

# **Standard Terms Determination for Chorus' Sub-loop Unbundled Copper Local Loop Network Services**

## **Service Appendix 2**

### **Schedule 2: Sub-loop Co-location Price List**

**Date of determination:** 18 June 2009

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

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## 1 Introduction

- 1.1 This schedule sets out the Charges<sup>1</sup> for the Sub-loop Co-location Service and provides a mechanism to make adjustments to the Charges for Service Components.<sup>2</sup>
- 1.2 References to clauses or sections are references to clauses or sections in this Sub-loop Co-location Price List unless expressly provided otherwise. The definitions set out in the Sub-loop Services General Terms and the Sub-loop Co-location Operations Manual apply to the extent that they are not expressly modified by, or inconsistent with, the context of this Sub-loop Co-location Price List.

## 2 Charges

- 2.1 All Prices<sup>3</sup> are listed under the "Charge" column for each Service Component.
- 2.2 Charges for Sub-loop Co-location Service Components are described as being either a Core ('C') or Sundry ('S') Charge.
- 2.3 **Core Charges** are for the core components of the Sub-loop Co-location Service.
- 2.4 **Sundry Charges** are for other components of the Sub-loop Co-location Service.
- 2.5 Prices for Service Components are either:
- 2.5.1 fixed; or
  - 2.5.2 calculated; or
  - 2.5.3 expressed as "Price on application" (**POA**). Prices that are POA must reflect the underlying cost of providing the resources and project management skills required to provide the Service Component.
- 2.6 For all Service Components that are POA, Chorus must, if requested by the Access Seeker, use all reasonable endeavours to provide the Access Seeker with two or more competitive quotes.

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<sup>1</sup> **Charge** is defined in the Sub-loop Services General Terms as "all or (as the context requires) any amounts payable by the Access Seeker under the Sub-loop Services Terms." Charges in this schedule exclude GST.

<sup>2</sup> **Service Component** means a component of the Sub-loop Co-location Service, described in the rows of tables 1-4 below. Each Service Component has a description of the service, a Price Change Mechanism, invoicing detail and a Charge, which is identified as either Core or Sundry. Individual Service Components are referred to by the numerical reference number at the start of the row in which the Service Component is described.

<sup>3</sup> **Price** in this document means the dollar amount(s) attributed to a Service Component. A Price becomes a Charge when the Access Seeker requests/receives the Service. Prices in this schedule exclude GST.

- 2.7 Charges will become due and payable and will be invoiced in the manner described in the "Charge invoiced" column for each Service Component.
- 2.8 The provisions in the Sub-loop Services General Terms relating to invoicing and payment of Charges apply.
- 2.9 All adjustments to Prices must be done in accordance with the relevant Price Change Mechanism listed in the "Price Change Mechanism" column for each Service Component.
- 2.10 Any adjustments to Charges for Service Components must be approved by the Commission.

### **3 Co-location Charges**

- 3.1 The monthly Charge for Sub-loop Co-location rack space in a Distribution Cabinet is set out in the Price List under Service Component 2.1. There may be additional Service Components required by the Access Seeker. These are also identified below.
- 3.2 The monthly Charge for power is set out in this Sub-loop Co-location Price List under Service Component 2.2. The Access Seeker must pay the appropriate Charge for Service Component 2.2 that reflects the type of power supply in the individual Distribution Cabinet. Categories of power supply are differentiated as follows:
  - 3.2.1 a standard power supply configuration including a power box, switchboard and control, rectifiers, batteries and direct current distribution (Standard Power Supply Method 1); or
  - 3.2.2 the power supply set out in clause 3.2.1 with a transformer (Standard Power Supply Method 2); or
  - 3.2.3 more complicated power arrangements that require the construction of a pole line, power lines, possibly provision of a transformer and/or additional power infrastructure associated with the addition of a Pedestal or other extension of the Distribution Cabinet (Non-standard Power Supply Method).
- 3.3 In addition there are further Service Components that may be applicable which will depend on the circumstances.

## 4 Adjustment to Charges

4.1 Chorus must, subject to the approval of the Commission, pass through changes in costs by increasing or decreasing Prices as follows:

4.1.1 Each year, on or before 1 November, Chorus must calculate adjustments to the Prices:

(a) relating to those Service Components where this clause 4.1.1(a) is the prescribed Price Change Mechanism below. Those adjustments must be by an amount equivalent to the percentage change (up or down) for the previous year in the Labour Cost Index (All sectors, Salary and Ordinary Time Wage Rates, All industries combined) Series Reference LCIQ.SG51Z9 as published by Statistics New Zealand, or such successor index as may be designated by Statistics New Zealand from time-to-time.

