



## Notice to supply information and documents to the Commerce Commission Sections 98(a) and (b) Commerce Act 1986

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### To:

Chorus Limited  
Level 10  
State Insurance Tower  
1 Willis Street  
Wellington

Attention: Vanessa Oakley, General Counsel and Company Secretary

### Purpose of the Notice

1. We (the Commerce Commission) are reviewing the price to be paid for the Unbundled Copper Local Loop (UCLL) and Unbundled Bitstream Access (UBA) services provided by Chorus Limited, as defined in subpart 1 of Part 2 of Schedule 1 of the Telecommunications Act 2001 (Telecommunications Act). We are required to make a pricing review determination as soon as practicable (refer sections 47 and 51 of the Telecommunications Act 2001).
2. The purpose of this Notice is to obtain information and documents relevant to our pricing review determinations for the UCLL and UBA services.
3. The Notice is issued under sections 98(a) and (b) of the Commerce Act, and section 15(f) of the Telecommunications Act.
4. We consider it is desirable for Chorus Limited to provide us with the information and documents specified in **Attachment A** to this Notice to assist us in making the price review determinations.

### Date and place of response

5. The information and documents in response to this Notice must be delivered to the Commission's Wellington office at Level 6, 44 The Terrace for the attention of Tricia Jennings, or by email to [telco@comcom.govt.nz](mailto:telco@comcom.govt.nz) with the subject "Response to Section 98 Notice of 5 March 2015", by **5pm on Friday 13 March 2015**.
6. Chorus Limited must provide all information and documents in Attachment A in electronic format, via email, flash drive or to the assigned extranet site.

7. Chorus Limited must label and identify all information and documentation, and explain which information relates to which paragraph(s) of this Notice.
8. Chorus Limited must supply the requested information and documents under cover of a letter on Chorus Limited's letterhead, signed by a person with the appropriate authority.

Dated at Wellington 5 March 2015

Signed by:



Elisabeth Welson  
Commissioner

**Attachment A**

1. For the purposes of this Notice, the following terms have the following meanings:
  - 1.1 **Analysys Mason** means Analysys Mason Limited of St Giles Court, 24 Castle Street, Cambridge CB3 0AJ, United Kingdom registered in England and Wales 5177472 and its interconnected bodies corporate (as defined in section 2(7) of the Commerce Act 1986), business units or joint ventures, and any current or former agents, employees, officers and directors thereof;
  - 1.2 **Analysys Mason's Model** means the TSLRIC model submitted to the Commerce Commission by Chorus on 1 December 2014, prepared on Chorus' behalf by Analysys Mason, and the supporting Chorus UCLL TSLRIC User Guide and the Chorus UBA TSLRIC User Guide;
  - 1.3 **Chorus** means Chorus Limited, its interconnected bodies corporate (as defined in section 2(7) of the Commerce Act 1986), business units or joint ventures, and any current or former agents, employees, officers and directors thereof;
  - 1.4 **General Ledger Data** means all information in Chorus' general ledger;
  - 1.5 **opex**, to avoid doubt, includes the costs of accommodation and power.
2. In Analysys Mason's Model, opex input costs are allocated between categories in proportionate amounts. Please provide the file or files, which include the data, calculations and assumptions used for calculations, provided by Chorus to Analysys Mason that allowed, or may have allowed, Analysys Mason to create the opex input files or to otherwise determine the opex cost allocations.
3. Please provide the opex input files, which include the data, calculations and assumptions used for calculations, used by Analysys Mason to derive information for Analysys Mason's Model. To avoid doubt, this includes details of the calculations or categorisation carried out by Analysys Mason that are not included in Analysys Mason's Model and that resulted in inputs into the opex section of Analysys Mason's Model. The description of these calculations should start with the General Ledger Data or other data used and explain each stage in the process of changing the data into an opex input into Analysys Mason's Model.
4. In the Analysys Mason Model, IT costs are allocated between "Product and Customer IT", "Business Support IT" and "Network IT." Please provide the file or files, which include the data, calculations and assumptions used for calculations, regarding IT systems and their use that would enable the Commerce Commission to replicate that allocation of IT costs.

5. In relation to Analysys Mason's Model, please provide the mapping between the 59 expense categories used in Analysys Mason's Model and the General Ledger Data or other data relevant to that mapping. Please include, for each of the 59 expense categories, the list of GL codes for each expense category, along with a meaningful description of each GL code and the activity performed.