



COMMERCE COMMISSION

**STANDARD TERMS DETERMINATION FOR
CHORUS' SUB-LOOP UNBUNDLED COPPER
LOCAL LOOP NETWORK SERVICES**

**SERVICE APPENDIX 1, SCHEDULE 3
SUB-LOOP UCLL SERVICE LEVEL TERMS
PUBLIC VERSION**

18 June 2009

Updated to incorporate Commerce Commission decisions, amendments, and clarifications through 30 November 2011

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1 INTRODUCTION

- 1.1 These Service Level Terms (**SLT**) are part of the Sub-loop UCLL Terms, which set out the rights and obligations of Chorus and Access Seekers in relation to Chorus' Sub-loop UCLL Service.
- 1.2 The operational requirements for the Sub-loop UCLL Service are set out in the Sub-loop UCLL Operations Manual.
- 1.3 References to clauses or sections are references to clauses and sections of this SLT unless stated otherwise. The definitions set out in the Sub-loop UCLL General Terms and the Sub-loop UCLL Operations Manual apply to the extent that they are not expressly modified by or inconsistent with the context of this SLT. The definitions set out in clause 1.4 apply to this SLT.

1.4 Definitions

In this SLT:

Appendix 2 Deliverables means those deliverables set out in Appendix 2.

Appendix 2 Deliverables Service Levels means those Service Levels set out in Appendix 2.

BAU Forecast has the meaning given to it in the Sub-loop UCLL Operations Manual.

Charge means any amounts payable under the Sub-loop UCLL Price List.

Core Sub-loop UCLL Transaction Service includes a Sub-loop MPF New Connection Order, Sub-loop MPF Transfer Order, Other Service to Sub-loop MPF Transfer Order, Sub-loop MPF Move Address Order, and a Sub-loop MPF Relinquishment.

Deemed Acceptance Time means the time which is four Business Hours after the Receipt Time of a valid Order. To avoid doubt, an Order may still be rejected notwithstanding a deemed acceptance.

Deliverable means a Level A Deliverable or a Level B Deliverable.

Future Service Level Deliverable means any deliverable that is added to this SLT in accordance with the change mechanism set out in section 9 of the Sub-loop Services General Terms.

Future Service Levels is the means by which Chorus' performance of a Future Service Level Deliverable will be measured.

Level A Deliverables means those deliverables performed by Chorus pursuant to this SLT 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.

Level A Service Level is the means by which Chorus' 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 SLT.

Level A Service Level Default means a failure by Chorus to meet the Level A Service Level corresponding to a particular Level A Deliverable.

Level B Deliverables means those deliverables performed by Chorus pursuant to this SLT for 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.

Level B Service Level is the means by which Chorus' 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 SLT.

Level B Service Level Default means a failure by Chorus to meet the Level B Service Level corresponding to a particular Level B Deliverable.

Penalty Rate means the percentage used in the calculation of Performance Penalties, as described under the "Calculation of Penalty Rate" section set out in Appendix 3.

Performance Penalty 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 8 and Appendix 3.

Receipt Time 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.

RFS Date means the date advised by Chorus in accordance with clause 9.7.1 of the Sub-loop UCLL Operations Manual.

Service Levels means, collectively, Level A Service Levels and Level B Service Levels (and *Service Level* has a corresponding meaning).

Service Level Default means a Level A Service Level Default or a Level B Service Level Default.

Specified Date means, in respect of Future Service Levels, the date agreed under the change mechanism set out in section 9 of the Sub-loop Services General Terms.

Standard Lead-Time means the time period that it will take Chorus to provision a Core Sub-loop UCLL Transaction Service. Refer to Appendix 4 for a list of Standard Lead-Times.

Tolerance Level means minimum acceptable levels of performance of a Service Level for a Deliverable, expressed as a percentage, in Appendix 1 and Appendix 2.

2 **SCOPE**

2.1 This SLT:

- (a) sets out the quality and performance of the Service Level commitments of Chorus to the Access Seeker for the delivery of the Sub-loop UCLL Service; and
- (b) provides for a penalty mechanism where Chorus fails to meet its Service Levels.

2.2 This SLT may be changed in accordance with the change mechanism set out in section 9 of the Sub-loop Services General Terms.

2.3 Chorus will review this SLT 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 STD¹ (7 November 2007) (or earlier if requested by the Access Seeker and an earlier

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

review is agreed to by Chorus). The change mechanism set out in section 9 of the Sub-loop Services General Terms will apply to any changes proposed by Chorus as a result of any review.

