

## **[DRAFT] Standard Terms Determination for Chorus' Unbundled Copper Low Frequency Service**

Proposed amendments for consultation under s 30R of the Telecommunications Act 2001

### **Schedule 3: UCLF Service Level Terms**

**Date of determination:** 14 June 2019

Updated to incorporate Commerce Commission decisions, amendments, and clarifications through to 15 December 2019

**Commented [A1]:** The reasons for updating this document are described in "Section 30R reviews of five regulated telecommunications services' standard terms determinations - Explanatory paper". For each meaningful change we have identified the relevant paragraphs in the explanatory paper using square brackets

**Commented [A2]:** Proposed effective date of reviews [17, 18, 24, 25]

## CONTENTS

<b>1. Definitions .....</b>	<b>3</b>
<b>2. Introduction .....</b>	<b>5</b>
<b>3. Scope.....</b>	<b>5</b>
<b>4. Service Levels .....</b>	<b>5</b>
<b>5. Exclusions.....</b>	<b>6</b>
<b>6. Access Seeker Forecasts .....</b>	<b>7</b>
<b>7. Reporting on Service Levels.....</b>	<b>7</b>
<b>8. Service Levels Defaults .....</b>	<b>7</b>
<b>9. Performance Penalties .....</b>	<b>8</b>
<b>10. Reconciliation of Performance Penalties.....</b>	<b>8</b>
<b>Appendix 1.....</b>	<b>10</b>
Provision of UCLF Service .....	10
Fault Management for UCLF Service.....	14
Chorus Forecasting for UCLF Service.....	15
<b>Appendix 2.....</b>	<b>16</b>
Operational Support System SLAs for UCLF Service.....	16
<b>Appendix 3.....</b>	<b>17</b>
Performance Penalties .....	17
<b>Appendix 4.....</b>	<b>19</b>
Standard Lead-Times.....	19

## 1. Definitions

1.1 Except where expressly provided otherwise:

<b>Appendix 2 Deliverables</b>	means those deliverables set out in Appendix 2.
<b>Appendix 2 Service Levels</b>	means those Service Levels set out in Appendix 2.
<b>BAU Forecast</b>	has the meaning given to it in the UCLF Operations Manual.
<b>Business Hours</b>	means 8.00am to 5.00pm on any Working Day.
<b>Cabinetisation Forecast</b>	means the cabinetisation forecasts required to be provided by Chorus to Access Seekers under the UCLF General Terms.
<b>Charge</b>	means any amounts payable under the UCLF Terms.
<b>Consecutive Business Hours</b>	means a number of consecutive hours (including fractions of hours) within Business Hours (where the first Consecutive Business Hour in a Working Day is consecutive to the last Consecutive Business Hour in the preceding Working Day).
<b>Core UCLF Transaction Service</b>	includes a MPF New Connection Order, MPF Transfer Order, Other Service to MPF Transfer Order, MPF Move Address Order, and a MPF Relinquishment.
<b>Deemed Acceptance Time</b>	means the time which is four Consecutive Business Hours after the Receipt Time of a valid Order. To avoid doubt, an Order may still be rejected notwithstanding a deemed acceptance.
<b>Deliverable</b>	means a Level A Deliverable or a Level B Deliverable.
<b>Determination Date</b>	means the date on which the UCLF Standard Terms Determination relating to the UCLF Service comes into force.
<b>Fault Restoration Hours</b>	means 7:00am to 7:00pm, seven days a week and Fault Restoration Hour means one hour within this period.
<b>Future Service Level Deliverable</b>	means any deliverable that is added to this SLA in accordance with the change mechanism set out in section 10 of the UCLF General Terms.
<b>Future Service Levels</b>	is the means by which Chorus's performance of a Future Service Level Deliverable will be measured.
<b>Half Contract Year</b>	means a six month period ending on 31 March and a six month period ending on 30 September.
<b>Level A Deliverables</b>	means those deliverables performed by Chorus pursuant to this SLA for which failure by Chorus may cause the Access Seeker diminished service quality in providing services to its End Users, as set out in Appendix 1 and Appendix 2.
<b>Level A Service Level</b>	is the means by which Chorus's performance of a Level A Deliverable is measured (except as may be otherwise provided) on a calendar monthly basis, as set out in Appendix 1 and Appendix 2. A Level A Service Level is subject to any exclusions specified in this SLA.

