



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

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 price review determination as soon as practicable in respect of the UCLL service (refer sections 47 and 51 of the Telecommunications Act 2001) and we are required to make reasonable efforts to make a price review determination in respect of the UBA service before the expiry of three years from separation day, which is 30 November 2014 (refer section 78(3) of the Telecommunications (TSO, Broadband, and Other Matters) Amendment Act 2011).
2. The purpose of this Notice is to obtain information and documents relevant to our price 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 Keston Ruxton, or by email to telco@comcom.govt.nz with the subject "Response to section 98 Notice – UCLL and UBA", by:

- 5.1 **5pm on 19 September 2014** in respect of the information sought in paragraphs 2 to 6 of Attachment A;
 - 5.2 **5pm on 26 September 2014** in respect of the information sought in paragraphs 7 to 19 of Attachment A.
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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 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 12 September 2014

Signed by:



Elisabeth Welson
Commissioner

Attachment A

1. For the purposes of this Notice, the following terms have the following meanings:
 - 1.1 **Active line** means a single instance of a UCLL, UBA, UCLF or SLU service being purchased at the time of record
 - 1.2 **Chorus** means Chorus Limited, its interconnected bodies corporate (as defined in section 2(7) of the Commerce Act), business units or joint ventures, and any current or former agents, employees, officers and directors thereof
 - 1.3 **Excel** means Microsoft Excel
 - 1.4 **FDS** means the First Data Switch as defined in the standard terms determination for the Unbundled Bitstream Service (UBA)
 - 1.5 **NBV** means Net book Value as per NZGAAP practices
 - 1.6 **RSP** means a Retail Service Provider that resells Chorus' wholesale broadband and/or telephony services to retail customers
 - 1.7 **Service Company** means an organisation and its sub-contractors providing field services to Chorus and includes Downer EDI Engineering, Transfield Services and Visionstream
 - 1.8 **SLU** means the Sub-loop Unbundled Copper Local Loop
 - 1.9 **UCLF** means Unbundled Copper Low Frequency
 - 1.10 **UCLL** means the Unbundled Copper Local Loop

The Commission requires the following information.

2. For each DSLAM on Chorus' local access network please provide the following information in an Excel table format:
 - 2.1 The DSLAM ID,
 - 2.2 The type of DSLAM site, that is, whether the DSLAM is located at a cabinet, customer site (e.g. AIA), or an exchange, based on your response to Q 2.2.2 of the 7 February 2014 s98 Notice (it is sufficient to replicate that response in the Excel table or update it to the extent necessary).
 - 2.3 The ID of the immediate upstream site to which each DSLAM is connected. For cabinet and customer sited DSLAMs this may be the local exchange or a FDS site. For exchange sited DSLAMS this may be a local or remote FDS site. In both circumstances, based on your response to Q 2.3.2 of the 7 February 2014 s98 Notice (it is sufficient to replicate that response in the Excel table or update it to the extent necessary).
 - 2.4 For each cabinet and customer sited DSLAM site please confirm:

2.4.1 The measured length and total number of fibres deployed between:

- (a) The DSLAM site and the immediate upstream site, exchange or FDS, to which it is connected, as identified in your response to 2.3,
- (b) The exchange to which a DSLAM is connected and any remote FDS site to which it is connected, as identified in your response to 2.3.

2.4.2 The total number of fibres used between:

- (a) The DSLAM and the immediate upstream site, exchange or FDS, to which it is connected, as identified in your response to 2.3,
- (b) The exchange to which a DSLAM is connected and any remote FDS to which it is connected, as identified in your response to 2.3.

3. Retail Service Provider handover connectivity and traffic mapping:

3.1 Please provide, to the extent you are able, in an Excel table format, the following information for each RSP by service (regulated and unregulated):

3.1.1 The number of customers connected at each DSLAM,

3.1.2 The site ID of each RSP's nominated hand over point for each DSLAM (i.e. hand over mapping), to the extent this is different to your response to Q 2.3.2 of the 7 February 2014 s98 Notice,

3.1.3 The size (e.g. GigE, STM1, STM4) and type (Basic, Enhanced) of the handover service taken at each handover point.

3.2 Please confirm if a RSP has the option of purchasing a second handover connection (port and handover fibre) at a nominated Handover site should they require for redundancy purposes. If so, how many of each size and type of connection has been provided to each RSP for the purpose of providing redundancy?

3.3 Please clarify, when several FDSs are present at the same site where a RSP also has a handover point (for interconnection), whether an RSP may be connected via a single handover connection to all switches at that site? If an RSP is connected to only one switch at the site, is there a service to connect that RSP to the remaining switches at that site? If so, please provide products and pricing information for that service.

