

Determination of Chorus' Initial PQ RAB, Initial ID-only RAB, Initial ID RAB, and Opening Tax Losses for Disclosure Year 2022

[2022] NZCC 33

The Commission:

Sue Begg
Tristan Gilbertson
Nathan Strong
Elisabeth Welson

Date of determination:

6 October 2022



Tristan Gilbertson, Commissioner

Dated at Wellington this 6th day of October 2022

COMMERCE COMMISSION

Wellington, New Zealand

Associated documents

Publication date	Reference	Title
13 October 2020	[2020] NZCC 21	Fibre Input Methodologies Determination 2020
3 November 2020	[2020] NZCC 24	Fibre Input Methodologies (initial value of financial loss asset) Amendment Determination 2020
29 November 2021	[2021] NZCC 25	Fibre Input Methodologies Amendment Determination (No.2) 2021
16 December 2021	ISBN 978-1-869459-23-9	Chorus' transitional initial price-quality regulatory asset base as at 1 January 2022 – Final Decision: Reasons paper
6 October 2022	ISBN 978-1-99-101231-9	Chorus' initial regulatory asset base as at 1 January 2022 – Final Decision: Reasons paper

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1. Purpose of determination

- 1.1 This determination specifies certain values for **Chorus** as required under the **Act** and the **IM determination**, which are explained in *Chorus' initial regulatory asset base as at 1 January 2022 – Final Decision: Reasons paper*, as published on 6 October 2022.

2. Interpretation

- 2.1 In this determination, a word which denotes the singular also denotes the plural and vice versa.
- 2.2 In this determination, the words or phrases in bold type bear the following meanings:
- 2.2.1 **Act** means the Telecommunications Act 2001;
 - 2.2.2 **Chorus** means Chorus Limited or any subsidiary of, or successor to, that company;
 - 2.2.3 **core fibre asset** has the meaning given in the **IM determination**;
 - 2.2.4 **disclosure year** means the 12-month period ending on 31 December 2022;
 - 2.2.5 **fibre asset** has the meaning given in the **IM determination**;
 - 2.2.6 **financial loss asset** has the meaning given in the **IM determination**;
 - 2.2.7 **financial losses** has the meaning given in the **IM determination**;
 - 2.2.8 **ID RAB** has the meaning given in the **IM determination**;
 - 2.2.9 **ID-only RAB** has the meaning given in the **IM determination**;
 - 2.2.10 **IM determination** means the *Fibre Input Methodologies Determination 2020* [2020] NZCC 21, including any amendment in effect at the time this determination is made;
 - 2.2.11 **implementation date** has the same meaning as defined in s 5 of the **Act**;
 - 2.2.12 **initial RAB value** has the meaning given in the **IM determination**;
 - 2.2.13 **input methodology** has the meaning given in s 164(1) of the **Act**;
 - 2.2.14 **PQ RAB** has the meaning given in the **IM determination**; and
 - 2.2.15 **unallocated initial RAB value** has the meaning given in the **IM determination**.

3. Applicable input methodologies

- 3.1 The **input methodologies** that apply to this determination are those specified in:
- 3.1.1 clause 2.2.3(1)-(2) of the **IM determination**;
 - 3.1.2 clause 2.2.4(1) of the **IM determination**;
 - 3.1.3 clause 2.3.3(3)(a)(i) of the **IM determination**;
 - 3.1.4 clause B1.1.2(1) of Schedule B of the **IM determination**; and
 - 3.1.5 clause B1.1.2(2) of Schedule B of the **IM determination**.

4. Specification of certain values

- 4.1 For the purpose of clause 2.2.3(1) of the **IM determination**, the sum of all **unallocated initial RAB values of Chorus' core fibre assets** as at the **implementation date** is \$4,596m.
- 4.2 For the purpose of clause 2.2.3(2) of the **IM determination**, the sum of all **initial RAB values** in respect of **Chorus' core fibre assets** in the **PQ RAB** as at the **implementation date** is \$3,997m.
- 4.3 For the purpose of s 177(2) of the **Act**, **Chorus' financial losses** are \$-1,416m.
- 4.4 For the purpose of clause 2.2.4(1) of the **IM determination**, the **initial RAB value of Chorus' financial loss asset** in the **PQ RAB** and **ID RAB** as at the **implementation date** is \$1,416m.
- 4.5 For the purposes of clause 2.2.3(2) and, 2.2.4(1) of the **IM determination**, the sum of all **initial RAB values** in respect of **Chorus' fibre assets** in the **PQ RAB** as at the **implementation date** is \$5,413m.
- 4.6 For the purpose of clause 2.2.3(2) of the **IM determination**, the sum of all **initial RAB values** in respect of **Chorus' core fibre assets** in the **ID-only RAB** as at the **implementation date** is \$24m.
- 4.7 For the purpose of clause 2.2.3(2) of the **IM determination**, the sum of all **initial RAB values** in respect of **Chorus' core fibre assets** in the **ID RAB** as at the **implementation date** is \$4,022m.
- 4.8 For the purposes of clause 2.2.3(2) and 2.2.4(1) of the **IM determination**, the sum of all **initial RAB values** in respect of **Chorus' fibre assets** in the **ID RAB** as at the **implementation date** is \$5,437m.
- 4.9 For the purpose of clause 2.3.3(3)(a)(i) of the **IM determination**, the 'opening tax losses' for **disclosure year 2022** in respect of **Chorus** are -\$1,052m.