

Annex 8

Consolidated draft SMP conditions 7A, 7C, 7D and 7E

A8.1 In order to assist stakeholders in their review of proposed SMP conditions 7A, 7C, 7D and 7E, this annex provides a consolidated version of these proposed conditions. In particular, it reflects the SMP conditions contained in the July 2013 FAMR Consultation, as amended by:

- Ofcom's consultation entitled "*Fixed access market reviews: Openreach quality of service and approach to setting LLU and WLR Charge Controls*", dated 19 December 2013; and
- this consultation.

A8.2 This consolidated text is provided for illustrative purposes only, and does not form part of the legal notification contained in Annex 7 to this consultation.

Condition 7A – LLU charge control

7A.1 The Dominant Provider shall take all reasonable steps to secure that, at the end of each Relevant Year, the Percentage Change (determined in accordance with condition 7A.4 and 7A.5, as applicable) in:

- (a) the aggregate of charges for Tie Cables;
- (b) the aggregate of charges for Hard Cease Services;
- (c) the aggregate of charges for MPF New Provide Services;
- (d) the aggregate of charges for Other LLU Ancillary Services;
- (e) the aggregate of charges for Co-Mingling New Provide and Rental Services;
- (f) the charge for MPF Rental, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(a) applies;
- (g) the charge for SMPF Rental, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(b) applies,
- (h) the charge for MPF Single Migration, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(c) applies;
- (i) the charge for SMPF Single Migration, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(d) applies;
- (j) the charge for SMPF New Provide, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(e) applies;
- (k) the charge for MPF Bulk Migration, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(f) applies;

- (l) the charge for SMPF Bulk Migration, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(g) applies;
- (m) the charge for a Standard Chargeable Visit when that service is provided by the Dominant Provider within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(h)(i) applies;
- (n) the charge for a Standard Chargeable Visit when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(h)(ii) applies;
- (o) the charge for a Standard Chargeable Visit when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(h)(iii) applies;
- (p) the charge for an Additional Hour when that service is provided by the Dominant Provider within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(i)(i) applies;
- (q) the charge for an Additional Hour when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(i)(ii) applies;
- (r) the charge for an Additional Hour when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(i)(iii) applies;
- (s) the charge for Supplementary Charges (Per Visit), when that service is provided by the Dominant Provider on a Non-Working Day, except for the

First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(j)(i) applies;

- (t) the charge for Supplementary Charges (Per Visit), when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(j)(ii) applies;
- (u) the charge for Supplementary Charges (Per Hour), when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(k)(i) applies;
- (v) the charge for Supplementary Charges (Per Hour), when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(k)(ii) applies;
- (w) the charge for Internal and External Shifts, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(l) applies;
- (x) the charge for Additional Line Shifted, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7A.2(m) applies; and

is not more than the Controlling Percentage (as determined in accordance with condition 7A.7).

7A.2 The Dominant Provider shall not charge more than:

- (a) for MPF Rental, the amount of £[82.78 to 90.14] in the First Relevant Year;
- (b) for SMPF Rental, the amount of £[4.99 to 7.63] in the First Relevant Year;
- (c) for MPF Single Migration, the amount of £[30.55 to 32.65] in the First Relevant Year;

- (d) for SMPF Single Migration, the amount of £[30.55 to 32.65] in the First Relevant Year;
- (e) for SMPF New Provide, the amount of £[29.41 to 31.49] in the First Relevant Year;
- (f) for MPF Bulk Migration, the amount of £[25.42 to 27.22] in the First Relevant Year;
- (g) for SMPF Bulk Migration, the amount of £[25.42 to 27.22] in the First Relevant Year;
- (h) for a Standard Chargeable Visit, in the First Relevant Year, the amount of:
 - i. £[72.00 to 105.60] when that service is provided within the hours of 8am to 5pm on a Working Day;
 - ii. £[108.00 to 158.40] when that service is provided on a Non-Working Day;
and
 - iii. £[90.00 to 132.00] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;
- (i) for an Additional Hour, in the First Relevant Year, the amount of:
 - i. £[36.00 to 52.80] per hour when that service is provided within the hours of 8am to 5pm on a Working Day;
 - ii. £[72.00 to 105.60] per hour when that service is provided on a Non-Working Day; and
 - iii. £[54.00 to 79.20] per hour when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;
- (j) for Supplementary Charges (Per Visit), in the First Relevant Year, the amount of:
 - i. £[36.00 to 52.80] when that service is provided on a Non-Working Day; and

- ii. £[18.00 to 26.40] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;
- (k) for Supplementary Charges (Per Hour), in the First Relevant Year, the amount of:
- i. £[36.00 to 52.80] per hour when that service is provided on a Non-Working Day; and
 - ii. £[18.00 to 26.40] per hour when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;
- (l) for Internal and External Shifts, the amount of £[72.00 to 105.60] in the First Relevant Year;
- (m) for Additional Line Shifted, the amount of £[36.00 to 52.80] in the First Relevant Year;
- (n) for MPF Cease, the amount of £0.00 in each Relevant Year; and
- (o) for SMPF Cease, the amount of £0.00 in each Relevant Year.

7A.3 a) The Dominant Provider shall take all reasonable steps to ensure that the charge for each Special Fault Investigation Service in a Relevant Year does not exceed the amount calculated in accordance with the following formula:

$$\text{Engineer Time} \times \text{Hourly Charge}$$

Where:

Engineer Time has the meaning ascribed to it in condition 7A.15(l) below.

Hourly Charge has the meaning ascribed to it in condition 7A.15(o) below.

b) The Dominant Provider shall take all reasonable steps to ensure that the charge for each Special Fault Investigation – Base Module and Special Fault Investigation –

Frame Direct Module in a Relevant Year does not exceed the amount calculated in accordance with the following formula:

$$(\text{Engineer Time} + 0.5) \times \text{Hourly Charge}$$

Where:

Engineer Time has the meaning ascribed to it in condition 7A.15(l) below

Hourly Charge has the meaning ascribed to it in condition 7A.15(o) below.

7A.4 The Percentage Change for the purposes of each of the categories of products and/or services (each of which is known as a “Basket”) specified in conditions 7A.1(a) to 7A.1(e) shall be calculated, for the purposes of complying with condition 7A.1, by employing the following formula:

$$C_t = \frac{\sum_{i=1}^n \left[R_i \frac{(\bar{p}_{i,t} - \bar{p}_{i,t-1})}{\bar{p}_{i,t-1}} \right]}{\sum_{i=1}^n R_i}$$

Where:

C_t is the Percentage Change in the aggregate of charges for the services in the Basket for Relevant Year t ;

n is the number of individual services in the Basket;

i is a number from 1 to n for each of the n individual services in the Basket;

R_i is the Total Revenue accrued during the Prior Year in respect of the individual service i that forms part of the Basket;

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

$\bar{p}_{i,t}$ is the Relevant Year Weighted Average Charge made by the Dominant Provider for the individual service i that forms part of the Basket during the Relevant Year, excluding any discounts offered by the Dominant Provider:

Where such Relevant Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t} = \sum_{j=1}^m (w_{i,j,t} p_{i,j,t})$$

Where:

m is the number of time periods for which there are distinct charges during the Relevant Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t}$ is the proportion of the Relevant Year in which each charge, $p_{i,j,t}$ is in effect, calculated by the number of days during which the charge is in effect and dividing:

- 1) for the First Relevant Year, by 365;
- 2) for the Second Relevant Year, by 366; and
- 3) for the Third Relevant Year, by 365.

$p_{i,j,t}$ is the charge for the specified period, j , during the Relevant Year t for the individual service, i ;

$\bar{p}_{i,t-1}$ is, for the purposes of calculating the Percentage Change for the First Relevant Year, the Initial Charge for the individual service i that forms part of the Basket during the Prior Year, excluding any discounts offered by the Dominant Provider. For the purposes of calculating the Percentage Change for the Second Relevant Year and the Third Relevant Year, $\bar{p}_{i,t-1}$ is the Prior Year Weighted Average Charge made by the Dominant Provider for the individual service i that forms part of the Basket during the Prior Year, excluding any discounts offered by the Dominant Provider;

Where such Prior Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t-1} = \sum_{j=1}^m (w_{i,j,t-1} p_{i,j,t-1})$$

Where:

m is the number of time periods for which there are distinct charges during the Prior Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t-1}$ is the proportion of the Prior Year in which each charge, $p_{i,j,t-1}$, is in effect, calculated by the number of days during which the charge is in effect and dividing:

- 1) for the First Relevant Year, by 365;
- 2) for the Second Relevant Year, by 365;
- 3) for the Third Relevant Year, by 366;

$p_{i,j,t-1}$ is the charge for the individual period, j , during the Prior Year, $t-1$, for the individual service, i .