4. Please provide a copy of Chorus' standard subdivision reticulation contract(s) and associated subdivision fee schedule(s).
5. Please provide information on the commercial terms under which Chorus continues to offer ducts and poles to other parties, e.g. local power companies.
 - 5.1 Please confirm the percentage of Chorus' poles and ducts shared with other parties.
 - 5.2 Please provide information on the percentage of Chorus' local access routes (trenches, ducts or cables) shared with other network operators, in particular with Spark New Zealand Limited and its subsidiaries.
6. Please provide a material price list (cost) for 7450 EES 7 equipment split between line card, Subrack and Rack, including the reference year of the costs provided. If the supplier offers any discount, please provide details, including the reference year of the costs provided.

With reference to your responses to the 17 April 2014 s98 Notice please provide the following additional information by reference to the identified questions:

7. Q 6.4 Business and network contingency plans
 - 7.1 Please identify the non-network cost implications of Chorus' contingency plans. This may be providing in a table in Excel format listing:
 - 7.1.1 The different non-network cost categories,
 - 7.1.2 The associated opex and capex (NBV) costs by non-network cost category for the financial years ending 30 June 2013 and 30 Jun 2014, and
 - 7.1.3 Please indicate where these costs appear in your responses provided to question 6.19 of the 17 April 2014 s98 notice.
8. Q 6.10.2 DWDM Network
 - 8.1 Please confirm the factors or circumstances that determine which of the manufacturer's DWDM equipment Chorus installs in its network. Does Chorus consider one manufacturer's DWDM equipment to be the standard for current installation? If so, which one?
 - 8.2 What design rules does Chorus follow in order to dimension the required number of terminals, OADM terminals and amplifiers?

- 8.3 Please provide a further level of detail on disaggregated unit costs for DWDM equipment to that provided in your response to question 6.10.2 of the 17 April 2014 s98 Notice.
 - 8.4 Please identify by ISAM ID where DWDM has been deployed because the transmission distance between the ISAM site and the FDS has been deemed greater than the transmission limit of fibre.
9. Q 6.10.3 Submarine links
- 9.1 Please detail how those costs are accounted for in your response to question 6.19 of the 17 April 2014 s98 Notice.
10. Q 6.12.(d). (i) The commercial and technical terms under which Chorus continues to use poles from third parties, e.g. local power companies, for provision of fibre and copper lead-in services
- 10.1 To the extent Chorus has the information please confirm the number of poles used in Chorus' local access network for the provision of aerial service lead-in services, that are:
 - 10.1.1 Rented from other parties,
 - 10.1.2 Chorus owned,
 - 10.1.3 Shared on a reciprocal (i.e. on a zero settlement bases) from other parties, such as local power boards.
11. Q6.14.1.(l)(i) Technical description of manholes, chambers and hand hole jointing pits as currently being installed within the distribution and feeder sections of Chorus copper and fibre local access networks, including those used with air blown micro-ducts
- 11.1 Please identify from the information provided in your response to question 6.14.1.(i).(i) the manholes, chambers and hand hole joint types Chorus is currently deploying. Further, for each type please provide:
 - 11.1.1 A short description of the asset.
 - 11.1.2 The design rules and context under which each the current in use asset is deployed in Chorus' local access network.
12. Q6.17.12 (d) Network equipment costs
- 12.1 Please confirm the explanation and costs provided in response to this question are complete and reflect current purchasing practices and equipment and installation costs.

13. Q6.17.12 (k) Software licences costs
 - 13.1 To the extent Chorus is able, please indicate the equipment and services (broadband, voice, leased lines etc.) to which the licence costs provided in your response to question 6.17.12 (k) apply.
14. Q6.19.3 (b) Network operating expenses
 - 14.1 Please specify how each of the expense categories provided in response to Q6.19.3 (b) (i-viii), is already taken into account (or not) in data provided in your response to Q 6.19.
15. Q 6.19.4 Non-network operating expenses
 - 15.1 Please identify whether costs provided in response to Q 6.19.4 (i-viii) are also included in responses to other questions, especially questions 6.19.1, 6.19.2, 6.19.3. If costs are included, please identify the amounts and where they appear in other responses.
16. Q6.19.8 (a) Agreements relating to leases of buildings, land and equipment to and from third parties.
 - 16.1 Please provide a table that links the sites provided to exchange codes.
17. Q 6.19.8 (b) wholesale electricity supply agreements
 - 17.1 Please identify whether the costs provided in your response to Q6.19.8(b) are included as part of your response to other questions, especially questions 6.19.1 to 6.19.7. If costs are included, please identify the amounts and where they appear in other responses.
18. Q6.19.3 (b) (iv) Network operating expenses
 - 18.1 Please provide a breakdown of cost per category of network expenditure. A breakdown by copper, fibre, radio access etc. is sufficient.
19. Q 6.19.8 (a) & (b) fixed assets register
 - 19.1 Please confirm what share of these costs are relevant to UCLL and UBA. Please explain your answer.