

LFC Information Disclosure Determination 2012

Decision No. NZCC 15

LFC information disclosure determination under section 156AU of the Telecommunications Act 2001 applicable to Enable Networks Limited, Ultrafast Fibre Limited, and Whangarei Local Fibre Company Limited

The Commission:

Dr. R. Patterson

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Date of Decision: 28 June 2012

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PART 1 GENERAL PROVISIONS

1.1 TITLE, COMMENCEMENT, AND APPLICATION

- (1) This determination is the LFC Information Disclosure Determination 2012.
- (2) This determination comes into force on the **effective date**.

1.2 INTERPRETATION

- (1) Terms in bold type have the meaning given to those terms in clause 1.2(5). Technical terms used in the Schedules to this determination are defined in Attachment C.
- (2) Terms used in this determination that are defined in the **Telecommunications Act**, but not this determination, have the same meaning as in the **Telecommunications Act**.
- (3) Nothing in this determination limits the **Commission's** authority to:
 - (a) amend this determination; or
 - (b) require any other statements, reports, agreements, particulars, or other information under Part 2B of the **Telecommunications Act** or under any other provision of the **Telecommunications Act** or any other enactment.
- (4) In this determination, unless the context otherwise requires:
 - (a) clause and part headings are for convenience only, and are not part of this determination;
 - (b) references to clauses are references to clauses in this determination; and
 - (c) the singular includes the plural and vice versa.
- (5) In this determination, the words or phrases in bold type bear the following meanings:

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

candidate area means an area (within the coverage area) identified in agreements between the **LFC** and **CFH** in which the **LFC** is to deploy an **LFC fibre network**, including any greenfield areas that arise in, or are adjoining, that area;

CFH means Crown Fibre Holdings Limited;

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

disclosure year means the period of 12 months commencing on 1 July in any year and ending with 30 June in the following year;

effective date means the day following the date of publication of this determination in the Gazette under section 6(1)(a) of the **Telecommunications Act**;

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

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

- (a) is qualified for appointment as auditor of a company under the Companies Act 1993;
- (b) has no relationship with, or interest in, the **LFC** 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 (other than in relation to audit reports or in respect of the interpretation of this determination) on the methodologies or processes used in compiling the information; and
- (d) is not associated with nor directed by any person who has provided any such assistance, advice, or opinion;

LFC means all or any of Enable Networks Limited, Ultrafast Fibre Limited, and Whangarei Local Fibre Company Limited, and for the avoidance of doubt does not in this determination include Chorus Limited;

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

NZ GAAP means New Zealand Generally Accepted Accounting Practice;

NZ IAS 24 means New Zealand Equivalent to International Accounting Standard 24 Related Party Disclosures;

operating lease has the meaning given in New Zealand Equivalent to International Accounting Standard 17 Leases;

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

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

premises passed means when a premises 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 specified services in Annexure C (agreed pricing table) of the **LFC's** shareholder agreement with **CFH**, 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;

related party means in relation to another person:

- (a) any company that is related within the meaning of section 4A(2)(a) of the Financial Reporting Act 1993; and
- (b) any partner or joint venture of that person;

related party transactions (as per undertakings) means information about all related party transactions which require disclosure to the **Commission** under the arms-length dealing provisions in the **undertakings**;

relevant services has the meaning given in section 156AB of the **Telecommunications Act**;

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

- (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; and
- (g) Report on Related Party Transactions set out in schedule 9;

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

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

Telecommunications Act means the Telecommunications Act 2001.

PART 2 DISCLOSURE REQUIREMENTS

2.1 INFORMATION DISCLOSURE

Subject to any exemptions granted in accordance with clause 4.2, from the **effective date**, each **LFC** must comply with the information disclosure requirements set out in this determination and, in particular, must comply with:

- (a) the requirement to disclose information about the costs and characteristics of **relevant services** and the **LFC fibre network** in clause 2.2;
- (b) the assurance and certification requirements in clauses 2.3 and 2.4; and
- (c) the requirement to retain data in clause 2.5.