3 SERVICE LEVELS

- 3.1 Chorus will provide the Deliverables in accordance with this SLT.
- 3.2 Service Levels are classified as either Level A Service Levels or Level B Service Levels.
- 3.3 The Service Levels in Appendix 1 will apply from the Determination Date.
- 3.4 The Service Levels in Appendix 2 will apply from 10 Working Days from the Determination Date.
- 3.5 Any Future Service Levels will apply from the Specified Date.
- 3.6 The nature of any Future Service Levels, including their respective Tolerance Levels, will be set in accordance with the change mechanism process under section 9 of the Sub-loop Services General Terms.
- 3.7 If the Access Seeker updates or changes an Order under clause 9.8 of the Sub-loop UCLL 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.

4 EXCLUSIONS

- 4.1 The Service Levels will not apply where:
 - (a) a Service Level Default is due to a Force Majeure Event;
 - (b) a Service Level Default is a direct result of the Access Seeker failing to comply with an express obligation under the Sub-loop UCLL Terms;
 - (c) it is expressly stated in the Sub-loop UCLL Operations Manual or Sub-loop Service General Terms;
 - (d) a Service Level Default is a direct result of:
 - (i) a fault that is the Access Seeker's responsibility under the Sub-loop Services General Terms; or

- (ii) 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 Equipment;
 - (e) a fault is reported and no fault for which Chorus is responsible is detected when the service is tested from end to end;
 - (f) 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;
 - (g) 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
 - (h) agreed between Chorus and the Access Seeker.
- 4.2 Further exclusions or limitations to Chorus' 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 section 4 and in no way limit the exclusions set out in this section 4.
- 4.3 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' monthly performance report provided in accordance with clauses 6.1 and 6.2.

5 **ACCESS SEEKER FORECASTS**

- 5.1 The Access Seeker will provide BAU Forecasts to Chorus in accordance with the procedures and time frames set out in the Sub-loop UCLL 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 7.1.4, 7.7.8, 7.7.9 and 7.7.10 of the Sub-loop UCLL Operations Manual.

6 **REPORTING ON SERVICE LEVELS**

- 6.1 Once an order has been placed, Chorus will provide the Access Seeker with a performance report each month, from the first full month in which the Service Level Terms apply. The report will be delivered or made available to the Access Seeker within 10 Working Days of the end of each relevant calendar month in electronic format. The report will detail Chorus' 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.

- 6.2 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 in which the Service Level Terms apply. The report will detail Chorus' 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.
- 6.3 The consolidated version of the performance report provided in accordance with clause 6.2 must be made publicly available on a Chorus website at the same time as it is provided to the Access Seeker and the Commission.

7 SERVICE LEVELS DEFAULTS

- 7.1 In the event of a Service Level Default, Chorus will provide a report to the Access Seeker and the Commission detailing:
- (a) the cause of and procedure for correcting such Service Level Default;
 - (b) the steps taken by Chorus to remedy the Service Level Default and the effectiveness of those steps; and
 - (c) 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 6.1.

- 7.2 The report provided in accordance with clause 7.1 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 PERFORMANCE PENALTIES

- 8.1 Subject to section 4, in the event of a Level A Service Level Default, the Access Seeker will receive a Performance Penalty from Chorus. The Performance Penalty will be that set out in Appendix 3.
- 8.2 Notwithstanding clause 8.1, the Access Seeker will not be entitled to receive any Performance Penalties for a Service Level Default relating to a Service Component of the Sub-loop UCLL Service set out in section 6 of the Implementation Plan that

has not been included in a completed Soft Launch (where "Service Component" and "Soft Launch" have the meanings set out in the Implementation Plan).

9 RECONCILIATION OF PERFORMANCE PENALTIES

9.1 Within 10 Working Days after the end of each calendar month (the **Relevant 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 8 during the Relevant Month, detailed by Service Level.

9.2 Where the Access Seeker is entitled to receive payment of a Performance Penalty from Chorus, 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 Sub-loop UCLL 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 of the end of the Relevant Month.

9.3 Within 10 Working Days after each Half Contract Year, Chorus will provide a summary report to the Access Seeker that will include the following:

- (a) with respect to each Deliverable for which there was a Service Level Default during the preceding Half Contract Year:
 - (i) statistics on Chorus' average monthly performance of that Deliverable, detailed by calendar month, during that Half Contract Year; and
 - (ii) the average of Chorus' average monthly performance of that Deliverable during that Half Contract Year;
- (b) the total amount of Performance Penalties imposed for Service Level Defaults in accordance with section 8, detailed by calendar month, during the preceding Half Contract Year.