For the avoidance of doubt, for the purpose of calculating the Percentage Change for the Basket specified in:

- (a) condition 7A.1(a), the revenues for Tie Cables shall be taken to include all revenue from selling Tie Cables irrespective of their use; and
- (b) condition 7A.1(e), the revenues for Co-Mingling New Provide and Rental Services shall be taken to include all revenue from selling Co-Mingling New Provide and Rental Services irrespective of their use.

7A.5 The Percentage Change for the purposes of each of the products and/or services specified (each of which is referred to in this condition as a “single charge category”) in conditions 7A.1(f) to 7A.1(x) shall be calculated, for the purposes of complying with condition 7A.1, by employing the following formula:

$$C_t = \frac{(\bar{p}_t - \bar{p}_{t-1})}{\bar{p}_{t-1}}$$

Where:

C_t is the Percentage Change in charges for the specific product and/or service in the single charge category in question for the Relevant Year t ;

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

\bar{p}_t shall be calculated by employing the formula set out in condition 7A.4 above for the Relevant Year Weighted Average Charge, excluding any discounts offered by the Dominant Provider, and its references to individual service i shall be treated as references to charges for the specific product and/or service in the single charge category in question; and

\bar{p}_{t-1} shall be calculated by employing the formula set out in condition 7A.4 above for the Prior Year Weighted Average Charge, excluding any discounts offered by the Dominant Provider, and its references to individual service i shall be treated as references to charges for the specific product and/or service in the single charge category in question.

7A.6 In the case of each of the categories of products and/or services that form part of a Basket specified in conditions 7A.1(a) to 7A.1(e) respectively, the Dominant Provider shall also and, in any event, take all reasonable steps to secure that, at the end of each Relevant Year, the Percentage Change in discrete charges for each and every product and/or service falling within the Basket in question is no more than the Controlling Percentage increased by [5-7.5] percentage points.

For the purposes of this condition 7A.6:

- (a) the Controlling Percentage is the Controlling Percentage (as determined in accordance with condition 7A.7) for the Basket within which the product and/or service falls to which the discrete charges relate; and
- (b) the Percentage Change shall be calculated by employing the formula set out in condition 7A.5 and its references to a single charge category shall be treated as references to charges for the specific product and/or service falling within the Basket in question.

7A.7 (a) Subject to conditions 7A.7(c) to 7A.7(e) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in conditions 7A.1(a) to 7A.1(l) shall be calculated by employing the following formula:

$$CP_t = CPI_t + X$$

Where:

CP_t is the Controlling Percentage for Relevant Year t ;

CPI_t is CPI for the Relevant Year, t ;

X means:

- for the category of products and/or services specified in condition 7A.1(a) [-11 to -6.25%] percentage points;
- for the category of products and/or services specified in condition 7A.1(b) [-11.75 to -6.75%] percentage points;
- for the category of products and/or services specified in condition 7A.1(c) [-5 to 2%] percentage points;
- for the category of products and/or services specified in condition 7A.1(d) [-6 to 0%] percentage points;
- for the category of products and/or services specified in condition 7A.1(e) [-1 to 4.5%] percentage points;
- for the category of products and/or services specified in condition 7A.1(f) [-4.25 to 4.5%] percentage points;
- for the category of products and/or services specified in condition 7A.1(g) [-39.25 to -6%] percentage points;

- for the category of products and/or services specified in condition 7A.1(h) [-2.5 to 4.25%] percentage points;
- for the category of products and/or services specified in condition 7A.1(i) [-2.5 to 4.25%] percentage points;
- for the category of products and/or services specified in condition 7A.1(j) [-6.25 to 0.5%] percentage points;
- for the category of products and/or services specified in condition 7A.1(k) [-12.75 to -6.5%] percentage points; and
- for the category of products and/or services specified in condition 7A.1(l) [-12.75 to -6.5%] percentage points.

For the avoidance of doubt, the MPF Rental, SMPF Rental, MPF Single Migration, SMPF Single Migration, SMPF New Provide, MPF Bulk Migration and SMPF Bulk Migration charges are constrained by 7A.2 in the First Relevant Year.

- (b) Subject to conditions 7A.7(c), 7A.7(d) and 7A.7(f) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in conditions 7A.1(m) to 7A.1(x) shall be calculated by employing the following formula:

$$CP_t = X$$

CP_t is the Controlling Percentage for Relevant Year t ,

X means:

- for the category of products and/or services specified in condition 7A.1(m) [-0.1% to 2.8%] percentage points;

- for the category of products and/or services specified in condition 7A.1(n) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(o) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(p) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(q) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(r) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(s) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(t) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(u) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(v) [-0.1% to 2.8%] percentage points;
- for the category of products and/or services specified in condition 7A.1(w) [-0.1% to 2.8%] percentage points; and
- for the category of products and/or services specified in condition 7A.1(x) [-0.1% to 2.8%] percentage points.

For the avoidance of doubt, the charges for each of the products and/or services set out in conditions 7A.1(m) to 7A.1(x) are constrained by condition 7A.2 in the First Relevant Year.

(c) For each of the categories of products and/or services specified in:

- i. conditions 7A.1(a) to 7A.1(l), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is less than the Controlling Percentage (“**Deficiency**”), then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7A.7(e) below; and
- ii. conditions 7A.1(m) to 7A.1(x), in the case of Deficiency either in the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7A.7(f) below.

(d) For each of the categories of products and/or services specified in:

- i. conditions 7A.1(a) to 7A.1(l), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is more than the Controlling Percentage (“**Excess**”), then the Controlling Percentage for the following Relevant Year shall also be determined in accordance with condition 7A.7(e) below; and
- ii. conditions 7A.1(m) to 7A.1(x), in the case of Excess in either the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall also be determined in accordance with condition 7A.7(f) below.

(e) For each of the categories of products and/or services specified in condition 7A.1(a) to 7A.1(l), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + CPI + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in condition 7A.1(a) to 7A.1(l) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in condition 7A.4 or 7A.5, as applicable;

X is as set out in condition 7A.7(a) above; and

CPI has the meaning ascribed to it in condition 7A.15(j) below.

- (f) For each of the categories of products and/or services specified in condition 7A.1(m) to 7A.1(x), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in condition 7A.1(m) to 7A.1(x) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second

Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in condition 7A.4 or 7A.5, as applicable;

X is as set out in condition 7A.7(b) above.

- (g) For each of the categories of products and/or services specified in condition 7A.1(a) to 7A.1(x), where the Percentage Change in any Relevant Year is more than the Controlling Percentage, the Dominant Provider shall, to the extent reasonably possible, and as soon as reasonably practicable, repay the Relevant Excess Revenue to the relevant Affected Communications Provider.

7A.8 The Dominant Provider shall ensure that during each Relevant Year:

- (a) the charge made by it for MPF Special Fault Investigation 2 (SFI2) - Base module is the same as the charge made by it for SMPF Special Fault Investigation 2 (SFI2) - Base module;
- (b) the charge made by it for MPF Special Fault Investigation 2 (SFI2) - Network module is the same as the charge made by it for SMPF Special Fault Investigation 2 (SFI2) - Network module;
- (c) the charge made by it for MPF Special Fault Investigation 2 (SFI2) - Frame module is the same as the charge made by it for SMPF Special Fault Investigation 2 (SFI2) - Frame module;
- (d) the charge made by it for MPF Special Fault Investigation 2 (SFI2) - Internal Wiring module is the same as the charge made by it for SMPF Special Fault Investigation 2 (SFI2) - Internal Wiring module;
- (e) the charge made by it for MPF Special Fault Investigation 2 (SFI2) - Internal equip module is the same as the charge made by it for SMPF Special Fault Investigation 2 (SFI2) - Internal equip module;

(f) the charge made by it for MPF Special Fault Investigation 2 (SF12) - Coop module is the same as the charge made by it for SMPF Special Fault Investigation 2 (SF12) - Coop module; and

(g) the charge made by it for MPF Special Fault Investigation 2 (SF12) - Frame direct module is the same as the charge made by it for SMPF Special Fault Investigation 2 (SF12) - Frame direct module.

For the avoidance of doubt, nothing in this condition 7A.8 shall prevent the Dominant Provider from increasing and/or decreasing the charges made for each of the services at conditions 7A.8 (a) to (g) above provided the requirements set out in this condition 7A.8 and condition 7A.1 are complied with.