2.2 ANNUAL REPORTING REQUIREMENTS

- (1) No later than 30 November following the close of each **disclosure year**, each **LFC** must:
 - (a) complete the following information 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;
 - (x) the Report on Related Party Transactions set out in schedule 9; and

- (xi) the Commentary on Schedules in the form set out in schedule 10;
 - (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 10, commentary on, but not limited to:
 - (i) a summary of the changes made to the procedures or assumptions used to prepare schedules 1 to 9;
 - (ii) a description of the impact or effect of those changes on schedules 1 to 9; and
 - (iii) commentary on any material event or factor which impacts the costs and characteristics reported in schedules 1 to 9;
 - (d) provide the **Commission** an information database of **LFC fibre network** information, in summarised form, that 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 the **LFC fibre network** to which the **LFC** has a right of use (exclusive or non-exclusive) via an **operating lease** or other similar agreement.
- (2) In completing the Exception Report on Pricing in accordance with clause 2.2(1)(a)(vii), each **LFC** must include:
- (a) all **retail service providers** that together constitute at least 90% of the **LFC's operating revenue**; and
 - (b) the five largest **retail service providers** by **operating revenue**.
- (3) In completing the Report on Related Party Transactions in accordance with clause 2.2(1)(a)(x), each **LFC** must disclose information on all material **other related party transactions (as per GAAP)** in a manner consistent with **NZ IAS 24**.

2.3 ASSURANCE REQUIREMENTS

- (1) Each **LFC** must provide to the **Commission** an assurance report for the **reports on financial costs and characteristics** for that **disclosure year**.

- (2) The assurance report required by clause 2.3(1) must be prepared by an **independent 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 **independent auditor**;
 - (b) the scope and limitations of the audit;
 - (c) the existence of any relationship (other than that of assurance provider) which the **independent auditor** has with, or any interests which the **independent auditor** has in, the **LFC** or any of its subsidiaries;
 - (d) whether the **independent auditor** has obtained all information and explanations that he or she has required, and if not the information and explanations not obtained;
 - (e) whether, in the **independent auditor's** opinion, as far as appears from an examination of them, proper accounting records have been kept by the **LFC** so as to enable the complete and accurate compilation of required information;
 - (f) whether, in the **independent auditor's** opinion, the **reports on financial costs and characteristics** are prepared in all material respects, in accordance with this determination; and
 - (g) that the assurance report has been prepared for the **LFC's** directors and the **Commission** for the purpose of providing assurance as to whether the **reports on financial costs and characteristics** have been prepared, in all material respects, in accordance with this determination. For the avoidance of doubt this sub-clause does not require the assurance report to be addressed to the **Commission**.
- (3) The assurance report required under this clause must include an opinion on any prior year comparison for which an **independent auditor** has not previously provided an opinion.
- (4) In respect of non-financial information included in the **reports on financial costs and characteristics**, the **independent auditor** may rely on and refer in their assurance report to records that are certified by the **LFC's** 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 Attachment A, duly signed by two directors of the **LFC**.

- (2) The information disclosed to the **Commission** in accordance with this determination must include a certificate(s), in the form set out in Attachment B, duly signed by a suitably qualified **technical expert** of the **LFC**, certifying that any material assumption or methodology used is objectively justifiable and reasonable, and have been documented in records retained by the **LFC** 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 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

LFCs must retain copies of all data and documentation detailing the 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. **LFCs** 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 can easily judge their reasonableness.
- (b) Consistency. **LFCs** 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, **LFCs** must prepare all financial information disclosure in accordance with **NZ GAAP**.
- (d) Causality. When attribution is required, **LFCs** 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

Each **LFC** must:

- (a) in complying with 3.1(c), apply the same assumptions and methods as used for reporting to **CFH** for that **disclosure year**, or in the absence of any reporting to **CFH** the assumptions and methods used for statutory financial reporting;
- (b) when non-financial information which is required by this determination is also provided to **CFH**, apply the same assumptions and methods as used for reporting to **CFH**, unless this determination expressly instructs 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 the **LFC** provides to **CFH**, apply the same definition or meaning to the term, unless this determination expressly instructs otherwise.
- (d) when completing schedules 3 and 4, use asset categories which are disaggregated to provide separate information on each of the key components of the **LFC fibre network**, and, when comparable

information is provided to **CFH**, these asset categories should be consistent with those the **LFC** uses to report to **CFH**.

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

The **LFC** 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 the **LFC's 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, 4, 5, 6, 7 and 8 the **LFC** must complete a separate report for each **candidate area** in which the **LFC** operates its **LFC fibre network** if:

- (a) the **LFC fibre network** is operated in four or more **candidate areas**; and
- (b) at the end of that **disclosure year**, the number of **active connections** are greater than or equal to 5% of the **premises passed** in the **candidate area**.