For the purpose of this clause 4.1.1(a) the annual percentage change between the previous year's June index number and the current year's June index number must be used.

(b) relating to the services where this clause (b) is the prescribed Price Change Mechanism below. Those adjustments must be by an amount equivalent to the percentage change (up or down) for the previous year in the Producer Price Index (Outputs, Electricity and Gas Supply) Series Reference PPIQ.SUDD1100 as published by Statistics New Zealand or such successor index as may be designated by Statistics New Zealand from time-to-time.

For the purpose of this clause 4.1.1(b), the percentage change should be calculated as the percentage difference between the sum of quarterly PPIs for the year ended in the June quarter and the sum of the quarterly PPIs for the previous year.<sup>4</sup>

4.1.2 Where:

- (a) the cost of providing one of the Service Components (where the prescribed Price Change Mechanism is clause 4.1.2) increases or decreases; and
- (b) that increase or decrease is due to changes in input costs charged to Chorus pursuant to contractual obligations by its field service company contractors,

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<sup>4</sup> As per Annual Adjustment of Charges April 2009 Letter of Approval (21 April 2009).

Chorus must immediately calculate an adjustment to Price relating to that Service Component to reflect the increase or decrease in costs.

4.1.3 Where:

- (a) the cost of providing one of the Service Components (where the prescribed Price Change Mechanism is clause 4.1.3) increases or decreases; and
- (b) that increase or decrease is due to changes in security-related input costs charged to Chorus pursuant to contractual obligations by its security contractors,

Chorus must immediately calculate an adjustment to Price relating to that Service Component to reflect the increase or decrease in costs.

4.1.4 When adjusting Prices under clause 4.1, Chorus must review all Service Components which are POA and calculate a fixed Price where this is practicable.

4.2 Once an adjustment or new fixed Price has been calculated under clause 4.1, Chorus must give notice to the Commission of the adjustment. The notice must include:

4.2.1 the figures used in the calculation for the adjustment;

4.2.2 the calculations undertaken for the adjustment;

4.2.3 a description of the adjustment made;

4.2.4 the reasons for the increase or decrease; and

4.2.5 a proposed Implementation Date.<sup>5</sup>

4.2.6 If the proposed Implementation Date is different from the previous year's Implementation Date, Chorus must also include reasons for the change in date with the notice.

4.3 The Commission must approve or decline a proposed adjustment and proposed Implementation Date notified by Chorus under clause 4.2 within 20 Working Days.

4.4 After an adjustment and Implementation Date has been approved by the Commission, Chorus must:

4.4.1 notify Access Seekers of the adjustment; then

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<sup>5</sup> **Implementation Date** is the date on which any new Charges arising from an adjustment are to be activated in Chorus' systems, subject to approval by the Commission.

- 4.4.2 activate the new Charge arising from the adjustment in its billing systems on the Implementation Date.

## **5 Notification of Changes to Space and Power Charges**

- 5.1 Upon receiving a Firm Order or a Relinquishment Order in relation to the Sub-loop Co-location Service for any Distribution Cabinet(s), Chorus must notify all other Access Seekers also using the Sub-loop Co-location Service in the same Distribution Cabinet(s) of the impact of such an Order on the Charges payable under Service Components 2.1 and 2.2.

## Tables of Sub-Loop Co-location Service Charges

### 1 Sub-loop Co-location Service Transaction Charges

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
1.1 Rackprint Preparation	Preparation of the Access Seeker's Rackprint, including power, heat management and associated support services (excluding any costs referred to in Service Components 2.1 and 2.2), and, where required, Splitters and the Rearrangement of other Access Seekers' or Other Service Providers' Rackprints to provide contiguous Rack Units. If requested may include installation of Access Seeker Equipment	S	On notification by Chorus of completion of works	None	Price on Application (POA)  Price based on actual time and materials incurred plus a 10% contribution towards common costs
1.2 Sub-loop Co-location works within Rackprint	Miscellaneous work on existing equipment excluding work to Distribution Cabinet Services	S	On notification by Chorus of completion of works	None	Price on Application (POA)  Price based on actual time and materials incurred plus a 10% contribution towards common costs
1.3 Site Audit	Site Audit of Distribution Cabinet where Sub-loop Co-location is not currently provided to Access Seeker or a survey for capacity upgrade or Intra-Distribution Cabinet Tie Cable installation or audit of Distribution Cabinet infrastructure to determine work for wireless network antenna installation	S	On notification by Chorus of completion	None	Price on Application (POA)  Price based on actual time and materials incurred plus a 10% contribution towards common costs
1.4 Accreditation training	Training to provide accreditation to be able to access a Distribution Cabinet, (excluding the provision of a security access card)	S	On completion of training	Clause 4.1.1(a)	\$287.76/participant



Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
1.5 Skill and experience assessment	Assessment of required additional information to confirm appropriate level of skills and experience required	S	On completion of assessment	Clause 4.1.1(a)	\$120.38 per hour plus actual travel costs (as applicable the costs of airplane flights, public transport fares, taxi fares and standard mileage rates for motor vehicles as published by Inland Revenue) to Access Seeker's site. Hourly rate reflects fully loaded cost of skilled employee to run assessment
1.6 Provision of a security card	Provision of a security access card including replacement for lost/stolen/damaged card	S	On issuance of security access card	Clause 4.1.3	\$35.00 per card  Basis for determining the charge is the actual costs Chorus incurs in actual card purchase, printing and encoding, delivery and activation costs (\$20.00) plus \$15.00 to cover common costs related to operational security
1.7 Provision of a Key	Provision of a security key to Distribution Cabinets	S	On issuance of key	Clause 4.1.3	\$30.00  Basis for determining the charge is the actual costs Chorus incurs in key purchase (\$7.50 ), courier costs (\$7.50) plus \$15.00 towards common costs related to operational security

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
1.8 Loss of Key	Replacement of lost security key to Distribution Cabinets	S	On issuance of key	None	Price on Application (POA)  Based on actual costs of replacing the key and, if necessary, replacing the lock on all relevant Distribution Cabinets
1.9 Additional OO&T Training	Access Seeker staff training (at Access Seeker's site) on the operation and use of OO&T. Maximum of 10 persons per course	S	Following completion of training	Clause 4.1.1(a)	\$120.38 per hour plus actual travel costs (as applicable the costs of airplane flights, public transport fares, taxi fares and standard mileage rates for motor vehicles as published by Inland Revenue) to Access Seeker's site. Hourly rate reflects fully loaded cost of skilled employee to run training.
1.10 Additional OFM Training	Access Seeker staff training (at Access Seeker's site) on the operation and use of OFM. Maximum of 10 persons per course	S	Following completion of training	Clause 4.1.1(a)	\$120.38 per hour plus actual travel costs (as applicable, the costs of airplane flights, public transport fares, taxi fares and standard mileage rates for motor vehicles as published by Inland Revenue) to Access Seeker's site. Hourly rate reflects fully loaded cost of skilled employee to run training.
1.11 OO&T License Fee	Monthly software license fee for OO&T	S	Monthly in advance	None	\$24.00 per Access Seeker per month

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
1.12 OFM License Fee	Monthly software license fee for OFM	S	Monthly in advance	None	\$24.00 per Access Seeker per month
1.13 Additional copies of invoice	Additional hard copies of invoices as requested by Access Seeker	S	On provision of additional copies of invoice	Clause 4.1.1(a)	\$120.38 per invoice  Based on per line itemisation and average forecast invoice length plus time and materials of person to prepare and courier charge
1.14 Additional billing information	Providing any additional billing information requested by the Access Seeker over and above that reasonably required to enable the Access Seeker to check the accuracy of invoices	S	On provision of the additional billing information	None	Price on Application (POA)  Based on time and materials of person to prepare and deliver information
1.15 Escorted Access	Escorted access during Business Hours	S	At completion of escorted access	Clause 4.1.2	\$109.39 per hour
	Escorted access outside Business Hours	S	At completion of escorted access	Clause 4.1.2	\$109.39 per hour
1.16 Security Guard call out	Security Guard Call out due to Access Seeker's acts or omissions	S	Following call out	Clause 4.1.3	\$45.00 for call outs plus travel mileage as published by Inland Revenue
1.17 Fixing fault where Access Seeker has no right of access	Fixing of fault at Access Seeker's request where Access Seeker is responsible for the fault, but has no right of access	S	On completion of fault rectification	None	Price on Application (POA)  Based on cost of time and materials (including a 10% contribution towards common costs)
1.18 No Fault Found	Fault call that is closed "no Chorus fault found"	S	Following completion of fault investigation	Clause 4.1.2	\$133.38

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
1.19 Grooming	Grooming within a Distribution Cabinet at the request of an Access Seeker	S	Following completion of work	None	Price on Application (POA)  Based on cost of time and materials (including a 10% contribution towards common costs, unless already recovered)
1.20 Equipment removal	Removal by Chorus of unused Access Seeker Equipment	S	Following completion of work	None	Price on Application (POA)  Based on cost of time and materials (including a 10% contribution towards common costs)