7A.9 The Dominant Provider shall ensure that during each Relevant Year:

(a) the charge made by it for MPF Service Maintenance Level 3 is the same as the charge made by it for WLR Service Maintenance Level 3;

(b) the charge made by it for MPF Service Maintenance Level 4 is the same as the charge made by it for WLR Service Maintenance Level 4;

(c) the charge made by it for SMPF Service Maintenance Level 3 is the same as the charge made by it for WLR Service Maintenance Level 3; and

(d) the charge made by it for SMPF Service Maintenance Level 4 is the same as the charge made by it for WLR Service Maintenance Level 4.

For the avoidance of doubt, nothing in this condition 7A.9 shall prevent the Dominant Provider from increasing and/or decreasing the charges made for each of the services at conditions 7A.9 (a) to (d) above provided the requirements set out in this condition 7A.9 and condition 7A.1 are complied with.

7A.10 The Dominant Provider shall ensure that during each Relevant Year:

- (a) the charge made by it for MPF Remove Jumper Order Singleton Charge is the same as the charge made by it for SMPF Remove Jumper Order Singleton Charge;
- (b) the charge made by it for MPF Remove Jumper Order Bulk Charge is the same as the charge made by it for SMPF Remove Jumper Order Bulk Charge;
- (c) the charge made by it for MPF Tie Pair Modification is the same as the charge made by it for SMPF Tie Pair Modification;
- (d) the charge made by it for MPF Tie Pair Modification (Multiple Re-termination) is the same as the charge made by it for SMPF Tie Pair Modification (Multiple Re-termination);
- (e) the charge made by it for MPF Standard Line Test is the same as the charge made by it for SMPF Standard Line Test;
- (f) the charge made by it for MPF Cancellation is the same as the charge made by it for SMPF Cancellation; and
- (g) the charge made by it for MPF Amend is the same as the charge made by it for SMPF Amend.

For the avoidance of doubt, nothing in this condition 7A.10 shall prevent the Dominant Provider from increasing and/or decreasing the charges made for each of the services at conditions 7A.10 (a) to (g) above provided the requirements set out in this condition 7A.10 and condition 7A.1 are complied with.

7A.11 Where:

- (a) the Dominant Provider makes a material change (other than to a Charge) to any Charge Controlled Service for which a Charge is charged;

(b) the Dominant Provider makes a change to the date on which its financial year ends; or

(c) there is a material change in the basis of the Consumer Prices Index,

conditions 7A.1 to 7A.10 shall have effect subject to such reasonable adjustment to take account of the change as OFCOM may direct to be appropriate in the circumstances. For the purposes of this condition 7A.11, a material change to the Charge Controlled Service includes (but is not limited to) the introduction of a new product and/or service wholly or substantially in substitution for that existing Charge Controlled Service.

7A.12 The Dominant Provider must record, maintain and supply to OFCOM in an electronic format, no later than three months after the end of each Relevant Year, the data necessary for OFCOM to monitor compliance of the Dominant Provider with the price control. The data must include:

(a) pursuant to conditions 7A.4 and 7A.5, as applicable, the calculated Percentage Change relating to each category of products and services listed in conditions 7A.1(a) through to 7A.1(x);

(b) all relevant data the Dominant Provider used in the calculation of the Percentage Change as set out in Conditions 7A.4 and 7A.5 above, including for each specific service and/or product in a Basket;

(c) all charges, excluding any discounts, published by the Dominant Provider from time to time during the Relevant Year and the Prior Year, including the dates and time periods during which they were in force;

(d) the Relevant Year Weighted Average Charges and the Prior Year Weighted Average Charges for all of the services for which Conditions 7A.4 and 7A.5 apply and calculations thereof;

(e) other data necessary for monitoring compliance with the charge control; and

(f) such data as Ofcom may from time to time direct,

All relevant revenues in respect of a specific service in a Basket shall be provided to at least the nearest £1,000.

7A.13 Conditions 7A.1 to 7A.12 shall not apply to such extent as OFCOM may direct.

7A.14 The Dominant Provider shall comply with any direction OFCOM may make from time to time under this Condition.

7A.15 In this Condition:

- (a) “**Additional Hour**” means the provision of the service ‘Additional Hours (or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Local Loop Unbundling Services;
- (b) “**Additional Line Shifted**” means the provision of the service ‘Additional Line shifted’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Local Loop Unbundling Services;
- (c) “**Affected Communications Provider**” means each communications provider to whom the Dominant Provider has provided any of the services and/or products listed in conditions 7A.1(a) to 7A.1(x) during the Relevant Year;
- (d) “**Basket**” shall be construed in accordance with condition 7A.4;
- (e) “**Charge**” means the charge (being in all cases the amounts offered or charged by the Dominant Provider), excluding any discounts offered by the

Dominant Provider, to a communications provider for the Charge Controlled Service;

- (f) **“Charge Controlled Service”** means:
- i. a service or Basket of services listed in 7A.1(a) to 7A.1(x);
 - ii. any Special Fault Investigation Service;
 - iii. any Special Fault Investigation – Base Module; and
 - iv. any Special Fault Investigation – Frame Direct Module.
- (g) **“Co-Mingling New Provide and Rental Services”** means all of the products and/or services listed from time to time for the purpose of Part 5 of the Annex to this Condition;
- (h) **“Consumer Prices Index”** means the index of prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department (which is the Office for National Statistics at the time of publication of this notification) from time to time in respect of all items;
- (i) **“Controlling Percentage”** is to be determined in accordance with condition 7A.7;
- (j) **“CPI”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 October immediately before the beginning of the Relevant Year, expressed as a percentage (rounded to two decimal places) of that Consumer Prices Index as at the beginning of that first mentioned period;
- (k) **“Dominant Provider”** means British Telecommunications plc, whose registered company number is 1800000, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined in section 1159 of the Companies Act 2006;

- (l) **“Engineer Time”** means in relation to a Special Fault Investigation Service, Special Fault Investigation – Base Module or a Special Fault Investigation – Frame Direct Module (as applicable), the amount of time reasonably determined by BT as being required by an engineer in order to complete the corresponding Special Fault Investigation Service, Special Fault Investigation – Base Module or Special Fault Investigation – Frame Direct Module during the Relevant Year (expressed in hours and with any minutes expressed as a decimal);
- (m) **“Excess Revenue”** means the difference between (a) the revenue which the Dominant Provider earned in the Relevant Year from providing the services and/or products listed in conditions 7A.1(a) to 7A.1(x), and (b) the revenue the Dominant Provider would have earned in the Relevant Year from providing the services and/or products listed in conditions 7A.1(a) to 7A.1(x) if it had complied with condition 7A.1;
- (n) **“Hard Cease Services”** means all of the products and/or services listed from time to time for the purpose of Part 2 of the Annex to this Condition;
- (o) **“Hourly Charge”** shall, for the purposes of a Relevant Year, be the same as the amount charged by the Dominant Provider during that Relevant Year for providing an Additional Hour within the hours of 8am to 5pm on a Working Day;
- (p) **“Initial Charge”** means, for the purposes of calculating the Percentage Change in accordance with condition 7A.4, the charge by the Dominant Provider for the individual service, *i*, in the relevant Basket as set out in the column entitled ‘Initial Charge’ in the relevant Part of the Annex to this Condition;
- (q) **“Internal and External Shifts”** means the provision of the service ‘Internal and External Shifts’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and

explanations of its products) where this is reasonably necessary for the use of Local Loop Unbundling Services;

- (r) **“Local Loop Unbundling Services”** means network access to Metallic Path Facilities or Shared Access;
- (s) **“Metallic Path Facilities”** means a circuit comprising a pair of twisted metal wires employing electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy to convey signals when connected to an electronic communications network;
- (t) **“MPF Amend”** shall be construed as having the same meaning as the service described in row 10 of the table in Part 4 of the Annex to this Condition;
- (u) **“MPF Bulk Migration”** shall be construed as having the same meaning as ‘MPF Same CP Mass Migration charge - Normal hours’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (v) **“MPF Cancellation”** shall be construed as having the same meaning as the service described in row 9 of the table in Part 4 of the Annex to this Condition;
- (w) **“MPF Cease”** shall be construed as having the same meaning as ‘MPF Cease charge’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (x) **“MPF New Provide Services”** means all of the products and/or services listed from time to time for the purpose of Part 3 of the Annex to this Condition;
- (y) **“MPF Remove Jumper Order Bulk Charge”** shall be construed as having the same meaning as the service described in row 2 of the table in Part 2 of the Annex to this Condition;