<b>Level A Service Level Default</b>	means a failure by Chorus to meet the Level A Service Level corresponding to a particular Level A Deliverable.
<b>Level B Deliverables</b>	means those deliverables performed by Chorus pursuant to this SLA which failure by Chorus is unlikely to cause the Access Seeker diminished service quality in providing services to its End Users, as set out in Appendix 1 and Appendix 2.
<b>Level B Service Level</b>	is the means by which Chorus's performance of a Level B Deliverable is measured (except as may be otherwise provided) on a calendar monthly basis, as set out in Appendix 1 and Appendix 2. A Level B Service Level is subject to any exclusions specified in this SLA.
<b>Level B Service Level Default</b>	means a failure by Chorus to meet the Level B Service Level corresponding to a particular Level B Deliverable.
<b>Penalty Rate</b>	means the percentage used in the calculation of Performance Penalties, as described under the "Calculation of Penalty Rate" section set out in Appendix 3.
<b>Performance Penalty</b>	means the amount that an Access Seeker is entitled to claim in the event of a Level A Service Level Default, calculated in accordance with section 9 and Appendix 3.
<b>Receipt Time</b>	means:  (a) for Orders that are made using the OO&T system, the time that the electronic communication containing the Order enters the OO&T system; or  b) for Orders that are made by email, the time that a Order is received in the Chorus designated inbox for receipt of such Orders, provided that where an Order is received outside Business Hours, the Receipt Time will be the start of the first Business Hour of the following Working Day.
<b>RFS Date</b>	means the date advised by Chorus in accordance with clause 8.2.10 of the UCLF Operations Manual.
<b>Service Levels</b>	means, collectively, Level A Service Levels and Level B Service Levels.
<b>Service Level Default</b>	means a Level A Service Level Default or a Level B Service Level Default.
<b>Specified Date</b>	means, in respect of Future Service Levels, the date agreed under the change mechanism set out in section 10 of the UCLF General Terms.
<b>Standard Lead-Time</b>	means the time period that it will take Chorus to provision a Core UCLF Transaction Service. Refer to Appendix 4 for a list of Standard Lead-Times.
<b>Tolerance Level</b>	means minimum acceptable levels of performance of a Service Level for a Deliverable, expressed as a percentage, in Appendix 1 and Appendix 2.

## **2. Introduction**

- 2.1 These Service Level Terms (SLA) are part of the UCLF Terms, which set out the rights and obligations of Chorus and Access Seekers in relation to Chorus's unbundled copper low frequency service (UCLF Service).
- 2.2 The operational requirements for the UCLF Service are set out in the UCLF Operations Manual.
- 2.3 References to clauses or sections are references to clauses and sections of this SLA unless stated otherwise. The definitions set out in the UCLF General Terms and the UCLF Operations Manual apply to the extent that they are not expressly modified by or inconsistent with the context of this SLA. The definitions set out in clause 1 apply to this SLA.

## **3. Scope**

- 3.1 This SLA:
  - 3.1.1 sets out the quality and performance of the Service Level commitments of Chorus to the Access Seeker for the delivery of the UCLF Service; and
  - 3.1.2 provides for a penalty mechanism where Chorus fails to meet its Service Levels.
- 3.2 This SLA may be changed in accordance with the change mechanism set out in section 10 of the UCLF General Terms.
- 3.3 Chorus will initially review the SLA 12 months after the Determination Date and thereafter every second year, with each biennial review commencing on the anniversary of the determination date of the Unbundled Copper Local Loop STD<sup>1</sup> (7 November 2007) (or earlier if requested by the Access Seeker and an earlier review is agreed to by Chorus). The change mechanism set out in section 9 of the UCLF General Terms will apply to any changes proposed by Chorus as a result of any review.

