

Chorus Information Disclosure Determination 2018

Decision No. NZCC 9

The Commission: Dr Stephen Gale
Elisabeth Welson
Dr Jill Walker

Summary of the determination: Under section 156AU of the Telecommunications Act 2001, the Commerce Commission has determined information disclosure requirements applicable to Chorus Limited.

Date: 29 June 2018

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PART 1 GENERAL PROVISIONS

1.1 TITLE, COMMENCEMENT, AND APPLICATION

- (1) This determination is the Chorus Information Disclosure Determination 2018.
- (2) This determination comes into force on the day after the date on which notice of it is given in the New Zealand Gazette under section 6(1)(a) of the Act.

1.2 INTERPRETATION

- (1) Unless the context otherwise requires:
 - (a) words appearing in bold type (except for headings) in this determination are defined terms;
 - (b) clause and part headings are for convenience only, and are not to affect this determination's interpretation;
 - (c) a word which denotes the singular also denotes the plural and vice versa; and
 - (d) any reference to a period of time must be interpreted in accordance with section 35 of the Interpretation Act 1999.
- (2) Further technical terms are defined in Schedule 12.
- (3) In this determination –

Act means the Telecommunications Act 2001;

active connection means a connection over which an **RSP** is providing a retail service based on a **product** to an **end user**;

candidate area means either:

- (a) an area identified as a candidate area in the **NIPA** dated 24 May 2011 and any other area within an **LFC fibre network** that arise in, is adjoining, or is in close proximity to that area based on consideration of network architecture (eg, point of interconnection) and geographic proximity; or
- (b) an area identified by **CIP** on or before 25 May 2011 as a candidate area for an **LFC fibre network**, other than **Chorus' LFC fibre network** (for example, as published by **CIP** in a partner fact sheet), and any other area within an **LFC fibre network** that arise in, is adjoining, or is in close proximity to that area based on consideration of network architecture (eg, point of interconnection) and geographic proximity.

Chorus means Chorus Limited or any subsidiary of, or successor to, that company;

CIP means Crown Infrastructure Partners Limited (formerly known as Crown Fibre Holdings Limited);

Commission means the Commerce Commission established by section 8 of the Commerce Act 1986;

disclosure year means the period commencing on 1 July in any year and ending with 30 June in the following year;

end user has the meaning given in section 5 of the **Act**;

ICABS means the **Chorus product** also known as Intra Candidate Area Backhaul Service that provides transport between exchanges within a **candidate area**;

ICATS means the **Chorus product** also known as Inter Candidate Area Backhaul that provides transport between points of interconnect in adjacent regions within an island;

LFC fibre network has the meaning given in section 156AB of the **Act**;

Network Infrastructure Project Agreement or **NIPA** means a Network Infrastructure Project Agreement signed between **Chorus** and **CIP**.

NZ GAAP means New Zealand Generally Accepted Accounting Practice;

operating lease has the meaning given in New Zealand Equivalent to International Financial Standard 16 Leases;

operating revenue means the total revenue from all **products**;

premises passed means when a premise has been passed with communal infrastructure and is capable of connection from the nearest point to the private boundary or nearest pole;

product means a service in the list of UFB services in **Chorus'** UFB Services Agreement (Price List) with **CIP**, or a **relevant service**;

product statement means a financial statement summarising revenues, expenses, and supporting information for the applicable **disclosure year** in accordance with the form of schedule 5 Report on Product Information;

regulatory reporting principles means those principles described in clause 3.1 of this determination;

relevant service has the meaning given in paragraph (a) of the definition of "relevant service" in section 156AB of the **Act**;

reports on financial costs and characteristics means any or all of the following-

- (a) Report on Earnings set out in schedule 1;

- (b) Report on Regional Earnings set out in schedule 2;
- (c) Report on Fixed Assets and Fixed Asset Movements set out in schedule 3;
- (d) Report of Fixed Assets and Fixed Asset Movements for Existing Infrastructure set out in schedule 3a;
- (e) Report on Product Information set out in schedule 5;
- (f) Exception Report on Pricing set out in schedule 6, except where Chorus has identified that it is not required to provide **candidate area** reporting for the Exception Report on Pricing, under 3.5(d)(i).

retail service provider (RSP) means a provider of telecommunications services to **end users**;

tail extension means **Chorus'** tail extension **products**. This includes the HSNS Premium tail extension and High Speed Network Services (HSNS) Lite tail extension **products**;

technical expert means an officer of, advisor to, or contractor to **Chorus** who has special skills, knowledge and experience relating to the **Chorus fibre network** or other parts of the **Chorus'** business and is qualified to advise on, and certify, information to be provided to the **Commission**;

UFB initiative has the meaning given in section 156AB of the **Act**.