- (z) **“MPF Remove Jumper Order Singleton Charge”** shall be construed as having the same meaning as the service described in row 1 of the table in Part 2 of the Annex to this Condition;
- (aa) **“MPF Rental”** shall be construed as the annual rental of access to Metallic Path Facilities;
- (bb) **“MPF Service Maintenance Level 3”** shall be construed as having the same meaning as ‘Service Maintenance Level 3 (Annual Rental)’ in respect of the feature ‘LLU MPF’, as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (cc) **“MPF Service Maintenance Level 4”** shall be construed as having the same meaning as ‘Service Maintenance Level 4 (Annual Rental)’ in respect of the feature ‘LLU MPF’, as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (dd) **“MPF Single Migration”** shall be construed as having the same meaning as ‘MPF Connection charge - Singleton migrations (Transfer from WLR/SMPF or Change of CP migrations)’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (ee) **“MPF Special Fault Investigation 2 (SF12) - Base module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SF12) - Base module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (ff) **“MPF Special Fault Investigation 2 (SF12) - Coop module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SF12) - Coop module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;

- (gg) **“MPF Special Fault Investigation 2 (SF12) - Frame direct module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SF12) - Frame direct module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (hh) **“MPF Special Fault Investigation 2 (SF12) - Frame module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SF12) - Frame module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (ii) **“MPF Special Fault Investigation 2 (SF12) - Internal equip module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SF12) - Internal equip module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (jj) **“MPF Special Fault Investigation 2 (SF12) - Internal Wiring module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SF12) - Internal Wiring module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (kk) **“MPF Special Fault Investigation 2 (SF12) - Network module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SF12) - Network module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (ll) **“MPF Standard Line Test”** shall be construed as having the same meaning as the service described in row 11 of the table in Part 4 of the Annex to this Condition;
- (mm) **“MPF Tie Pair Modification”** shall be construed as having the same meaning as the service described in row 7 of the table in Part 4 of the Annex to this Condition;

- (nn) “**MPF Tie Pair Modification (Multiple Re-termination)**” shall be construed as having the same meaning as the service described in row 8 of the table in Part 4 of the Annex to this Condition;
- (oo) “**Non-Working Day**” means Sundays and public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable);
- (pp) “**OFCOM**” means the Office of Communications as established pursuant to section 1(1) of the Office of Communications Act 2002;
- (qq) “**Other LLU Ancillary Services**” means all of the products and/or services listed from time to time for the purpose of Part 4 of the Annex to this Condition;
- (rr) “**Percentage Change**” has the meaning given to it in condition 7A.4 and 7A.5, as applicable;
- (ss) “**Prior Year**” means the period of 12 months ending on 31 March immediately preceding the Relevant Year;
- (tt) “**Prior Year Weighted Average Charge**” is to be determined in accordance with the relevant formula in condition 7A.4;
- (uu) “**Relevant Excess Revenue**” means the Excess Revenue earned from charging the Affected Communications Provider;
- (vv) “**Relevant Year**” means each of the following three periods:
- (1) the period beginning on 1 April 2014 and ending on 31 March 2015 (the “**First Relevant Year**”);
 - (2) the period beginning on 1 April 2015 and ending on 31 March 2016 (the “**Second Relevant Year**”); and

- (3) the period beginning on 1 April 2016 and ending on 31 March 2017 (the “**Third Relevant Year**”);
- (ww) “**Relevant Year Weighted Average Charge**” is to be determined in accordance with the relevant formula in condition 7A.4;
- (xx) “**Shared Access**” means the non-voice band frequency of Metallic Path Facilities;
- (yy) “**SMPF Amend**” shall be construed as having the same meaning as the service described in row 4 of the table in Part 4 of the Annex to this Condition;
- (zz) “**SMPF Bulk Migration**” shall be construed as having the same meaning as ‘SMPF Bulk Migrations charge Normal Delivered during a 24 hour period’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (aaa) “**SMPF Cancellation**” shall be construed as having the same meaning as the service described in row 3 of the table in Part 4 of the Annex to this Condition;
- (bbb) “**SMPF Cease**” shall be construed as having the same meaning as ‘SMPF Cease charge’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (ccc) “**SMPF New Provide**” means the provision of Shared Access on a line that previously did not have Shared Access, including when the line was previously provided with Metallic Path Facilities;
- (ddd) “**SMPF Remove Jumper Order Bulk Charge**” shall be construed as having the same meaning as the service described in row 4 of the table in Part 2 of the Annex to this Condition;

- (eee) **“SMPF Remove Jumper Order Singleton Charge”** shall be construed as having the same meaning as the service described in row 3 of the table in Part 2 of the Annex to this Condition;
- (fff) **“SMPF Rental”** shall be construed as rental of access to the non-voice band frequency of Metallic Path Facilities;
- (ggg) **“SMPF Service Maintenance Level 3”** shall be construed as having the same meaning as ‘Service Maintenance Level 3 (Annual Rental)’ in respect of the feature ‘LLU Shared MPF’, as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (hhh) **“SMPF Service Maintenance Level 4”** shall be construed as having the same meaning as ‘Service Maintenance Level 4 (Annual Rental)’ in respect of the feature ‘LLU Shared MPF’, as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (iii) **“SMPF Single Migration”** means the transfer of control of a Shared Access service for a single line from one communications provider to another;
- (jjj) **“SMPF Special Fault Investigation 2 (SFI2) - Base module”** shall be construed as having the same meaning as ‘SMPF Special Fault Investigation 2 (SFI2) - Base module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (kkk) **“SMPF Special Fault Investigation 2 (SFI2) - Coop module”** shall be construed as having the same meaning as ‘SMPF Special Fault Investigation 2 (SFI2) - Coop module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (lll) **“SMPF Special Fault Investigation 2 (SFI2) - Frame direct module”** shall be construed as having the same meaning as ‘SMPF Special Fault Investigation 2 (SFI2) - Frame direct module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;

- (mmm) **“SMPF Special Fault Investigation 2 (SFI2) - Frame module”** shall be construed as having the same meaning as ‘SMPF Special Fault Investigation 2 (SFI2) - Frame module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (nnn) **“SMPF Special Fault Investigation 2 (SFI2) - Internal equip module”** shall be construed as having the same meaning as ‘SMPF Special Fault Investigation 2 (SFI2) - Internal equip module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (ooo) **“SMPF Special Fault Investigation 2 (SFI2) - Internal Wiring module”** shall be construed as having the same meaning as ‘SMPF Special Fault Investigation 2 (SFI2) - Internal Wiring module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (ppp) **“SMPF Special Fault Investigation 2 (SFI2) - Network module”** shall be construed as having the same meaning as ‘MPF Special Fault Investigation 2 (SFI2) - Network module’ as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (qqq) **“SMPF Standard Line Test”** shall be construed as having the same meaning as the service described in row 5 of the table in Part 4 of the Annex to this Condition;
- (rrr) **“SMPF Tie Pair Modification”** shall be construed as having the same meaning as the service described in row 1 of the table in Part 4 of the Annex to this Condition;
- (sss) **“SMPF Tie Pair Modification (Multiple Re-termination)”** shall be construed as having the same meaning as the service described in row 2 of the table in Part 4 of the Annex to this Condition;
- (ttt) **“Special Fault Investigation – Base Module”** shall be construed as having the same meaning as MPF Special Fault Investigation 2 (SFI2) - Base

module and/or SMPF Special Fault Investigation 2 (SF12) - Base module (as applicable);

(uuu) **“Special Fault Investigation – Frame Direct Module”** shall be construed as having the same meaning as MPF Special Fault Investigation 2 (SF12) – Frame direct module and/or SMPF Special Fault Investigation 2 (SF12) - Base module (as applicable);

(vvv) **“Special Fault Investigation Service”** means any of the following services (as applicable):

- i. SMPF Special Fault Investigation 2 (SF12) - Coop module;
- ii. SMPF Special Fault Investigation 2 (SF12) - Frame module;
- iii. SMPF Special Fault Investigation 2 (SF12) - Internal equip module;
- iv. SMPF Special Fault Investigation 2 (SF12) - Internal Wiring module;
and
- v. SMPF Special Fault Investigation 2 (SF12) - Network module;
- vi. MPF Special Fault Investigation 2 (SF12) - Coop module;
- vii. MPF Special Fault Investigation 2 (SF12) - Frame module;
- viii. MPF Special Fault Investigation 2 (SF12) - Internal equip module;
- ix. MPF Special Fault Investigation 2 (SF12) - Internal Wiring module; and
- x. MPF Special Fault Investigation 2 (SF12) - Network module;

(www) **“Standard Chargeable Visit”** means the provision of the service ‘Standard Chargeable Visit (Visit plus up to 1 hours work)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Local Loop Unbundling Services;

- (xxx) **“Supplementary Charges (Per Hour)”** means the provision of the service ‘Supplementary charges (Per Hour or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Local Loop Unbundling Services;
- (yyy) **“Supplementary Charges (Per Visit)”** means the provision of the service ‘Supplementary charges (Per Visit)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Local Loop Unbundling Services;
- (zzz) **“Tie Cables”** means all of the products and/or services listed from time to time for the purpose of Part 1 of the Annex to this Condition;
- (aaaa) **“Total Revenue”** means the total revenue from communications providers (including, for the avoidance of doubt, from the Dominant Provider to itself), in relation to the services and/or products subject to this Condition, excluding any discounts offered by the Dominant Provider;
- (bbbb) **“WLR Service Maintenance Level 3”** shall be construed as having the same meaning as ‘Service Maintenance Level 3 (Annual Rental)’ in respect of the feature ‘WLR – Wholesale Premium - per line’, as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (cccc) **“WLR Service Maintenance Level 4”** shall be construed as having the same meaning as ‘Service Maintenance Level 4 (Annual Rental)’ in respect of the feature ‘WLR – Wholesale Premium - per line’, as provided by the Dominant Provider on its website for definitions and explanations of its products; and

(dddd) **“Working Day”** means any day other than Saturdays, Sundays, public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable).

