



COMMERCE COMMISSION

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

**SERVICE APPENDIX 3, SCHEDULE 2
SUB-LOOP BACKHAUL PRICE LIST**

PUBLIC VERSION

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TABLE OF CONTENTS

1 INTRODUCTION 3

2 CHARGES 3

3 ADJUSTMENT TO SUNDRY CHARGES 4

TABLE OF SUB-LOOP BACKHAUL SERVICE CHARGES 6

1 SUB-LOOP BACKHAUL SERVICE TRANSACTION CHARGES 6

2 SUB-LOOP BACKHAUL SERVICE RECURRING CHARGES 9

3 SUB-LOOP BACKHAUL SERVICE ANCILLARY SERVICES 12

1 INTRODUCTION

- 1.1 This schedule sets out the Charges for the Sub-loop Backhaul Service at the date the Sub-loop Backhaul Terms takes effect and provides a mechanism to make any adjustments to the Charges.
- 1.2 References to clauses or sections are references to clauses or sections in this Sub-loop Backhaul Price List unless expressly provided otherwise. The definitions set out in the Sub-loop Services General Terms and the Sub-loop Backhaul Operations Manual apply to the extent that they are not expressly modified by or inconsistent with the context of this Sub-loop Backhaul 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 Sub-loop Backhaul Service.
- 2.3 **Sundry Charges** are for other components of the Sub-loop Backhaul Service (**ancillary services**). These charges are either:
- (a) fixed;
 - (b) calculated on a fixed hourly rate; or
 - (c) expressed as "price on application" (**POA**), which must reflect the underlying cost of providing the resources and project management skills required to provide the ancillary service.
- 2.4 For all POA price service components, Telecom must, if requested by the Access Seeker, use all reasonable endeavours to provide the Access Seeker with two or more competitive quotes.
- 2.5 Charges will become due and payable and will be invoiced in the manner described in the table below.
- 2.6 The provisions in the Sub-loop Services General Terms relating to invoicing and payment of Charges apply.
- 2.7 All Charges in this schedule exclude GST.
- 2.8 All adjustments to Charges must be approved by the Commission.

3 ADJUSTMENT TO SUNDRY CHARGES

3.1 Telecom must, subject to the approval of the Commission, pass through changes in costs by increasing or decreasing Sundry Charges as follows:

- (a) Each year, on the anniversary of the date the Sub-loop Services Standard Terms Determination came into effect (**Review Date**), Telecom must adjust the Sundry Charges that are shown in the Price List table below (in the column "Price Change Mechanism" and identified as "clause 3.1(a)") by an amount equivalent to the percentage change (up or down) for the previous year in the Labour Cost Index (Communication Services) Series Reference LCIQ.SE49J9 as published by Statistics New Zealand.

For the purpose of this clause 3.1(a), the previous year is the period which commences on the quarterly index date immediately prior to the previous Review Date (or, for the first review, the date the Sub-loop Services Standard Terms Determination came into effect) and ends on the quarterly index date immediately prior to the Review Date.

- (b) Where:
 - (i) the cost of providing one of the service components that are shown in the Price List table below (in the column "Price Change Mechanism" and identified as "clause 3.1(b)") increases or decreases; and
 - (ii) that increase or decrease is due to changes in input costs charged to Telecom pursuant to contractual obligations by its field service company contractors,

Telecom must immediately adjust the Sundry Charge relating to that service component to reflect the increase or decrease in costs.

3.2 When adjusting the Sundry Charges under clause 3.1(a), Telecom must also review all Sundry Charges which are POA and provide a fixed price where this is practicable.

3.3 Once an adjustment has been calculated under clause 3.1, Telecom must give notice to the Commission of the adjustment. The notice must include:

- (a) a description of the adjustment made; and
- (b) the reasons for the increase or decrease.

- 3.4 Any adjustment to a Sundry Charge shall take effect from the date the Commission approves the adjustment.