PART 2 DISCLOSURE REQUIREMENTS

2.1 INFORMATION DISCLOSURE

Subject to any exemptions granted in accordance with clause 4.2, **Chorus** must comply with the information disclosure requirements set out in this determination.

2.2 ANNUAL REPORTING REQUIREMENTS

- (1) No later than 30 November following the end of each **disclosure year**, **Chorus** must:
 - (a) complete the following reports in the format set out in the applicable schedules for that **disclosure year**:
 - (i) the Report on Earnings set out in schedule 1;
 - (ii) the Report on Regional Earnings set out in schedule 2;
 - (iii) the Report on Fixed Assets and Fixed Asset Movements set out in schedule 3;
 - (iv) the Report of Fixed Assets and Fixed Asset Movements for Existing Infrastructure set out in schedule 3a;
 - (v) the Report of Fixed Asset Volumes set out in schedule 4;
 - (vi) the Report on Product Information set out in schedule 5;
 - (vii) the Exception Report on Pricing set out in schedule 6;
 - (viii) the Report on Service and Product Performance set out in schedule 7;
 - (ix) the Report on Network Capacity and Utilisation set out in schedule 8; and
 - (x) the Commentary on Schedules in the form set out in schedule 9;
 - (b) provide an electronic copy of each report required by clause 2.2(1)(a) to the **Commission** as an unlocked file which can be read and manipulated in Microsoft Excel;
 - (c) include in the commentary boxes of schedule 9, commentary on, but not limited to:
 - (i) a summary of the changes made to the procedures or assumptions used to prepare schedules 1 to 8;

- (ii) a description of the impact or effect of those changes on schedules 1 to 8; and
 - (iii) commentary on any material event or factor which impacts the costs and characteristics reported in schedules 1 to 8;
- (d) provide the **Commission** with information about **Chorus' LFC fibre network**, in summarised form, that is in a format compatible with commercial geographic information systems and must include, at a minimum:
 - (i) information about the routing, topology, capacity and **end user active connections** of its **LFC fibre network**, recorded in a generic format used by geographical, or equivalent, information systems mapping software;
 - (ii) a list of all assets in **Chorus' LFC fibre network** to which **Chorus** has a right of use (exclusive or non-exclusive) including right of use assets controlled via an **operating lease**, lease with a term longer than twelve months, or other similar agreement.
- (2) In completing the Exception Report on Pricing in accordance with clause 2.2(1)(a)(vii), **Chorus** must include information on:
 - (a) **retail service providers** that together constitute at least 90% of **Chorus' operating revenue**; and
 - (b) the five largest **retail service providers** by **operating revenue** from **Chorus products**.
- (3) In completing the reports, **Chorus** is required to report on its **LFC fibre network** on an all-of-fibre network basis for reporting on revenue, **other income, direct product costs**, fixed asset values and volumes. For the avoidance of doubt, this includes information relating to all extensions to the **UFB initiative** and also commercially funded coverage.
- (4) In completing the reports, **Chorus** is not required to disclose revenue from any **relevant services** that are traditionally considered copper services, but were provided to some end users using fibre assets.

2.3 ASSURANCE REQUIREMENTS

- (1) **Chorus** must provide to the **Commission** an assurance report for the **reports on financial costs and characteristics** for that **disclosure year** that is addressed to the directors of **Chorus** and to the **Commission** as the intended users of the assurance report.
- (2) The assurance report required by clause 2.3(1) must be prepared by an **auditor** signed by him or her (either in his or her own name or that of his or her firm), stating:

- (a) the work done by the **auditor**;
 - (b) the scope and limitations of the audit;
 - (c) the existence of any relationship (other than that of assurance provider) which the **auditor** has with, or any interests which the **auditor** has in, **Chorus** or any of its subsidiaries;
 - (d) whether the **auditor** has obtained sufficient information and explanations that he or she has required, and if not the information and explanations not obtained;
 - (e) whether in the **auditor's** opinion, as far as appears from the examination, the information used in the preparation of the **reports on financial costs and characteristics** has been properly extracted from **Chorus'** accounting and other records, sourced from its financial and non-financial systems;
 - (f) whether, in the **auditor's** opinion, as far as appears from an examination of them, proper records have been kept by **Chorus** so as to enable the complete and accurate compilation of required information;
 - (g) whether, in the **auditor's** opinion, the **reports on financial costs and characteristics** are prepared in all material respects, in accordance with this determination; and
 - (h) that the assurance report has been prepared for **Chorus'** directors and the **Commission** for the purpose of providing assurance as to whether the **reports on financial costs and characteristics** has been prepared, in all material respects, in accordance with this determination.
- (3) In respect of non-financial information, included in the **reports on financial costs and characteristics**, the **auditor** may rely on and refer in their assurance report to records that are certified by **Chorus'** management **technical experts** in accordance with the competency and capability provisions of the relevant International Standard on Auditing (New Zealand).

