

**Review of the Standard Terms Determination for Chorus's Unbundled Copper
Low Frequency Service under section 30R of the Telecommunications Act
2001**

Decision No. [2014] NZCC 9

The Commission: Dr Stephen Gale
Pat Duignan
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Date of determination: 24 April 2014

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Definitions

Act	Telecommunications Act 2001
Commission	The Commerce Commission in the course of performing its functions under the Act
Core transaction services	Include the establishment of a new service, the transfer of a service connected to an End User's premises from one Access Seeker to another and the transfer of an End User from services (other than the MPF Service) provided over Chorus's Local Loop Network to an MPF Service, as described in rows 1.1, 1.2 and 1.3 of the UCLFS price list
Chorus	Has the meaning given in section 69B of the Act
MPF	Metallic Path Facility
STD	Standard terms determination
Telecom	Has the meaning given in section 5 of the Act
UBA	Unbundled Bitstream Access
UCLFS	Unbundled Copper Low Frequency Service
UCLL	Unbundled Copper Local Loop Service

Executive summary

1. The Unbundled Copper Low Frequency Service (UCLFS) pricing principles in the Act require the UCLFS prices to be the same as the geographically averaged Unbundled Copper Local Loop Service (UCLL) prices except where the UCLFS prices need to be adjusted downwards to take account of the additional purchase of Chorus's Unbundled Bitstream AccessUBA service.
2. During the UCLFS Standard Terms Determination (UCLFS STD, Decision 738 of 24 November 2011) process we used the then current UCLL prices published under Chorus's Unbundled Copper Local Loop Services Standard Terms Determination (UCLL STD, Decision 609 of 7 November 2007) to set the UCLFS prices.¹
3. The UCLFS prices, with the exception of the MFP Service Monthly Charge described in row 2.1 of the UCLFS price list, which explicitly referenced the UCLL price list, were set in monetary terms at the level of the UCLL prices at that time.
4. We used the 2007 UCLL prices, as they were still in the process of being reviewed under section 30R of the Act when we determined the UCLFS STD.² However, we indicated in the UCLFS STD that the core transaction services for UCLFS and UCLL were comparable and should have the same prices. We further stated that we intended to update the UCLFS prices for the core transaction services to reflect the final decisions in the benchmarking review of the UCLL prices to ensure that the prices under the UCLL and UCLFS STDs remained the same.³
5. The UCLL price list was amended on 3 December 2012.⁴ However, due to an oversight, the UCLFS prices (other than the MPF Service Monthly Charge, which adjusted automatically because they were linked to the UCLL price list rather than a specific monetary figure) were not amended and are still the same as the prices published under Chorus's UCLL STD of 7 November 2007).
6. The omission to review the UCLFS prices was drawn to our attention by Telecom around August 2013 and we commenced a section 30R review on 11 December 2013.
7. The scope of our review included the prices for all services identified in the current UCLFS price list and the date(s) from when any amended prices should take effect.

¹ Available at: www.comcom.govt.nz/regulated-industries/telecommunications/standard-terms-determinations/chorus-unbundled-copper-low-frequency-service-std/ and www.comcom.govt.nz/regulated-industries/telecommunications/regulated-services/standard-terms-determinations/unbundled-copper-local-loop-and-unbundled-copper-low-frequency-services/unbundled-copper-local-loop-ucll/.

² The purpose of the UCLL STD review was to update the benchmarking data used to determine UCLL monthly rental and core transaction charges.

³ See paragraphs 86-93 of the UCLFS STD.

⁴ Available at: www.comcom.govt.nz/regulated-industries/telecommunications/regulated-services/standard-terms-determinations/unbundled-copper-local-loop-and-unbundled-copper-low-frequency-services/unbundled-copper-local-loop-ucll/.

8. We have decided that the UCLFS prices should be amended so that the UCLFS and UCLL prices are the same for all equivalent services.
9. We have therefore linked the prices of all services identified in the current UCLFS price list to the UCLL price list, other than the already linked MFP Service Monthly Charge.⁵
10. Therefore:
 - 10.1 the MFP Service Monthly Charge is carried over unchanged to the revised UCLFS price list; and
 - 10.2 our amended UCLFS determination brings the specification of all other UCLFS prices into line with the specification of the MFP Service Monthly Charge, by directly linking the UCLFS prices and UCLL prices for all equivalent services.
11. This means that in future all UCLFS prices will automatically follow the prices for equivalent UCLL, and it will not be necessary to amend the UCLFS prices when the UCLL prices change.
12. We have also decided that the UCLFS prices for the core transaction services should be backdated to apply from the date when the most recent amendments to the UCLL STD became operative, ie, 3 December 2012; and that Telecom may charge Chorus interest on the backdated amounts at the Bill Rate plus 2%.

