

UTILITIES CONSUMERS' GROUP

Box 9300
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Ph./Fax: (867) 633-5210

May 8, 2006

CRTC
Ottawa, ON K1A 0N2
Attention: Dianne Rheume, Secretary General CRTC

Dear Ms. Rheume:

Re: CRTC PN 2006-1 Northwestel Review of Regulatory Framework

Pursuant to the above notice, the Utilities Consumers' Group (UCG) requests further response to our interrogatories 1-2, 1-6, 1-17 and 1-22 :

UCG 2-2) Reference: Northwestel costs for this regulatory review

Reason for disclosure: UCG would like to determine how Northwestel **estimates** the costs and distribution of this money. Furthermore, UCG would like to be ensured that costs for this review process are transparent and accountable. Northwestel claims that they do not track these costs. We find this response irrational as well as irresponsible.

Request: Northwestel is requested to provide:

- i. **Estimated costs** for this review; and
- ii. A forecasted breakdown and distribution of all such costs, i.e. internal and external.

UCG 2-6) Reference: Northwestel Evidence, p.9 #19

Reason for disclosure : In rate restructuring, Northwestel is proposing an increase in local residential rates by \$2 as well as introduce new residential calling plans that will afford residential customers greater flexibility. This is without any support data. Consumers are requesting residential LD rates to decrease from the present 10 cents/minute plan, similar to southern jurisdictions. To prepare for reasonable argument to Northwestel proposal for a \$2 increase in local residential rates, residential consumers who participate in LD programs, need to know if the basket they wish to purchase will increase or remain stable. Since Northwestel is proposing the CAT rate significantly decreased, it would appear rationale for them to lower the LD rates to compete.

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Request: Northwestel is requested to provide:

i. A brief explanation on whether they plan on introducing lower residential LD toll rates from the present 10 cents/minute; and

ii. A brief explanation on whether consumers who participate in LD programs can expect a package increase, decrease or stability.

UCG 2-17) Reference: NWTel(CRTC)30Jan06-305-307

Reason for disclosure: Northwestel provides chart and reasoning for various loans and interest expenses. They also provide a rationale as to why these long term debts should not be refinanced at a lower rate.

Northwestel states in response that they have no affiliate loans. **This seems to contradict their financial statements.** Therefore, UCG requests reconciliation of this response.

Northwestel responds to the Commission that the loan for \$6 is **redeemable**. They did not respond to part iii. of this UCG IR. It is imperative that Northwestel and it's affiliates are charging fair and reasonable interest rates to related party loans and transactions.

Request: Northwestel is requested to provide:

i. Whether there are affiliate or related party loans or not;

ii. If so, which debts belong to affiliates/related party and how much; and

iii. **Why the one debt for \$6 million which is redeemable has not been refinanced long ago?**

UCG 2-22) Reference: Northwestel Employees 2000-2006 Proposed 2007

Reason for disclosure: UCG would like to better understand how administrative efficiencies will roll-out with price cap framework. It is important that employee wages are transparent and accountable. Stating that Northwestel pays similar to outside jurisdictions plus northern perks does not tell consumers that they are receiving value for their buck.

Northwestel has not provided any evidence that disclosure of this information would harm their competitive edge.

Northwestel responds that they do not have any wage scale data in the categories UCG requested, so we are now requesting release of wage scale for categories the Company has data for.

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Request: Northwestel is requested to provide:

i. A chart showing the wage scale for employee categories the Company has data for.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Roger Rondeau". The signature is fluid and cursive, with the first name "Roger" and last name "Rondeau" clearly distinguishable.

Roger Rondeau
President

cc. Muriel Chalifoux, Northwestel Regulatory
Interested Parties