Annex to Condition 7A

Products and/or services subject to charge control pursuant to conditions

7A.1(a), 7A.1(b), 7A.1(c), 7A.1(d) and 7A.1(e)

Part 1

Meaning of Tie Cables

For the purposes of Condition 7A, the expression “**Tie Cables**” shall be construed as including only the following forty eight products and/or services, subject to such changes as OFCOM may direct from time to time following any proposal by the Dominant Provider to introduce a new product and/or service or to substitute one or more of these forty eight products and/or services for another (in which case this list shall be construed accordingly):

Item	Initial Charge
1. Hand-over Distribution Frame charge per 100 pair tie cable	£28.76
2. Handover Distribution Frame Extension to provide additional 1500 tie pair capacity for MCU1	£246.58
3. Additional Handover Distribution Frame to provide additional 4800 tie pair capacity for B-BUSS7	£1,860.33
4. Standalone Handover Distribution Frame (HDF) 9	£2,363.08
5. Standalone Handover Distribution Frame (HDF) 18	£2,475.42
6. Internal Tie Cable (2) Jointing Fixed Charge per External Tie Cable	£143.92
7. Internal 100 pair Tie Cable - HDF connected (1) for Co-Location and Co-Mingling – Connection	£295.00
8. Internal 100 pair Tie Cable - HDF connected (1) for Co-Location and Co-Mingling – Rental	£23.52
9. Internal Tie Cable (2)	£274.58

10.	Internal Tie Cable (2) Rental	£17.04
11.	20 CN Enhanced Specification LLU Internal Tie Cable (1) for Co-location and Co-mingling	£450.00
12.	20 CN Enhanced Specification LLU Internal Tie Cable (1) for Co-location and Co-mingling Rental	£85.20
13.	21CN-32 pair standard Internal Tie Cable-HDF connected	£269.89
14.	21CN-32 pair standard Internal Tie Cable-HDF connected Rental	£38.04
15.	21CN-64 pair standard Internal Tie Cable-HDF connected	£344.21
16.	21CN-64 pair standard Internal Tie Cable-HDF connected Rental	£48.48
17.	21CN-32 pair enhanced Internal Tie Cable-HDF connected	£283.19
18.	21CN-32 pair enhanced Internal Tie Cable-HDF connected Rental	£40.56
19.	21CN-64 pair enhanced Internal Tie Cable-HDF connected	£364.54
20.	21CN-64 pair enhanced Internal Tie Cable-HDF connected Rental	£52.44
21.	21CN-100 pair enhanced Internal Tie Cable-HDF connected	£450.00
22.	21CN-100 pair enhanced Internal Tie Cable-HDF connected Rental	£85.20
23.	LLU Internal Tie Cable Cease of 1-10 Cables (per Point of Presence)	£539.94
24.	LLU Internal Tie Cable Cease of 11-20 Cables (per Point of Presence)	£608.00
25.	LLU Internal Tie Cable Cease of 21-30 Cables (per Point of Presence)	£676.05
26.	LLU Internal Tie Cable Cease of 31-40 Cables (per Point of Presence)	£742.31
27.	LLU Internal Tie Cable Cease of 41-50 Cables (per Point of Presence)	£810.35

28.	BT Provided Ext 100 Pair cable @ 100 metres - Connection charge per cable	£977.07
29.	BT Provided Ext 100 Pair cable @ 100 metres - Connection charge per extra 100 pair	£308.22
30.	BT Provided Ext 100 Pair cable @ 100 metres – Connection charge per extra 100 metres	£152.55
31.	BT Provided Ext 100 Pair cable @ 100 metres - Rental per annum per cable	£128.52
32.	BT Provided Ext 100 Pair cable @ 100 metres - Rental per annum per extra 100 pairs	£108.84
33.	BT Provided Ext 100 Pair cable @ 100 metres - Rental per annum per extra 100m	£86.52
34.	BT Provided external -500 Pair cable @ 100 metres - Connection charge per cable	£1,598.19
35.	BT Provided external -500 Pair cable @ 100 metres – Connection charge per cable per extra 100m	£152.55
36.	BT Provided external 500 Pair cable @ 100 metres - Connection charge per cable per extra 100 pairs	£308.22
37.	BT Provided external -500 Pair cable @ 100 metres - Rental per annum per cable	£205.92
38.	BT Provided external -500 Pair cable @ 100 metres - Rental per annum per extra 100m	£161.28
39.	BT Provided external 500 Pair cable @ 100 metres - Rental per annum per extra 100 pairs	£108.84
40.	Hand-over Distribution Frame option per 100 pair Frame capacity	£121.73
41.	Operator provided External 100 Pair cable @ 100 metres - Connection charge per cable	£865.99
42.	Operator provided External 100 Pair cable @ 100 metres - Connection charge per extra 100 pairs	£296.49
43.	Operator provided External 100 Pair cable @ 100 metres - Rental fixed per annum per cable	£30.12

44. Operator provided External 100 Pair cable @ 100 metres - Rental fixed per annum per extra 100 pairs	£15.72
45. Operator Provided External 500 Pair cable @ 100 metres - Connection charge per cable	£1,231.30
46. Operator provided External 500 Pair cable @ 100 metres - Connection charge per extra 100 pairs	£296.49
47. Operator Provided External 500 Pair cable @ 100 metres - Rental fixed per annum per cable	£34.08
48. Operator provided External 500 Pair cable @ 100 metres - Rental fixed per annum per extra 100 pairs	£15.72

Except in so far as the context otherwise requires, the terms or descriptions of products and/or services used in this Part 1 shall be construed as having the same meaning as those provided by the Dominant Provider on its website for definitions and explanations of its products in addition to future product updates. These are as at *[date]* found as follows:

- For SMPF and MPF product information, please refer to <http://www.openreach.co.uk/orpg/home/products/llu/llu.do>
- For assurance information including care levels, please refer to the Service Products section of the Openreach website: http://www.openreach.co.uk/orpg/home/products/serviceproducts/service_products.do
- For 21C related products, please refer to LLU secure portal, of the Openreach website for which CPs need to request access. This is done by choosing “LLU secure” from the Local Loop Unbundling menu available at: <http://www.openreach.co.uk/orpg/home/products/llu/llu.do>

For information held in the price list, please refer to the Plan and Build area within the “Local Loop Unbundling Pricing” section of the price list available at:

<http://www.openreach.co.uk/orpg/home/products/pricing/loadPricing.do>

Part 2

Meaning of Hard Cease Services

For the purposes of Condition 7A, the expression “**Hard Cease Services**” shall be construed as including only the following four products and/or services, subject to such changes as OFCOM may direct from time to time following any proposal by the Dominant Provider to introduce a new product and/or service or to substitute one or more of these four products and/or services for another (in which case this list shall be construed accordingly):

Item	Initial Charge
1. MPF MDF Remove Jumper Order Singleton Charge	£23.28
2. MPF MDF Remove Jumper Order Bulk Charge	£19.02
3. SMPF MDF Remove Jumper Order Singleton Charge	£23.28
4. SMPF MDF Remove Jumper Order Bulk Charge	£19.02

Except in so far as the context otherwise requires, the terms or descriptions of products and/or services used in this Part 2 shall be construed as having the same meaning as those provided by the Dominant Provider on its website for definitions and explanations of its products in addition to future product updates. These are as at **[date]** found as follows:

- For SMPF and MPF product information, please refer to:
<http://www.openreach.co.uk/orpg/home/products/llu/mpf/mpf.do>
- For assurance information including care levels, please refer to the Service Products section of the Openreach website:
http://www.openreach.co.uk/orpg/home/products/serviceproducts/service_products.do
- For 21C related products, please refer to LLU secure portal, of the Openreach website for which CPs need to request access. This is done by choosing “LLU secure” from the Local Loop Unbundling menu available at:
<http://www.openreach.co.uk/orpg/home/products/llu/llu.do>
- For information held in the price list, please refer to the “LLU Pricing” section of the price list available at:
<http://www.openreach.co.uk/orpg/home/products/pricing/loadPricing.do>

Part 3

Meaning of MPF New Provide Services

For the purposes of Condition 7A, the expression “**MPF New Provide Services**” shall be construed as including only the following three products and/or services, subject to such changes as OFCOM may direct from time to time following any proposal by the Dominant Provider to introduce a new product and/or service or to substitute one or more of these three products and/or services for another (in which case this list shall be construed accordingly):

Item	Initial Charge
MPF Connection charge – New Provide Standard	£45.53
MPF Connection Charge Stopped Line Provide	£37.57
MPF Working Line Takeover (WLTO)	£37.57

Except in so far as the context otherwise requires, the terms or descriptions of products and/or services used in this Part 3 shall be construed as having the same meaning as those provided by the Dominant Provider on its website for definitions and explanations of its products in addition to future product updates. These are as at **[date]** found as follows:

- For MPF product information, please refer to:
<http://www.openreach.co.uk/orpg/home/products/llu/mpf/mpf.do>
- For assurance information including care levels, please refer to the Service Products section of the Openreach website:
http://www.openreach.co.uk/orpg/home/products/serviceproducts/service_products.do
- For 21C related products, please refer to LLU secure portal, of the Openreach website for which CPs need to request access. This is done by choosing “LLU secure” from the Local Loop Unbundling menu available at:
<http://www.openreach.co.uk/orpg/home/products/llu/llu.do>
- For information held in the price list, please refer to the “LLU Pricing” section of the price list available at:
<http://www.openreach.co.uk/orpg/home/products/pricing/loadPricing.do>

Part 4

Meaning of Other LLU Ancillary Services

For the purposes of Condition 7A, the expression “**Other LLU Ancillary Services**” shall be construed as including only the following eleven products and/or services, subject to such changes as OFCOM may direct from time to time following any proposal by the Dominant Provider to introduce a new product and/or service or to substitute one or more of these eleven products and/or services for another (in which case this list shall be construed accordingly):

Item	Initial Charge
1. SMPF Tie Pair Modification (3 working day lead time Re-termination)	£39.30
2. SMPF Tie Pair Modification (Multiple Re-termination)	£29.56
3. Cancellation of SMPF orders for Provide, Simultaneous provide, Migration, Modification or Amend	£11.25
4. Amend orders. Allowable change to SMPF Order	£11.25
5. SMPF Standard line test	£4.30
6. SMPF Flexi Cease Fault Investigation Charges	£69.30
7. MPF Tie Pair Modification (3 working day lead time Re-termination)	£39.30
8. MPF Tie Pair Modification (Multiple Re-termination)	£29.56
9. Cancellation of MPF orders for Provide, Migration, Modification or Amend	£11.25
10 Amend orders. Allowable change to MPF Order	£11.25
11 MPF Standard line test	£4.30

Except in so far as the context otherwise requires, the terms or descriptions of products and/or services used in this Part 4 shall be construed as having the same meaning as those provided by the Dominant Provider on its website for definitions and explanations of its products in addition to future product updates. These are as at **[date]** found as follows:

- For SMPF and MPF product information, please refer to:
<http://www.openreach.co.uk/orpg/home/products/llu/mpf/mpf.do>
- For assurance information including care levels, please refer to the Service Products section of the Openreach website:
http://www.openreach.co.uk/orpg/home/products/serviceproducts/service_products.do
- For 21C related products, please refer to LLU secure portal, of the Openreach website for which CPs need to request access. This is done by choosing “LLU secure” from the Local Loop Unbundling menu available at:
<http://www.openreach.co.uk/orpg/home/products/llu/llu.do>
- For information held in the price list, please refer to the “LLU Pricing” section of the price list available at:
<http://www.openreach.co.uk/orpg/home/products/pricing/loadPricing.do>

Part 5

Meaning of Co-Mingling New Provide and Rental Services

For the purposes of Condition 7A, the expression “**Co-Mingling New Provide and Rental Services**” shall be construed as including only the following thirty three products and/or services, subject to any such changes as OFCOM may direct from time to time following any proposal by the Dominant Provider to introduce a new product and/or service or to substitute one or more of these thirty three products and/or services for another (in which case this list shall be construed accordingly):

Item	Initial Charge
1. Distant location full survey	£1,208.37
2. Missed joint survey or testing appointment	£22.36
3. Co-location order rejection - no space available	£281.94
4. Co-location full survey	£7,157.77
5. Site visit charge to be allocated to all orders not in conjunction with the installation of a base product	£353.55
6. Co-Mingling order rejection - no space or insufficient space available	£577.33
7. APO Cancellation Charge	£374.44
8. Co-Mingling set up fee (per sq metre)	£390.00
9. Comingling Shared Point of Presence Administration Fee	£283.43
10. Cooling per kw	£1,921.47
11. FCP (Powerbase) AC only base unit 600mm (w) x 600mm (d) to include lighting and cable management	£3,056.32

12. FCP (Powerbase) AC only base unit 800mm (w) x 600mm (d) to include lighting and cable management	£3,606.00
13. FCP (Powerbase) AC only base unit 600mm (w) x 800mm (d) to include lighting and cable management	£3,306.58
14. FCP (Powerbase) AC only base unit 800mm (w) x 800mm (d) to include lighting and cable management	£3,950.74
15. HDF sub rack (per sub rack 3x 100 pair capacity)	£43.89
16. HDF cabinet 800mm (w) x 600mm (d) for FCP	£1,524.06
17. HDF cabinet 800mm (w) x 800mm (d) for FCP	£1,625.70
18. Rack Space Unit (RSU) for FCP to include lighting and cable management	£622.97
19. MCB customisation at initial build for FCP	£33.00
20. Cabinet doors per pair for FCP only (where provided as an upgrade will be subject to a Site Visit charge)	£503.27
21. BT's Normal Working Hours, planned	£53.69
22. BT's Normal Working Hours, unplanned	£80.55
23. BASIS (BT Assisted Site Delivery Service) fixed charge	£431.12
24. Site Access	£408.71
25. Handover	£340.18
26. Provision of sub meter	£953.56
27. Survey for capacity upgrade	£431.20
28. AC Final Distribution Rental per 10kw increment per annum (Charges	£432.60

	will appear in billed units of decawatts (10W)	
29.	Security rental per sq. metre	£28.32
30.	Service Charge per square metre per annum	£70.00
31.	Security partitioning annual rental per site charge	£143.04
32.	Rental of existing capacity per kW per annum (Charges will appear in billed units of decawatts (10W))	£201.48
33.	MDF Licence Fee per Internal Tie Cable per annum	£32.76

Except in so far as the context otherwise requires, the terms or descriptions of products and/or services used in this Part 5 shall be construed as having the same meaning as those provided by the Dominant Provider on its website for definitions and explanations of its products in addition to future product updates. These are as at **[date]** found as follows:

- For SMPF and MPF product information, please refer to <http://www.openreach.co.uk/orpg/home/products/llu/llu.do>
- For assurance information including care levels, please refer to the Service Products section of the Openreach website:
http://www.openreach.co.uk/orpg/home/products/serviceproducts/service_products.do
- For 21C related products, please refer to LLU secure portal, of the Openreach website for which CPs need to request access. This is done by choosing “LLU secure” from the Local Loop Unbundling menu available at:
<http://www.openreach.co.uk/orpg/home/products/llu/llu.do>

For information held in the price list, please refer to the Plan and Build area within the “Local Loop Unbundling Pricing” section of the price list available at:

<http://www.openreach.co.uk/orpg/home/products/pricing/loadPricing.do>

Condition 7C – WLR charge control

7C.1 The Dominant Provider shall take all reasonable steps to secure that, at the end of each Relevant Year, the Percentage Change (determined in accordance with condition 7C.3 and 7C.4, as applicable) in:

(a) the charge for Analogue Core WLR Rental, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(a) applies;

(b) the charge for WLR Transfer, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(b) applies;

(c) the charge for WLR Conversion, except for:

i. the First Relevant Year; and/or

ii. when that service is Simultaneously Provided with SMPF New Provide,

in relation to which the charge ceilings specified in condition 7C.2(c) apply; and