2.4 CERTIFICATES AND STATUTORY DECLARATIONS

- (1) All information that is provided to the **Commission** under this determination must include a certificate, in the form set out in Schedule 10, duly signed by two directors of **Chorus**.
- (2) The information disclosed to the **Commission** in accordance with this determination must include a certificate(s), in the form set out in Schedule 11, duly signed by a suitably qualified **technical expert** of **Chorus**, certifying that any material assumption or methodology used is objectively justifiable and reasonable, and has been documented in records retained by **Chorus** in accordance with the **regulatory reporting principles**.

- (3) For the purposes of sub-clause 2.4(2) the material assumptions and methodologies should include, but not be limited to, any material non-financial and technical assumptions which were used in preparing the information disclosures, any material assumptions regarding allocation of network related costs, and the systems and processes used to prepare material non-financial information disclosed to the **Commission**.

2.5 DATA RETENTION REQUIREMENTS

Chorus must retain copies of all data on which disclosed information is based, and the documentation detailing the internal processes related to the information disclosed for seven years.

PART 3 METHODOLOGY

3.1 REGULATORY REPORTING PRINCIPLES

Except where otherwise expressly provided, all information contained in reports to be provided to the **Commission** in accordance with this determination must be prepared in accordance with the following **regulatory reporting principles**:

- (a) Objectivity. **Chorus** must apply regulatory reporting processes which are objectively justifiable and reasonable. These processes, any changes to them, and any supporting assumptions or data, must be documented such that an informed reader is able to judge their reasonableness.
- (b) Consistency. **Chorus** must treat similar types of information consistently, both within a **disclosure year** and from year to year.
- (c) Use of **NZ GAAP**. Except where the requirements otherwise provide, **Chorus** must prepare all financial information disclosure in accordance with the accounting standards applicable for a Tier 1 for-profit entity under **NZ GAAP**.
- (d) Causality. When attribution is required, **Chorus** must attribute all revenue, expenses, and assets based on the activities, which caused the revenues to be earned, expenses to be incurred, or assets to be used. Any attribution process should be documented in accordance with clause 3.1(a).

3.2 CONSISTENCY WITH OTHER REPORTING

Chorus must:

- (a) in complying with clause 3.1(c), apply the same assumptions and methods used for reporting to **CIP**, as required by Annexure 2 to schedule 1 of **Chorus' NIPA**, for that **disclosure year** or in the absence of any reporting to **CIP** the assumptions and methods used for statutory financial reporting.
- (b) when non-financial information which is required by this determination is also provided to **CIP**, apply the same assumptions and methods as used for reporting to **CIP**, unless this determination specifically requires otherwise.
- (c) when a term is used in a report disclosed under clause 2.2(1)(a) and the same term is used in the chart of account or another report that **Chorus** provides to **CIP**, apply the same definition or meaning to the term, unless this determination expressly instructs otherwise.
- (d) when completing schedules 3, 3a, and 4, use asset categories which are disaggregated to provide separate information on each of the key components of **Chorus' LFC fibre network**, and, when comparable information is provided to **CIP**, these asset categories should be consistent with those that **Chorus** uses to report to **CIP**.

3.3 DATA SOURCES FOR NON-FINANCIAL DATA

Where material, non-financial data is included in or used to prepare the reports, it must be obtained from:

- (a) regularly updated operational systems; or
- (b) surveys or samples based on generally accepted statistical techniques or similar methods and updated with a frequency proportionate to its importance and potential for material change.

3.4 PRODUCT STATEMENTS

Chorus must, when preparing the **product statements** required by clause 2.2(1)(a)(vi), include:

- (a) five different **products** with individual revenue greater than \$10,000 per annum, if any;
- (b) all **products** that together constitute at least 80% of **Chorus' operating revenue**; and
- (c) all **products** for which a **product statement** was disclosed in a prior **disclosure year**, provided the **product** continues to contribute to **operating revenue**.

3.5 CANDIDATE AREA REPORTING

In preparing the reports for schedules 2, 3, 3a, 4, 5, 6, 7 and 8 **Chorus** must complete a separate report for each **candidate area** in which **Chorus** operates its **LFC fibre network** in and:

- (a) **Chorus** is not required to provide candidate area reporting for the **tail extension, ICABS and ICATS products**.
- (b) **Chorus** must allocate each element of its **LFC fibre network** to the **candidate area** that it arises in, or is in close proximity to, based on consideration of network architecture (eg, point of interconnection) and geographic proximity.
- (c) In completing the Report on Service and Product Performance, **Chorus** must provide a national level schedule, schedules by **RSP** at a national level, as well as a schedule summarising all required combinations of **candidate area** and **RSP**. This summary schedule must contain all information set out in schedule 7 and be in the same format as used for the 2016 **disclosure year**.
- (d) **Chorus** is not required to provide **candidate area** reporting for the Exception Report on Pricing, if **Chorus** has national level pricing for the **relevant services**.