PART 4 OTHER MATTERS

4.1 CONFIDENTIAL INFORMATION

If there is any information in a report to be provided to the **Commission** under this determination the **LFC** considers confidential, the **LFC** must, when disclosing that information to the **Commission**:

- (a) clearly identify the information in the document for which the **LFC** requests confidentiality;
- (b) state the specific reasons as to why the publication of the information would be likely to unreasonably prejudice the commercial position of the **LFC** and/or the person who is the subject of the information; and
- (c) provide a certification, in writing, by counsel for the **LFC** that he or she considers that disclosure of the information identified as confidential would be likely to unreasonably prejudice the commercial position of the **LFC** and/or the subject of the information.

4.2 EXEMPTION PROCESS

The **Commission** may at any time, by written notice to a **LFC**:

- (a) exempt the **LFC** 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.

4.3 CURRENT EXEMPTIONS

Notwithstanding anything to the contrary contained in this determination:

- (a) For the **disclosure year** ending June 2012, the **LFCs** are not required to complete or provide the following reports:
 - (i) the Report on Fixed Assets and Fixed Asset Volumes set out in schedule 4;
 - (ii) the Report on Product Information set out in schedule 5;
 - (iii) the Exception Report on Pricing set out in schedule 6;
 - (iv) the Report on Service and Product Performance set out in schedule 7;
 - (v) the Report on Network Capacity and Utilisation set out in schedule 8; and

- (vi) the Commentary on Schedules in the form set out in schedule 10.
- (b) For the **disclosure year** ending June 2012, the **LFCs** are not required to provide the information specified in the following reports other than the information listed below:
- (i) for the Report on Regional Earnings set out in schedule 2, the product revenue information included under the heading revenue; and
 - (ii) for the Report on Fixed Assets and Fixed Asset Movements set out in Schedule 3, and the Report on Fixed Assets and Fixed Asset Movements for Existing Infrastructure set out in Schedule 3a, the total layer 1 assets and total layer 2 assets, completed for all applicable columns.
- (c) For the **disclosure year** ending June 2012, the **LFCs** are required to provide the information specified in the following reports by the dates specified:
- (i) for the Report on Earnings set out in Schedule 1, the information under the heading revenue is to be provided by 30 November 2012, and all other information to be provided by 30 November 2013; and
 - (ii) for the Report on Related Party Transactions set out in schedule 9, all information to be provided by 30 November 2013.
- (d) For the **disclosure year** ending June 2012, **LFCs** are not required to provide the information database on **LFC fibre network** under clause 2.2(d).
- (e) For the **disclosure year** ending June 2012, the **LFCs** are not required to provide an assurance report as specified in clause 2.3, or any of the certificates specified in clause 2.4.
- (f) For the **disclosure years** ending June 2012 and June 2013, the **LFCs** are not required to comply with the **candidate area** reporting requirements specified in clause 3.5 for schedules 3, 4, 5, 6, 7 and 8.
- (g) For the **disclosure year** ending June 2013, the **LFCs** are not required to comply with the **candidate area** reporting requirements specified in clause 3.5 for schedule 2, should the **LFC**:
- (i) have uniform pricing (also known as national pricing) for the **relevant services** across all **candidate areas** in which the **LFC** operates its **LFC fibre network**; and

- (ii) provide the **Commission** with documented evidence which objectively demonstrates that the **LFC** has uniform pricing as specified in clause 4.3(1)(g)(i).
- (h) For the **disclosure years** ending June 2013 and onwards, the **LFCs** are not required to provide the information specified in the Report of Fixed Assets and Fixed Asset Movements for Existing Infrastructure set out in schedule 3a.

Schedule 1: Report on Earnings

		For Year Ended	
		LFC	
		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		-
17			
18	Period depreciation		-
19			
20	Revaluations		-
21			
22	Earnings before interest and tax		-
23			Page X

Schedule 2: Report on Regional Earnings

		LFC	
		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 cell "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 cell "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	Lease costs		
31	Layer 1 leases		
32	Layer 2 leases		
33	Other leases		
34	Non-Network related expenses		
35	Total operational expenditure		-
36			
37	CA Operating surplus / (deficit)		-
38			
39	Depreciation		-
40	Revaluations		
41			
42	CA Earnings		-
43			

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

		For Year Ended									
		LFC									
		Annual: 30 June 20XX									
		Reporting Level: Candidate area									
SCHEDULE 3: REPORT ON FIXED ASSETS AND FIXED ASSET MOVEMENTS (INCLUDES EXISTING ASSETS)											
ref		Opening gross book value	Additions	Disposals	Other movements	Closing gross book value	Opening accumulated depreciation	Period depreciation	Closing accumulated depreciation	Opening net book value	Closing net book value
8	\$000										
9	UFB 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	-	-	-	-	-	-	-	-	-	-
39											
40	2a: Works in progress										
41	Works in progress - previous disclosure year										
42	plus Capital expenditure										
43	less Asset commissioned										
44	Current works under construction										
45											