9.4 Any Performance Penalty imposed under the provisions of this SLT is credited on the basis that there is:

- (a) no admission of liability by Chorus or the Access Seeker; and
- (b) 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 SUB-LOOP UCLL SERVICE

Provision of Sub-loop UCLL Service

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
1	Level B	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order Sub-loop MPF Move Address Order Sub-loop MPF Relinquishment	Order acknowledgement	Chorus will acknowledge receipt of each Order	Provide acknowledgment of receipt of each Order to the Access Seeker within 4 Business Hours following the Receipt Time	99%	
2	Level B	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order Sub-loop MPF Move Address Order Sub-loop 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 Business Hours following the Receipt Time	90%	

SERVICE APPENDIX 1, SCHEDULE 3 - SUB-LOOP UCLL SERVICE LEVEL TERMS

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
3	Level B	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order Sub-loop MPF Relinquishment Sub-loop MPF Move Address Order	Notification of expected RFS Date	Chorus will notify the Access Seeker of expected RFS Date of the Order ²	Provide notification of the expected RFS Date to the Access Seeker within 6 Business Hours of the Deemed Acceptance Time	90%	
4	Level A	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order Sub-loop MPF Move Address Order Sub-loop 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 of confirmation of completion of the Order by Chorus	90% (per relevant Core Sub-loop UCLL 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")

² The notified expected RFS date must be within the Standard Lead-Time, except where otherwise agreed between Chorus and the Access Seeker

SERVICE APPENDIX 1, SCHEDULE 3 - SUB-LOOP UCLL SERVICE LEVEL TERMS

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
5	Level A	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer	Meet expected RFS Date for the relevant Core Sub-loop UCLL Transaction Service	Chorus will complete the Order by the notified expected RFS Date	Complete the Order by the notified expected RFS Date	90% (per relevant Core Sub-loop UCLL Transaction Service)	
6	Level B	Sub-loop MPF Relinquishment Sub-loop MPF Move Address Order	Meet notified expected RFS Date	Chorus will complete the Order by the notified expected RFS Date	Complete the Order by the notified expected RFS Date	90%	
7	Level B	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order Sub-loop MPF Move Address Order Sub-loop MPF Relinquishment	Pre-qualification Acknowledgement	Chorus will acknowledge receipt of Pre-qualification Order	Complete the acknowledgement of receipt within 4 Business Hours following the receipt of the Order	90%	
8	Level B	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop	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"> for authorised and unauthorised automatic pre-qualification, 4 Business Hours following 	90%	

SERVICE APPENDIX 1, SCHEDULE 3 - SUB-LOOP UCLL SERVICE LEVEL TERMS

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
		MPF Transfer Order Sub-loop MPF Move Address Order Sub-loop MPF Relinquishment			receipt of the Order • for a special manual pre-qualification investigation or a manual line test, 6 Working Days following receipt of the Order		
9	Level B	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order Sub-loop MPF Move Address Order Sub-loop 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 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%	

SERVICE APPENDIX 1, SCHEDULE 3 - SUB-LOOP UCLL SERVICE LEVEL TERMS

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
10	Level B	<p>Sub-loop MPF New Connection Order</p> <p>Sub-loop MPF Transfer Order</p> <p>Other Service to Sub-loop MPF Transfer Order</p> <p>Sub-loop MPF Move Address Order</p> <p>Sub-loop MPF Relinquishment</p>	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 Business Hours after the Order has been completed	90%	
11	Level B	Sub-loop UCLL 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 all reasonable endeavours to schedule Planned Outages between the hours of 11:00pm and 6:00am
12	Level B	Sub-loop UCLL Service	Notification of Unplanned Outages	Chorus will advise of Unplanned Outages	Advise within 2 hours, 24 hours a day, 7 days a week, of Chorus discovering or receiving notification of the Unplanned Outage	90%	

Fault Management for Sub-loop UCLL Service

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
13	Level B	Sub-loop UCLL 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 ³	90%	This Service Level does not apply where an invalid fault report has been submitted.
14	Level B	Sub-loop UCLL Service	Notification of expected restoration time	Chorus will provide notification of the expected restoration time ⁴	Provide notification of the expected restoration time within 8 Fault Restoration Hours of the fault being reported	90%	
15	Level A	Sub-loop UCLL Service	Meet notified expected restoration time	Chorus will restore the fault within the expected restoration time	Restore fault within notified expected restoration time	90%	

³ 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.

