

Abridged

14 January 2013

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

Dear Mr. Seidl:

Re: Northwestel Inc. Tariff Notice 891

1. Attached for the Commission's approval are proposed changes to Northwestel Inc.'s (Northwestel or the Company's) Private Wire Service CRTC 3003. The Company is proposing to introduce retail V-Connect Service, Item 1110, pursuant to the Commission's directives in Telecom Regulatory Policy CRTC 2012-644, *Northwestel Inc. – Application to review and vary Telecom Decision 2012-4 regarding V-Connect service*, 26 November 2012 (Decision 2012-644).

Section 25(4) Ratification is Appropriate for the Period between Decision 2012-644 and the Date of Interim Approval

2. The Company hereby requests ratification of the rates charged for V-Connect Service from 26 November 2012 to the approved effective date of the Company's proposed V-Connect Service tariff, pursuant to subsection 25(4) of the *Telecommunications Act* (the *Act*), wherein it states that the Commission may ratify the charging of a rate by a Canadian carrier otherwise than in accordance with a tariff approved by the Commission if it is satisfied that the rate was charged because of an error or other circumstance that warrants the ratification. The Commission, in paragraph 32 of Decision 2012-644, ratified the rates that Northwestel was charging to its customers for V-Connect service prior to the date of that decision. As it has been 49 calendar days since Decision 2012-644 was issued, and the rates proposed herein will only become effective upon approval by the Commission, the Company requests that the Commission also ratify the rates charged by Northwestel for V-Connect service from the date of Decision 2012-644 to the approved effective date of this tariff notice. The Company is proposing an effective date of 1 April 2013, for the reasons outlined below.

Tariff Notice 891 is Appropriately Being Filed as a Group B Filing

3. In accordance with Telecom Information Bulletin CRTC 2010-455, *Approval processes for tariff applications and intercarrier agreements* (Bulletin 2010-455), the Company certifies that this tariff filing is a Group B filing, as it pertains to the introduction of a new tariffed service, requests the ratification of rates pursuant to subsection 25(4) of the *Act*, and proposes a change that may result in a policy change.

The Company's Proposed Rates are Just and Reasonable

4. Consistent with section 27(1) of the *Act*, the rates proposed by Northwestel for V-Connect Service are just and reasonable. The Company has performed a Phase II cost study in support of its proposed V-Connect Service tariff, which is provided as Attachment 1, as directed in Decision 2012-644. The cost study demonstrates that the minimum rates proposed are higher than the price floor. Further, the minimum proposed rates are, in fact, up to (#) higher than those proposed for the Company's Wholesale Connect Service, demonstrating that the Company has not priced this service in an anti-competitive manner.

5. Finally, the maximum rates proposed are, on an aggregate basis, lower than the rates currently charged to V-Connect Service customers, resulting in a decrease of approximately (#) per month, or (#) annually, in revenue for V-Connect service overall.

V-Connect Should be Classified as an Uncapped Service

6. Pursuant to paragraph 156 of Telecom Decision CRTC 2007-5, *Price cap regulation for Northwestel Inc.*, (Decision 2007-5), the Company proposes that V-Connect Service be classified as an uncapped service.

7. V-Connect Service is a terrestrial and satellite Layer 3 Internet Protocol Virtual Private Network Wide Area Network (IP VPN WAN) solution service with Class of Service options, available in most of Northwestel's rate centres. Wholesale customers will be able to offer their own IP VPN WAN solutions to the retail market, competing with the Company's V-Connect Service, using the Company's Wholesale Connect Service¹. Given the anticipated market forces that will put downward pricing pressure on V-Connect Service and protect customer interests, the Company submits that V-Connect Service is appropriately considered an uncapped service.

8. In the event that the Commission does not agree with the Company's proposed classification of V-Connect Service as an uncapped service, the Company submits that, at a minimum, the satellite elements of V-Connect Service should be considered uncapped. This classification is appropriate in order to accommodate future price changes for the underlying satellite transport component of the service, which is obtained from Telesat, and to reflect the competitive nature of the satellite service. In fact, the Company submits that competition for these satellite rate elements is such that satellite V-Connect Service rate elements should be forborne from regulation, and will be filing an application to that effect with the Commission in the near future.

Rate Ranges Should be Permitted for V-Connect

9. The Company is applying for a rate range for V-Connect Service, consistent with the guidelines set out in Telecom Decision CRTC 2007-36, *Follow-up to Decision 2006-75 – Range-within-a-range proposal* (Decision 2007-36). The Company is proposing a rate range where only the maximum rate for the range is to be publicly specified. As contemplated in Decision 2007-36, certain rates in the tariff pages are being submitted in confidence.

10. Northwestel acknowledges that it was not party to the Commission's determinations that have granted the large ILECs the ability to rate de-average services through the use of rate ranges². However, rate ranges

¹ Wholesale Connect Service was filed with the Commission in Northwestel Tariff Notice 883/A, dated 8 March 2012/ 22 May 2012, and granted interim approval in Telecom Order CRTC 2012-203, 3 April 2012. Final approval of Tariff Notice 883/A is pending.

² Telecom Decision CRTC 2006-75, *Rate ranges for services other than voice over Internet Protocol services*, determined that rate ranges would be appropriate for a number of services. Telecom Decision CRTC 2007-36, *Follow-up to Decision 2006-75 – Range-within-a-range proposal*, specifies the appropriate rate range for use with rate deaveraging. Telecom Decision CRTC 2007-27, *Price cap framework for large incumbent local exchange carriers* (Decision 2007-27), paragraph 203 permitted the large ILECs to rate de-average residential capped services. Telecom Decision CRTC 2007-106,

are appropriate for V-Connect Service due to the competitive nature of the service. V-Connect Service, while a “new” service to the tariff, is not, in fact, a new service to the market. V-Connect Service faces competitive pressures from alternate providers. As noted above, other service providers are able to offer services in competition to the Company’s V-Connect Service by utilizing the Company’s Wholesale Connect Service. The Company’s proposed Wholesale Connect pricing is significantly lower than the proposed retail pricing for V-Connect Service, which will place pricing pressure on V-Connect Service as the Company bids for new customers in competition with other service providers.

11. Further to this, competition for satellite based alternatives is already robust in the North; so much so that Northwestel is not the dominant provider of these services in its serving territory³.

Decision 2007-36 determined that rate ranges would provide ILECs with increased pricing flexibility and that they would lessen the regulatory burden for both the ILECs and the Commission by reducing the number and complexity of tariff applications⁴. This logic is entirely appropriate for V-Connect Service. In the Policy Direction⁵, the Commission was directed to:

- (i) rely on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives, and
- (ii) when relying on regulation, use measures that are efficient and proportionate to their purpose and that interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives;

12. The Company submits that the use of a rate range in this circumstance is entirely consistent with the Policy Direction, as it will permit the Company to continue to respond to the needs of customers in a competitive market as it has been in the years prior to the regulation of V-Connect Service. Northwestel did not use, nor was it subject to any requirement, for uniform pricing for V-Connect Service prior to Decision 2012-644. While the Company recognizes the need to file a tariff in support of V-Connect Service in compliance with the Commission’s directives, the Company is also cognizant of the nature of the market, and mindful of how it will be able to respond to future requests for service.

13. Given these facts, Northwestel submits that the use of rate ranges for V-Connect Service, as proposed in this tariff notice, is entirely appropriate.

Further rate de-averaging for pay telephone and business services for large incumbent local exchange carriers (Decision 2007-106) removed the prohibition on further rate de-averaging for pay telephone and business services that include single and multi-line business local exchange services, other capped services, and uncapped services offered by the large incumbent local exchange carriers.

³See NWTel(CRTC)09May12-03, Attachment 1 - Application by Northwestel Inc. to Review and Vary Telecom Decision CRTC 2012-4

⁴ Decision 2007-36, paragraph 15.

⁵ <http://gazette.gc.ca/archives/p2/2006/2006-12-27/html/sor-dors355-eng.html>



Proposed Interim Rate Range is Appropriate

14. The Company requests that the Commission grant approval for the Company's proposed V-Connect Service tariff on an interim basis effective 1 April 2013. Even during the interim period, while the Commission completes its final determinations with respect of the Company's V-Connect Service tariff, the Company will continue to provide service to customers and requires the commercial flexibility to be able to respond to market demands, as outlined above. However, if the Commission is not prepared to grant an interim rate range, the Company proposes that the proposed maximum rate be the sole interim rate. As outlined below, the Company has designed its maximum rates so that no one individual customer will see a rate increase.

15. Today the Company has (#) customers for V-Connect. Not all the rates charged to all the customers are identical, making it impossible to simply take the existing rates and apply a single rate per community. The Company appreciates that the Commission has not approved rate ranges for Northwestel. As such, the Company has prepared revised rates for all customers that will ensure that these rates conform to the new maximum tariff rates. However, in order to achieve this uniformity, the Company will have to adjust the contractual rates for some of its customers on some of their routes. The Company has designed the maximum rates in order to ensure that while on individual routes existing customers may see a rate increase, not one single customer will see a rate increase to their overall bill based on their existing service architecture. In short, all customers will see either a decrease or will see no change in their total V-Connect billings. The Company is providing as Attachment 2 (in confidence) a list of all current V-Connect customers that will be migrated to the new proposed general tariff, as well as the change in value of each customer's overall monthly V-Connect billings by customer. As mentioned above, the overall impact of these changes is an annualized rate reduction of (#). Since the list of price decreases and names of customers are confidential, there is no abridged version of Attachment 2 being filed with the Commission, as an abridged version would be meaningless.

16. Regardless of whether the Commission adopts the rate range or mandates only the maximum rate for the interim period, the Company will require time to implement the rate changes by notifying customers of the changes to their bills and implementing the system changes required to bill V-Connect Service at the new rates. As noted above, even though rates for customers will, on an aggregate service basis, be going down, individual circuits may be either increasing or decreasing from their current price points. This complexity will require time to communicate to customers, and the Company is proposing to complete this communication and system work in the period up to 1 April 2013. For the period up to 1 April 2013, the Company is requesting that the Commission ratify the rates currently being charged pursuant to section 25(4), as outlined above.

17. As the Commission is aware, Northwestel has been providing V-Connect Service to customers for a number of years, and has used a range of rates when negotiating contracts with customers. Communication of the changes to V-Connect Service pricing will be complex and potentially confusing to customers. If the Commission were to issue its approval prior to 1 April 2013, the Company could adjust customers' bills retroactively; however, Northwestel submits that this unnecessarily complicates and obfuscates matters for both customers and the Company. It is simpler and less confusing for customers to implement the changes effective 1 April 2013 on a going-forward basis only.