Legislative framework

The initial pricing principle

13. The Commission is required to make determinations for designated access services under Part 2 of the Act.
14. The determinations must be made in accordance with the pricing principles in the Act. The initial pricing principle (IPP) applies unless a pricing review determination has been made under section 51.
15. UCLFS is a designated access service under section 5 of the Act, as described in Subpart 1 of Part 2 of Schedule 1.
16. Subpart 1 of Part 2 of Schedule 1 also describes the pricing principles applicable to UCLFS.

⁵ Final UCLFS STD Schedule 2 UCLF price list public 24 November 2011, available at: www.comcom.govt.nz/regulated-industries/telecommunications/standard-terms-determinations/chorus-unbundled-copper-low-frequency-service-std/. The MFP Service Monthly Charge already adjusts automatically, in line with any change to the UCLL as the standard monthly rental price was defined in the UCLFS STD as the “geographically averaged price specified under service component 2.1 of the UCLL price list in the UCLL STD”.

17. The UCLFS IPPs are:

Either—

- (a) the geographically averaged price for Chorus's full unbundled copper local loop network; or
- (b) if a person is also purchasing Chorus's unbundled bitstream access service in relation to the relevant subscriber line, the cost of any additional elements of Chorus's local loop network that are not recovered in the price for Chorus's unbundled bitstream access service.

18. The Act, therefore, requires the UCLFS prices to be the same as the geographically averaged UCLL prices except to the extent that the UCLFS prices are adjusted downwards to take account of the additional purchase of Chorus's UBA service.

Amendments to standard terms determinations

19. Section 30R allows the Commission, on its own initiative, to commence a review at any time of all or any of the terms of a standard terms determination.

20. Section 30R of the Act provides as follows:

- (1) The Commission may, on its own initiative, commence a review, at any time, of all or any of the terms specified in a standard terms determination.
- (2) The Commission may replace a standard terms determination or vary, add, or delete any of its terms, if it considers it necessary to do so after conducting a review.
- (3) In exercising the power conferred by subsection (2), the Commission may specify how and when a replacement standard terms determination, or a variation, addition, or deletion of terms specified in the determination, takes effect in relation to—
 - (a) the initial standard terms determination;
 - (b) any relevant residual terms determination.
- (4) The Commission may conduct a review in the manner, and within the time, that it thinks fit.

Scope of the section 30R review

21. The scope of this review included all prices for services identified in the current UCLFS price list and the date(s) from when any amended prices should take effect.

22. In the review paper of 11 December 2013 we set out our preliminary views that:

- 22.1 UCLFS and UCLL were comparable and should have the same prices;
- 22.2 the UCLFS price list should be amended to link all UCLFS prices to the prices of equivalent UCLL so that the prices remained the same; and
- 22.3 the amended UCLFS prices should be backdated to apply from the date when the amended prices under the UCLL STD became operative, ie, 3 December 2012.

23. We also noted that the current final pricing principle (FPP) review determination of the UCLL STD (UCLL FPP process) may result in changes to the core prices determined under the UCLL STD; and that if this occurred, the UCLFS prices would adjust automatically if they were linked to the UCLL prices.

Summary of submissions and cross-submissions

General posture of Chorus and Telecom on our preliminary views

24. We received submissions and cross-submissions on our preliminary views from Chorus and Telecom.
25. Telecom and Chorus both appear to accept that the Commission has the power to revise and backdate the UCLFS prices via section 30R. Both parties further say that the section 18 purpose is a significant consideration in deciding whether or not the UCLFS prices should be backdated.
26. They, however, have different views on when the price revisions should be made; and if they are made now, on whether or not they should be backdated.
27. Chorus opposes the UCLFS prices being amended before the completion of the UCLL FPP process, and also argues that if we do revise the prices now they should not be backdated.
28. Telecom supports the UCLFS prices being amended before the completion of the UCLL FPP process, and argues that they should be backdated to 3 December 2012, being the date when the amended prices under the UCLL STD became operative.
29. The parties' views are set out in more detail in paragraphs 30 – 47.