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

		For Year Ended									
		LFC									
		Annual: 30 June 20XX									
		Reporting Level: Candidate area									
SCHEDULE 3a: REPORT ON FIXED ASSETS AND FIXED ASSET MOVEMENTS FOR EXISTING INFRASTRUCTURE											
ref		Opening gross book value	Additions	Disposals	Other movements	Closing gross book value	Opening accumulated depreciation	Period depreciation	Closing accumulated depreciation	Opening net book value	Closing net book value
8	\$000										
9	UFB 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	Layer 2 assets										
20	Disaggregated layer 2 asset categories										
21											
22											
23											
24											
25											
26											
27											
28	Total Layer 2 assets	-	-	-	-	-	-	-	-	-	-
29	Network land and buildings										
30	Other network assets										
31	Total network assets	-	-	-	-	-	-	-	-	-	-
32	Non network land and buildings										
33	Non-network IT hardware/software										
34	Other non-network assets										
35	Total non-network assets	-	-	-	-	-	-	-	-	-	-
36	Total fixed asset	-	-	-	-	-	-	-	-	-	-
37											
38											
39											
40											

Schedule 4: Report of Fixed Asset Volumes

		For Year Ended		LFC	
				Annual: 30 June 20XX	
				Reporting Level: Candidate area	
SCHEDULE 4: REPORT OF FIXED ASSET VOLUMES					
ref		Units	Opening volume	Net additional volume	Closing volume
8					
9	UFB plant and equipment deployed				
10	Layer 1 assets				
11	Disaggregated layer 1 asset categories				-
12					-
13					-
14					-
15					-
16					-
17					-
18					Page X

Schedule 5: Report on Product Information

For Year Ended		<div style="border: 1px solid red; padding: 5px; margin: 0 auto; width: 80%;"> <p style="text-align: center; margin: 0;">LFC</p> <p style="text-align: center; margin: 0;">Annual: 30 June 20XX</p> <p style="text-align: center; margin: 0;">Reporting Level: Candidate area</p> <p style="text-align: center; margin: 0;">Report on: Top 5 products / products that make up 80% of revenue. Plus a summary of all other products</p> </div>	
SCHEDULE 5: REPORT ON PRODUCT INFORMATION			
<i>ref</i>		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

Schedule 6: Exception Report on Pricing

		For Year Ended						
		LFC						
		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 /			Connections priced below the price cap			Monthly access priced below the price cap		
8		Total number of active connections	Number of occurrences below cap	Average connection price for current year	Agreed connection price cap with CFH	Number of occurrences below cap	Average monthly price for current year	Agreed monthly price cap with CFH
9	Priced below price cap							
10	Layer 1 services							
11								
12	Layer 1 products as shown in							
13	LFC's price book							
14								
15	Layer 2 services							
16								
17								
18	Layer 2 products as shown in							
19	LFC's price book							
20								
21								
22								
23	Other services							
24								
25	Any other non Layer 1 or							
26	Layer 2 products as shown in							
27	LFC's price book							
28								

Schedule 7: Report on Service and Product Performance

		For Year Ended		LFC	
				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		Occurrences	Number of breaches	Service level	
8	SERVICE PERFORMANCE				
9	Provisioning				
10	Residential / Business users				
11	Layer 1				
12	New installation				
13	Restore connection				
14	Layer 2				
15	New Installation				
16	Bandwidth Upgrade				
17	Multicast (Access Seeker)				
18	Multicast (End User)				
19	Disconnection				
20	Availability (all users)		Number of breaches	Service level	
21	Layer 1				
22	Average downtime				
23	Max downtime				
24	Default service level				
25	Enhanced L1				
26	Enhanced L2				
27	Enhanced L3				
28	Layer 2				
29	Average downtime				
30	Max downtime				
31	Default service level				
32	Enhanced L1				
33	Enhanced L2				
34	Traffic	CIR breaches	Service level	EIR breaches	Service level
35	Layer 2				
36	Frame delay				
37	Frame delay variation				
38	Frame loss				
39					