18. As the Company has proposed a rate treatment solution that does not conform to the Commission's established framework for Northwestel, the Company recognizes that the Commission will not necessarily be able to complete its analysis within the normal timeframes for Group B filings. However, as customers are currently already under contract for the service, and new customers continue to approach the Company for service, some certainty on the appropriate rates to be charged is needed for both the Company and its customers. The Company therefore requests that the Commission approve the Company's proposed V-Connect Service tariff on interim basis effective 1 April 2013. This will permit both the Company and customers to meet business requirements, while permitting the Commission to consider the Company's application prior to final approval. In the event that the Commission feels it cannot issue an interim approval of

the Company's proposed tariff in its entirety, the Company requests that the Commission approve, on an interim basis, the maximum proposed rates in the rate range while it considers the Company's proposed rate range. However, the Company reiterates that an interim approval of the proposed tariff, including the rate ranges, is most appropriate in this situation.

SFTs to be Filed by 15 February 2013

19. In addition to this filing for the V-Connect Service general tariff, the Company is proposing to file with the Commission by 15 February 2013 several additional Special Facilities Tariffs (SFTs). These SFTs are required to reflect arrangements with customers with specific agreements in place with respect of their IP VPN services that do not conform to the proposed general tariff for V-Connect service. Specifically, these SFT's will reflect custom pricing, including capital contributions, as well as agreements where the terms and conditions, typically with respect of the customer's Service Level Agreement, differs from that available under the proposed general tariff. The Company requires this additional time to ensure that the underlying cost studies related to the SFTs can be prepared.

Confidential Costing Data is Being Submitted in Confidence

20. Certain information provided in this submission and contained in the Attachments and this cover letter is filed in confidence with the Commission pursuant to section 39 of the *Telecommunications Act* and the directions provided by the Commission in the Appendix to Broadcasting and Telecom Information Bulletin CRTC 2010-961, *Procedures for filing confidential information and requesting its disclosure in Commission proceedings*, 23 December 2010, as amended in Telecom Information Bulletin CRTC 2010-961-1, dated 26 October 2012. In particular, the information which the Company has provided in confidence is of a type which the Commission has indicated in those bulletins should be treated as confidential. Release of this information would provide potential competitors with invaluable competitively-sensitive information that would not otherwise be available to them, and which would enable them to develop more effective business strategies. Release of such information could prejudice the Company's competitive position resulting in material financial loss and cause specific direct harm to the Company. An abridged version of this submission and Attachment 1 is provided for the public record. As mentioned above, Attachment 2 is submitted entirely in confidence, as an abridged version would not be meaningful.

21. Please direct all inquiries or correspondence regarding this application to Dallas Yeulett, Senior Manager Regulatory Compliance, at 867 393 7650 or by email to regulatoryaffairs@nwtel.ca.

Yours truly,



Dallas Yeulett
Senior Manager, Regulatory Compliance

Attachments

ECONOMIC
EVALUATION STUDY
IN SUPPORT OF
THE INTRODUCTION OF
V-CONNECT SERVICE
Tariff Notice 891

1. CONFIDENTIALITY

Certain information contained in this cost study report and associated attachments is filed in confidence with the Commission pursuant to section 39 of the *Telecommunications Act* and the directions provided by the Commission in the Appendix to Broadcasting and Telecom Information Bulletin CRTC 2010-961, *Procedures for filing confidential information and requesting its disclosure in Commission proceedings*, 23 December 2010, as amended in Telecom Information Bulletin CRTC 2010-961-1, dated 26 October 2012. In particular, the information which the Company has provided in confidence is of a type which the Commission has indicated in those bulletins should be treated as confidential. Release of this information would provide potential competitors with invaluable competitively-sensitive information that would not otherwise be available to them, and which would enable them to develop more effective business strategies. Release of such information could prejudice the Company's competitive position resulting in material financial loss and cause specific direct harm to the Company. An abridged version of the cost study report and related attachments are provided for the public record.

2. GENERAL

2.1 Purpose of the Study

This purpose of this study is to support Northwestel Inc's (Northwestel or the Company) application pursuant to the Commission's directives in Telecom Regulatory Policy CRTC 2012-644, *Northwestel Inc. – Application to review and vary Telecom Decision 2012-4 regarding V-Connect service*, 26 November 2012 (Decision 2012-644) for the introduction of Private Wire Service CRTC 3003- Item 1110, V-Connect Service (the Service).

2.2 Service Description

V-Connect Service is a terrestrial and satellite Layer 3 Internet Protocol Virtual Private Network Wide Area Network (IP VPN WAN) solution with Class of Service (CoS) options. The service is available in most of Northwestel's rate centres.

The Customer must have a minimum of two sites in order to set up the Service. At each site, the Customer must first subscribe to the Basic CoS bandwidth, then they may purchase other CoS options. For terrestrial sites, the Customer can designate a portion of the Basic CoS bandwidth at either 64kbps or 1Mbps increment as Enhanced CoS bandwidth, Premium CoS bandwidth and Platinum CoS bandwidth. For symmetrical satellite sites, the Customer can designate a portion of the Basic CoS bandwidth at 64kbps increment as Premium CoS bandwidth. CoS is not offered to asymmetrical satellite sites.

The aggregate of Enhanced, Premium, and/or Platinum CoS bandwidth cannot exceed forty percent (40%) of the Basic CoS bandwidth per IP VPN Access.

2.3 Service Benefits

The Service will provide customers with point-to-multipoint layer 3 connectivity between the Company's rate centres in the north, and to southern locations operated and managed by other incumbent local exchange carriers (ILECs) through Network-to-Network Interconnection (NNI) agreement(s).

2.4 Operating and Design Specifications

At each IP VPN point of presence, the Service is offered over one (1) 10/100/1000 Mbps physical Ethernet port at the demarcation point, and supports a maximum 1000 routes. The Maximum Transmission Unit (MTU) is 1,500 bytes.

In Type A, B and C terrestrial communities, for sites with bandwidth below ten (10) Mbps, the Service supports up to five (5) VRF (Virtual Routing and Forwarding instances) and five (5) VLANs per IP VPN point of presence. VLANs are a group of devices on one or more LAN that are configured (using management software) so that they can communicate as if they were attached to the same wire, when in fact they are located on a number of different LAN segments.

For terrestrial sites with bandwidth of ten (10) Mbps and above, the Service supports up to ten (10) VRF instances and ten (10) VLANs per IP VPN point of presence.

In Satellite communities only, the Service supports one (1) VRF instance and one (1) VLAN per IP VPN point of presence. Only static routing protocol is supported.

2.5 Service Substitutes and/or Complements

The customer could subscribe to the Company's Digital Private Line, retail Layer 3 IP VPN, and/or retail Layer 2 Ethernet services. The customer could also subscribe to similar services from alternate service providers, who may provide IP VPN services over their own facilities or in conjunction with the Company's Wholesale Connect Service.

2.6 Service Availability

2.6.1 Terrestrial V-Connect Service is offered in the following Northwestel operating rate centres.

Community Type	Rate Centre	Province/Territory
A	Fort Nelson	BC
	Hay River	NT
	Whitehorse	YT
	Yellowknife	NT
B	Behchoko	NT
	Carcross	YT
	Carmacks	YT
	Enterprise	NT
	Fort Liard	NT
	Fort Providence	NT
	Fort Resolution	NT
	Fort Smith	NT
	Haines Junction	YT
	Kakisa	NT
	Teslin	YT
Watson Lake	YT	
C	Aklavik	NT

	Beaver Creek*	YT
	Dawson City	YT
	Dease Lake	BC
	Destruction Bay*	YT
	Dettah*	NT
	Faro	YT
	Fort Good Hope	NT
	Fort McPherson	NT
	Fort Simpson	NT
	Inuvik	NT
	Jean Marie River*	NT
	Judas Creek*	YT
	Mayo	YT
	Norman Wells	NT
	Pelly Crossing*	YT
	Ross River	YT
	Telegraph Creek	BC
	Tsiigehtchic*	NT
	Tuktoyaktuk	NT
	Tulita*	NT
	Whati*	NT
	Wrigley*	NT

* Transport networks to these rate centres are provided over low capacity microwave radio systems, therefore not all speed options may not be available at the time of service request.

2.6.2 Satellite V-Connect Service is offered in the following Northwestel rate centres

Community Type	Rate Centre	Province/Territory
Satellite Communities	Arctic Bay	NU
	Arviat	NU
	Baker Lake	NU
	Cambridge Bay	NU
	Cape Dorset	NU
	Chesterfield Inlet	NU
	Clyde River	NU
	Colville Lake	NU
	Coral Harbour	NU
	Deline	NT
	Gamèti	NT
	Gjoa Haven	NU
	Grise Fiord	NU
	Hall Beach	NU

	Igloolik	NU
	Iqaluit	NU
	Kimmirut	NU
	Kugaaruk	NU
	Kugluktuk	NU
	Lutselk'e	NT
	Nahanni Butte	NT
	Old Crow	YT
	Pangnirtung	NU
	Paulatuk	NT
	Pelly Bay	NU
	Pond Inlet	NU
	Qikiqtarjuaq	NU
	Rankin Inlet	NU
	Repulse Bay	NU
	Resolute	NU
	Sachs Harbour	NT
	Sanikiluaq	NU
	Taloyoak	NU
	Trout Lake	NT
	Ulukhaktok	NT
	Wekweti	NT
	Whale Cove	NU

3. TARIFF CONSIDERATIONS

3.1 Tariff Components

3.1.1 Terrestrial V-Connect Service Rates in Type A, B and C Communities

a) Monthly rates in Type A Communities:

Basic CoS Bandwidth ⁺		Monthly Charges					One-Time Charges
		Month-to-Month	#	1-Year Term	#	3-Year Term	
128kbps	Minimum		#		#		\$8,000.00
	Maximum	\$790.00		\$711.00		\$632.00	
256kbps	Minimum		#		#		\$8,000.00
	Maximum	\$803.00		\$722.70		\$642.40	
512kbps	Minimum		#		#		\$8,000.00
	Maximum	\$898.00		\$808.20		\$718.40	
768kbps	Minimum		#		#		\$8,000.00
	Maximum	\$1,084.00		\$975.60		\$867.20	
1.5Mbps	Minimum		#		#		\$8,000.00
	Maximum	\$1,495.00		\$1,345.50		\$1,196.00	

3Mbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$3,062.00		\$2,755.80		\$2,449.60		
5Mbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$4,311.00		\$3,879.90		\$3,448.80		
10Mbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$9,842.00		\$8,857.80		\$7,873.60		
20Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$20,230.00		\$18,207.00		\$16,184.00		
30Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$24,138.00		\$21,724.20		\$19,310.40		
40Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$25,124.00		\$22,611.60		\$20,099.20		
50Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$26,561.00		\$23,904.90		\$21,248.80		
60Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$29,507.00		\$26,556.30		\$23,605.60		
80Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$32,708.00		\$29,437.20		\$26,166.40		
100Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$35,779.00		\$32,201.10		\$28,623.20		

Other CoS Bandwidth ⁺	Monthly Charges (All Contract Terms)	One-Time Charges [*]
Per 64kbps Enhanced CoS	\$ 16.00	\$ 200.00
Per 64kbps Premium CoS	\$ 25.00	\$ 200.00
Per 64kbps Platinum CoS	\$ 31.00	\$ 200.00
Per 1Mbps Enhanced CoS	\$ 186.00	\$ 200.00
Per 1Mbps Premium CoS	\$ 297.00	\$ 200.00
Per 1Mbps Platinum CoS	\$ 372.00	\$ 200.00

b) Monthly rates in Type B Communities:

Basic CoS Bandwidth ⁺		Monthly Charges				One-Time Charges [*]		
		Month-to- Month		1-Year Term			3-Year Term	
128kbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$840.00		\$756.00		\$672.00		

256kbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$894.00		\$804.60		\$715.20		
512kbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$1,000.00		\$900.00		\$800.00		
768kbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$1,354.00		\$1,218.60		\$1,083.20		
1.5Mbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$1,725.00		\$1,552.50		\$1,380.00		
3Mbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$4,769.00		\$4,292.10		\$3,815.20		
5Mbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$6,916.00		\$6,224.40		\$5,532.80		
10Mbps	Minimum		#		#		#	\$8,000.00
	Maximum	\$13,327.00		\$11,994.30		\$10,661.60		
20Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$24,653.00		\$22,187.70		\$19,722.40		
30Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$30,114.00		\$27,102.60		\$24,091.20		
40Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$32,116.00		\$28,904.40		\$25,692.80		
50Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$35,614.00		\$32,052.60		\$28,491.20		
60Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$39,064.00		\$35,157.60		\$31,251.20		
80Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$43,360.00		\$39,024.00		\$34,688.00		
100Mbps	Minimum		#		#		#	\$8,500.00
	Maximum	\$46,369.00		\$41,732.10		\$37,095.20		

Other CoS Bandwidth ⁺	Monthly Charges (All Contract Terms)	One-Time Charges [*]
Per 64kbps Enhanced CoS	\$ 16.00	\$ 200.00
Per 64kbps Premium CoS	\$ 25.00	\$ 200.00
Per 64kbps Platinum CoS	\$ 31.00	\$ 200.00
Per 1Mbps Enhanced CoS	\$ 186.00	\$ 200.00
Per 1Mbps Premium CoS	\$ 297.00	\$ 200.00
Per 1Mbps Platinum CoS	\$ 372.00	\$ 200.00

c) Monthly rates in Type C Communities:

Basic CoS Bandwidth ⁺		Monthly Charges					One-Time Charges [*]
		Month-to-Month	#	1-Year Term	#	3-Year Term	
128kbps	Minimum		#		#		\$8,000.00
	Maximum	\$1,191.00		\$1,071.90		\$952.80	
256kbps	Minimum		#		#		\$8,000.00
	Maximum	\$1,266.00		\$1,139.40		\$1,012.80	
512kbps	Minimum		#		#		\$8,000.00
	Maximum	\$1,416.00		\$1,274.40		\$1,132.80	
768kbps	Minimum		#		#		\$8,000.00
	Maximum	\$1,612.00		\$1,450.80		\$1,289.60	
1.5Mbps	Minimum		#		#		\$8,000.00
	Maximum	\$2,898.00		\$2,608.20		\$2,318.40	
3Mbps	Minimum		#		#		\$8,000.00
	Maximum	\$7,153.00		\$6,437.70		\$5,722.40	
5Mbps	Minimum		#		#		\$8,000.00
	Maximum	\$7,513.00		\$6,761.70		\$6,010.40	
10Mbps	Minimum		#		#		\$8,000.00
	Maximum	\$14,410.00		\$12,969.00		\$11,528.00	
20Mbps	Minimum		#		#		\$8,500.00
	Maximum	\$26,638.00		\$23,974.20		\$21,310.40	
30Mbps	Minimum		#		#		\$8,500.00
	Maximum	\$38,317.00		\$34,485.30		\$30,653.60	
40Mbps	Minimum		#		#		\$8,500.00
	Maximum	\$50,650.00		\$45,585.00		\$40,520.00	
50Mbps	Minimum		#		#		\$8,500.00
	Maximum	\$62,981.00		\$56,682.90		\$50,384.80	

Other CoS Bandwidth ⁺	Monthly Charges (All Contract Terms)	One-Time Charges [*]
Per 64kbps Enhanced CoS	\$ 16.00	\$ 200.00
Per 64kbps Premium CoS	\$ 25.00	\$ 200.00
Per 64kbps Platinum CoS	\$ 31.00	\$ 200.00
Per 1Mbps Enhanced CoS	\$ 186.00	\$ 200.00
Per 1Mbps Premium CoS	\$ 297.00	\$ 200.00
Per 1Mbps Platinum CoS	\$ 372.00	\$ 200.00

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- (i) Bandwidth availability is subject to available network capacity at the time of the service request.
- (ii) Each access link comes with one VRF and one VLAN. For each additional VRF/VLAN, Northwestel will charge \$180 monthly fee per VRF/VLAN and \$500 one-time fee per VRF/VLAN.
- (iii) Each access link comes with one physical Ethernet port at the demarcation point. If an additional Ethernet port is requested then a one-time charge of \$775 will apply. This charge is applicable at the time of the original service request and any subsequent requests.

* If additional equipment must be installed for the Customer in order to provision the service, additional charges will apply on a time and materials basis.

- d) Volume Discount Plan (VDP):
The VDP allows the Customer to contract for a Minimum Monthly Billing Commitment (MMBC) for their services in return for a discount based on the term and the amount of the commitment.

Services eligible for calculating MMBC are the total monthly recurring charges associated with:

- (i) Monthly recurring charges of Basic CoS bandwidth from all community types including A, B, C and Satellite communities.
- (ii) Monthly recurring charges of Enhanced, Premium and Platinum CoS bandwidth from all community types including A, B, C and Satellite communities
- (iii) Monthly recurring charges from V-Connect Special Facilities Tariff (SFT) (if applicable).

Only monthly recurring charges for Basic CoS bandwidth in Type A, B and C communities under this general tariff are eligible for receiving VDP.

MMBC	VDP Rates	
	1-Year Term Discount %	3-Year Term Discount %
\$250,000.00	15% of the monthly Basic CoS bandwidth charges for the type A, B and C communities. For greater clarity the discount does not apply to satellite communities.	25% of the monthly Basic CoS bandwidth charges for the type A, B and C communities. For greater clarity the discount does not apply to satellite communities.

- e) Bandwidth Changes

Service Item	Service Charge
Basic CoS bandwidth change within 128kbps to 10Mbps range, per site, per service order	\$200.00
Basic CoS bandwidth change within 20Mbps to 100Mbps range, per site, per	200.00

service order	
Other CoS bandwidth change (64kbps and/or 1Mbps increment) per site, per service order	200.00

Note - Basic CoS bandwidth changes from below 10Mbps to above 10Mbps is considered a new installation with applicable monthly and service charges.

3.1.2 Satellite V-Connect Service Rates in Satellite Communities

a) Asymmetrical Best Effort Satellite V-Connect:

Basic CoS Bandwidth+ (Mbps) (Download/Upload)	Monthly Charges			One-Time Charges
	Month-to-Month	1-year	3-year	
0.256/0.128	\$ 942.00	\$ 847.80	\$ 753.60	\$ 7,500.00
1/0.256	\$ 1,591.00	\$ 1,431.90	\$ 1,272.80	\$ 7,500.00
1.5/0.384	\$ 1,681.00	\$ 1,512.90	\$ 1,344.80	\$ 7,500.00

Notes: for Asymmetrical Best Effort Satellite V-Connect, only Basic CoS is offered and with NO SLA commitments.

b) Symmetrical Satellite V-Connect: offers CoS and SLA

Basic CoS Bandwidth+ (Mbps) (Download/Upload)		Monthly Charges						One-Time Charges
		Month-to-Month		1-Year Term		3-Year Term		
512/512	Minimum		#		#		#	\$7,500.00
	Maximum	\$2,984.00		\$2,685.60		\$2,387.20		
1/1	Minimum		#		#		#	\$7,500.00
	Maximum	\$6,336.00		\$5,702.40		\$5,068.80		
1.5/1.5	Minimum		#		#		#	\$7,500.00
	Maximum	\$6,900.00		\$6,210.00		\$5,520.00		
2/2	Minimum		#		#		#	\$7,500.00
	Maximum	\$9,973.00		\$8,975.70		\$7,978.40		

Other CoS Bandwidth+	Monthly Charges (All Contract Terms)	One-Time Charges
Per 64kbps Premium CoS	\$347.00	\$200.00

c) Bandwidth Changes

Service Item	Service Charge
Basic CoS bandwidth change between symmetrical options, per site, per service order	\$ 200.00
Basic CoS bandwidth change between asymmetrical options, per site, per service order	200.00
Premium CoS bandwidth change per site, per service order	200.00

Note: Changing Basic CoS bandwidth from asymmetrical to symmetrical and vice versa is considered a new installation with applicable monthly and service charges.

+ Bandwidth availability is subject to available network capacity at the time of the service request.

* If additional equipment must be installed for the Customer in order to provision the service, additional charges will apply on a special assembly basis.

3.2 Service Commencement Date

The Company proposes to introduce the V-Connect Service tariff on 1 April 2013.

3.3 Rate Determination Principles

Consistent with section 27(1) of the *Act*, the rates proposed by Northwestel for V-Connect Service are just and reasonable. This cost study demonstrates that the minimum rates proposed are higher than the price floor. Further, the minimum proposed rates are, in fact, up to # higher than those proposed for the Company's Wholesale Connect Service, demonstrating that the Company has not priced this service in an anti-competitive manner.

