

This pricing supplement together with the prospectus to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the prospectus, as amended or supplemented, constitutes a public offering of these securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority in Canada has expressed an opinion about these securities and it is an offense to claim otherwise.

These securities have not been and will not be registered under the *United States Securities Act of 1933* and may not be offered, sold or delivered within the United States of America or to U.S. persons.

PRICING SUPPLEMENT NO. 1 DATED SEPTEMBER 16, 2005  
(TO SHORT FORM SHELF PROSPECTUS AND PROSPECTUS SUPPLEMENT,  
DATED JUNE 8, 2005 AND JUNE 9, 2005, RESPECTIVELY)



**Bell Canada**  
**\$ 200,000,000**  
**MTN Debentures (UNSECURED)**

**TERMS OF ISSUE**

<b>Designation:</b>	4.64% Debentures, Series M-19, Due February 22, 2016	<b>Redemption:</b>	See "Redemption" on page 2
<b>Principal Amount:</b>	\$200,000,000	<b>Interest Rate:</b>	4.64% per annum
<b>Date of Issue:</b>	September 20, 2005	<b>Interest Payment Dates:</b>	February 22 and August 22
<b>Maturity Date:</b>	February 22, 2016	<b>Initial Interest Payment Date:</b>	February 22, 2006
<b>Price to the Public:</b>	99.995%	<b>Form of Issuance:</b>	Global debenture, in book-entry only form, registered in the name of CDS & Co.
<b>Agents' Commission:</b>	0.40%		
<b>Net Proceeds to Bell Canada:</b>	\$199,190,000	<b>ISIN Number:</b>	CA 07813Z AV 63

**AGENTS**

<b>RBC Dominion Securities Inc.</b>	<b>BMO Nesbitt Burns Inc.</b>	<b>CIBC World Markets Inc.</b>	<b>Casgrain &amp; Company Limited</b>	<b>Desjardins Securities Inc.</b>
<b>Merrill Lynch Canada Inc.</b>	<b>National Bank Financial Inc.</b>		<b>Scotia Capital Inc.</b>	<b>TD Securities Inc.</b>

## REDEMPTION

Bell Canada shall be entitled, at its option, to redeem the 4.64% Debentures, Series M-19, due February 22, 2016 (Series M-19 Debentures) in whole at any time or in part from time to time, by giving prior notice of not less than 30 days and not more than 60 days to the holders thereof, at the greater of the "Canada Yield Price" (as defined herein) and par, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption. "Canada Yield Price" shall mean a price equal to the price of the Series M-19 Debentures calculated on the banking day preceding the day on which the redemption is authorized by Bell Canada to provide a yield from the date fixed for redemption to the maturity date of the Series M-19 Debentures to be redeemed equal to the "Government of Canada Yield" plus 0.185%. "Government of Canada Yield" shall mean the yield from the date fixed for redemption to the maturity date of the Series M-19 Debentures to be redeemed, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to the maturity date of the Series M-19 Debentures to be redeemed. The "Government of Canada Yield" in the case of redemption of the Series M-19 Debentures shall be the average of the yields provided by two registered Canadian investment dealers selected by CIBC Mellon Trust Company, as trustee under the trust indenture between Bell Canada and CIBC Mellon Trust Company dated as of November 28, 1997, as amended, and approved by Bell Canada. In case of partial redemption, the Series M-19 Debentures shall be redeemed on a *pro rata* basis.

## RECENT DEVELOPMENTS

### **Inukshuk Joint Venture**

On September 16, 2005, Rogers Communications Inc. (Rogers) and Bell Canada announced an agreement to jointly build and manage a Canada-wide wireless broadband network expected to initially reach more than two-thirds of Canadians in less than three years. The companies will pool their wireless broadband spectrum holdings into a joint venture, Inukshuk Internet Inc. (Inukshuk), which will build and operate the network. Inukshuk will be the network services provider to Rogers and Bell Canada and their subsidiaries, and will operate on a cost recovery basis. Inukshuk will be owned and controlled equally by Rogers and Bell Canada. Bell Canada and Rogers will each have the right to use 50 per cent of the network's total transmission capacity. Sales, marketing, end-user customer care and billing functions will be provided directly by Rogers and Bell Canada to their respective customers. The companies will jointly and equally fund the initial network deployment costs estimated at \$200 million over a three-year period, completing a network footprint that will cover over 40 cities and approximately 50 unserved rural and remote communities across Canada. Separately, Bell Canada has reached an agreement with companies controlled directly or indirectly by Craig McCaw under which Bell Canada will acquire the remaining 50 per cent of NR Communications Limited that it does not already own. NR Communications Limited and a subsidiary of Rogers are the two partners in the current Inukshuk joint venture which holds approximately 98 MHz of wireless broadband spectrum in the 2.5 GHz frequency range across much of Canada.