- (e) If 3.5(d) applies, **Chorus** must:
- (i) identify that it is not required to provide **candidate area** reporting for the Exception Report on Pricing; and
 - (ii) provide a national level schedule and a schedule summarising all **RSPs** that together constitute 90% of **Chorus'** operating revenue.

PART 4 OTHER MATTERS

4.1 CONFIDENTIAL INFORMATION

- (1) If there is any information in a report to be provided to the **Commission** under this determination that **Chorus** considers is commercially sensitive, **Chorus** must, when disclosing that information to the **Commission**:
 - (a) clearly identify such information;
 - (b) state the specific reasons as to why the publication of the information would be likely to unreasonably prejudice the commercial position of **Chorus** and/or another person who is the subject of the information; and
 - (c) provide a certification, in writing, by counsel for **Chorus** that he or she considers that disclosure of the information identified as confidential would be likely to unreasonably prejudice the commercial position of **Chorus** and/or the subject of the information.
- (2) If there is any information in a report to be provided to the **Commission** under this determination that **Chorus** considers should not be published on grounds other than commercial sensitivity, **Chorus** must, when disclosing that information to the **Commission**:
 - (a) clearly identify such information;
 - (b) state the ground(s) under the Official Information Act 1982 for withholding that information;
 - (c) explain why the ground(s) identified under clause 4.1(2)(b) are applicable to the information; and
 - (d) provide a certification, in writing, by counsel for **Chorus** that he or she considers that the relevant ground(s) identified under clause 4.1(2)(b) are applicable to the information.

4.2 EXEMPTION PROCESS

The **Commission** may at any time, on written application by **Chorus**, by written notice to **Chorus**:

- (a) exempt **Chorus** from any or all of the provisions of this determination, for a period and on such terms and conditions as the **Commission** specifies in the notice;
- (b) revoke any such exemption.

Schedule 1: Report on Earnings

		For Year Ended		Chorus
				Annual: 30 June 20XX
				Reporting Level: National
SCHEDULE 1: REPORT ON EARNINGS				
ref				
7	Earnings (pre tax)			
8	Revenue	(\$000)		
9	Operating revenue	-		
10	Gain / (loss) on sale of assets	-		
11	Other income			
12	Total revenue		-	
13	Expense			
14	Operational expenditure	-		
15	Overheads			
16	Total operational expenditure		-	
18	Period depreciation		-	
20	Revaluations		-	
22	Earnings before interest and tax		-	
23				Page X

Shaded cells: automatically filled by calculations or links to other schedules

Schedule 2: Report on Regional Earnings

		Chorus	
		Annual: 30 June 20XX	
		Reporting Level: Candidate area	
For Year Ended			
SCHEDULE 2: REPORT ON REGIONAL EARNINGS			
ref			(\$000)
8	Revenue		
9	Product 1	Links to Schedule 5 " Total Revenue" for each product reported	
10	Product 2		
11	Product 3		
12	Product 4		
13	Product 5		
14	All other products		
15	Operating revenue		-
16			
17	Gains / (losses) on sale of assets		
18	Total CA revenue		-
19	Expenses		
20	Total direct product costs - Product 1	Links to Schedule 5 " Total direct product costs " for each product reported	
21	Total direct product costs - Product 2		
22	Total direct product costs - Product 3		
23	Total direct product costs - Product 4		
24	Total direct product costs - Product 5		
25	Total direct product costs - All other products		
26	Network related expense		
27	Layer 1 (duct/pole rental & Ops/Mgt)		
28	Layer 2 (engineering/support staff etc)		
29	Other network (OSS/BSS)		
30	Unallocated network related expense		
31	Lease costs		
32	Layer 1 leases		
33	Layer 2 leases		
34	Other leases		
35	Non-Network related expenses		
36	Total operational expenditure		-
37			
38	CA Operating surplus / (deficit)		-
39			
40	Period depreciation		-
41	Revaluations		
42			
43	CA Earnings		-
44			

