

Final pricing principle

Outlining the changes and what they mean for you

On 15 December 2015 the Commerce Commission set the final prices for layer 1 (UCLL/SLU and layer 2 (UBA) copper services, alongside the various non-recurring charges associated with those products.



Summary of our price ranges

The changes affect the monthly rental, transaction and ancillary charges for the following products

Product	Reason	Effective date	Contract
Baseband	FPP flow through from UCLFS	16 Dec 2015	CSA
UBA	FPP	16 Dec 2015	STD
Basic VDSL	FPP alignment	16 Dec 2015	STD/CSA
Boost VDSL	FPP alignment	16 Dec 2015	CSA
UBA Backhaul	FPP alignment, LCI adjustment	16 Dec 2015	STD
UCLL	FPP	16 Dec 2015	STD
UCLL Backhaul	FPP alignment	16 Dec 2015	STD
UCLL Co-location	FPP alignment, LCI adjustment	16 Dec 2015	STD
Sub Loop UCLL	FPP	16 Dec 2015	STD
SLU Backhaul	FPP alignment, LCI adjustment	16 Dec 2015	STD
SLU Co-Location	FPP alignment, LCI adjustment	16 Dec 2015	STD

SLES	FPP alignment	16 Dec 2015	CSA
Commercial Backhaul	FPP alignment, LCI adjustment	16 Dec 2015	CSA
Exchange Space	FPP alignment, LCI adjustment	16 Dec 2015	CSA
NGHS	FPP alignment	16 Dec 2015	CSA
Handover Products	FPP alignment	16 Dec 2015	CSA
Enhanced Co-Location	FPP alignment	16 Dec 2015	CSA

Key impacts on monthly rental

Product	New price - effective 16 Dec 15*	Current price	Impact
UCLL	\$29.75	\$23.52	\$6.23
SLU	\$15.52	\$14.21	\$1.31
SLU	\$15.52	\$14.21	\$1.31
SLES	\$14.23	\$11.21	\$3.02
Baseband Copper Standalone	\$29.75	\$23.52	\$6.23
Baseband IP Standalone	\$29.75	\$23.52	\$6.23
Baseband IP Extended Standalone	\$35.25	\$29.02	\$6.23
Basic UBA (including Enhanced UBA 0)	\$41.19	\$34.44	\$6.75
Basic VDSL	\$41.19	\$34.44	\$6.75
Enhanced UBA 40	\$43.62	\$36.77	\$6.85
Enhanced UBA 90	\$44.22	\$37.34	\$6.88
Enhanced UBA 180	\$45.30	\$38.37	\$6.93
Boost 1 GBps HOC	\$152.72	\$318.45	-\$165.73

Shared 1GBps HOC	\$152.72	\$318.45	-\$165.73
Single 1 GBps HOC	\$152.72	\$212.30	-\$59.58
Handover Fibre	\$11.06	\$27.09	-\$16.03

* Prices are effective 16 December 2015 and will change in line with the FPP

Key impacts on transaction charges

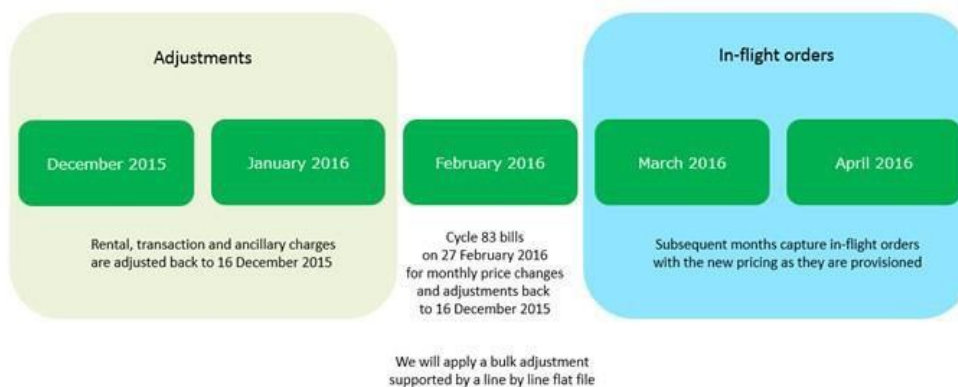
Charge	New price - effective 16 Dec 15*	Current price	Impact
No fault found	\$88.34	\$112.63	-\$24.29
Abortive site visit	\$32.01	\$99.66	-\$67.65
Baseband transfer	\$45.35	\$70.46	-\$25.11
Baseband new connection (no site visit)	\$45.35	\$70.46	-\$25.11
Baseband new connection (site visit)	\$131.27	\$155.10	-\$93.73
Broadband new (remote connection)	\$6.94	\$15.85	-\$8.91
Broadband new connection (site visit)	\$131.27	\$169.73	-\$38.46
Broadband new connection (exchange or cabinet visit)	\$45.35	\$73.51	-\$28.16
Broadband transfer	\$6.94	\$15.85	-\$8.91
Cancellation (post truck roll)	\$32.01	\$99.66	-\$67.65
Cancellation (pre truck roll)	\$8.21	\$4.94	\$3.27
UCLL new connection (no site visit)	\$45.35	\$70.46	-\$25.11