The maximum rates proposed are, on an aggregate basis, lower than the rates currently charged to V-Connect Service customers, resulting in a decrease of approximately \$38K per month, or \$458K annually, in revenue for V-Connect service overall. While on an individual circuit basis rates could move either up or down from their current pricing, the Company has designed its proposed maximum rates so that no one individual customer will see a rate increase; all customers will see either a decrease or will see no change in their V-Connect billings.

The Company has positioned its rates competitively, with options for 3-year and 1-year contracted options as well as month-to-month service options. The contracted options are competitively positioned vis-à-vis the month-to-month option, with the 1-year contracted rates discounted by approximately 10% off the month-to-month rates, and 3-year rates discounted by approximately 20% from the month-to-month rates.

The Company is applying for a rate range for V-Connect Service, consistent with the guidelines set out in Telecom Decision CRTC 2007-36, *Follow-up to Decision 2006-75 – Range-within-a-range proposal* (Decision 2007-36). The Company is proposing a rate range where only the maximum rate for the range is to be publicly specified. As contemplated in Decision 2007 36, certain rates in the tariff pages are being submitted in confidence.

Rate ranges are appropriate for V-Connect Service due to the competitive nature of the service. V-Connect Service, while a “new” service to the tariff, is not, in fact, a new service to the market. V-Connect Service faces competitive pressures from alternate providers. As noted above, other service providers are able to offer services in competition to the Company’s V-Connect Service by utilizing the Company’s Wholesale Connect Service. The Company’s proposed Wholesale Connect pricing is significantly lower than the proposed retail pricing for V-Connect Service, which will place pricing pressure on V-Connect Service as the Company bids for new customers in competition with other service providers.

Further to this, competition for satellite based alternatives is already robust in the North; so much so that Northwestel is not the dominant provider of these services in its serving territory. Decision 2007-36 determined that rate ranges would provide ILECs with increased pricing flexibility and that they would lessen the regulatory burden for both the ILECs and the Commission by reducing the number and complexity of tariff applications . This logic is entirely appropriate for V-Connect Service.

4. ECONOMIC EVALUATION STUDY

4.1 Summary of Study Results

The Summary of Phase II costs plus Third-Party Costs for each price point are provided in Appendix 2. Detailed results for each price point are provided in Appendix 3. Results for the One-time Charges are provided in Appendix 5. For purposes of the studies, demand was assumed to be one unit commencing in year 1 and continuing for the full study period.

4.2 General Considerations

4.2.1 Study Assumptions

4.2.1.1 The life expectancy of each piece of equipment is based on their economic lives.

4.2.1.2 Causal costs are assumed for all direct resources.

4.2.1.3 Economic Parameters are provided in Appendix “1”.

The costing methodology used in this study is consistent with the Wholesale Connect Service cost study, Tariff Notice 883A. For greater clarity, the same underlying transport, core IP and access studies and associated unit costs were used in the V-Connect cost study. Assumptions associated with SCF (structure cost factors) and expenses causal to the demand such as maintenance, service provisioning/ip management, billing and power are also consistent with methodologies and factors utilized in the Wholesale Connect cost study.

4.2.2 Study Period Length

The study period length is 5 years

4.2.3 The Economic Study utilizes costing for the use of Northwestel’s existing facilities as well as costs to purchase and install new facilities to deliver this service.

4.3 Demand and Revenue Information

4.3.1 Annual Demand

Annual demand forecasts were created based on current demand and growth assumptions were based on interest expressed by customers to provide service in specific communities or regions of the Company’s operating area.

As noted above, for purposes of the study in determining costs by individual rate elements, demand has been assumed to be one customer for each year of the study period. This demand is then multiplied by the "minimum monthly price". In the case of Type A, B and C communities, the minimum price represents the 3 year monthly rate with the volume discount price. The minimum price for Type D (satellite) communities is the 3 year monthly rate (no volume discount price is available for Type D communities).

Forecast details are provided in Appendix 4 Demand and Revenue Information.

4.3.2 Cross-impacts

The causal costs are determined in accordance with the Phase II costing principles set out in *Inquiry into Telecommunications Carriers' Costing and Accounting Procedures – Phase II: Information Requirements for New Service Tariffs Filings*, Telecom Decision CRTC 79-16, 28 August 1979 (Decision 79-16), excluding cross effects as per Decision 94-19, and certain other decisions, the most recent of which is Telecom Order CRTC 2008-237, *Regulatory Economic Studies Manuals – Follow-up proceeding to Telecom Decision 2008-14*, 25 August 2008 (Order 2008-237)

4.4 Cost Information

4.4.1 Costs Estimates

Capital and Expense cost estimates of direct resources are shown in Appendix 3.

4.4.1.1 Estimates of Capital Costs by Asset Account.

Cost Estimates of direct resources are shown in Appendix 3.

4.4.1.2 Estimates of Expenses by CRTC Operating Account.

Estimates of expenses by CRTC Operating Account are displayed in Appendix 3.

4.4.1.3 Description of Activities and Estimates of Costs of Product or Service Development.

The expenses incurred in the planning and development of this service were included in the economic analysis. Please refer to Appendix 6.

4.4.1.4 End of Study Treatment of Plant and Equipment.

The Discounted Service Potential (DSP) method was used for end of study treatment.

4.4.1.5 Cost Adjusting Factors

Capital and operating costs beyond the first year of the study were increased by an inflation Factor of (#) per year.

4.4.1.6 Expenses Causal to Service

Expenses Causal to Service includes costs associated with Service Development and Product Management activities associated with the development and implementation of this service.

Costs associated with service development and one-time product management were developed using explicit estimates and applying corporate average labour unit costs to explicit time estimates. Please refer to Appendix 6.

4.4.1.7 Expenses Causal to Demand

Expenses Causal to Demand includes ongoing costs associated with the following items:

Maintenance – consists of costs associated with the ongoing maintenance and repair of equipment and facilities utilized by this service, including the local and transport facilities.

Service Provisioning/IP Management – consists of the costs associated with ongoing monitoring and support of IP managed services and is unitized by the long term demand of number of circuits.

Advertising & Sales Management, Billing, Systems & Collections – consists of costs associated with ongoing sales and customer management, developed by applying the corporate average labour and costs to explicit time estimates. Costs associated with billing, systems and collections were developed using the Company's aggregate billing and collection's factor. This methodology is consistent with the Wholesale Connect Service cost study, Tariff Notice 883A.

Other consists of estimated power expense associated with the underlying network facilities utilized by this service (based on the corporate power expense factor.)

Third Party Expenses consists of two components: costs associated leased facilities and satellite bandwidth charges. Both of these costs are paid to third-party companies and have been provided separately from the Phase II costing detail. Please refer to Appendix 3 for detail.

Leased Facilities: include the costs the Company incurs to lease facilities from other parties for the routes Ft. Nelson, B.C. and/or High Level, AB to Edmonton, AB. The leased facilities cost is unitized on the total bandwidth capacity of the leased facility. For purposes of this General Tariff study, based on an analysis of the existing customer base (#) of the V-Connect traffic from all communities was assumed to transit to Edmonton.

Satellite Bandwidth Charges: includes the transponder costs associated with Type D (satellite) communities only. The long-term contract average cost per MHz is applied to the bandwidth associated with V-Connect service.

From a provisioning point of view, satellite bandwidth is calculated by adding the upload and download bandwidth. For example, a 256 kbps down, 128 kbps up circuit utilizes 384 kbps of satellite bandwidth. A symmetrical 512 kbps circuits utilizes 1,024 kbps of satellite bandwidth.

4.4.1.8 Capital Causal to Demand

The Economic Study includes costing for the use of Northwestel's existing facilities as well as costs to purchase and install new facilities to deliver this service. The two types of capital costs included in the cost study are access driven costs and usage driven costs.

Outside Plant Equipment:

Outside Plant Equipment includes outside plant facilities (copper twisted pair or fibre) and the IP access link equipment (eg. edge routers).

Outside plant facilities costs were based on standard unit costs per metre, and average loop lengths by community type. Copper based per metre costs were derived from the Company's loop cost studies as filed with the Commission in support of Residential Primary Exchange Service (PES) costing. Fibre costs per metre and lengths were based on studying a sample of existing fibre based accesses as well as consideration of where the potential customer locations will be relative to the Company's central office.

The IP access link equipment includes a (#) powered standard multilayer image Ethernet Switch and a copper EFM aggregator. A per access (fibre and copper pair) unit cost was developed based on the capacity of this equipment and using a working fill factor of (#).

Outside Plant Equipment cashflows (outside plant facilities and IP access link equipment) were derived based on an average fibre installation and average copper installation. Loop lengths, average cost per metre of facility, and associated IP equipment vary depending on whether the facility is provisioned on fibre or copper, and the geographic terrain, distance from a major centre and availability of existing plant.

The following table illustrates the facility type distribution assumptions. For technical reasons, any service greater than 10 Mbps will be provisioned on fibre.

Community Type	Bandwidth	Facility Type Distribution
Type A	<1.5 Mbps	(#)
Type A	1.5 Mbps & Greater	(#)
Type B	10 Mbps & Less	(#)
Type B	20 Mbps & Greater	(#)
Type C	10 Mbps & Less	(#)
Type C	20 Mbps & Greater	(#)
Type D	Asymmetrical	(#)
Type D	Symmetrical	(#)

Note: other Access driven costs include the cost to provision and install Layer 2/3 CPE Equipment. These costs are recovered through the proposed non-recurring charge rate component.

Switching Equipment:

Switching Equipment includes utilization of the Core IP Network including Provider Backbone MPLS Routers (P Router), Distribution Routers (PE Router) and Distribution Ethernet Switches. Capacity cost estimates

were developed based the variable cost components of the IP Core network unitized by the long term demand forecast on the IP core network

Type D communities access additional satellite switching equipment. Specifically, satellite modems in the remote communities and a satellite Hub located in Whitehorse, associated with the iDirect Infiniti network are included in this study. Capacity cost estimates were developed based on long term demand forecast for the Infiniti network.

