

PONFAS Price Principles

Introduction

This paper sets out the principles used to determine a price for the Chorus Passive Optical Network Fibre Access Service (PONFAS).

PONFAS provides an unbundled point to multipoint or aggregated fibre point to multipoint fibre service that provides Access Seekers with the ability to offer passive optical network solutions between active equipment located in, or served by, a Chorus Central Office and an ONT installed at an end customer premises.

The objective of this Document is to:

- Inform service providers about the approach Chorus is using to set the PONFAS price, due for release at the end of March 2019;
- Support better-informed conversations during the price feedback period post March 2019.

It should be noted Principles are not rules. Sometimes and in some applications, two principles might conflict, Chorus will weigh these according to business requirements.

The Principles

1. Prices are set within the new regulatory framework including our open access obligations.
2. Pricing structure reflects the PONFAS product construct that Chorus has released and consulted on with the industry.
3. We believe this is an appropriate commercial approach that provides sufficient margin to an efficient operator while also considering the needs of the industry overall and the regulatory environment.
4. Pricing ensures Chorus can continue to invest in and maintain its infrastructure to a high quality for all industry participants through providing ongoing economic returns on its investments in fibre.
5. The price of an unbundled service enables Chorus to recover the costs associated with providing that service required by the Telecommunications Act.
6. Pricing assumes that RSPs will serve customers over the full range of plans across the portfolio.
7. One off Service Company charges are passed through directly to RSPs with the addition of a charge to cover Chorus' administration costs.
8. PONFAS is a service to the end-user's premises and all charges are the same regardless of what purpose the service is used for.