### **Launch of Bell Canada's Internet Protocol Voice Service**

On September 8, 2005, Bell Canada launched its IP telephony service for consumers called Bell Digital Voice. The new service delivers advanced IP-based communications capabilities such as voicemail to email, additional numbers, enhanced call forwarding and online account management. Bell Digital Voice is currently available in the Greater Toronto Area and Hamilton, and is planned to be progressively rolled out across Ontario and Québec. Bell Canada's existing IP telephony service, launched last March in Québec City, Trois-Rivières and Sherbrooke, has been renamed Bell Digital Voice Lite and, starting September 8, 2005, has been made available throughout Québec and Ontario.

On August 8, 2005, Bell Canada also launched an IP telephony service for the small business market called Business IP Voice. Business IP Voice allows for real-time two-way conversations via a high-speed Internet connection which the customer can obtain from any service provider. As well, these customers can communicate with others who are connected to the Public Switched Telephone Network (PSTN).

### **Executive Appointments**

On September 2, 2005, Bell Canada announced the following executive appointments. Mr. Kevin Crull was appointed President, Residential Services, responsible for wireline, high-speed Internet and video services. Mr. Robert Odendaal was appointed President, Bell Mobility and Bell Distribution Inc. (Bell Canada's retail and distribution operation). Mr. Odendaal was previously Chief Executive Officer, Bell Mobility and Video Services. Mr. Alek Krstajic, previously President, Bell Mobility, was appointed to the Office of the CEO to assume a new senior executive assignment to be announced over the coming period. Finally, Mr. Pierre Blouin, Group President, Consumer Markets, announced his decision to leave Bell Canada.

## **Application to Change Bundling Rates**

On September 2, 2005, Bell Canada applied to the Canadian Radio-television and Telecommunications Commission (CRTC) for a modification of the bundling rules applicable to customer-specific arrangements (CSAs).

At present, the CRTC requires that a CSA involving both tariffed and non-tariffed services (a “mixed” CSA) be filed for approval with the CRTC before it can be provided to customers. Bell Canada’s proposal would exempt mixed CSAs from the bundling rules and associated tariff requirements, provided that the revenues from a CSA exceed the price of the tariffed components of the CSA and provided that the CSA is not part of a practice designed to circumvent tariffs.

## **Bell Canada Proposals to Telecom Policy Review Panel**

On August 15, 2005, Bell Canada submitted its recommendations concerning the use and development in Canada of Information and Communications Technologies (ICT) to the federal government’s Telecommunications Policy Review Panel. The submission, which includes the views and analyses of international experts, notes that an estimated 56% of the productivity gap between Canada and the United States stems from more limited use of ICT in Canada. Bell Canada’s recommendations focus on the role of a more competitive and robust Canadian telecommunications industry in closing that gap.

The submission proposes the adoption of a comprehensive “next generation” regulatory framework that relies on market forces to the maximum extent possible as a means to ensure the telecommunications industry’s continued role as a key enabler of Canada’s overall economic performance. The submission states that addressing this challenge requires a public policy that promotes accelerated awareness, development and use of ICT. Bell Canada’s recommended approach reflects best practices being developed in other countries, as well as the lessons learned from regulatory reforms adopted for other industries in Canada. The proposal is founded on the premise that ICT innovation and adoption depends on open competition to drive the development and delivery of new products and services to Canadians. In order to implement the proposed regulatory framework, the submission recommends legislative reform, along with a policy directive which could be implemented more expeditiously pending such reform, the result of which would ensure a supportive regulatory framework and a healthy telecommunications industry.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, which are not specifically listed in the Short Form Shelf Prospectus of Bell Canada dated June 8, 2005 (the “Prospectus”), and which have been filed by Bell Canada with the provincial securities regulatory authorities in Canada, are specifically incorporated by reference in and form an integral part of the Prospectus:

- (a) unaudited interim consolidated financial statements of Bell Canada for the period ended June 30, 2005; and
- (b) Management’s Discussion and Analysis of 2005 second quarter results dated August 2, 2005.

## **EXHIBIT**

### **AUDITORS' CONSENT**

We have read the Pricing Supplement no. 1 dated September 16, 2005 to the short form base shelf prospectus and prospectus supplement of Bell Canada dated June 8, 2005 and June 9, 2005, respectively (collectively, the "Prospectus") relating to the offering of \$200,000,000 Series M-19 Debentures of Bell Canada. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of Bell Canada on the consolidated balance sheets of Bell Canada as at December 31, 2004 and 2003, and the consolidated statements of operations, retained earnings and cash flows for each of the years in the two-year period ended December 31, 2004. Our report is dated March 2, 2005.

(signed)  
Deloitte & Touche LLP  
Chartered Accountants  
Montreal, Canada  
September 16, 2005