Submissions and cross-submissions on amendments to the UCLFS prices

Submissions and cross-submissions from Chorus

30. Chorus agrees that the costs for UCLL and UCLFS core transaction services are likely to be the same on an actual cost basis and that it may make sense to align them if they were based on actual cost. However, they disagree that the UCLL prices determined through international benchmarking reflect actual costs.
31. Chorus further points out that it has already been 14 months since the UCLL re-benchmarking decision, and say that there is no evidence that the current difference in the UCLFS and UCLL prices is having any impact on competition in the market or end-users.
32. Chorus argues that given the passage of time and the ongoing UCLL FPP process, the prices should not be linked before the completion of that process, which could be as early as December 2014.

Submissions and cross-submissions from Telecom

33. Telecom disagrees with Chorus's view that the prices for UCLL and UCLFS core transaction services should be based on actual costs as it says that these may not be efficient.
34. Telecom also disagrees with Chorus's view that the UCLFS STD review should wait for the finalisation of the UCLL FPP process and says that:
 - 34.1 there is nothing to suggest that the current UCLL prices are inappropriate;
 - 34.2 there has already been a 14 month delay in aligning the prices of the UCLFS and UCLL core transaction services, and on Chorus's approach there could be a further 18 month delay; and
 - 34.3 delaying the amendments would result in the regulatory framework being completely out of alignment and the pricing reset being contingent on a separate pricing review process, thus undermining the regulatory process.
35. Telecom supports the reasoning in the paper setting out our preliminary views, stating that the section 30R review is merely the (long) expected process to link the UCLFS core transaction service prices to the prices for equivalent UCLL.
36. Telecom says that during the consultation process leading up to the UCLFS STD on 24 November 2011 all the parties (including Chorus) agreed that the UCLFS and UCLL prices for core transaction services should be aligned.
37. Telecom also suggests that the decision on the prices of the core transaction services was in effect made in the UCLFS STD, and that the proposed revisions are simply rectifying the Commission's omission to link these UCLFS prices to the prices of equivalent UCLL.

Submissions and cross-submissions on backdating the prices of the UCLFS core transaction services

Submissions and cross-submissions from Chorus

38. Chorus notes that the link between the price lists of the UCLFS STD and the UCLL STD was only made for the UCLFS MFP Service Monthly Charge and not for the UCLFS core transaction services.
39. Chorus also states that this is the first time the Commission has introduced the idea of backdating in a section 30R review determination and that parties cannot be expected to pre-emptively implement prospective Commission decisions when these outcomes are unclear.
40. Chorus further points out the key differences between a FPP review and a section 30R review noting that:

- 40.1 a FPP review application must be made within a statutory deadline (20 working days after an IPP), while the Commission has a discretion to commence a section 30R review at any time;
 - 40.2 the assumed efficiencies for backdating in the FPP context are not present where prices are reset under the same methodology, ie, the IPP; and
 - 40.3 backdating the prices may have a precedent effect and is likely to send an important signal to the industry regarding our approach to section 30R reviews in the future.
- 41. Chorus also says that the UCLFS prices only affect Telecom (and a small number of Retail Service Providers) and that there is no evidence that Telecom passes this cost on to consumers.
 - 42. Chorus further states that if we were to backdate the UCLFS prices now, they would likely be reversed following the UCLL FPP process. They also propose that if we decide to backdate the prices now, we should make it clear that any pricing changes as a result of the UCLL FPP process will also be backdated.

Submissions and cross-submissions from Telecom

- 43. Telecom argues that backdating the UCLFS prices for the core transaction services supports workable regulatory processes.
- 44. Telecom notes that the Court of Appeal decision in *Telecom v Commerce Commission and Telstra Clear Limited* (an appeal relating to an FPP pricing review) suggests that any decision to backdate should be determined by assessing whether, in the circumstances, backdating best gives effect to the section 18 purpose in the Act.⁶
- 45. Telecom says that Chorus rejected its proposal to agree on the UCLFS prices for the core transaction services before it sought the section 30R pricing review. It argues that Chorus's refusal to adjust those prices is an abuse of their dominant position which the Commission is expressly tasked with controlling under part 2 of the Commerce Act, 1986. It further says that backdating the UCLFS prices will reduce the incentive for parties to exercise market power, which will facilitate competition in the long term interests of end-users.
- 46. Telecom also states that backdating the UCLFS prices for the core transaction services in this case would promote the integrity of the regulatory regime for the following reasons:
 - 46.1 the prices were previously agreed;
 - 46.2 where the intended approach was clear, the Commission should remedy omissions in a manner that does not favour a particular party by implementing the intended approach;

⁶ CA75/05, 25 May 2006.