TABLE OF SUB-LOOP BACKHAUL SERVICE CHARGES

1 SUB-LOOP BACKHAUL SERVICE TRANSACTION CHARGES

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
1.1 Sub-loop Backhaul Service New Connection ¹	A new connection of the Sub-loop Backhaul Service via fibre utilising an optical interface Connection only	C	Following notification of completion of Order		Cabinet-end = \$541 Exchange-end = \$4,030
1.2 Sub-loop Handover Fibre Installation	Telecom installing the Access Seeker's Sub-loop Handover Fibre between: <ul style="list-style-type: none"> • the Distribution Cabinet Manhole and the OFDF or equivalent facility; or • the Local Exchange Manhole and 	S	Following notification of completion of Order		Price on Application (POA) Based upon cost of time and materials (including a 10% contribution towards common costs, unless already recovered)

¹ The connection charge at each end of the service does not vary depending on the number of fibres purchased by the Access Seeker.

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
	the Local Exchange OFDF				
1.3 Sub-loop Backhaul Connection installation	<p>Telecom installing the Access Seeker's Sub-loop Backhaul Connection between:</p> <ul style="list-style-type: none"> • the Access Seeker Equipment in the Sub-loop Co-location Service Area in the Distribution Cabinet and the OFDF or equivalent facility; or • the Access Seeker Equipment in the UCLL Co-location Service Area in the Local Exchange and the OFDF 	S	On completion of installation		<p>Price on Application (POA)</p> <p>Based upon cost of time and materials (including a 10% contribution towards common costs)</p>

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
1.4 Relinquishment of Access Seeker Backhaul Connection or Backhaul Handover Fibre	Relinquishment of an existing Access Seeker Backhaul Connection or Backhaul Handover Fibre. Charge covers time and materials to remove an existing Backhaul Connection or Backhaul Handover Fibre and cables and equipment	S	On completion of relinquishment		Price on Application (POA) Based upon cost of time and materials (including a 10% contribution towards common costs, unless already recovered)
1.5 Sub-loop Backhaul Change Order	Project management and co-ordination of Change Orders (a change in configuration). If the change requires a new connection and/or relinquishment these will be charged for separately	S	On completion of change order	Clause 3.1(a)	\$100.00 per hour Pricing reflects the fully allocated cost of project management
1.6 Sub-loop Backhaul Service Relinquishment	Relinquishment of supply of an existing Sub-loop Backhaul Service connection	C	Following notification by Telecom of completion of Order		No charge

2 SUB-LOOP BACKHAUL SERVICE RECURRING CHARGES

Service component	Description	Core or sundry	Charge becomes due	Price change mechanism	Charge
2.1 Sub-Loop Backhaul Service	Monthly Charge for the Sub-loop Backhaul Service	C	Monthly in advance from completion of order		<p>Priced on a cabinet-by-cabinet basis according to the proportion of fibres used by the Access Seeker using the following formula:</p> $A = B \times \left(\frac{C}{D} \right) + E$ <p>Where: A = the monthly charge paid by the Access Seeker</p> <p>B = monthly passive equipment costs for an Urban Distribution Cabinet (\$1,911 per month) or monthly passive equipment costs for a Non-urban</p>

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge becomes due	Price change mechanism	Charge
					<p>Distribution Cabinet (\$3,197 per month)²</p> <p>C = the number of fibres provided to the Access Seeker between the Distribution Cabinet and Local Exchange in respect of the Sub-loop Backhaul Service</p> <p>D = the total number of fibres used between the Distribution Cabinet and Local Exchange (other than any fibre used by Chorus for the purpose of supporting, and monitoring the performance of, the Sub-loop Services provided that no</p>

² "Urban" and "Non-urban" Distribution Cabinets are as defined in the Sub-loop UCLL Price List.

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge becomes due	Price change mechanism	Charge
					Access Seeker or other customers will be served off that fibre); and E = monthly active equipment costs (\$430 per month)
2.2 Sub-loop Backhaul Connection space rental charge.	Monthly space rental charge for Sub-loop Backhaul Connection co-located on Telecom property	C	Monthly in advance from completion of order		Cabinet-end = No charge Exchange-end = \$27.09
2.3 Sub-loop Handover Fibre space rental charge.	Monthly space rental charge for Sub-loop Handover Fibre co-located on Telecom property	C	Monthly in advance from completion of order		Cabinet-end = \$6.66 Exchange-end = \$27.09
2.4 Handover Fibre rental	Monthly rental for the Handover Fibre	S	Monthly in advance from completion of order	Clause 3.1(a) and 3.1(b)	\$212.30 Based on an underlying service cost including maintenance of [] TNZRI-CH plus a mark