## **4. Service Levels**

- 4.1 Chorus will provide the Deliverables in accordance with this SLA.
- 4.2 Service Levels are classified as either Level A Service Levels or Level B Service Levels.
- 4.3 The Service Levels set out in Appendix 1 apply from the Determination Date.
- 4.4 The Service Levels set out in Appendix 2 apply 20 Working Days from the Determination Date.

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<sup>1</sup> Commerce Commission Decision 609, *Standard Terms Determination for the designated service Telecom's unbundled copper local loop network*, 7 November 2007.

- 4.5 Any Future Service Levels will apply from the Specified Date.
- 4.6 The nature of any Future Service Levels, including their respective Tolerance Levels, will be set via the change mechanism process under section 10 of the UCLF General Terms.
- 4.7 If the Access Seeker updates or changes an Order under clause 8.2.12 of the UCLF Operations Manual, the Service Levels applicable to that Order (as updated or changed) will be measured from the date that update or change was made by Chorus.

## **5. Exclusions**

- 5.1 The Service Levels will not apply where:
  - 5.1.1 a Service Level Default is due to a Force Majeure Event;
  - 5.1.2 a Service Level Default is a direct result of an Access Seeker failing to comply with an express obligation under the UCLF Terms;
  - 5.1.3 expressly stated in the UCLF Operations Manual;
  - 5.1.4 a Service Level Default is a direct result of:
    - (a) a fault that is the Access Seeker's responsibility under the UCLF General Terms; or
    - (b) anything (including any fault) caused by the telecommunications network or equipment of any third party or the Access Seeker's Network or the Access Seeker's Equipment;
  - 5.1.5 a fault is reported and no fault for which Chorus is responsible is detected when the service is tested from end to end;
  - 5.1.6 a Service Level Default is due to a failure by the Access Seeker or its End-User to allow access to the premises or equipment when reasonably requested;
  - 5.1.7 remedying a Service Level Default would result in a material health and safety risk for a Chorus employee or agent, the avoidance of which could not have been realistically predicted by Chorus; or
  - 5.1.8 agreed between Chorus and the Access Seeker.
- 5.2 Further exclusions or limitations to Chorus's liability in respect of specific Service Levels are set out in Appendix 1 and Appendix 2. The exclusions and limitations provided in Appendix 1 and Appendix 2 are in addition to the general exclusions set out in this clause 5 and in no way limit the exclusions set out in this clause 5.

- 5.3 Where Chorus makes a decision that a Service Level Default has not occurred because one or more of the exclusions apply, the details of the exclusion are to be recorded and reported in Chorus's monthly performance report provided in accordance with clause 7.1.

## 6. Access Seeker Forecasts

- 6.1 The Access Seeker will provide BAU Forecasts to Chorus in accordance with the procedures and time frames set out in the UCLF Operations Manual. The consequences of the Access Seeker failing to provide a BAU Forecast or failing to provide an accurate BAU Forecast will be as set out in clauses 6.1.4, 6.1.32, 6.1.33 to 6.1.37 of the UCLF Operations Manual.

## 7. Reporting on Service Levels

- 7.1 Once an order has been placed, Chorus will provide the Access Seeker with a performance report each month. The report will be delivered or made available to the Access Seeker within 10 Working Days of the end of each calendar month in electronic format. The report will detail Chorus's performance and compliance with each of the Service Levels over the preceding month. The format and content of the performance report will be proposed by Chorus within 10 Working Days of the Determination Date for approval by the Commission.

7.2 Chorus will provide the Access Seeker and the Commission with an electronic copy of a consolidated performance report within 10 Working Days of the end of each calendar month. The report will detail Chorus's performance and compliance with each of the Service Levels over the preceding month for all Access Seekers. The format and content of the performance report will be proposed by Chorus within 10 Working Days of the Determination Date for approval by the Commission.