- 46.3 backdating prices will signal that parties should implement prices themselves (and not profit from a delay in formal processes to update a document) where they are aware that regulated prices are to be updated with effect from a known or future date or event;
 - 46.4 enabling a monopoly access provider to benefit from an oversight would be contrary to the long term interests of end-users; and
 - 46.5 discouraging regulatory arbitrage reduces regulatory costs, for example, by encouraging parties to identify and solve discrepancies and omissions themselves.
47. Telecom says that the Commission made it clear, and all parties (including Chorus) were aware that the prices of the UCLFS core transaction services would be updated once the UCLL pricing benchmarking was finalised. The parties (including Chorus) were therefore all aware that the UCLFS pricing update should have occurred around 3 December 2012 when the determination on the UCLL benchmarking review was made.

Decision on amending the UCLFS prices

UCLFS and UCLL core transaction services are comparable and should have the same prices

48. The UCLFS pricing principles in the Act require the UCLFS prices to be the same as the geographically averaged UCLL prices except where the UCLFS prices need to be adjusted downwards to take account of the additional purchase of Chorus's UBA service.
49. In the UCLFS STD, we indicated that the UCLFS and UCLL core transaction services were comparable and should have the same prices, ie, the prices determined in the UCLL STD. It was further stated in the UCLFS STD that the prices of the UCLFS core transaction services would be reviewed to ensure that the prices remained the same as the updated UCLL prices for the equivalent services.
50. The parties that submitted on the UCLFS STD recognised and supported our view that the UCLFS and UCLL prices for core transaction services should be the same.
51. We do not consider that there is a basis to change our preliminary view that UCLFS and UCLL core transaction services are comparable and should have the same prices:
- 51.1 Chorus agrees that costs are the same for these services and that it may be appropriate for the prices to be aligned; and
 - 51.2 Telecom agrees and notes that both parties, in their submissions on the UCLFS STD, recognised and supported the Commission's view that the UCLFS and UCLL prices should be the same for these services.⁷

⁷ Chorus's real objection is rather that the UCLL (and UCLFS) prices for core transaction services should not be set using a benchmarking methodology, but by using actual costs. Chorus is essentially repeating the

52. We have decided that all UCLFS prices should be amended so that the UCLFS and UCLL prices are the same for equivalent services.
53. We further consider that the UCLFS prices should be amended now. The IPP is, by definition, the best proxy to find the appropriate price in a short period of time, provided the benchmarking process follows a transparent and correct methodology. This means that the IPP is expected to be closer to the real cost than the price in place before the IPP and therefore should be in place until more accurate prices are determined via the FPP methodology.
54. As discussed in paragraphs 57 – 58, the UCLFS prices will automatically follow the UCLL prices if these are adjusted as a result of the UCLL FPP process.

Methodology to align the UCLFS and UCLL prices

55. Chorus correctly notes that apart from the MFP Service Monthly Charge, the UCLFS prices were not linked to the UCLL price list, but were only determined in specific monetary terms.
56. In contrast, the MFP Service Monthly Charge was defined in the UCLFS STD price list as the “geographically averaged price specified under service component 2.1 of the UCLL price list in the UCLL STD” and adjusted automatically when the UCLL prices were amended on 3 December 2012.
57. We consider that the UCLFS price list should be amended to link all service components prices to the UCLL price list so that the prices of all equivalent UCLFS and UCLL remain the same, including where the UCLL price changes are backdated.
58. Removing all dollar terms from the UCLFS price list will result in automatic updates following the UCLL FPP process and any future reviews of UCLL prices.
59. We have not made any change to the current UCLFS MFP Service Monthly Charge since this is already linked to the UCLL price list. The remaining price specifications on the current UCLFS price list are amended to directly link the UCLFS prices and the UCLL prices for equivalent services.
60. A copy of the STD UCLFS price list incorporating the amendments is attached as Attachment 1.