Shaded cells: automatically filled by calculations or links to other schedules

Schedule 3: Report on UFB Fixed Assets and Fixed Asset Movements

SCHEDULE 3: REPORT ON FIXED ASSETS AND FIXED ASSET MOVEMENTS													For Year Ended	
													Chorus	
													Annual: 30 June 20XX	
													Reporting Level: Candidate area	
ref		% using shared infrastructure	Opening gross book value	Additions	Disposals	Other movements	Dynamic allocation movement	Closing gross book value	Opening accumulated depreciation	Dynamic allocation movement	Period depreciation	Closing accumulated depreciation	Opening net book value	Closing net book value
8	\$000													
9	Fibre plant and equipment													
10	Layer 1 assets													
11														
12														
13														
14	Disaggregated layer 1 asset categories													
15														
16														
17														
18	Total Layer 1 assets													
19														
20	Layer 2 assets													
21														
22														
23														
24	Disaggregated layer 2 asset categories													
25														
26														
27														
28	Total Layer 2 assets													
29														
30	Network land and buildings													
31	Other network assets													
32	Total network assets													
33														
34	Non network land and buildings													
35	Non-network IT hardware/software													
36	Other non-network assets													
37	Total non-network assets													
38	Total fixed asset movements													
39														
40	Works in progress													
41	Works in progress - previous disclosure year													
42	plus Capital expenditure													
43	less Asset commissioned													
44	Current works under construction													
45														

Shaded boxes: automatically filled by calculations

Schedule 3a: Report on Fixed Assets and Fixed Asset Movements for Existing Infrastructure

		For Year Ended												
		Chorus												
		Annual: 30 June 20XX												
		Reporting Level: Candidate area												
SCHEDULE 3a: REPORT OF FIXED ASSETS AND FIXED ASSET MOVEMENTS FOR EXISTING INFRASTRUCTURE														
\$'000		% using shared infrastructure	Opening gross book value	Additions	Disposals	Other movements	Dynamic allocation movement	Closing gross book value	Opening accumulated depreciation	Dynamic allocation movement	Period depreciation	Closing accumulated depreciation	Opening net book value	Closing net book value
9	Existing fibre infrastructure plant and equipment													
10	Layer 1 assets													
11	Disaggregated layer 1 asset categories													
12														
13														
14														
15														
16														
17														
18	Total Layer 1 assets													
19														
20	Layer 2 assets													
21	Disaggregated layer 2 asset categories													
22														
23														
24														
25														
26														
27														
28	Total Layer 2 assets													
29														
30	Network land and buildings													
31	Other network assets													
32	Total network assets													
33														
34	Non-network land and buildings													
35	Non-network IT hardware/software													
36	Other non-network assets													
37	Total non-network assets													
38	Total fixed asset movements													
39														

Shaded boxes: automatically filled by calculations

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Schedule 4: Report of Fixed Asset Volumes

				For Year Ended		Chorus	
						Annual: 30 June 20XX	
						Reporting Level: Candidate area	
SCHEDULE 4: REPORT OF FIXED ASSET VOLUMES							
ref		Units	Existing infrastructure	Volumes for new fibre investment			Total volume (existing + new fibre)
				Opening volume (exclusive of existing)	Net additional volume	Closing Volume (exclusive of existing)	
9	Fibre plant and equipment deployed						
10	Layer 1 assets						
11							
12							
13							
14							
15	Disaggregated layer 1 asset categories						
16							
17							
18							
19							

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Schedule 5: Report on Product Information

For Year Ended		Chorus Annual: 30 June 20XX Reporting Level: Candidate area Report on: Top 5 products / products that make up 80% of revenue. Plus a summary of all other products	
SCHEDULE 5: REPORT ON PRODUCT INFORMATION			
ref		Current year	Current year - 1
8			
9	(\$000)		
10	Revenue		
11	Connection revenue		
12	Monthly access revenue		
13	Other product specific revenue		
14	Total revenues	-	-
15	Expenses		
16	Direct product costs		
17			
18	Non-financial		
19	Connection volumes - opening		
20	Connection volumes - closing		
21			
22	Average revenue per connection		
23			Page X

Shaded boxes: automatically filled by calculations

Schedule 6: Exception Report on Pricing

For Year Ended						Chorus Annual: 30 June 20XX Reporting Level: Candidate area* Report on: Top 5 RSPs / RSPs that make up 90% of connections. Plus a summary of all other RSPs		
SCHEDULE 6: EXCEPTION REPORT ON PRICING								
ref.		Number of active connections	Connections priced below the price cap			Monthly access priced below the price cap		
8			Number of occurrences below cap	Average connection price for current year	Agreed connection price cap	Number of occurrences below cap	Average monthly price for current year	Agreed monthly price cap
9	Priced below price cap							
10	Layer 1 services							
11	Layer 1 products as shown in Chorus' price book							
12								
13								
14								
15	Layer 2 services							
16	Layer 2 products as shown in Chorus' price book							
17								
18								
19								
20								
21								
22								
23	Other services							
24	Any other non Layer 1 or Layer 2 products as shown in Chorus' price book							
25								
26								
27								
28								

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* Refer to the Determination for the criteria regarding when the report is to be reported at national versus candidate area level