~~7.27.3~~ If no orders have been received in the preceding month, Chorus will notify Access Seekers and the Commission that no performance report is required for that month.

**Commented [A3]:** Adding a new exemption on reporting obligations if no service has been ordered [36]

~~7.37.4~~ The consolidated version of the performance report provided in accordance with clause 7.2 must be made publicly available on a Chorus website at the same time as it is provided to the Access Seeker and the Commission.

## 8. Service Levels Defaults

- 8.1 In the event of a Service Level Default, Chorus will provide a report to the Access Seeker and the Commission detailing:
- 8.1.1 the cause of and procedure for correcting such Service Level Default;
  - 8.1.2 the steps taken by Chorus to remedy the Service Level Default and the effectiveness of those steps; and
  - 8.1.3 any previous Service Level Defaults in respect of that Deliverable occurring during the current and preceding Half Contract Year.

The report will be provided each month until the Service Level Default is remedied, at the same time as Chorus provides its report under clause 7.1.

- 8.2 The report provided in accordance with clause 8.1 will be made publicly available on the Chorus website (publicly accessible website) at the same time as it is provided to the Access Seeker and Commission.

## **9. Performance Penalties**

- 9.1 Subject to section 5, in the event of a Level A Service Level Default, the Access Seeker will receive a Performance Penalty from Chorus. The Performance Penalty is as set out in Appendix 3.
- 9.2 Notwithstanding clause 9.1, the Access Seeker will not be entitled to receive any Performance Penalties for the period of 105 Working Days immediately following the Determination Date.

## **10. Reconciliation of Performance Penalties**

- 10.1 Within 10 Working Days after the end of each calendar month, Chorus will provide a summary report to the Access Seeker that will detail the total amount of Performance Penalties imposed for Service Level Defaults in accordance with section 9 during the preceding calendar month, detailed by Service Level.
- 10.2 Where Performance Penalties are due to the Access Seeker, Chorus will set off the total amount of the Performance Penalties from the Charges due in the next invoice issued by Chorus to the Access Seeker in relation to the UCLF Service. If the Performance Penalties exceed the Charges due, then Chorus must pay the amount equivalent to the Performance Penalty, or that part of the Performance Penalty not so set off, to the Access Seeker within 20 Working Days.
- 10.3 Within 10 Working Days after each Half Contract Year, Chorus will provide a summary report to the Access Seeker that will include the following:
- 10.3.1 with respect to each Deliverable for which there was a Service Level Default during the preceding Half Contract Year:
- (a) statistics on Chorus's average monthly performance of that Deliverable, detailed by calendar month, during that Half Contract Year; and
  - (b) the average of Chorus's average monthly performance of that Deliverable during that Half Contract Year;
- 10.3.2 the total amount of Performance Penalties imposed for Service Level Defaults in accordance with section 9, detailed by calendar month, during the preceding Half Contract Year;
- 10.4 Any Performance Penalty imposed under the provisions of this SLA is credited on the basis that there is:



- 10.4.1 no admission of liability by Chorus or the Access Seeker; and
- 10.4.2 that any amount credited will be credited without prejudice to any right of either Chorus or the Access Seeker to claim for additional loss resulting from the Service Level Default.

## Appendix 1

### Provision of UCLF Service

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
1.	Level B	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order MPF Relinquishment	Order acknowledgement	Chorus will acknowledge receipt of each Order	Provide acknowledgment of receipt of each Order to the Access Seeker within 4 Consecutive Business Hours following the Receipt Time	99% (per relevant Core UCLF Transaction Service)	
2.	Level B	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order MPF Relinquishment	Notification of rejection	Chorus will reject invalid Orders by returning the appropriate code to the Access Seeker	Provide notification of the rejection to the Access Seeker within 4 Consecutive Business Hours following the Receipt Time	90% (per relevant Core UCLF Transaction Service)	
3.	Level B	MPF Transfer Order Other Service to MPF Transfer Order MPF Relinquishment MPF Move Address Order MPF New Connection Order	Notification of expected RFS Date	Chorus will notify the Access Seeker of expected RFS Date of the Order <sup>2</sup>	Provide notification of the expected RFS Date to the Access Seeker within 6 Consecutive Business Hours of the Deemed Acceptance Time	90% (per relevant Core UCLF Transaction Service)	