Decision on the backdating the prices of the UCLFS core transaction services

61. Our preliminary view was that the new prices should apply from the date when the pricing amendments to the UCLL STD became operative, ie, 3 December 2012. Chorus and Telecom have opposing positions, and place emphasis on different considerations to support their positions.

arguments it made in the UCLL STD process because it disagrees with the Commission’s benchmarking approach set out in the UCLFS STD.

62. Telecom argues that in this case, backdating the UCLFS prices for the core transaction services is consistent with the section 18 purpose and is simply a “mechanical process” to implement the expected and previously agreed price update.
63. In contrast, Chorus draws on the differences between a FPP review and a section 30R review and suggests that backdating the prices would not be consistent with the section 18 purpose. Chorus further suggests that it would be unreasonable to expect firms to react pre-emptively to demands before determinations are made.
64. We have assessed all the submissions and cross-submissions in reaching our decision on backdating. These are not discussed individually in the determination given our approach to the backdating decision.

Error correction

65. In essence, we consider that backdating the UCLFS prices for the core transaction services is the correction of an omission to align the UCLFS prices when the UCLL prices for these services were amended, consistent with our previously stated intention.
66. The UCLFS STD states that, once the new connection and transfer prices were reviewed under the UCLL STD, the same prices should apply to UCLFS:

“63. This geographically averaged price will be reviewed as part of the expanded review considering updating the UCLL monthly rental prices and connection prices to reflect current benchmarks for UCLL prices, to ensure that the IPP continues to apply for the UCLFS Service.

86. In the draft UCLFS Service STD the Commission provided, in addition to the monthly rental prices, for the following core charges, at the same price as was proposed for comparable services under the review to update the UCLL monthly rental prices and core transaction charges to reflect current benchmarks for UCLL prices:

- connection charge, where no site visit is required - \$53.57
- bulk transfers - \$40.18
- new connections, which require a site visit - \$160.71.

87. The Commission noted that it intended to update these charges to reflect the final decisions made in the review of the current UCLL charges for the final UCLFS Service STD.

88. Chorus agreed that a consistent approach should be taken to other UCLFS Service core charges and that these should be aligned with comparable charges for the UCLL service.

89. Vodafone submitted that they agreed with the Commission’s pricing generally.

90. As noted in paragraph 60 above, the Commission has today released a decision in relation to the section 30R review determining a geographically averaged monthly price

for the UCLL Service, as required by the Amendment Act, which will apply from three years after separation day. The Commission has also indicated that it will be continuing work on the review considering updating the UCLL monthly rental prices and connection prices to reflect current benchmarks for UCLL prices.

91. As a consequence, the prices for these core prices for the UCLL service have not been changed.

92. The Commission, therefore, determines that the following prices for other UCLFS Service core prices should apply (based on comparable prices for the UCLL service):

connection price, where no site visit is required - \$74.83

bulk transfers - \$56.12

new connections, which require a site visit - \$225.

93. These prices will, however, be reviewed as part of the expanded review considering updating the UCLL monthly rental prices and connection prices to reflect current benchmarks for UCLL prices, to ensure that comparable prices under both the UCLL and UCLFS Service STDs remain the same.”

67. We should have amended the UCLFS prices for the core transaction services when the UCLL prices were amended consistent with our public statements. While Telecom could have requested the Commission to amend the UCLFS prices sooner than it did, we consider that it would be unjust if, due to our omission, Telecom was not able to recover the amounts it paid in excess of what it should have paid.

Section 18 purpose

68. On balance we also consider that, in these circumstances, the purpose of section 18 would be better served by backdating the UCLFS prices for the core transaction services.
69. The general terms of the STDs encourage parties to resolve disputes and only come to the Commission when a dispute reaches a deadlock. In this instance, Telecom attempted to reach a commercial agreement with Chorus.
70. The backdating of the UCLFS prices for the core transaction services in this case will make it clear to the industry that the Commission expects parties to be able to identify the need to introduce clarifications in regulatory documents and that postponing the adoption of a regulated price and/or delaying a clarification is not a solution.
71. We consider that backdating to correct a clear omission will promote the prompt and efficient resolution of similar matters in the future. We consider that such an outcome is consistent with good regulatory practice and will, in a broad sense, promote the section 18 objectives.
72. In this regard, we do not agree that backdating the prices in this case would create regulatory uncertainty. In particular:

- 72.1 our approach to setting the UCLFS prices for the core transaction services was clear to all parties (including Chorus);
 - 72.2 the parties (including Chorus) agreed that the UCLL and UCLFS prices for the core transaction services should be aligned;
 - 72.3 we stated publicly that the UCLFS prices for the core transaction services would be updated following the UCLL benchmarking review to ensure that the prices for equivalent services remained the same.
73. In a declaratory judgment proceeding relating to an FPP review, the Court of Appeal concluded that the purpose of section 18 would be better served by backdating the prices to the start of the initial determination because this would result in a more efficient price between the access seeker and access provider.⁸ We consider that the same reasoning may well be applicable to the backdating of the UCLFS prices in this case.
74. Lastly, there is no prospect that backdating the UCLFS prices for the core transaction services would have any adverse effect on competition in the market or on end-users of telecommunications services. Chorus is the only person who is adversely affected and has made no suggestion that backdating these prices might have such an effect.

Conclusions on backdating

75. Based on the above considerations we consider that backdating the prices of the UCLFS core transaction services would:
- 75.1 correct a clear and unambiguous error by us; and
 - 75.2 give better effect to the purpose of section 18 (and at the very least, is not inconsistent with the section 18 purpose).
76. We have therefore decided to backdate the UCLFS prices for the core transaction services to 3 December 2012, being the date the pricing amendments to the UCLL STD became operative and also the date suggested in the paper setting out our preliminary views.
77. In reaching our decision we recognise that the issue of backdating must be assessed on a case-by-case basis and in light of the application of the section 18 purpose to the particular circumstances.
78. Accordingly, the decision to backdate the UCLFS prices in this case should not be seen as an indication that other section 30R amendments of prices (or FPP determinations) would necessarily be backdated.

⁸ *Telecom New Zealand Ltd v Commerce Commission* CA75/05, 25 May 2006 at [15] and [41].

Interest on the backdated amount

79. We consider that Telecom should be able to charge Chorus interest on the difference between the amount it paid for the UCLFS core transaction services and the amount it would have paid under the backdated prices.
80. We have decided that the appropriate rate of interest for the period from 3 December 2012 is the Bill Rate plus 2%, being the rate specified in clause 16.5.2 of the UCLFS General Terms dated 24 November 2011.⁹

⁹ Available at www.comcom.govt.nz/regulated-industries/telecommunications/regulated-services/standard-terms-determinations/unbundled-copper-local-loop-and-unbundled-copper-low-frequency-services/unbundled-copper-low-frequency-uclf/

**Attachment 1 - Standard Terms Determination price list for Chorus's UCLFS
incorporating amendments to 23 April 2014**



**STANDARD TERMS DETERMINATION PRICE LIST
FOR CHORUS'S UNBUNDLED COPPER LOW
FREQUENCY SERVICE**

**SCHEDULE 2
UCLFS PRICE LIST
PUBLIC VERSION**

Incorporating amendments up to 24 April 2014



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1 Introduction

- 1.1 This schedule sets out the charges for the UCLFS Service. Where this price list refers to a price in the UCLL STD, changes to the relevant UCLL price shall apply in relation to UCLFS in the same manner and from the same date as the UCLL price change takes effect (including where the UCLL price change is backdated), unless a determination or decision by the Commission specifically provides otherwise.
- 1.2 References to clauses or sections are references to clauses or sections in this UCLFS Price List unless expressly provided otherwise. The definitions set out in the UCLFS General Terms and the UCLFS Operations Manual apply to the extent that they are not expressly modified by or inconsistent with the context of this UCLFS Price List.

2 Charges

- 2.1 Each charge is described in the table below as being either a Core Charge ('C') or a Sundry Charge ('S').
- 2.2 **Core Charges** are for the core components of the UCLFS Service.
- 2.3 **Sundry Charges** are for other components of the UCLFS Service (**ancillary services**).
- 2.4 Charges will become due and payable and will be invoiced in the manner described in the table below.
- 2.5 The provisions in the UCLFS General Terms relating to invoicing and payment of charges apply.
- 2.6 All prices in this schedule exclude GST
- 2.7 When the Access Seeker is purchasing the UCLFS Service in conjunction with a UBA service the charges for the UBA service must be deducted from the costs of the related UCLFS Service.