Transmission Equipment:

Transmission Equipment includes costs associated with utilization of the Company’s transport network. Capacity cost estimates were based on a prospective view of costs to install growth technology required to meet long term forecast of demand for each route. E.g. for community access links served by microwave radio, the growth technology is OC-3 radios (and multiple OC-3 radio’s for the aggregating routes), whereas for fibre communities the growth technology is either OC-12 or OC-48. For the core routes (Yellowknife to Hay River, Whitehorse to Ft. Nelson) the capacity was assumed to be 2 times OC-48/2.5Gbps

Type D community costs also include the satellite earth stations located in the remote communities and in the Hub community (Whitehorse). Capacity cost estimates were based on the earth station average uplink capacity.

Other:

Structure cost factors (power, supervisory, buildings and towers) are included in this category. The following factors were applied:

SCF Factor	%	
Power SCF		(#)
Supervisory SCF		(#)
Tower SCF		(#)
Building (Transport) SCF		(#)
Building (Network) SCF		(#)

IFC’s reflect all relevant switching and transmission network elements (e.g. routers, fibre optic cable and electronics) as well as appropriate structure cost factors (power, supervisory, buildings and towers). An average working fill factor of (#) was used to develop the costs associated with the switching, (#) for microwave and (#) for fibre.

Weighted average Transport IFC’s were developed for each Community Type (A, B, C, and D) and for Basic CoS Charges and for Other Cos Bandwidth, based on the expected distribution of demand for this service. Transport IFC’s per Mbps were multiplied by the estimated capacity utilization of the service based on the engineering provisioning guidelines and recognizing that transport costs are shared between two end points.

4.5 Study Results

The Summary of Phase II Costs and Third-Party Costs, by individual rate element are provided in Appendix 2. The results for the service charges are in Appendix 5.

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ECONOMIC PARAMETERS

The following parameters were used in the studies

Cost of Capital	8.15%
Cost of Debt	6.50%
Debt Ratio	45.00%
Income Tax Rate	28.00%
Variable Common Cost Factor	
Revenue Charge Rate (RC)	0.63%

(#)

Summary of Phase II Costs for V-Connect - by Community Type & Bandwidth

Rate Centre & Bandwidth	Minimum Monthly Rate (Note 1)	Total Cost	Mark-up (Revenue-Cost/Cost)
Type A 128		(#)	(#)
Type A 256		(#)	(#)
Type A 512		(#)	(#)
Type A 768		(#)	(#)
Type A 1.5		(#)	(#)
Type A 3		(#)	(#)
Type A 5		(#)	(#)
Type A 10		(#)	(#)
Type A 20		(#)	(#)
Type A 30		(#)	(#)
Type A 40		(#)	(#)
Type A 50		(#)	(#)
Type A 60		(#)	(#)
Type A 80		(#)	(#)
Type A 100		(#)	(#)
Type B 128		(#)	(#)
Type B 256		(#)	(#)
Type B 512		(#)	(#)
Type B 768		(#)	(#)
Type B 1.5		(#)	(#)
Type B 3		(#)	(#)
Type B 5		(#)	(#)
Type B 10		(#)	(#)
Type B 20		(#)	(#)
Type B 30		(#)	(#)
Type B 40		(#)	(#)
Type B 50		(#)	(#)
Type B 60		(#)	(#)
Type B 80		(#)	(#)
Type B 100		(#)	(#)
Type C 128		(#)	(#)
Type C 256		(#)	(#)
Type C 512		(#)	(#)
Type C 768		(#)	(#)
Type C 1.5		(#)	(#)
Type C 3		(#)	(#)
Type C 5		(#)	(#)
Type C 10		(#)	(#)
Type C 20		(#)	(#)
Type C 30		(#)	(#)
Type C 40		(#)	(#)
Type C 50		(#)	(#)
Type D 256 kbps/128 kbps Asymmetrical		(#)	(#)
Type D 1 Mbps/256 kbps Asymmetrical		(#)	(#)
Type D 1.5 Mbps/384 kbps Asymmetrical		(#)	(#)
Type D 512 kbps Symmetrical		(#)	(#)
Type D 1 Mbps Symmetrical		(#)	(#)
Type D 1.5 Mbps Symmetrical		(#)	(#)
Type D 2 Mbps Symmetrical		(#)	(#)
CoS Terrestrial 1 Mbps		(#)	(#)
CoS Satellite 64 kbps		(#)	(#)

Note 1: The Minimum Monthly Rate reflects the Three Contract Rate with VDP for Type A, B & C Communities, and the Three Contract Rate for Type D Communities.

Detailed Results for Phase II Costs & Third- party Costs for V-Connect - by Community Type & Bandwidth

	Type A 128 kbps	Type A 256 kbps	Type A 512 kbps	Type A 768 kbps	Type A 1.5 Mbps	Type A 3 Mbps	Type A 5 Mbps	Type A 10 Mbps	Type A 20 Mbps	Type A 30 Mbps	Type A 50 Mbps	Type A 60 Mbps	Type A 80 Mbps	Type A 100 Mbps	Type B 128 kbps
Minimum Monthly Rate (note 1)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total Cost	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Mark-up (Revenue-Cost/Cost)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>
Total Costs (Phase II plus 3rd Party)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total 3rd Party Costs	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total Phase II Costs	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Expenses causal to the service	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Advertising and Promotion	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Capital causal to the service	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Hardware	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Software	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Capital causal to demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Outside Plant Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Switching Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Transmission Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Expenses causal to demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Maintenance	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Service Provisioning	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Advertising & Sales Management	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Present Worth of Demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)

Note 1: The Minimum Monthly Rate reflects the Three Contract Rate with VDP for Type A, B & C Communities, and the Three Contract Rate for Type D Communities.

Detailed Results for Phase II Costs & Thi

	Type B 256 kbps	Type B 512 kbps	Type B 768 kbps	Type B 1.5 Mbps	Type B 3 Mbps	Type B 5 Mbps	Type B 10 Mbps	Type B 20 Mbps	Type B 30 Mbps	Type B 40 Mbps	Type B 50 Mbps	Type B 60 Mbps	Type B 80 Mbps	Type B 100 Mbps	Type C 128 kbps	Type C 256 kbps	Type C 512 kbps
Minimum Monthly Rate (note 1)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total Cost	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Mark-up (Revenue-Cost/Cost)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>
Total Costs (Phase II plus 3rd Party)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total 3rd Party Costs	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total Phase II Costs	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Expenses causal to the service	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Advertising and Promotion	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Capital causal to the service	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Hardware	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Software	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Capital causal to demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Outside Plant Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Switching Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Transmission Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Expenses causal to demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Maintenance	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Service Provisioning	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Advertising & Sales Management	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Present Worth of Demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)

Note 1: The Minimum Monthly Rate reflects t

Detailed Results for Phase II Costs & Thi

	Type C 768 kbps	Type C 1.5 Mbps	Type C 3 Mbps	Type C 5 Mbps	Type C 10 Mbps	Type C 20 Mbps	Type C 30 Mbps	Type C 40 Mbps	Type C 50 Mbps	cos1 Terrestrial Cos	cos2 Satellite CoS
Minimum Monthly Rate (note 1)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total Cost	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Mark-up (Revenue-Cost/Cost)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>	<u>MEC</u>
Total Costs (Phase II plus 3rd Party)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total 3rd Party Costs	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Total Phase II Costs	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Expenses causal to the service	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Advertising and Promotion	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Capital causal to the service	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Hardware	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Software	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Capital causal to demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Outside Plant Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Switching Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Transmission Equipment	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Expenses causal to demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Maintenance	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Service Provisioning	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Advertising & Sales Management	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)
Present Worth of Demand	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)

Note 1: The Minimum Monthly Rate reflects t

Summary of Phase II Costs for Service Charges

	Type A, B, C < 10 Mbps	Type A, B, C 10 Mbps & Greater	Type D Asymmetrical	Type D Symmetrical
Service Charge Rate	\$ 8,000	\$ 8,500	\$ 7,500	\$ 7,500
Total Cost	(#)	(#)	(#)	(#)
Mark-up (Revenue-Cost/Cost)	(#)	(#)	(#)	(#)
	<u>PWAC</u>	<u>PWAC</u>	<u>PWAC</u>	<u>PWAC</u>
Total Phase II Costs	(#)	(#)	(#)	(#)
Expenses causal to the service	(#)	(#)	(#)	(#)
Advertising and Promotion	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)
Capital causal to the service	(#)	(#)	(#)	(#)
Hardware	(#)	(#)	(#)	(#)
Software	(#)	(#)	(#)	(#)
Capital causal to demand	(#)	(#)	(#)	(#)
Outside Plant Equipment	(#)	(#)	(#)	(#)
Switching Equipment	(#)	(#)	(#)	(#)
Transmission Equipment	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)
Expenses causal to demand	(#)	(#)	(#)	(#)
Maintenance	(#)	(#)	(#)	(#)
Service Provisioning	(#)	(#)	(#)	(#)
Advertising & Sales Management	(#)	(#)	(#)	(#)
Billing	(#)	(#)	(#)	(#)
Portfolio	(#)	(#)	(#)	(#)
Other	(#)	(#)	(#)	(#)

Summary of Phase II Costs Causal to the Service

	<u>PWAC</u>
Total Phase II Costs	(#)
Expenses causal to the service	(#)
Advertising and Promotion	(#)
Billing	(#)
Portfolio	(#)
Other	(#)
Capital causal to the service	(#)
Hardware	(#)
Software	(#)
Capital causal to demand	(#)
Outside Plant Equipment	(#)
Switching Equipment	(#)
Transmission Equipment	(#)
Other	(#)
Expenses causal to demand	(#)
Maintenance	(#)
Service Provisioning	(#)
Advertising & Sales Management	(#)
Billing	(#)
Portfolio	(#)
Other	(#)

V-Connect Service: Customer Impacts

#

#

14 January 2013

Mr. Chris Seidl
Executive Director
Canadian Radio-television and
Telecommunications Commission
OTTAWA, ON
K1A 0N2

Dear Mr. Seidl:

Re: Northwestel Inc. Tariff Notice 891

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:

Tariff	Proposed Effective Date	Description
CRTC 3003	01 April 2013	10 th revised Page 141
CRTC 3003	01 April 2013	Original Page 166
CRTC 3003	01 April 2013	Original Page 167
CRTC 3003	01 April 2013	Original Page 168
CRTC 3003	01 April 2013	Original Page 169
CRTC 3003	01 April 2013	Original Page 170
CRTC 3003	01 April 2013	Original Page 171
CRTC 3003	01 April 2013	Original Page 172
CRTC 3003	01 April 2013	Original Page 173
CRTC 3003	01 April 2013	Original Page 174
CRTC 3003	01 April 2013	5 th Revised Page 175
CRTC 3003	01 April 2013	5 th Revised Page 176
CRTC 3003	01 April 2013	5 th Revised Page 177
CRTC 3003	01 April 2013	8 th Revised Page 178
CRTC 3003	01 April 2013	5 th Revised Page 179
CRTC 3003	01 April 2013	4 th Revised Page 180
CRTC 3003	01 April 2013	5 th Revised Page 181