<sup>2</sup> The notified expected RFS date must be within the Standard Lead-Time, except where otherwise agreed between Chorus and the Access Seeker, however, where the expected RFS date agreed between Chorus and the Access Seeker is outside the Standard Lead-Time, this does not qualify as a breach of this Service Level.

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
4.	Level A	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order MPF Relinquishment Order	Order is completed right first time	Chorus will complete the Order without fault	No faults in work carried out to provision the Order to occur within 5 Working Days	90% (per relevant Core UCLF Transaction Service)	The fault must be a fault: (a) for which Chorus is responsible; and (b) that has been reported to Chorus within 5 Working Days of confirmation by Chorus of completion of the Order; and (c) that is found and required to be fixed. (it is not a “No Fault Found”)
5.	Level A	MPF Move Address Order MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer	Meet expected RFS Date for the relevant Core UCLF Transaction Service <sup>3</sup>	Chorus will complete the Order by the notified expected RFS Date	Complete the Order by the notified expected RFS Date	90% (per relevant Core UCLF Transaction Service)	Where Chorus extends a previously notified RFS Date (other than as a result of an Access Seeker’s or an Access Seeker’s Customer’s request to do so), this is considered a failure of this Service Level
6.	Level B	MPF Relinquishment	Meet expected RFS Date <sup>4</sup>	Chorus will complete the Order by the notified expected RFS Date	Complete the Order by the notified expected RFS Date	90%	Where Chorus extends a previously notified RFS Date (other than as a result of an Access Seeker’s or an Access Seeker’s Customer’s request to do so), this is considered a failure of this Service Level
7.	Level B	MPF New Connection Order MPF Transfer Order	Pre-qualification Acknowledgement	Chorus will acknowledge receipt of Pre-qualification Order	Complete the acknowledgement of receipt within 4 Consecutive Business Hours following the receipt of the Order	90%	

<sup>3</sup> The notified expected RFS date must be within the Standard Lead-Time, except where otherwise agreed between Chorus and the Access Seeker

<sup>4</sup> The notified expected RFS date must be within the Standard Lead-Time, except where otherwise agreed between Chorus and the Access Seeker

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
		Other Service to MPF Transfer Order MPF Move Address Order MPF Relinquishment					
8.	Level B	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order MPF Relinquishment	Pre-qualification Order Completion	Chorus will complete the Pre-qualification Order and return the appropriate information	Complete the Pre-qualification Order and return the appropriate information to the Access Seeker within: <ul style="list-style-type: none"> <li>for authorised and unauthorised automatic pre-qualification, 4 Consecutive Business Hours following receipt of the Order</li> <li>for a special manual pre-qualification investigation or a manual line test, 6 Working Days following receipt of the Order</li> </ul>	90%	
9.	Level B	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order MPF Relinquishment	Change to RFS Date	Chorus will provide notification of RFS Date change	Provide notification of the change of RFS Date to the Access Seeker within 6 Consecutive Business Hours of receipt of the request to change an existing Order (provided that the request is received at least 1 Working Day prior to the notified RFS Date	90% (per relevant Core UCLF Transaction Service)	
10.	Level B	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order	Confirmation of completion	Chorus will provide the Access Seeker with confirmation of completion of the Order	Provide confirmation of completion of the Order to the Access Seeker within 4 Consecutive Business Hours after the Order has been completed	90% (per relevant Core UCLF Transaction Service)	