UCLL new connection (site visit)	\$131.27	\$155.10	-\$23.83
UCLL transfer	\$45.35	\$70.46	-\$25.11

* Prices are effective 16 December 2015 and will change in line with the FPP.

Billing

The price changes cover monthly rental, transaction and ancillary charges and will take place from the first bill run on 27 February 2016, including adjustments back to 16 December 2015. We will capture in-flight orders over subsequent months.



Please note: there is no structural change to the format of the bill, only the price points are changing.

How are we implementing the price changes?

Rentals

Using bill cycle 83 as an example of how we will flow through the changes:

1. The rental charges that we bill for in advance show on your 27 February 2016 bill at the new price
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2. We will apply a bulk adjustment on your 27 February 2016 bill to correct previous months' charges
3. When we provide the bulk adjustment we will also provide a report that shows a line level adjustment with the ASID
4. Pricing for these rental charges will be correct from your 27 February 2016 bill onwards for the charges starting from 1 March 2016
5. We will be managing In-flight rental charges by including these as part of the future months' adjustments

Cycle	Billed charges	Bill date	Run date	Adjustments applied on the bill
83	01 Mar 16 to 31 Mar 16	27 Feb 16	26 Feb 16	16 Dec 15 to 29 Feb 16
81	01 Mar 16 to 31 Mar 16	10 Mar 16	09 Mar 16	16 Dec 15 to 29 Feb 16
89	19 Mar 16 to 18 Apr 16	21 Mar 16	20 Mar 16	16 Dec 15 to 18 Mar 16

Transaction and ancillary charges

- If your service is provided prior to 16 December 2015, you will receive the pre 16 December 2015 charges
- If your service is provided after 16 December 2015 then you will receive the new charges
- If your order was placed prior to 16 December 2015 but service is not provided until after 16 December 2015 you will have the new installation charges applied
- We will be managing In-flight transaction charges by including these as part of future months' adjustments

Price change timeline



New UBA connection and wiring charges

CURRENT SITUATION

When a *connection and wiring* order is placed for UBA we charge for a *connection* (with site visit) plus a *wiring** charge (typically) of \$115.00 at the time of order

- The *wiring* charge covers what is required up to the installation of a splitter and a separate dedicated broadband jackpoint
- When a *wiring only* order is placed for UBA we charge \$150.00 at the time of order
- The order covers a truck roll, plus what is required up to installation of a splitter and a separate dedicated broadband jackpoint

FINAL PRICING PRINCIPLE CHANGE

The Final Pricing Principle introduces a time and materials charge. Capturing this will require us to make changes to our systems and instruct our service companies.

We will not be able to do this in time for the current price changes, but will investigate further and will communicate the details once we better understand the work required. We will continue to charge as we do today in the meantime.

*Wiring consists of a splitter, category 6 cable, jackpoint (back case, front panel, RJ45 outlet) and labour.

Summary of Spark Agency POTS price changes

Spark have decided to change the monthly rental of their Agency POTS services, with and without broadband.

These price changes will change on 1 February 2016 and be effective from 16 December 2015.