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge becomes due	Price change mechanism	Charge
					up of [] TNZRI-CH to cover common costs

3 SUB-LOOP BACKHAUL SERVICE ANCILLARY SERVICES

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
3.1 No Fault Found	Fixed charge for a fault call that is closed "no Telecom fault found"	S	Following completion of fault investigation	Clause 3.1(b)	\$104.17Based on a service company cost of [] TNZCOI-CH plus [] TNZCOI-CH administration charge and [] TNZCOI-CH to cover the estimated direct front office costs to manage each transaction. [] TNZRI-CH mark up to cover common costs.

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
3.2 Additional OO&T Training	Access Seeker staff training (at Access Seeker's site) on the operation and use of OO&T. Maximum 10 persons per course.	S	Following completion of training	Clause 3.1(a)	\$100.00 per hour plus actual travel costs (as applicable, the costs of airplane flights, public transport fares, taxi fares and standard mileage rates for motor vehicles as published by Inland Revenue) to Access Seeker's site. Hourly rate reflects fully loaded cost of skilled employee to run training.

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
3.3 Additional OFM Training	Access Seeker staff training (at Access seeker site) on the operation and use of OFM. Maximum 10 persons per course	S	Following completion of training	Clause 3.1(a)	\$100.00 per hour plus actual travel costs (as applicable, the costs of airplane flights, public transport fares, taxi fares and standard mileage rates for motor vehicles as published by Inland Revenue) to Access Seeker's site. Hourly rate reflects fully loaded cost of skilled employee to run training.
3.4 OO&T Licence Fee	Monthly software licence fee for OO&T	S	Monthly in advance		\$24.00 per Access Seeker per month
3.5 OFM Licence Fee	Monthly software licence fee for OFM	S	Monthly in advance		\$24.00 per Access Seeker per month

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
3.6 Additional Copies of Invoice	Hard copies of invoices as requested by Access Seeker	S	Following provision of additional copies of invoice	Clause 3.1(a)	<p>\$100.00 per invoice</p> <p>Based on per line itemisation and average forecast invoice length plus time and materials of person to prepare and courier charge</p>
3.7 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		<p>Price on Application (POA)</p> <p>Based on time and material of person to prepare and deliver information</p>
3.8 Order Cancellation (Pre Truck Roll)	Cancellation of an order after RFS Date notified to Access Seeker but before truck roll confirmed	S	Upon cancellation	Clause 3.1(a)	<p>\$4.40</p> <p>Price reflects a \$4.00 administration cost and time plus a 10% mark up to cover common costs unless already recovered</p>

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
3.9 Order Cancellation (Post Truck Roll)	Cancellation of an Order after RFS date notified to Access Seeker and after truck roll confirmed	S	Upon cancellation	Clause 3.1(b)	<p>\$61.38</p> <p>Based on a service company cost of [] TNZCOI-CH plus [] TNZCOI-CH administration charge and [] TNZCOI-CH to cover the estimated direct front office costs to manage each transaction. [] TNZRI-CH mark up to cover common costs.</p>
3.10 Backhaul Connection or Handover Fibre repair charge	Repair of the Handover Fibre or Backhaul Connection or where Access Seeker is responsible for fault but has no right of access.	S	Upon completion of repair		<p>Price on Application (POA)</p> <p>Based upon cost of time and materials (including a 10% contribution towards common costs, unless already recovered)</p>

SERVICE APPENDIX 3, SCHEDULE 2 – SUB-LOOP BACKHAUL PRICE LIST

Service component	Description	Core or sundry	Charge invoiced	Price change mechanism	Charge
3.11 Abortive site visit	Abortive site visit where, for a reason not caused by Telecom, visit doesn't proceed.	S	Following site visit cancellation	Clause 3.1(b)	<p>\$79.85</p> <p>Based on a service company hourly cost of [] TNZCOI-CH plus [] TNZCOI-CH administration charge and [] TNZCOI-CH to cover the estimated direct front office costs to manage each transaction. [] TNZRI-CH mark up to cover common costs (rounded up to nearest dollar)</p>