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
		MPF Relinquishment					
11.	Level B	UCLF Service	Notification of Planned Outages	Chorus will advise of Planned Outages	Advise at least 5 Working Days before Planned Outage occurs	90%	Chorus will use its all reasonable endeavours to schedule Planned Outages between the hours of 11:00pm and 6:00am
12.	Level B	UCLF Service	Notification of Unplanned Outages	Chorus will advise of Unplanned Outages	Advise within 2 hours, on a 24x7 basis, of Chorus discovering or receiving notification of the Unplanned Outage	90%	

## Fault Management for UCLF Service

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
13.	Level B	UCLF Service	Fault report receipt acknowledgement	Chorus will acknowledge receipt of each fault report	Provide fault report receipt acknowledgement within half a Fault Restoration Hour of the fault being reported <sup>5</sup>	90%	This Service level does not apply where an invalid fault report has been submitted.
14.	Level B	UCLF Service	Notification of expected restoration time	Chorus will provide notification of the expected restoration time <sup>6</sup>	Provide notification of the expected restoration time within 8 Fault Restoration Hours of the fault being reported	90%	
15.	Level A	UCLF Service	Meet notified expected restoration time	Chorus will restore the fault within the expected restoration time	Restore fault within notified expected restoration time	90%	

<sup>5</sup> If a fault is logged outside Fault Restoration Hours, for the purposes of this Service Level, the report will be deemed to have been received from 7.00am the following day.

<sup>6</sup> The expected restoration time will be provided in accordance with Chorus's fault prioritisation systems.

**Chorus Forecasting for UCLF Service**

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
16.	Level B	UCLF Service	Cabinetisation Forecast	Chorus will provide Access Seekers with a written rolling 3-year Cabinetisation Forecast every 6 months	Within 10 Working Days of each 6 month anniversary of the Determination Date, Chorus will provide a written rolling 3-year forecast report	100%	

## Appendix 2

### Operational Support System SLAs for UCLF Service

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
17.	Level B	UCLF Service	Availability of OO&T	Chorus will make OO&T available to the Access Seeker	OO&T is available to the Access Seeker 24 hours a day, 7 days a week.	99.8%	Availability to be measured 24x7 over a calendar month, excluding any periods of Permitted Maintenance.
18.	Level B	UCLF Service	Availability of OFM	Chorus will make OFM available to the Access Seeker	OFM is available to the Access Seeker 24 hours a day, 7 days a week	99.8%	Availability to be measured 24x7 over a calendar month, excluding any periods of Permitted Maintenance.

#### Notes:

#### Where availability measured

In respect of Items 17 and 18, availability is measured from the point at which the public internet meets the OO&T or the OFM (as the case may be).

#### Permitted Maintenance

The OO&T and OFM systems may be taken out of service for routine maintenance, testing, configuration changes, software upgrades or updating facilities. Chorus will, where practicable, carry out such work between 10:00pm and 7:00am. In such cases, Chorus shall advise Access Seekers not less than 5 Working Days prior to the event.

Chorus may, at such other times as Chorus considers reasonably necessary, take the OO&T and OFM systems out of service, taking into account the need to minimise any disruption caused to the Access Seekers. Chorus will advise of such outages not less than 10 Working Days prior to the planned event.

#### Unplanned Outages

If the OO&T or OFM systems must be taken out of service to resolve a fault affecting the system, where reasonably practicable, Chorus shall give notice to the Access Seeker of any such unscheduled outages and the Access Seeker will be kept regularly updated regarding the resolution of the fault.