(d) the charge for Standard Chargeable Visit when that service is provided within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(e)(i) applies;

(e) the charge for Standard Chargeable Visit when that service is provided on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(e)(ii) applies;

(f) the charge for Standard Chargeable Visit when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(e)(iii) applies;

(g) the charge for an Additional Hour when that service is provided within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(f)(i) applies;

- (h) the charge for an Additional Hour when that service is provided on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(f)(ii) applies;
- (i) the charge for an Additional Hour when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(f)(iii) applies;
- (j) the charge for Supplementary Charges (Per Visit) when that service is provided on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7CA.2(g)(i) applies;
- (k) the charge for Supplementary Charges (Per Visit) when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7CA.2(g)(ii) applies;
- (l) the charge for Supplementary Charges (Per Hour) when that service is provided on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(h)(i) applies;
- (m) the charge for Supplementary Charges (Per Hour) when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(h)(ii) applies;
- (n) the charge for Internal and External Shifts, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(i) applies;
- (o) the charge for Additional Line Shifted, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7C.2(j) applies,

(p) the aggregate of charges for WLR Connection Services (excluding when any individual service in this Basket is Simultaneously Provided with SMPF New Provide, in relation to which the relevant charge ceiling specified in condition 7C.2(k) or 7C.2(l), as applicable, will apply),

is not more than the Controlling Percentage (as determined in accordance with condition 7C.6).

7C.2 The Dominant Provider shall not charge more than:

(a) for Analogue Core WLR Rental, the amount of £[88.11 to 94.75] in the First Relevant Year;

(b) for WLR Transfer, the amount of £[4.69 to 4.97] in the First Relevant Year;

(c) for WLR Conversion:

(i) when not Simultaneously Provided with SMPF New Provide, the amount of £[30.55 to 32.65] in the First Relevant Year; or

(ii) when Simultaneously Provided with SMPF New Provide, the Charge for WLR Conversion determined in accordance with condition 7C.1(c) (as if it were not Simultaneously Provided with SMPF New Provide) less the Charge for SMPF New Provide determined in accordance with condition 7A.1(j) in each Relevant Year;

(d) for Caller ID, the amount of £[0.35 to 0.50] in each Relevant Year.

(e) for a Standard Chargeable Visit, in the First Relevant Year, the amount of;

i. £[72.00 to 105.60] when that service is provided within the hours of 8am to 5pm on a Working Day;

ii. £[108.00 to 158.40] when that service is provided on a Non-Working Day; and

- iii. £[90.00 to 132.00] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;

(f) for Additional Hours, in the First Relevant Year, the amount of:

- i. £[36.00 to 52.80] when that service is provided within the hours of 8am to 5pm on a Working Day;
- ii. £[72.00 to 105.60] when that service is provided on a Non-Working Day;
and
- iii. £[54.00 to 79.20] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;

(g) for Supplementary Charges (Per Visit), in the First Relevant Year, the amount of:

- i. £[36.00 to 52.80] when that service is provided on a Non-Working Day;
and
- ii. £[18.00 to 26.40] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;

(h) for Supplementary Charges (Per Hour), in the First Relevant Year, the amount of:

- i. £[36.00 to 52.80] when that service is provided on a Non-Working Day;
and
- ii. £[18.00 to 26.40] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day;

(i) for Internal and External Shifts, the amount of £[72.00 to 105.60] in the First Relevant Year;

(j) for Additional Line Shifted, the amount of £[36.00 to 52.80] in the First Relevant Year;

(k) for WLR Standard Connection, when Simultaneously Provided with SMPF New Provide, the applicable charge for WLR Standard Connection determined in accordance with condition 7C.1(p) (as if it were not Simultaneously Provided with SMPF New Provide) less:

(i) £[12.24] in the First Relevant Year;

(ii) £[21.75] in the Second Relevant Year; and

(iii) £[29.07] in the Third Relevant Year.

(l) for WLR Start of Stopped MPF Line, when Simultaneously Provided with SMPF New Provide, the applicable charge for WLR Start of Stopped MPF Line determined in accordance with condition 7C.1(p) (as if it were not Simultaneously Provided with SMPF New Provide) less:

(i) £[12.24] in the First Relevant Year;

(ii) £[21.75] in the Second Relevant Year; and

(iii) £[29.07] in the Third Relevant Year.

7C.3 The Percentage Change for the purposes of each of the products and/or services specified (each of which is referred to in this condition as a “single charge category”) in conditions 7C.1(a) to 7C.1(o) shall be calculated, for the purposes of complying with condition 7C.1, by employing the following formula:

$$C_t = \frac{(\bar{P}_t - \bar{P}_{t-1})}{\bar{P}_{t-1}}$$

Where:

C_t is the Percentage Change in charges for the specific product and/or service in the single charge category in question for the Relevant Year t ,

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

\bar{p}_t is the Relevant Year Weighted Average Charge made by the Dominant Provider for the specific product and/or service in the single charge category in question during the Relevant Year, excluding any discounts offered by the Dominant Provider:

Where such Relevant Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t} = \sum_{j=1}^m (w_{i,j,t} p_{i,j,t})$$

Where:

m is the number of time periods for which there are distinct charges during the Relevant Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t}$ is the proportion of the Relevant Year in which each charge, $p_{i,j,t}$, is in effect, calculated by the number of days during which the charge is in effect and dividing:

- (a) for the First Relevant Year, by 365;
- (b) for the Second Relevant Year, by 366; and
- (c) for the Third Relevant Year, by 365.

$p_{i,j,t}$ is the charge for the specified period, j , during the Relevant Year, t , for the specific product and/or service in the single charge category in question;

\bar{p}_{t-1} is the Prior Year Weighted Average Charge made by the Dominant Provider for the specific product and/or service in the single charge category in question during the Prior Year, excluding any discounts offered by the Dominant Provider;

Where such Prior Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t-1} = \sum_{j=1}^m (w_{i,j,t-1} p_{i,j,t-1})$$

Where:

m is the number of time periods for which there are distinct charges during the Prior Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t-1}$ is the proportion of the Prior Year in which each charge, $p_{i,j,t-1}$, is in effect, calculated by the number of days during which the charge is in effect and dividing:

(a) for the First Relevant Year, by 365;

(b) for the Second Relevant Year, by 365;

(c) for the Third Relevant Year, by 366

$p_{i,j,t-1}$ is the charge for the individual period, j , during the Prior Year, $t-1$, for the specific product and/or service in the single charge category in question.

7C.4 The Percentage Change for the purposes of the category of products and/or services (known as a “Basket”) specified in condition 7C.1(p) shall be calculated, for the purposes of complying with condition 7C.1, by employing the following formula:

$$C_t = \frac{\sum_{i=1}^n \left[R_i \frac{(\bar{p}_{i,t} - \bar{p}_{i,t-1})}{\bar{p}_{i,t-1}} \right]}{\sum_{i=1}^n R_i}$$

Where:

C_t is the Percentage Change in the aggregate of charges for the services in the Basket for Relevant Year t ;

n is the number of individual services in the Basket;

i is a number from 1 to n for each of the n services in the Basket;

R_i is the Total Revenue accrued during the Prior Year in respect of service i ;

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

$\bar{p}_{i,t}$ shall be calculated by employing the formula set out in condition 7C.3 above for the Relevant Year Weighted Average Charge for service, i , excluding any discounts offered by the Dominant Provider and its references to a single charge category shall be treated as references to charges for the specific product and/or service falling with the Basket; and

$\bar{p}_{i,t-1}$ is, for the purposes of calculating the Percentage Change for the First Relevant Year, the Initial Charge for the individual service i that forms part of the Basket during the Prior Year. For the purposes of calculating the Percentage Change for the Second Relevant Year and the Third Relevant Year, $\bar{p}_{i,t-1}$ shall be calculated by employing the formula set out in condition 7C.3 above for the Prior Year Weighted Average Charge made by the Dominant Provider for the individual service i that forms part of the Basket during the Prior Year, excluding any discounts offered by the Dominant Provider and its references to a single charge category shall be treated as references to charges for the specific product and/or service falling with the Basket.

7C.5 In the case of each of the categories of products and/or services that form part of the Basket specified in condition 7C.1(p), the Dominant Provider shall also and, in any event, take all reasonable steps to secure that, at the end of each Relevant Year, the Percentage Change in discrete charges for each and every product and/or service falling within the Basket in question is no more than the Controlling Percentage increased by [5-7.5] percentage points.