3 Adjustment to Sundry Charges

- 3.1 Chorus must pass through changes in costs by increasing or decreasing Sundry Charges on the same date(s) and by the same amount(s) of any changes to charges for equivalent service components of the UCLL STD, Schedule 2 price list which are approved by the Commission.
- 3.2 Once an adjustment has been made under clause 3.1, Chorus must give notice to the Commission of the adjustment within five working days. The notice must include:
- 3.2.1 a description of the adjustment made; and
 - 3.2.2 the reasons for the increase or decrease.

UCLFS SERVICES - PRICE LIST

1 UCLFS MPF Service Transaction Charges

Service Component	Description	Core or Sundry	Charge Invoiced	Price Change Mechanism	Charge
1.1 MPF New Connection	The establishment of a new service instance of the MPF Service (i.e. there is no MPF Transfer). The service is established from spares or intact circuits with an existing service lead into the building. That is, it utilises an existing MPF that is not currently used for the provision of telecommunications services.	C	Following notification by Chorus of completion of Order		All MPF service transaction charges specified under the equivalent service components of the UCLL STD, Schedule 2 price list.
	Establishment of a new service instance of the MPF Service on to an existing instance of the UBA Service. The service is established from spare or intact circuits with an existing service lead into the building. That is, it utilises an existing MPF that is not currently used for the provision of telecommunications services.	C	Following notification by Chorus of completion of order		
1.2 MPF Transfer	The transfer of the MPF Service connected to an End User's premises from one Access Seeker to another, as authorised by the End User.	C	Following notification by Chorus of completion of Order		
	The transfer of the MPF Service connected to the UBA Service without the contemporaneous transfer of the UBA Service from one Access Seeker to another, as authorised by the End User.	C	Following notification by Chorus of completion of order		
1.3 Other Service to MPF Transfer	The transfer of an End User from services (other than the MPF Service) provided over Chorus's Local Loop Network to an MPF Service, as authorised by the End User.	C	Following notification by Chorus of completion of Order		
1.4 Cabinetisation related transfers	The migration of an End User from a UCLL Service to the MPF Service contemporaneously with the installation of a new cabinet or cabinet based equipment, as authorised by the Access Seeker.	C	Following notification by Chorus of completion of order		
	The migration of an End User from a UCLL Service to the MPF Service connected to the UBA Service contemporaneously with the installation of a new cabinet or cabinet based equipment, as authorised by the Access Seeker.	C	Following notification by Chorus of completion of order		
1.5 Bulk Transfer	Project management and additional transaction resources for coordination of multiple MPF related transfers (see full requirements in UCLFS Operations Manual) at the same exchange.	S	Following notification by Chorus of completion of Order		

Schedule 2
UCLF Price List

Service Component	Description	Core or Sundry	Charge Invoiced	Price Change Mechanism	Charge
1.6 Exception to BAU Support	Project management and additional transaction resources for coordination of new connection and/or transfers of MPF Service submitted for a one-off market event (see full requirements in UCLFS Operations Manual).	S	Following notification by Chorus of completion of Order		
1.7 Bulk line transfer for a single End User support	Project management and additional transaction resources for coordination of transfers of 10 or more MPFs for single End User (see full requirements in UCLFS Operations Manual).	S	Following notification by Chorus of completion of Order		
1.8 MPF Relinquishment	Where the Access Seeker terminates supply of the MPF Service in respect of a particular Access Seeker's End User. This entails Chorus updating its records and billing. Chorus may either physically disconnect the MPF at any point between the exchange and the End User's premises or leave the MPF circuit intact.	C	Following notification by Chorus of completion of Order		
1.9 MPF Move Address	Project management of the coordinated MPF Relinquishment and MPF New Connection. The cost of the MPF Relinquishment and MPF New Connection are charged separately as outlined in service components 1.1 and 1.7.	S	Following notification by Chorus of completion of Order	Clause 3.1	
1.10 Tie Cable Service installation	Charge for Chorus installing the copper tie cable pairs used to connect the HDP on Chorus's MDF and the network cable to remotely located Access Seeker Equipment. (See full requirements in UCLFS Operations Manual.)	S	Following notification by Chorus of completion of Order		