**2 Sub-loop Co-location Service Recurring Charges**

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
2.1 Sub-loop Co-location rack space	Sub-loop Co-location Service space (Rack Units), covering contribution to capital costs of Distribution Cabinet (including any associated Pedestal), excluding power infrastructure.	C	Monthly in advance from completion of Order	None	<p>Priced on a cabinet-by-cabinet according to the proportion of occupied Rack Units used by the Access Seeker using the following formula:</p> $A = (B_1 + B_2) \times \left( \frac{C}{D} \right)$ <p>Where:</p> <p>A = the monthly co-location charge paid by the Access Seeker</p> <p>B1 = the total recurring charge for the Distribution Cabinet (\$972 per month)</p> <p>B2 = additional cost of any additional Pedestal (excluding the associated power infrastructure), converted into a monthly charge using a amortisation factor of 1.44% (based on an asset life of 10 years and a pre-tax cost of capital of 11.1%), plus a common cost mark up of 10%</p> <p>C = the number of Rack Units used by the Access Seeker</p> <p>D = the total number of occupied Available Rack Units (including those to be used by the Access Seeker)</p>

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
2.2 Power	-48V DC Power Facility Rental. Includes electricity and battery backup for a Distribution Cabinet (including any associated Pedestal)	S	Monthly in advance from completion of Order	For 'E', clause 4.1.1(b)	<p>Sum payable is amount calculated as A below:</p> $A = N \times \left( \frac{P}{CT} + E \right)$ <p>where:</p> <p>N = number of amps (measured by fuse size)</p> <p>P = Cost of 100% of power capacity at the cabinet, calculated as:</p> <p>\$110 for a Distribution Cabinet with a Standard Power Supply Method 1;</p> <p>\$194 for a Distribution Cabinet with a Standard Power Supply Method 2 (i.e. requires an additional transformer); and</p> <p>POA for a Distribution Cabinet with a Non-standard Power Supply Method converted into a recurring monthly charge using a pre-tax cost of capital of 12.4%, \$17 per month for operational costs, and a common cost mark-up of 10% of the monthly charge)</p> <p>CT = Total capacity in use in amps.</p> <p>E = Electricity Charge at \$\$8.48 per amp per month.</p>
2.3 Sub-loop Co-location cable space	Rental for Chorus-provided Cable Space. Different Prices are set for cables that are internal to the Distribution Cabinet and for cables that are external to the Distribution Cabinet	C	Monthly in advance from completion of Order	None	<p>Sub-loop Co-location Intra-Distribution and Inter Rackprint Tie Cables = no charge</p> <p>Sub-loop Co-location External Tie Cable = \$6.66 x the number of external cables</p>

**3 Cancellation Schedule**

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
3.1 Missed appointment	Missed appointments by Access Seeker for either an escort technician or testing personnel	S	At end of scheduled appointment	Clause 4.1.2	\$465.90
3.2 Cancellation of Sub-loop Co-location Order	Cancellation of Sub-loop Co-location Order	S	On cancellation of Co-location Order	None	Price on Application (POA)  Price based on actual time and materials plus a 10% contribution towards common costs

**4 Network Services Transaction Charges**

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
4.1 Intra-Distribution Cabinet Tie Cable installation	Installation of Intra-Distribution Cabinet Tie Cable  Copper tie cable from the Access Seeker's Rackprint in the Sub-loop Co-location Service Area in Distribution Cabinet to HDP on Distribution Cabinet DF. Chorus or Access Seeker provided cable	S	On completion of installation	None	Price on Application (POA)  Price based on actual time and materials incurred plus a 10% contribution towards common costs
4.2 Sub-loop Co-location External Tie Cable installation	Installation of Sub-loop Co-location External Tie Cable  Copper, coax, or fibre between the Access Seeker's Rackprint in Distribution Cabinet and the Access Seeker's or third party's pedestal (or equivalent facility), backhaul network, or ancillary backhaul equipment outside and adjacent to the Distribution Cabinet Manhole. Chorus or Access Seeker provided cable	S	On completion of installation	None	Price on Application (POA)  Price based on actual time and materials incurred plus a 10% contribution towards common costs

Service Component	Description	Core or Sundry	Charge invoiced	Price Change Mechanism	Charge (excl. GST)
4.3 Inter-Rackprint Tie Cable installation	<p>Installation of Inter-Rackprint Tie Cable</p> <p>Copper, coax, or fibre between the Access Seeker's Rackprint in the Distribution Cabinet and another Rackprint in the Distribution Cabinet that is used by the Access Seeker, Chorus or to an Other Service Provider. Chorus or Access Seeker provided cable</p>	S	On completion of installation	None	<p>Price on Application (POA)</p> <p>Price based on actual time and materials incurred plus a 10% contribution towards common costs</p>