⁴ The expected restoration time will be provided in accordance with Chorus' fault prioritisation systems.

APPENDIX 2 - OPERATIONAL SUPPORT SYSTEM SLTS FOR SUB-LOOP UCLL SERVICE

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
16	Level B	Sub-loop UCLL 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.
17	Level B	Sub-loop UCLL 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 16 and 17, availability is measured from the point at which the public internet meets the OO&T or 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	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order Sub-loop MPF Move Address Order Sub-loop MPF Relinquishment Order	Order is completed right first time	Chorus will complete Order without fault	90% (per relevant Core Sub-loop UCLL Transaction Service)	Where Chorus fails to meet the specified Tolerance Level, the Performance Penalty must be calculated in respect of each Sub-loop UCLL Core Transaction Service Order falling below the Tolerance Level, in accordance with the following formula: Performance Penalty = 7% of the provisioning Charge for the relevant Core Sub-loop UCLL Transaction Service For clarity, in assessing which Orders (if any) fall below the Tolerance Level, each month's Orders must be assessed chronologically from the time and date of failure to meet the Service Level
5	Level A	Sub-loop MPF New Connection Order Sub-loop MPF Transfer Order Other Service to Sub-loop MPF Transfer Order	Meet expected RFS Date for the relevant Core Sub-loop UCLL Transaction Service	Chorus will complete the Order by the notified expected RFS Date	90% (per relevant Core Sub-loop UCLL Transaction Service)	Where Chorus fails to meet the specified Tolerance Level, the Performance Penalty must be calculated in respect of each Sub-loop UCLL Core Transaction Service Order falling below the Tolerance Level, in accordance with the following formula: Performance Penalty = A x B Where: A = the applicable Penalty Rate B = the provisioning Charge for the relevant Core Sub-loop UCLL Transaction Service For clarity, in assessing which Orders (if any) fall below the Tolerance Level, each month's Orders must be assessed chronologically from the time and date of failure to meet the Service Level

Item No.	Level A / Level B	Services to which Service Level relates	Service Attribute	Deliverable	Tolerance Level	Performance Penalty
15	Level A	Sub-loop UCLL Service	Meet notified expected restoration time	Chorus will restore the fault within the expected restoration time	90%	<p>Where Chorus fails to meet the specified Tolerance Level, the Performance Penalty must be calculated in respect of each fault falling below the Tolerance Level, in accordance with the following formula:</p> <p>Performance Penalty = A x B Where: A = the applicable Penalty Rate x the Sub-loop MPF Service Monthly Charge⁵. B = the number of Sub-loop MPF Services detrimentally affected by the fault.</p> <p>For clarity, in assessing which faults (if any) fall below the Tolerance Level, each month's faults must be assessed chronologically from the time and date of failure to meet the Service Level</p>

Calculation of Penalty Rate

Where any Core Sub-loop UCLL Transaction Service Order or reported fault 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 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 Sub-loop UCLL 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.

⁵ See Service Component 2.1 of the Sub-loop UCLL Price List. The applicable Sub-loop UCLL MPF Service Monthly Charge will depend on whether the fault relates to an Urban or Non-urban Distribution Cabinet.

Chorus completed 10 Sub-loop 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. In this example, the Tolerance Level is 90% which means Chorus will not be penalised financially for one of these three defaults. Default number one exceeded the expected RFS Date by 45 Business Hours (that is, the equivalent of five Working Days). As this was the first default in the calendar month, the applicable Penalty Rate of 12% does not have any effect because default number one falls within the Tolerance Level. Default number two exceeded the expected RFS Date by 27 Business Hours (that is, the equivalent of three Working Days), so the applicable Penalty Rate is 10%. Default number three (the last default in the calendar month) exceeded the expected RFS Date by 9 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 Sub-loop UCLL Transaction Service = \$258.94 (with site visit required)

Performance Penalty = $A \times B = 10\% \times \$258.94 = \$25.89$

Default number 3:

A = the applicable Penalty Rate = 8%; B = the provisioning Charge for the relevant Core Sub-loop UCLL Transaction Service = \$258.94

Performance Penalty = $A \times B = 8\% \times \$258.94 = \$20.72$

APPENDIX 4 - STANDARD LEAD-TIMES

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