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

Yours truly,



Dallas C. Yeulett
Senior Manager, Regulatory Compliance

Attachments



PROPOSED TARIFF PAGE

PRIVATE WIRE SERVICE

CRTC 3003

10th Revised Page 141

Up To and Including Page 165

The following pages are intentionally left blank and reserved for future use:

10 th Revised Page 141	10 th Revised Page 158
13 th Revised Page 142	10 th Revised Page 158A
8 th Revised Page 142A	9 th Revised Page 159
5 th Revised Page 142B	9 th Revised Page 160
3 rd Revised Page 142C	5 th Revised Page 161
6 th Revised Page 143	1 st Revised Page 162
9 th Revised Page 144	Original Page 163
4 th Revised Page 144A	Original Page 164
4 th Revised Page 145	Original Page 165
1 st Revised Page 145A	
12 th Revised Page 146	
10 th Revised Page 146A	
11 th Revised Page 146B	
11 th Revised Page 147	
11 th Revised Page 147A	
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PRIVATE WIRE SERVICE
DATA NETWORK SERVICE

Original Page 166

Item

1110 V-CONNECT SERVICE

(N)

A. Service Description

The V-Connect Service (the “service”) is a terrestrial and satellite Layer 3 IP-VPN WAN solution with Class of Service (CoS) options available in most of Northwestel’s (the “Company”) rate centres.

The service will provide customers with point-to-multipoint layer 3 connectivity between the Company’s rate centres in the North, and to southern locations operated and managed by other communications organizations through Network-to-Network Interconnection (NNI) agreement(s).

The customer must have a minimum of two sites in order to set up the service. At each site, the customer must first subscribe to the Basic CoS bandwidth, then they may purchase other CoS options. For terrestrial sites, the customer can designate a portion of the Basic CoS bandwidth at either 64 Kbps or 1Mbps increments as Enhanced CoS bandwidth, Premium CoS bandwidth and Platinum CoS bandwidth. For symmetrical satellite sites, the customer can designate a portion of the Basic CoS bandwidth at 64 Kbps increments as Premium CoS bandwidth. CoS is not offered to asymmetrical satellite sites.

Note: The aggregate of Enhanced, Premium and Platinum CoS bandwidth cannot exceed forty percent (40%) of the Basic CoS bandwidth per IP-VPN Service (i.e., per site).

At each IP-VPN point of presence, the service is offered over one (1) 10/100/1000 Mbps physical Ethernet port at the demarcation point and supports a maximum 1000 routes. The Maximum Transmission Unit (MTU) is 1,500 bytes.

In Type A, B and C terrestrial communities, for sites with bandwidth below ten (10) Mbps, the service supports up to five (5) VRF instances and five (5) VLANS per IP-VPN point of presence. For sites with bandwidth of ten (10) Mbps and above, the service supports up to ten (10) VRF instances and ten (10) VLANS per IP-VPN point of presence.

In Satellite communities, the service supports one (1) VRF instance and one (1) VLAN per IP-VPN point of presence. Only static routing protocol is supported.

B. Definitions

For the purpose of this tariff item:

Company refers to Northwestel.

IP-VPN refers to Internet Protocol Virtual Private Network.

LAN refers to Local Area Network.

Port refers to a customer-facing interface in the terminating equipment through which data is physically transmitted.

Service refers to the V-Connect Service.



Item

1110 V-CONNECT SERVICE (Cont'd)

(N)

B. Definitions (cont'd)

For the purpose of this tariff item:

Type A Community refers to a community listed in Section D as Type A.

Type B Community refers to a community listed in Section D as Type B.

Type C Community refers to a community listed in Section D as Type C.

VLAN refers to a group of devices on one or more LAN that are configured (using management software) so that they can communicate as if they were attached to the same wire, when in fact they are located on a number of different LAN segments.

VRF refers to a Virtual Routing and Forwarding instance.

WAN refers to a Wide Area Network.

C. Conditions of Service

1. The service demarcation point is the customer-facing Ethernet port of the Customer Premises Equipment (CPE) at the customer's premises. In Type A, B, C and Satellite communities the CPE is owned by Northwestel.
2. On private property, the customer is responsible to provide a suitable aerial, underground or conduit route to the demarcation point. The customer shall also be responsible for the extension of the service to other points within the same building. Northwestel employees must have reasonably prompt access to Northwestel's terminating equipment for repair or regular maintenance.
3. Northwestel is solely responsible for the installation, operation and maintenance of the Northwestel provided CPE as well as equipment in the Serving Central Office.
4. The customer is responsible for providing a suitable UPS for this CPE and the selection, supply, installation and maintenance of all data equipment, software and services necessary for the use in conjunction with the Service past the demarcation point.
5. The service is only available in the rate centres listed in this tariff. Service requests in other Northwestel rate centres will be treated on a special assembly basis.
6. When it is necessary to obtain equipment and/or facilities from other communications organizations to provide the service, the Company will levy contract terms and conditions and charges imposed by other communications organizations, plus reasonable mark-up.
7. The provision of the service and any bandwidth request in any rate centre is subject to the ability of Northwestel to satisfy existing transmission standards and the availability of a) suitable network capacity, b) connection equipment and c) facilities.



Item

1110 V-CONNECT SERVICE (Cont'd)

(N)

C. Conditions of Service (cont'd)

8. When it is necessary to install special equipment or to incur an unusual expense to establish a service connection, the customer shall pay an additional charge based on time and materials, in accordance with General Tariff, CRTC 3001, Item 305.
9. Customer equipment attached to the Company's facilities must be in accordance with Northwestel's Connection of Customer-provided Equipment Tariff, CRTC 3001, Items 1301, 1302 and 1303.
10. In all rate centres, the service is not assured if total cable distance exceeds 5,000 meters as measured from the serving central office to the customer premises. It is at the sole discretion of Northwestel to offer the service outside the 5 Km limit (cable distance). Additional distance charges will be applied in accordance with Private Wire Services Tariff, CRTC 3003, Item 1118.
11. Notwithstanding Section 9 above, if suitable access facilities required for the service are not available, additional charges will apply in accordance with Private Wire Services Tariff, CRTC 3003, Item 1118.
12. The service supports a maximum 1000 routes per IP-VPN point of presence. Upon receiving a maximum-prefix alert message that the 1000 routes threshold has been exceeded, Northwestel will notify the customer. If the customer does not reduce the number of routes to below the maximum within fifteen (15) business days, Northwestel will suppress all specific routes and generate a default route for the customer.
13. Month to month contracts may be terminated by the customer with 30 days notice. For longer term contracts, in the event of termination by the customer of all or part of a V-Connect arrangement prior to the expiry of the contracted service period, the customer shall pay to the Company all charges due for services furnished plus a termination charge equal to 50% of the V-Connect charges applicable to the unexpired portion of the contract period.

Termination will be reduced or waived if the customer contracts for another V-Connect service as follows:
 - a) If the committed revenues under the new contract(s) are equal to or greater than those remaining under the original contract(s), the termination charges for the original contract(s) will be waived; or
 - b) If the committed revenues under the new contract(s) are less than those remaining under the original contract(s), the termination charges for the original contract(s) will be reduced by half the committed revenues under the new contract(s).
14. After the expiry of the initial term, this Agreement shall continue on a month-to-month basis at the then current monthly rate charged by Northwestel for the Services, unless terminated by either party by giving 30 days written notice.
15. If the CRTC forbears from rate regulation of V-Connect services or a portion of the service, and if the customer is on a month-to-month contract basis, then Northwestel may cancel the service by giving 30 days notice for the forborne portion. If the customer is on a term contract then the terms and conditions apply to the end of that time period as contracted for.



PRIVATE WIRE SERVICE
DATA NETWORK SERVICE

Item
1110 V-CONNECT SERVICE (Cont'd)

D. Service Availability

1. Terrestrial V-Connect Service is offered in the following Northwestel Rate Centres:

Community Type	Rate Centre	Province/Territory
A	Fort Nelson	BC
	Hay River	NT
	Whitehorse	YT
	Yellowknife	NT
B	Behchoko	NT
	Carcross	YT
	Carmacks	YT
	Enterprise	NT
	Fort Liard	NT
	Fort Providence	NT
	Fort Resolution	NT
	Fort Smith	NT
	Haines Junction	YT
	Kakisa	NT
	Teslin	YT
Watson Lake	YT	
C	Aklavik	NT
	Beaver Creek*	YT
	Dawson City	YT
	Dease Lake	BC
	Destruction Bay*	YT
	Dettah*	NT
	Faro	YT
	Fort Good Hope	NT

(N)

For explanation of symbols see Page 1

Issued: 14 January 2013

Effective: 01 April 2013



Item
1110 V-CONNECT SERVICE (Cont'd)

(N)

D. Service Availability (cont'd)

1. Terrestrial V-Connect Service is offered in the following Northwestel rate centres: (cont'd)

Community Type	Rate Centre	Province/Territory
C	Fort McPherson	NT
	Fort Simpson	NT
	Inuvik	NT
	Jean Marie River*	NT
	Judas Creek*	YT
	Mayo	YT
	Norman Wells	NT
	Pelly Crossing*	YT
	Ross River	YT
	Telegraph Creek	BC
	Tsiigehtchic*	NT
	Tuktoyaktuk	NT
	Tulita*	NT
	Whati*	NT
Wrigley*	NT	

* Transport networks to these rate centres are provided over low capacity microwave radio systems, therefore high speed options may not be available at the time of the service request.