## Appendix 3

### Performance Penalties

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Tolerance Level	Performance Penalty
4	Level A	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order MPF Relinquishment Order	Order is completed right first time	Chorus will complete Order without fault	90% (per relevant Core UCLF Transaction Service)	The Performance Penalty is to be calculated on a per calendar month basis in respect of each UCLF Core Transaction Service Order where Chorus's performance falls below the specified Tolerance Level; and is to be calculated as follows:  Performance Penalty = 7% of the provisioning Charge for the relevant Core UCLF Transaction Service
5	Level A	MPF New Connection Order MPF Transfer Order Other Service to MPF Transfer Order MPF Move Address Order	Meet expected RFS Date for the relevant Core UCLF Transaction Service	Chorus will complete the Order by the notified expected RFS Date	90% (per relevant Core UCLF Transaction Service)	The Performance Penalty is to be calculated on a per calendar month basis in respect of each UCLF Core Transaction Service Order where Chorus's performance falls below the specified Tolerance Level; and is to be calculated as follows:  Performance Penalty = A x B  Where: A = the applicable Penalty Rate B = the provisioning Charge for the relevant Core UCLF Transaction Service
15	Level A	UCLF Service	Meet notified expected restoration time	Chorus will restore the fault within the expected restoration time	90%	The Performance Penalty is to be calculated on a per calendar month basis in respect of <i>each</i> fault not restored within the notified restoration time and falling below the specified Tolerance Level; and is required to be calculated in accordance with the following formula:  Performance Penalty = A x B  Where: A = the applicable Penalty Rate x the MPF Service Monthly Charge <sup>7</sup> . B = the number of MPF Services detrimentally affected by the fault.

<sup>7</sup> See Service Component 2.1 of the UCLF Price List. The applicable MPF Service Monthly Charge will depend on whether the fault relates to an urban or non-urban Exchange.

### Calculation of Penalty Rate

Where any Core UCLF Transaction Service Order or fault report has not been completed or restored (as the case may be) within the period required by the relevant Service Level (taking into account the Tolerance Level), the Penalty Rate for the initial Service Level Default will be 7%. For:

- (a) every 9 Consecutive Business Hours (that is, the equivalent of a full Working Day) that the Service Level Default continues to not be resolved, if the Service Level Default relates to a Core UCLF Transaction Service Order (that is, item 5); or
- (b) every 12 Fault Restoration Hours that the Service Level Default continues to not be resolved, if the Service Level Default relates to fault restoration (that is, item 15),

the Penalty Rate will increase by one percentage point.

If the Service Level Default relates to a Service Level that is not time based (that is, item 4 “Order is completed right first time”), the escalating Penalty Rate will not apply.

### Example

The following is an example which illustrates how Performance Penalties for item 5 (“Meet expected RFS Date”) will be calculated.

Chorus is required to complete 10 MPF New Connection Orders during the calendar month. For three of these Orders Chorus failed to complete the Order within the notified expected RFS Date, but due to the Tolerance Level (90%) will not be penalised financially for the first of these three defaults. Default number 1 exceeded the expected RFS Date by 45 Consecutive Business Hours (that is, the equivalent of five Working Days), so the applicable Penalty Rate is 12%. Default number 2 exceeded the expected RFS Date by 27 Consecutive Business Hours (that is, the equivalent of three Working Days), so the applicable Penalty Rate is 10%. Default number 3 exceeded the expected RFS Date by 9 Consecutive Business Hours (that is, the equivalent of one Working Day), so the applicable Penalty Rate is 8%. The Performance Penalties will be calculated as follows:

#### Default number 2:

A = the applicable Penalty Rate = 10%; B = the provisioning Charge for the relevant Core UCLF Transaction Service = \$225 (with site visit required)

Performance Penalty =  $A \times B = 10\% \times \$225 = \$22.50$

#### Default number 3:

A = the applicable Penalty Rate = 8%; B = the provisioning Charge for the relevant Core UCLF Transaction Service = \$225

Performance Penalty =  $A \times B = 8\% \times \$225 = \$1$

## Appendix 4

### Standard Lead-Times

Core UCLF Transaction Service	Standard Lead-Time (calculated from the Working Day immediately following the Deemed Acceptance Time)
MPF Move Address Order	7 Working Days
MPF New Connection Order	7 Working Days
MPF Transfer Order	3 Working Days
MPF Relinquishment	2 Working Days
MPF Other Service to MPF Transfer Order	3 Working Days