Schedule 7: Report on Service and Product Performance

		For Year Ended		Chorus	
				Annual: 30 June 20XX	
				Reporting Level: Candidate area	
				Report on: Top 5 RSPs (based on connections). Plus a summary of all other RSPs	
SCHEDULE 7: REPORT ON SERVICE AND PRODUCT PERFORMANCE					
ref /					
8	SERVICE PERFORMANCE	Occurrences	Number of occurrences below target	Service level	
9	Provisioning				
10	Residential / Business users				
11	Layer 1				
12	New Installation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
13	Restore connection	<input type="text"/>	<input type="text"/>	<input type="text"/>	
14	Layer 2				
15	New installation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
16	Bandwidth upgrade	<input type="text"/>	<input type="text"/>	<input type="text"/>	
17	Multicast (access seeker)	<input type="text"/>	<input type="text"/>	<input type="text"/>	
18	Multicast (end user)	<input type="text"/>	<input type="text"/>	<input type="text"/>	
19	Disconnection	<input type="text"/>	<input type="text"/>	<input type="text"/>	
20	Availability (all users)		Number of occurrences below target	Service level	
21	Layer 1				
22	Average downtime		<input type="text"/>	<input type="text"/>	
23	Max downtime		<input type="text"/>	<input type="text"/>	
24	Default service level		<input type="text"/>	<input type="text"/>	
25	Enhanced L1		<input type="text"/>	<input type="text"/>	
26	Enhanced L2		<input type="text"/>	<input type="text"/>	
27	Enhanced L3		<input type="text"/>	<input type="text"/>	
28	Layer 2				
29	Average downtime		<input type="text"/>	<input type="text"/>	
30	Max downtime		<input type="text"/>	<input type="text"/>	
31	Default service level		<input type="text"/>	<input type="text"/>	
32	Enhanced L1		<input type="text"/>	<input type="text"/>	
33	Enhanced L2		<input type="text"/>	<input type="text"/>	
34	Traffic	CIR breaches	Service level	EIR breaches	Service level
35	Layer 2				
36	Frame delay	<input type="text"/>	<input type="text"/>		
37	Frame delay variation	<input type="text"/>	<input type="text"/>		
38	Frame loss	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Schedule 8: Report on Network Capacity and Utilisation

SCHEDULE 8: REPORT ON NETWORK CAPACITY AND UTILISATION											
										For Year Ended	
										Chorus Annual: 30 June 20XX	
ref		Number of central offices	Number of premises passed	Number of P2P end users from CO	Number of GPON end users from CO	Number of cabinets with UFB fibre connections	CO to cabinets capacity (total fibres)	% fill (lit fibres)	Number of P2P end users from cabinets	Number of GPON end users from cabinets	Number of RSP's connected
7											
8	Candidate Area 1										
9	Candidate Area 2										
10	Candidate Area 3										
11	Candidate Area 4										
12	Candidate Area 5 ... N										
13	Totals	-	-	-	-	-	-		-	-	
14											Page X

Shaded boxes: automatically filled by calculations
 * Refer to the phased implementation plan

Schedule 9: Commentary on Schedules

For Year Ended	Chorus Annual: 30 June 20XX
SCHEDULE 9: COMMENTARY ON SCHEDULES	
Schedule 1: Report on Earnings	
Schedule 2: Report on Regional Earnings	
Schedule 3: Report of Fixed Assets and Fixed Asset Movements	
Schedule 3a: Report of Fixed Assets and Fixed Asset Movements for Existing Infrastructure	
Schedule 4: Report on Fixed Asset Volumes	
Schedule 5: Report on Product Information	
Schedule 6: Exception report on Pricing	
Schedule 7: Report on Service And Product Performance	
Schedule 8: Report on Network Capacity and Utilisation	
Page X	

Schedule 10: Certificate for disclosed information

We, *[insert full names]*, directors of Chorus Limited, certify that, having made all reasonable enquiry, to the best of our knowledge the following attached information prepared for the purposes of fulfilling the requirements contained in the Chorus Information Disclosure Determination 2018 for the Disclosure Year *[insert current disclosure year]* in all material respects complies with the Determination –

- *[Insert list of information to be certified]*

[Signature of two directors]

[Date]

Schedule 11: Certificate by technical expert

I [*insert full name*], being a [*insert role of technical expert*] of Chorus Limited, certify that having made all reasonable enquiry, to the best of my knowledge that the following assumptions and methodologies used in preparing the information disclosed to the Commission in compliance with the Chorus Information Disclosure Determination 2018 for the Disclosure Year [*insert current disclosure year*] are in all material respects objectively justifiable and reasonable, and have been documented in records retained by Chorus Limited in accordance with Part 2 of the Determination, –

- [*Insert assumptions and methodologies which are to be certified as objectively justifiable and reasonable and documents, and the disclosed information to which each applies.*]

[*Signature of technical expert*]

[*Date*]

Schedule 12: Definitions of Terms used in Schedules 1 to 11

This schedule provides definitions for terms used in Schedules 1 to 11 of this determination. Where terms used in the schedules are defined in section 1.2 of this determination but are not defined below, they have the meanings set out in section 1.2 of this determination. Otherwise, unless defined below, terms used in the schedules have meanings consistent with industry practice.