2. Satellite V-Connect Service is offered in the following Northwestel rate centres:

Community Type	Rate Centre	Province/Territory
Satellite	Arctic Bay	NU
	Arviat	NU
	Baker Lake	NU
	Cambridge Bay	NU
	Cape Dorset	NU
	Chesterfield Inlet	NU
	Clyde River	NU
	Colville Lake	NU
	Coral Harbour	NU
	Deline	NT



PRIVATE WIRE SERVICE
DATA NETWORK SERVICE

Item
1110 V-CONNECT SERVICE (Cont'd)

(N)

D. Service Availability (cont'd)

2. Satellite V-Connect Service is offered in the following Northwestel Rate Centres: (cont'd)

Community Type	Rate Centre	Province/Territory
Satellite Communities	Gamèti	NT
	Gjoa Haven	NU
	Grise Fiord	NU
	Hall Beach	NU
	Igloolik	NU
	Iqaluit	NU
	Kimmirut	NU
	Kugaaruk	NU
	Kugluktuk	NU
	Lutsel'e	NT
	Nahanni Butte	NT
	Old Crow	YT
	Pangnirtung	NU
	Paulatuk	NT
	Pelly Bay	NU
	Pond Inlet	NU
	Qikiqtarjuaq	NU
	Rankin Inlet	NU
	Repulse Bay	NU
	Resolute	NU
	Sachs Harbour	NT
	Sanikiluaq	NU
	Taloyoak	NU
	Trout Lake	NT
Ulukhaktok	NT	
Wekweti	NT	
Whale Cove	NU	



Item
1110 V-CONNECT SERVICE (Cont'd)

(N)

E. Service Bandwidth Options and Rates

The customer shall pay the following rates and charges associated with the service under all applicable terms and conditions of the Company's tariffs. Rates and charges for other applicable services purchased in conjunction with the service are NOT included.

1. Terrestrial V-Connect Service Rates in Type A, B and C Communities

a) Monthly rates in Type A Communities:

Basic CoS Bandwidth ⁺		Monthly Charges						One-Time Charges [*]
		Month-to-Month		1-Year Term		3-Year Term		
128kbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$790.00		\$711.00		\$632.00		
256kbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$803.00		\$722.70		\$642.40		
512kbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$898.00		\$808.20		\$718.40		
768kbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$1,084.00		\$975.60		\$867.20		
1.5Mbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$1,495.00		\$1,345.50		\$1,196.00		
3Mbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$3,062.00		\$2,755.80		\$2,449.60		
5Mbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$4,311.00		\$3,879.90		\$3,448.80		
10Mbps	Minimum		(#)		(#)		(#)	\$8,000.00
	Maximum	\$9,842.00		\$8,857.80		\$7,873.60		
20Mbps	Minimum		(#)		(#)		(#)	\$8,500.00
	Maximum	\$20,230.00		\$18,207.00		\$16,184.00		
30Mbps	Minimum		(#)		(#)		(#)	\$8,500.00
	Maximum	\$24,138.00		\$21,724.20		\$19,310.40		

For explanation of symbols see Page 1



Item
1110 V-CONNECT SERVICE (Cont'd)

(N)

E. Service Bandwidth Options and Rates (cont'd)

1. Terrestrial V-Connect Service Rates in Type A, B and C Communities (cont'd)

a) Monthly rates in Type A Communities: (cont'd)

		Monthly Charges					One-Time Charges*	
Basic CoS Bandwidth ⁺		Month-to-Month		1-Year Term		3-Year Term		
40Mbps	Minimum		(#)		(#)		(#)	\$8,500.00
	Maximum	\$25,124.00		\$22,611.60		\$20,099.20		
50Mbps	Minimum		(#)		(#)		(#)	\$8,500.00
	Maximum	\$26,561.00		\$23,904.90		\$21,248.80		
60Mbps	Minimum		(#)		(#)		(#)	\$8,500.00
	Maximum	\$29,507.00		\$26,556.30		\$23,605.60		
80Mbps	Minimum		(#)		(#)		(#)	\$8,500.00
	Maximum	\$32,708.00		\$29,437.20		\$26,166.40		
100Mbps	Minimum		(#)		(#)		(#)	\$8,500.00
	Maximum	\$35,779.00		\$32,201.10		\$28,623.20		

Other CoS Bandwidth ⁺	Monthly Charges (All Contract Terms)	One-Time Charges*
Per 64kbps Enhanced CoS	\$ 16.00	\$ 200.00
Per 64kbps Premium CoS	\$ 25.00	\$ 200.00
Per 64kbps Platinum CoS	\$ 31.00	\$ 200.00
Per 1Mbps Enhanced CoS	\$ 186.00	\$ 200.00
Per 1Mbps Premium CoS	\$ 297.00	\$ 200.00
Per 1Mbps Platinum CoS	\$ 372.00	\$ 200.00

For explanation of symbols see Page 1



Item 1110 V-CONNECT SERVICE (Cont'd)

(N)

E. Service Bandwidth Options and Rates (cont'd)

1. Terrestrial V-Connect Service Rates in Type A, B and C Communities (cont'd)

b) Monthly rates in Type B Communities:

Basic CoS Bandwidth ⁺		Monthly Charges					One-Time Charges*
		Month-to-Month		1-Year Term		3-Year Term	
128kbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$840.00		\$756.00		\$672.00	
256kbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$894.00		\$804.60		\$715.20	
512kbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$1,000.00		\$900.00		\$800.00	
768kbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$1,354.00		\$1,218.60		\$1,083.20	
1.5Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$1,725.00		\$1,552.50		\$1,380.00	
3Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$4,769.00		\$4,292.10		\$3,815.20	
5Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$6,916.00		\$6,224.40		\$5,532.80	
10Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$13,327.00		\$11,994.30		\$10,661.60	
20Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$24,653.00		\$22,187.70		\$19,722.40	
30Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$30,114.00		\$27,102.60		\$24,091.20	
40Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$32,116.00		\$28,904.40		\$25,692.80	
50Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$35,614.00		\$32,052.60		\$28,491.20	

For explanation of symbols see Page 1



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**PRIVATE WIRE SERVICE
DATA NETWORK SERVICE**

**Item
1110 V-CONNECT SERVICE (Cont'd)**

(N)

E. Service Bandwidth Options and Rates (cont'd)

1. Terrestrial V-Connect Service Rates in Type A, B and C Communities (cont'd)

b) Monthly rates in Type B Communities: (cont'd)

		Monthly Charges					One-Time Charges*
Basic CoS Bandwidth ⁺		Month-to-Month		1-Year Term		3-Year Term	
60Mbps	Minimum		(#)		(#)		\$8,500.00
	Maximum	\$39,064.00		\$35,157.60		\$31,251.20	
80Mbps	Minimum		(#)		(#)		\$8,500.00
	Maximum	\$43,360.00		\$39,024.00		\$34,688.00	
100Mbps	Minimum		(#)		(#)		\$8,500.00
	Maximum	\$46,369.00		\$41,732.10		\$37,095.20	

Other CoS Bandwidth ⁺	Monthly Charges (All Contract Terms)	One-Time Charges*
Per 64kbps Enhanced CoS	\$ 16.00	\$ 200.00
Per 64kbps Premium CoS	\$ 25.00	\$ 200.00
Per 64kbps Platinum CoS	\$ 31.00	\$ 200.00
Per 1Mbps Enhanced CoS	\$ 186.00	\$ 200.00
Per 1Mbps Premium CoS	\$ 297.00	\$ 200.00
Per 1Mbps Platinum CoS	\$ 372.00	\$ 200.00

c) Monthly rates in Type C Communities:

		Monthly Charges					One-Time Charges*
Basic CoS Bandwidth ⁺		Month-to-Month		1-Year Term		3-Year Term	
128kbps	Minimum		(#)		(#)		\$8,000.00
	Maximum	\$1,191.00		\$1,071.90		\$952.80	
256kbps	Minimum		(#)		(#)		\$8,000.00
	Maximum	\$1,266.00		\$1,139.40		\$1,012.80	
512kbps	Minimum		(#)		(#)		\$8,000.00
	Maximum	\$1,416.00		\$1,274.40		\$1,132.80	

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**PRIVATE WIRE SERVICE
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Item
1110 V-CONNECT SERVICE (Cont'd)

(N)

E. Service Bandwidth Options and Rates (cont'd)

1. Terrestrial V-Connect Service Rates in Type A, B and C Communities (cont'd)

c) Monthly rates in Type C Communities: (cont'd)

Basic CoS Bandwidth ⁺		Monthly Charges					One-Time Charges [*]
		Month-to-Month		1-Year Term		3-Year Term	
768kbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$1,612.00		\$1,450.80		\$1,289.60	
1.5Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$2,898.00		\$2,608.20		\$2,318.40	
3Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$7,153.00		\$6,437.70		\$5,722.40	
5Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$7,513.00		\$6,761.70		\$6,010.40	
10Mbps	Minimum		(#)		(#)	(#)	\$8,000.00
	Maximum	\$14,410.00		\$12,969.00		\$11,528.00	
20Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$26,638.00		\$23,974.20		\$21,310.40	
30Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$38,317.00		\$34,485.30		\$30,653.60	
40Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$50,650.00		\$45,585.00		\$40,520.00	
50Mbps	Minimum		(#)		(#)	(#)	\$8,500.00
	Maximum	\$62,981.00		\$56,682.90		\$50,384.80	

Other CoS Bandwidth ⁺	Monthly Charges (All Contract Terms)	One-Time Charges [*]
Per 64kbps Enhanced CoS	\$ 16.00	\$ 200.00
Per 64kbps Premium CoS	\$ 25.00	\$ 200.00
Per 64kbps Platinum CoS	\$ 31.00	\$ 200.00
Per 1Mbps Enhanced CoS	\$ 186.00	\$ 200.00
Per 1Mbps Premium CoS	\$ 297.00	\$ 200.00
Per 1Mbps Platinum CoS	\$ 372.00	\$ 200.00

For explanation of symbols see Page 1



PRIVATE WIRE SERVICE
DATA NETWORK SERVICE

Item
1110 V-CONNECT SERVICE (Cont'd)

(N)

E. Service Bandwidth Options and Rates (cont'd)

1. Terrestrial V-Connect Service Rates in Type A, B and C Communities (cont'd)

c) Monthly rates in Type C Communities: (cont'd)

- i) Bandwidth availability is subject to available network capacity at the time of the service request.
- ii) Each access link comes with one VRF and one VLAN. For each additional VRF/VLAN, Northwestel will charge a \$180.00 monthly fee per VRF/VLAN and a \$500.00 one-time fee per VRF/VLAN.
- iii) Each access link comes with one physical Ethernet port at the demarcation point. If an additional Ethernet port is requested then a one-time charge of \$775.00 will apply.

* If additional equipment must be installed for the customer in order to provision the service, additional charges will apply based on time and materials.

d) Volume Discount Plan (VDP):

The VDP allows the customer to contract for a Minimum Monthly Billing Commitment (MMBC) for V-Connect service in return for a discount based on the term length and the volume amount of the commitment.

