

SUBMISSION ON NZCC PROPOSED AMENDMENTS TO FIBRE INPUT METHODOLOGIES

1. Introduction

- 1.1 This submission is made by Enable Networks Limited (**Enable**) and Ultrafast Fibre Limited (**Ultrafast Fibre**) (collectively referred to in this submission as **we** or **us**) in response to the Commerce Commission's (**Commission**) *Proposed Amendments to Fibre Input Methodologies: draft decisions Reasons Paper* dated 27 May 2021 (**Reasons Paper**).
- 1.2 The draft decisions include proposed amendments to the input methodologies (**IMs**) for information disclosure (**ID**) regulation and price-quality (**PQ**) regulation. This response addresses the proposed amendments which impact ID regulation.

2. Amending IMs

- 2.1 In principle we support technical amendments to IMs which improve the workability of regulation, because such amendments promote regulatory certainty, reduce compliance costs and reduce regulatory complexity. We note that such amendments may be more common for a new regulatory regime, as the new core regulatory methodologies are implemented.
- 2.2 We appreciate the opportunity to respond to the Reasons Paper as consultation with stakeholders on proposed IM amendments prior to the changes being introduced is important.

3. IM Draft Decisions

- 3.1 We support the proposals for amendments to the IMs which give effect to the decision to adopt regulatory balance dates which align with each FFLAS provider's statutory reporting balance date. These include amendments to the:
- (a) Asset valuation IM – revaluation rate;
 - (b) Taxation IM – notional deductible interest; and
 - (c) Cost of capital IM – timing of annual WACC determinations for disclosure year 2022.
- 3.2 We also support the proposal to modify the Quality Dimensions IM to introduce separate planned and unplanned downtime measures.

8 July 2021