Schedule 8: Report on Network Capacity and Utilisation

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

Schedule 9: Report on Related Party Transactions

	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">LFC</td> </tr> <tr> <td style="text-align: center;">Annual: 30 June 20XX</td> </tr> <tr> <td style="text-align: center;">Reporting Level: National</td> </tr> </table>	LFC	Annual: 30 June 20XX	Reporting Level: National																																			
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SCHEDULE 9: REPORT ON RELATED PARTY TRANSACTIONS																																							
<i>ref</i> 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	<p>Entities involved in Related Party Transactions</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Name of related party</th> <th style="width: 70%;">Relationship</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table> <p>Related Party Transactions (as per undertakings) (\$000)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Name of related party</th> <th style="width: 25%;">Transaction category</th> <th style="width: 30%;">Description of transaction</th> <th style="width: 15%;">Average unit price or equivalent</th> <th style="width: 5%;">Value</th> </tr> </thead> <tbody> <tr> <td> </td> <td style="color: blue;">Revenue/Opex/Capex/Asset use/etc</td> <td> </td> <td> </td> <td> </td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> <p>Other Related Party Transactions (as per GAAP)</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <p style="font-size: small;">Source information: Direct from LFC Page X</p>	Name of related party	Relationship							Name of related party	Transaction category	Description of transaction	Average unit price or equivalent	Value		Revenue/Opex/Capex/Asset use/etc																							
Name of related party	Relationship																																						
Name of related party	Transaction category	Description of transaction	Average unit price or equivalent	Value																																			
	Revenue/Opex/Capex/Asset use/etc																																						

Schedule 10: Commentary on schedules

For Year Ended	LFC Annual: 30 June 20XX
SCHEDULE 10: 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 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	

Attachment A: Certificate for published information

We, *[insert full names]*, directors of *[insert LFC company name]*, 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 LFC Information Disclosure Determination 2012 for the Disclosure Year *[insert current disclosure year]* complies with the Determination –

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

[Signature of two directors]

[Date]

Attachment B: Certificate by technical expert

I *[insert full name]*, being a *[insert role of technical expert]* of *[insert LFC company name]*, 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 LFC Information Disclosure Determination 2012 for the Disclosure Year *[insert current disclosure year]* are objectively justifiable and reasonable, and have been documented in records retained by *[insert LFC company name]* 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]

Attachment C: Technical Glossary to Schedules 1–9

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

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

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

agreed connection price cap with CFH refers to the price cap agreed to by a **LFC** and **CFH** for the one-off payment made by an **RSP** to a **LFC** for connection of an UFB service;

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

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

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 the **LFC** 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 the **LFCs NIPA**;

candidate area means an area (within the coverage area) identified in agreements between the **LFC** and **CFH** in which the **LFC** is to deploy an **LFC fibre network**, including any greenfield areas that arise in, or are adjoining, that area;

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 the **LFCs fibre network**;

CIR breaches means the number of times a **LFC** does not meet the committed information rate service level for a performance element as described in schedule 5 of the **LFCs 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 an **LFC** 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 the **LFC** and **CFH** 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 the **LFCs 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 the **LFCs 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 a **LFC** does not meet the excess information rate service level for a performance element as described in schedule 5 of the **LFCs NIPA**;

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

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

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

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

existing infrastructure means the existing communal infrastructure, existing layer 2 infrastructure and existing **end-user** specific acquired by the **LFC** 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 an **LFC** 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 the **LFCs 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 the **LFCs NIPA**;

name of related party means the name of the entity with which the **LFC** is a **related party**;

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

Network Infrastructure Project Agreement or **NIPA** means, with respect to each **LFC**, the Network Infrastructure Project Agreement signed between the **LFC** and **CFH**;

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 the **LFCs 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 the **LFCs NIPA**;

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

number of breaches means the number of times a **LFC** does not meet the service level for a performance element as described in schedule 5 of the **LFCs 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 customers from cabinets means the number of connected GPON customers from all cabinets in a candidate area;

number of GPON customers from CO means the number of GPON customers 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 **CFH**;

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

number of P2P customers from CO means the number of P2P customers 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**;

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

related party means in relation to another person:

- (a) any company that is related within the meaning of section 4A(2)(a) of the Financial Reporting Act 1993; and
- (b) any partner or joint venture of that person;

related party transactions (as per undertakings) means information about all related party transactions which require disclosure to the **Commission** under the arms-length dealing provisions in the undertakings;

relationship means a description of the relationship between the **LFC** and the **related party**;

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 the **LFC** and **CFH**;

transaction category means one of revenue, operating expense, capital expenditure, asset disposal, asset transfer, or other;

work 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**.