions in operating instructions or if payment for a product has not been made in a timely manner.