

ITEM  
204

**Service Improvement Plan (SIP) for Unserved Premises**

ITEM  
204.1

**Service Description**

Pursuant to Telecom Decision CRTC 2002-34 ("the Decision"), *Regulatory framework for second price cap period, dated May 30, 2002*, the Service Improvement Plan involves implementation of the Commission's determinations with regard to unserved residential premises in the Company's operating territories of Alberta and British Columbia. Pursuant to Telecom Decision CRTC 2003-64, *Follow-up to price cap Decision 2002-34: TELUS' revised service improvement plan*, dated September 25, 2003, the SIP period is four years, from 2003 to 2006.

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**Conditions of Service**

1. Conditions for a project start-up pursuant to the SIP include the following:
  - a. The maximum average cost per residential premises in a locality is \$25,000.00 for both seasonal and permanent premises; including a customer capital contribution of \$1,000.00,
  - b. The total cost of a SIP is to be calculated using a 100% take rate in each locality, and
  - c. At least one customer requests service in a locality and is willing to contribute the required amount per the Decision.
2. Service is to be provided to localities that have the highest demand first.
3. Applications for service from new premises built during the SIP period will be assessed by the Company to determine eligibility for service based on the capital cost criteria described above, and the Company will provide service if the customer is willing to contribute the required amount.
4. Past requests for service that have been denied prior to the SIP period due to high costs will be re-assessed by the Company, based on the same criteria as those for new premises, as described above.

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**Conditions of Service - Continued**

5. During the four-year SIP roll-out period, for localities where the Company has already installed outside plant before the commencement of the SIP, each new residential customer that requests service in a locality may choose between the lesser of a contribution calculated pursuant to:
  - a. TCBC General Tariff (CRTC 1005), Item 98, Public Property in B.C., or General Tariff (CRTC 21461), Item 202, ILS, in Alberta, or
  - b. \$1,000.00, assuming a capital cost limit of \$25,000.00.
6. In cases where the cost of a service extension exceeds the \$25,000.00 capital cost limit, the customer may pay an amount over and above the \$1,000.00 customer contribution in order to obtain service. For example, if the cost to serve a premises were \$34,000.00, then the cost to the customer would be \$10,000.00 (i.e., \$1,000 + [\$34,000-\$25,000]).
7. Residential customers who request service between January 1, 2007, and December 31, 2009, in a community that received service during the four-year SIP term referred to in Item 204.1 will be assessed the same capital contribution (i.e., \$1,000.00) as those residential customers who received service in that community between 2003 and 2006.

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**Rates**

Installment Payment Plan (IPP) Options

The following payment plan options apply only to residential customers and allow them to pay contributions to construction charges for service extension(s) pursuant to the SIP, on an installment basis, subject to the following conditions:

1. For customer contribution of \$1,000.00:
  - a. A non-refundable deposit of \$200.00, payable in the first month of the IPP, is required.
  - b. The remaining balance is to be paid in equal monthly installments over the next 11 months. No interest charges will be applied to the remaining outstanding installment amounts during the 11 month re-payment period.
  - c. The Company's late payment interest rate per General Tariff (CRTC 21461), Item 111.0, Payment Time Limits and Late Payments, will apply for late payments of installments that are due each month.
  - d. This payment option will be available to residential subscribers referred to in Item 204.2.7 until December 31, 2009.

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**Rates - Continued**

2. For maximum customer contribution of \$10,000.00:
  - a. Maximum customer contribution charges of \$10,000.00 per residential customer premises are eligible for the IPP, to be calculated in accordance with the Decision, when determining eligibility for the IPP.
  - b. A minimum non-refundable deposit of 20% of the construction charge is to be paid to the Company prior to the start of construction. F
  - c. The remaining balance is to be paid in equal monthly installments over a period of up to 36 months.
  - d. Interest is charged on the unpaid balance of construction charges at the Company's cost of capital. |
3. Large Construction Charges Installment Payment Plan (LCCIPP) for amounts greater than \$10,000.00 per customer premises:
  - a. Eligible customers will be required to satisfy specific credit criteria.
  - b. A minimum non-refundable deposit of 20% of the construction charges is to be paid to the Company prior to the start of construction. |
  - c. The remaining balance of construction charges is to be paid in equal monthly installments over a period of up to 60 months.
  - d. Prior to the commencement of construction, the customer is required to provide security for the installment payment plan in an amount and form agreed to by the Company and the customer.
  - e. The customer is responsible for arranging the agreed-upon security, including the cost of arranging the security.
  - f. Interest equal to the Company's cost of capital at the time the LCCIPP is entered into by the customer is charged on the unpaid balance of construction charges and is calculated and payable with each monthly installment. |

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**Rates - Continued**

- g. The Company's late payment interest rate per General Tariff (CRTC 21461), Item 111.0, Payment Time Limits and Late Payments, will apply for late payments of installments that are due each month. F
- h. Eligible customers will be required to sign an agreement with the Company, consistent with the above terms and conditions, as part of the LCCIPP. The types of possible arrangements include, but are not necessarily limited to, a promissory note secured by an irrevocable letter of credit, a charge against the customer's real property, or a pledge by the customer of certain personal property. |