Services eligible for calculating MMBC are the total monthly recurring charges associated with:

- i) Monthly recurring charges of Basic CoS bandwidth from all community types including A, B, C and Satellite communities.
- ii) Monthly recurring charges of Enhanced, Premium and Platinum CoS bandwidth from all community types including A, B, C and Satellite communities.
- iii) Monthly recurring charges from V-Connect Special Facilities Tariff (SFT).

Only monthly recurring charges for Basic CoS bandwidth in Type A, B and C communities under this general tariff are eligible for receiving VDP.

MMBC	VDP Rates	
	1-Year Term Discount %	3-Year Term Discount %
\$250,000.00	15% of the monthly Basic CoS bandwidth charges for the Type A, B and C communities. For greater clarity the discount does not apply to Satellite communities.	25% of the monthly Basic CoS bandwidth charges for the Type A, B and C communities. For greater clarity the discount does not apply to Satellite communities.



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Item
1110 V-CONNECT SERVICE (Cont'd)

(N)

E. Service Bandwidth Options and Rates (cont'd)

1. Terrestrial V-Connect Service Rates in Type A, B and C Communities (cont'd)

e) Bandwidth Change Service Charges

Service Item	Service Charge
Basic CoS bandwidth change within 128kbps to 10Mbps range, per site, per service order	\$ 200.00
Basic CoS bandwidth change within 20Mbps to 100Mbps range, per site, per service order	200.00
Other CoS bandwidth change (64kbps and/or 1Mbps increment) per site, per service order	200.00

Note: Basic CoS bandwidth changes from below 10 Mbps to above 10 Mbps is considered a new installation with applicable monthly and service charges.

2. Satellite V-Connect Service Rates in Satellite Communities:

a) Asymmetrical Best Effort Satellite V-Connect:

Basic CoS Bandwidth ⁺ (Mbps) (Download/Upload)	Monthly Charges			One-Time Charges*
	Month-to-Month	1-year	3-year	
0.256/0.128	\$ 942.00	\$ 847.80	\$ 753.60	\$ 7,500.00
1/0.256	\$ 1,591.00	\$ 1,431.90	\$ 1,272.80	\$ 7,500.00
1.5/0.384	\$ 1,681.00	\$ 1,512.90	\$ 1,344.80	\$ 7,500.00

Note: For Asymmetrical Best Effort Satellite V-Connect, only Basic CoS is offered and with **NO SLA** commitments.

b) Symmetrical Satellite V-Connect: offers CoS and SLA

Basic CoS Bandwidth ⁺ (Mbps) (Download/Upload)	Monthly Charges						One-Time Charges*
	Month-to-Month		1-Year Term		3-Year Term		
0.512/0.512	Minimum		(#)		(#)	(#)	\$7,500.00
	Maximum	\$2,984.00		\$2,685.60		\$2,387.20	
1/1	Minimum		(#)		(#)	(#)	\$7,500.00
	Maximum	\$6,336.00		\$5,702.40		\$5,068.80	
1.5/1.5	Minimum		(#)		(#)	(#)	\$7,500.00
	Maximum	\$6,900.00		\$6,210.00		\$5,520.00	
2/2	Minimum		(#)		(#)	(#)	\$7,500.00
	Maximum	\$9,973.00		\$8,975.70		\$7,978.40	



PRIVATE WIRE SERVICE
DATA NETWORK SERVICE

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1110 V-CONNECT SERVICE (Cont'd)

E. Service Bandwidth Options and Rates (cont'd)

2. Satellite V-Connect Service Rates in Satellite Communities: (cont'd)

b) Symmetrical Satellite V-Connect: Offers CoS and SLA (cont'd)

Other CoS Bandwidth ⁺	Monthly Charges (All Contract Terms)	One-Time Charges*
Per 64kbps Premium CoS	\$347.00	\$200.00

c) Bandwidth Change Service Charges

Service Item	Service Charge
Basic CoS bandwidth change between symmetrical options, per site, per service order	\$ 200.00
Basic CoS bandwidth change between asymmetrical options, per site, per service order	200.00
Premium CoS bandwidth change per site, per service order	200.00

Note: Changing Basic CoS bandwidth from asymmetrical to symmetrical and vice versa is considered a new installation with applicable monthly and service charges.

* Bandwidth availability is subject to available network capacity at the time of the service request.

* If additional equipment must be installed for the customer in order to provision the service, additional charges will apply based on time and materials.

F. Service Level Agreement (SLA)

1. Definitions

Force Majeure means in a month where failure to meet the quality of service standard is caused, in that month, by fire, acts of God, labour disruptions (such as work stoppages, strikes, lockouts and similar labour disruption events), default or failure of another carrier, epidemics, war, civil commotions including acts of terrorism, acts of public authorities or other events beyond the reasonable control of the Company.

Service Availability is a percentage computed as follows:

The number of hours in the particular month MINUS the sum of the number of Excusable Downtime hours PLUS the number of downtime hours other than Excusable Downtime hours or fraction of an hour TIMES 100, DIVIDED BY the number of hours in a particular month MINUS the number of Excusable Downtime hours.

In Formula form:

$$\text{Service Availability} = \frac{[(\text{days in a month}) \times (24 \text{ hours}) - (\text{Excusable Downtime hours} + \text{downtime hours other than Excusable Downtime hours})] \times 100}{[(\text{days in a month}) \times (24 \text{ hours}) - (\text{Excusable Downtime hours})]}$$

Excusable Downtime refers to the items listed under Section F.3(d) items (ii) through (vi).



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1110 V-CONNECT SERVICE (Cont'd)

(N)

F. Service Level Agreement (SLA) (cont'd)

2. SLA Targets

a) SLA Targets Terrestrial V-Connect Service in Type A, B and C Communities:

Metric	Basic CoS Targets	Enhanced CoS Targets	Premium CoS Targets	Platinum CoS Targets
Service Availability	99.9%	99.9%	99.9%	99.9%
Packet Loss	N/A	<2%	<1%	<1%
Latency	N/A	<200ms	<150ms	<80ms
Jitter	N/A	<50ms	<25ms	<25ms

b) SLA Targets for Symmetrical Satellite V-Connect Service in Satellite Communities:

Metric	Basic CoS Targets	Premium CoS Targets
Service Availability	99.7% (all months except Feb and Oct which are 99.5%)	99.7% (all months except Feb and Oct which are 99.5%)
Packet Loss	N/A	<2%
Latency	N/A	<750ms
Jitter	N/A	<50ms

Note: SLA Targets are measured within Northwestel's rate centres.

3. SLA Credit Rules

The SLA targets are measured based on an average over a calendar month. In the event that the customer notifies Northwestel of any failure to meet an SLA, Northwestel will investigate, analyze and communicate to the customer the cause of the infraction. If it is a result of actions by Northwestel or Northwestel providers, the customer will receive:

a) For Service Availability Targets:

For the first failure to satisfy this SLA target at any site, Northwestel will provide the customer with a credit equal to the percentage specified in the table below, of the total monthly Basic CoS bandwidth fees for that site. For the second and any subsequent failure at any site (only if occurring in the months immediately following a month in which the first failure occurred), Northwestel will provide the customer with a credit equal to the percentage specified in the table below, of the total monthly Basic CoS bandwidth fees for that site. In the event Northwestel satisfies the SLA in any month subsequent to any of the failures described above, the penalty regime shall reset and any failure to satisfy the SLA after such month that Northwestel attains the SLA shall be deemed to be a "first failure" as set out above.

b) For Packet Loss, Latency and Jitter Targets:

For the first failure to satisfy these SLA targets of Enhanced, Premium and Platinum CoS bandwidth as a site, Northwestel will provide the customer with a credit equal to the percentage specified in the table below of each affected CoS bandwidth monthly fees payable for that site. For a second and any subsequent failure at that site (only if occurring in the months immediately following a month in which the first failure occurred), Northwestel will provide the customer with a credit equal to the percentage specified in the table below of each affected CoS monthly fees payable for that site. In the event Northwestel satisfies the SLA in any month subsequent to any of the failures described above, the penalty regime shall reset and any failure to satisfy the SLA after such month that Northwestel attains the SLA shall be deemed to be a "first failure" as set out above.



Item

1110 V-CONNECT SERVICE (Cont'd)

F. Service Level Agreement (SLA) (cont'd)

3. SLA Credit Rules (cont'd)

c) SLA Credit Table:

	Type A, B, and C	Satellite Communities
First Failure	10%	10%
Second/Subsequent Failure	25%	20%

d) Exceptions:

- (i) Any change to the service will disrupt reporting and invalidate current month SLA targets;
- (ii) The scheduled and unscheduled maintenance window during which Northwestel may perform maintenance on the IP-VPN network;
- (iii) Downtime caused by an event of Force Majeure. The party claiming relief under the Force Majeure clause shall use all reasonable efforts to remedy the situation and remove, so far as possible and with reasonable dispatch, the cause of its inability to perform, provided that there shall be no obligation on the party so affected to settle labour disputes or test or to refrain from testing the validity of any order, regulation or law in any court having jurisdiction;
- (iv) Downtime that results from any actions or omissions of the customer or customer's end-users of the service or other third parties (except such third parties for which Northwestel is responsible under the terms and conditions of this tariff);
- (v) Downtime that results from non-Northwestel equipment or equipment and software of third parties except where Northwestel has installed such non-Northwestel equipment, equipment and software;
- (vi) Downtime where Northwestel is not provided with reasonably prompt access to the customer's site to address the trouble.

4. SLA Monitoring and Reporting

Northwestel will provide a Web-based Portal for the customer to access SLA reports.

The customer is solely responsible for access to and use of the Web-Portal by any of its employees, officers, directors, agents and any other user of the IP-VPN Service and Web-Portal (collectively, the "Users").

The customer agrees to comply with and to ensure that, the users comply with the following terms and conditions associated with the use of the IP-VPN Service and Web-Portal.

When providing contact information for the Web-Portal, the customer shall provide accurate and complete information and agrees to update promptly such information as necessary to ensure that contact information is kept accurate and complete.

The customer shall (a) maintain the confidentiality of all passwords and/or other account identifiers that it chooses or is assigned and (b) be responsible for all activities that occur under such passwords and/or account(s). Further, the customer agrees to notify Northwestel of any unauthorized use of its passwords and/or account(s). Northwestel will not assume any responsibility for acts or omissions of customers or end users.