2 UCLFS MPF Service Recurring Charges

Service Component	Description	Core or Sundry	Charge Invoiced	Price Change Mechanism	Charge
2.1 MPF Service Monthly Charge	Standard Monthly rental.	C	Monthly		Where the Access Seeker is purchasing the UCLFS Service alone, the monthly charge for the UCLFS Service is the Geographically Averaged Price specified under service component 2.1 of the UCLL Price List in the UCLL STD or Where the same Access Seeker is purchasing the UBA Service with the UCLFS Service, the monthly charge for the UCLFS Service is zero.
2.2 Tie Cable Service space rental charge	Monthly space rental charge per cable for copper tie cable pairs used to connect the HDP on Chorus's MDF and the network cable to remotely located Access Seeker Equipment.	C	Monthly		The charge equals the equivalent service component of the UCLL STD, Schedule 2 price list. This charge (external cable rate) is specified under the UCLL Co-location STD, Decision 609.

3 UCLFS ancillary services

Service Component	Description	Core or Sundry	Charge Invoiced	Price Change Mechanism	Charge
3.1 Unauthorised Automatic Address Pre-qualification Order	Order by an Access Seeker for the automatic provision of information relating to an End User's existing service address when the Access Seeker does not have End User authorisation to supply services to the End User's service address	S	Following provision of information		All ancillary services charges specified under the equivalent service components of the UCLL STD, Schedule 2 price list.
3.2 Authorised Automatic Address Pre-qualification Order	Order by an Access Seeker for the automatic provision of information relating to an End User's existing service address where the Access Seeker has obtained End User authorisation to supply services to the End User's service address	S	Following provision of information		
3.3 Special Manual Pre-qualification Investigation Order	Order by an Access Seeker for information relating to an End User's new service address where the Access Seeker has obtained End User authorisation to supply services to the End User's service address	S	Following provision of information	Clause 3.1	
3.4 Manual line testing	Measurements performed by a specialist group of service company staff to ascertain actual rather than theoretical estimated MPF electrical characteristics, such as might be required when an estimated result has returned a value that is marginal for an intended service	S	Following completion of special investigation	Clause 3.1	
3.5 MPF Tie Pair Change or Re-termination	An MPF pair change or re-termination requiring the changing of jumpers/pair change at the Handoff Distribution Point (HDP) to effect a port change	S	Following completion of re-termination	Clause 3.1	
3.6 No fault found	Fixed charge for fault call that is closed "no Chorus fault found"	S	Following completion of fault investigation	Clause 3.1	
3.7 Third Party Interference Investigation	Hourly charge for detailed investigation where Access Seeker believes its utilisation of an MPF Service is being impaired by third party breach of Interference Management Plan. If the third party in breach is another Access Seeker, the charge will be paid by that Access Seeker. Otherwise charge paid by the Access Seeker requesting the service	S	Following completion of investigation		
3.8 Abortive End User site visit	Fixed charge for abortive End User site visit required for MPF Service where, for a reason not caused by Chorus, visit doesn't proceed	S	Following site visit cancellation	Clause 3.1	
3.9 Cancellation of Bulk Transfer Service request	Charge for cancelled Bulk Transfer Service order	S	Following cancellation of Bulk Transfer Service request		

Schedule 2
UCLF Price List

Service Component	Description	Core or Sundry	Charge Invoiced	Price Change Mechanism	Charge
3.10 Additional OO&T Training	Charge for Access Seeker staff training (at Access Seeker's site) on the operation and use of OO&T. Maximum of 10 persons per course.	S	Following completion of training	Clause 3.1	
3.11 Additional OFM Training	Charge for Access Seeker staff training (at Access Seeker's site) on the operation and use of OFM. Maximum of 10 persons per course.	S	Following completion of training	Clause 3.1	
3.12 OO&T License Fee	Monthly software license fee for OO&T	S	Monthly		
3.13 OFM License Fee	Monthly software license fee for OFM	S	Monthly		
3.14 Additional copies of invoice	Hardcopies of invoices as requested by Access Seeker	S	Following provision of additional copies of invoice Monthly	Clause 3.1	
3.15 Additional billing information	Providing any additional billing information requested by the Access Seeker over and above that reasonably required to enable the Access Seeker to check the accuracy of invoices	S	On provision of the additional billing information Monthly		
3.16 Tie Cable Maintenance Charge	Maintenance of the tie cable.	S	Following completion of work		
3.17 Fixing fault which Access Seeker no right of access	Charge for fixing of fault by Chorus, at Access Seeker's request, where Access Seeker is responsible for the fault, but has no right of access.	S	On completion of fault rectification		