% fill (lit fibres) means the percentage of total fibres that are lit;

% using shared infrastructure means the percentage of cables that have been installed using shared infrastructure;

additions means assets added to the fixed asset register during the **disclosure year**;

agreed connection price cap refers to the price cap agreed to by **Chorus** and **CIP** for the one-off payment made by an **RSP** to **Chorus** for connection of an UFB service;

agreed monthly price cap refers to the price cap agreed to by **Chorus** and **CIP** for the recurring amounts payable by an **RSP** to **Chorus** for a UFB service;

asset commissioned means assets that are completed and moved to the fixed asset register;

auditor means, in relation to any information, a person who:

- (a) is qualified for appointment as an **auditor** under the Companies Act 1993 or successor legislation;
- (b) has no relationship with, or interest in, **Chorus** that is likely to involve the person in a conflict of interest;
- (c) has not assisted with the compilation of the information or provided advice or opinions on the methodologies or processes used in compiling the information, other than in relation to audit reports or in respect of the interpretation of this determination; and
- (d) is not associated with nor directed by any person who has provided any assistance, advice, or opinion referred to in (c);

average connection price for current year means the total average connection price for the **relevant service** or **product** during the **disclosure year**;

average downtime (hours) is equal to the total downtime (measured in hours) divided by **occurrences**;

average monthly price for current year means the average monthly price paid for the **relevant service** or **product** during the **disclosure year**;

average unit price means the average price paid for each unit acquired or sold in a transaction between **Chorus** and a related party, or, in relation to **overheads**, the average monthly fee;

bandwidth upgrade refers to the **service level** for a bandwidth upgrade of **layer 2** services described in appendix 1 to schedule 5 of **Chorus' NIPA**;

capital expenditure means the additional capital invested in assets that are still **works in progress**;

central office means a physical building used to house a termination point of **Chorus' LFC fibre network**;

CIR breaches means the number of times **Chorus** does not meet the committed information rate **service level** for a performance element as described in schedule 5 of **Chorus' NIPA**;

closing accumulated depreciation means the cumulative depreciation at the end of the **disclosure year**, including **period depreciation**;

closing net book value means the **gross book value** less the **opening accumulated depreciation**, plus any **additions**, and less any **disposals, other movements, and period depreciation**;

CO to cabinet capacity (total fibres) means the total number of fibres (dark & lit) from the **central office** to the cabinet;

connection revenue means the one-off amounts payable by an **RSP** to **Chorus** for connection of a UFB service;

connection volumes – closing means the number of revenue-generating UFB service connections at the end of the **disclosure year**;

connection volumes – opening means the number of revenue-generating UFB service connections at the beginning of the **disclosure year**;

connections priced below the cap means connections that are priced below the price cap agreed to by **Chorus** and **CIP** for the one-off payment made for connection of a UFB service;

current year means the current **disclosure year**;

default service level refers to the default **service level** for maximum downtime described in appendix 1 to schedule 5 of **Chorus' NIPA**;

description of transaction means a brief description of the transaction with a related party, including the goods or services provided to or by the related party as part of that transaction;

direct product costs means those operating costs that relate to a specific UFB **product** or service;

disconnection (layer 2) refers to the disconnection **service level** described in appendix 1 to schedule 5 of **Chorus' NIPA**;

disposals means the assets sold or disposed of from the fixed asset register during the **disclosure year**;

EIR breaches means the number of times **Chorus** does not meet the excess information rate **service level** for a performance element as described in schedule 5 of **Chorus' NIPA**;

enhanced L1 refers to the enhanced **service level 1** for maximum downtime described in appendix 1 to schedule 5 of **Chorus' NIPA**;

enhanced L2 refers to the enhanced **service level 2** for maximum downtime described in appendix 1 to schedule 5 of **Chorus' NIPA**;

enhanced L3 refers to the enhanced **service level 3** for maximum downtime described in appendix 1 to schedule 5 of **Chorus' NIPA**;

entities involved in related party transactions means information containing the names of **related parties** and a description of the relationship between **Chorus** and the related party;

existing infrastructure means the existing communal infrastructure, existing **layer 2** infrastructure and existing **end user** specific acquired by **Chorus** from the contractor in accordance with the asset transfer agreement;

frame delay means the measurement of how long an ethernet frame takes to traverse part of the network, typically from the user network interface to the point of interconnect;

frame delay variation means the amount at which the **frame delay** is allowed to vary across multiple **frame delay** measurements;

frame loss means the amount of in-profile frames that are dropped between ingress and the point of measurement, typically the point of interconnect. Measured as a percentage;

gross book value means the original (historical) price paid for an asset, without any depreciation deduction; **layer 1** means layer 1 of the OSI Model, which is normally associated with passive fibre optic network infrastructure;

layer 1 (duct/pole rental & ops/mgt) means the expenses associated with the operation and maintenance of **layer 1** assets;

layer 1 leases means the **operating lease** costs associated with **layer 1** assets;

layer 2 means layer 2 of the OSI Model, which is normally associated with active fibre optic network infrastructure;

layer 2 (engineering/support staff) means the expenses associated with the operation and maintenance of **layer 2** assets;

layer 2 leases means the **operating lease** costs associated with **layer 2** assets;

monthly access revenue means recurring amounts payable by an **RSP** to **Chorus** for a UFB service;

multicast (access seeker) refers to the **service level** for provisioning a multicast service for an **access seeker** described in appendix 1 to schedule 5 of **Chorus' NIPA**;

multicast (end user) refers to the **service level** for provisioning a multicast service for an **end user** described in appendix 1 to schedule 5 of **Chorus' NIPA**;

net additional volume means the additional units added to the **layer 1** asset during the **disclosure year**;

new installation (layer 1) refers to the **service levels** for the provisioning of dark fibre access for a new connection as described in appendix 1 to schedule 5 of **Chorus' NIPA**;

new installation (layer 2) refers to the **service levels** for **layer 2** services ordered in relation to a new connection as described in appendix 1 to schedule 5 of **Chorus' NIPA**;

non-network related expenses means the expenses associated with the operation and maintenance of all non-network assets;

number of occurrences below target means the number of times **Chorus** does not meet the **service level** for a performance element as described in schedule 5 of **Chorus' NIPA**;

number of cabinets with UFB fibre connections means the number of cabinets in a **candidate area** that are used to connect UFB services;

number of GPON end users from cabinets means the number of connected GPON end users from all cabinets in a **candidate area**;

number of GPON end users from CO means the number of GPON end users in a **candidate area** that are connected directly to the **central office** (ie not via a cabinet);

number of occurrences below cap means the number of times a **layer 1** service or **layer 2** service is purchased by a **RSP** at a price below the agreed price cap with **CIP**;

number of P2P end users from cabinets means the number of connected P2P end users from all cabinets in a **candidate area**;

number of P2P end users from CO means the number of P2P end users in a **candidate area** that are connected directly to the **central office** (ie not via a cabinet);

number of premises passed means the number of premises that have been passed with communal infrastructure and are capable of connection from the nearest point to the private boundary or nearest pole;

number of RSPs connected means the number **retail service providers** paying for services in a **candidate area**;

occurrences means the number of times the performance element has happened;

opening accumulated depreciation means the cumulative depreciation of an asset at the beginning of the **disclosure year**;

opening volume (exclusive of existing) cumulative volume of units of a UFB **layer 1** asset excluding any **existing infrastructure** volume;

other income means any income not generated from the sale of UFB **products** to **RSPs**;

other leases means the **operating lease** costs associated with all assets that are not **layer 1** or **layer 2** assets;

other movements means any asset movements not included in the **additions** or **disposals** asset movements;

other network assets means all assets necessary for the operation of the network not included as **layer 1**, **layer 2**, or network land and building assets;

other network (OSS/BSS) expenses means the expenses incurred in the operation and maintenance of network assets;

other non-network assets means all non-network assets not included in non-network land and buildings and non-network IT hardware/software;

other product specific revenue means any other revenues relating to a specific UFB service not captured in the **connection revenue** and **monthly access revenue** categories;

other related party transactions (as per GAAP) means related party transactions which are not related party transactions (as per undertakings);

overheads means any operational expenditure that is incurred predominantly with respect to administration functions, but is not directly incurred in the operation and maintenance of assets necessary for the provision of specific UFB services, and excludes any operational expenditure otherwise included in any other category on Schedule 2;

period depreciation means the value of depreciation calculated for the **disclosure year**;

restore connection means the time taken to restore any connection which is subject to downtime;

revaluations are to be used in accordance with **NZ GAAP**;

service level means the applicable service level metric in relation to a **relevant service** agreed between **Chorus** and **CIP**;

unallocated network related expense means a network related expenses that cannot be itemised solely as **layer 1 (duct/pole rental & ops/mgt)**, **layer 2 (engineering/support staff)** or **other network (OSS/BSS) expenses**;

works in progress means work that has not been completed but has already incurred a capital investment;

works in progress - previous disclosure year means the **works in progress** balance carried over from the previous **disclosure year**.