For the purposes of this condition 7C.5:

(a) the Controlling Percentage is the Controlling Percentage (as determined in accordance with condition 7C.6) for the Basket within which the product and/or service falls to which the discrete charges relate; and

(b) the Percentage Change shall be calculated by employing the formula set out in condition 7C.3 and its references to a single charge category shall be treated as references to charges for the specific product and/or service falling with the Basket.

7C.6 (a) Subject to conditions 7C.6(c) to 7C.6(e) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in Condition 7C.1(a) to 7C.1(c) and 7C.1(p) shall be calculated by employing the following formula:

$$CP_t = CPI_t + X$$

Where:

CP_t is the Controlling Percentage for Relevant Year t ,

CPI_t is CPI for the Relevant Year, t ,

X means:

1. for the category of products and/or services specified in condition 7C.1(a) [-5.5 to 1.75%] percentage points;
2. for the category of products and/or services specified in condition 7C.1(b) [36 to 44.5%] percentage points;
3. for the category of products and/or services specified in condition 7C.1(c) [-2.5 to 4.25 %] percentage points; and
4. for the category of products and/or services specified in condition 7C.1(p) [-10 to -3.75%] percentage points.

For the avoidance of doubt, the charges for each of the products and/or services listed in:

- (i) conditions 7C.1(a) to 7C.1(c) are constrained by condition 7C.2 in the First Relevant Year; and

(ii) conditions 7C.1(c) and 7C.1(p), are constrained by condition 7C.2 when Simultaneously Provided with SMPF New Provide.

(b) Subject to conditions 7C.6(c), 7C.6(d) and 7C.6(f) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in condition 7C.1(d) to 7C.1(o) shall be calculated by employing the following formula:

$$CP_t = X$$

Where:

CP_t is the Controlling Percentage for Relevant Year t ;

X means:

1. for the category of products and/or services specified in condition 7C.1(d) [-0.1% to 2.8%] percentage points;
2. for the category of products and/or services specified in condition 7C.1(e) [-0.1% to 2.8%] percentage points;
3. for the category of products and/or services specified in condition 7C.1(f) [-0.1% to 2.8%] percentage points;
4. for the category of products and/or services specified in condition 7C.1(g) [-0.1% to 2.8%] percentage points;
5. for the category of products and/or services specified in condition 7C.1(h) [-0.1% to 2.8%] percentage points;
6. for the category of products and/or services specified in condition 7C.1(i) [-0.1% to 2.8%] percentage points;
7. for the category of products and/or services specified in condition 7C.1(j) [-0.1% to 2.8%] percentage points;

8. for the category of products and/or services specified in condition 7C.1(k) [-0.1% to 2.8%] percentage points;
9. for the category of products and/or services specified in condition 7C.1(l) [-0.1% to 2.8%] percentage points;
10. for the category of products and/or services specified in condition 7C.1(m) [-0.1% to 2.8%] percentage points;
11. for the category of products and/or services specified in condition 7C.1(n) [-0.1% to 2.8%] percentage points; and
12. for the category of products and/or services specified in condition 7C.1(o) [-0.1% to 2.8%] percentage points.

For the avoidance of doubt, the charges for each of the products and/or services listed in conditions 7C.1(d) to 7C.1(o) are constrained by condition 7C.2 in the First Relevant Year.

(c) For each of the categories of products and/or services specified in:

- i. conditions 7C.1(a), 7C.1(b), 7C.1(c) and 7C.1(p), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is less than the Controlling Percentage (“**Deficiency**”), then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7C.6(e) below; and
- ii. conditions 7C.1(d) to 7C.1(o), in the case of Deficiency either in the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7C.6(f) below.

(d) For each of the categories of products and/or services specified in:

- i. conditions 7C.1(a), 7C.1(b), 7C.1(c) and 7C.1(p), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is more than the Controlling Percentage (“**Excess**”), then the Controlling

Percentage for the following Relevant Year shall be determined in accordance with condition 7C.6(e) below; and

- ii. conditions 7C.1(d) to 7C.1(o), in the case of Excess in either the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7C.6(f) below.

- (e) For each of the categories of products and/or services specified in condition 7C.1(a), 7C.1(b), 7C.1(c) and 7C.1(p), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + CPI + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in conditions 7C.1(a), 7C.1(b), 7C.1(c) and 7C.1(p) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in paragraph conditions 7C.3 and 7C.4;

X is as set out in condition 7C.6(a) above; and

CPI has the meaning ascribed to it in condition 7C.11(k) below.

- f) For each of the categories of products and/or services specified in condition 7C.1(d) to 7C.1(o), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in condition 7A.1(d) to 7A.1(o) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in condition 7C.3 or 7C.4, as applicable;

X is as set out in condition 7C.6(b) above.

- g) For each of the categories of products and/or services specified in condition 7C.1(a) to 7C.1(p), where the Percentage Change in any Relevant Year is more than the Controlling Percentage, the Dominant Provider shall, to the extent reasonably possible, and as soon as reasonably practicable, repay the Relevant Excess Revenue to the relevant Affected Communications Provider.

7C.7 Where

- (a) the Dominant Provider makes a material change (other than to a Charge) to any Charge Controlled Service for which a Charge is charged;
- (b) the Dominant Provider makes a change to the date on which its financial year ends; or
- (c) there is a material change in the basis of the Consumer Prices Index;

conditions 7C.1 to 7C.6 shall have effect subject to such reasonable adjustment to take account of the change as OFCOM may direct to be appropriate in the

circumstances. For the purposes of this condition 7C.7, a material change to the Charge Controlled Service includes (but is not limited to) the introduction of a new product and/or service wholly or substantially in substitution for that existing Charge Controlled Service.

7C.8 The Dominant Provider must record, maintain and supply to OFCOM in an electronic format, no later than three months after the end of each Relevant Year, the data necessary for OFCOM to monitor compliance of the Dominant Provider with the price control. The data must include:

- (a) pursuant to conditions 7C.3 and 7C.4, as applicable, the calculated Percentage Change relating to each category of products and services listed in conditions 7C.1(a) through to 7C.1(p);
- (b) all relevant data the Dominant Provider used in the calculation of the Percentage Change as set out in conditions 7C.3 and 7C.4 above, including for each specific service and/or product in the Basket;
- (c) all charges, excluding any discounts, published by the Dominant Provider from time to time during the Relevant Year and the Prior Year, including the dates and time periods during which they were in force;
- (d) the Relevant Year Weighted Average Charges and the Prior Year Weighted Average Charges for all of the services for which conditions 7C.3 and 7C.4 apply and calculations thereof;
- (e) other data necessary for monitoring compliance with the charge control; and
- (f) such data as Ofcom may from time to time direct.

All relevant revenues in respect of a specific service in the Basket shall be provided to at least the nearest £1,000.

7C.9 Conditions 7C.1 to 7C.8 shall not apply to such extent as OFCOM may direct.

7C.10 The Dominant Provider shall comply with any direction OFCOM may make from time to time under this Condition.

7C.11 In this condition:

- (a) **“Additional Hour”** means the provision of the service ‘Additional Hours (or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Wholesale Analogue Line Rental;
- (b) **“Additional Line Shifted”** means the provision of the service ‘Additional Line shifted’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Wholesale Analogue Line Rental;
- (c) **“Affected Communications Provider”** means each communications provider to whom the Dominant Provider has provided any of the services listed in conditions 7C.1(a) to 7C.1(p) of this condition during the Relevant Year;
- (d) **“Analogue Core WLR Rental”** means, unless OFCOM directs otherwise from time to time for the purpose of the meaning of this expression, Wholesale Analogue Line Rental which, on the date this condition takes effect, includes:
 - i. the rental of an analogue exchange line for control and billing purposes;
 - ii. maintenance which is part of the service provided by the Dominant Provider in consideration of the charge for an Exchange Line and includes a maintenance service level with a fault repair time of no more than provided for Level 1 service care level for Basic lines, as defined in the Dominant Provider’s standard terms and conditions; and
 - iii. one main directory listing per telephone number, comprising of either:
 - A. a residential style listing; or
 - B. a business style listing, where the Dominant Provider provides to the Third Party a WLR3 service, as defined in the Dominant Provider’s standard terms and conditions;

- (e) **“Basket”** shall be construed in accordance with condition 7C.4;
- (f) **“Caller ID”** means ‘Caller Display’, as provided by the Dominant Provider on its website for definitions and explanations of its products;
- (g) **“Charge”** means the charge (being in all cases the amounts offered or charged by the Dominant Provider), excluding any discount offered by the Dominant Provider, to a communications provider for the Charge Controlled Service;
- (h) **“Charge Controlled Service”** means a product, service or Basket of products and/or services listed in conditions 7C.1(a) to 7C.1(p);
- (i) **“Consumer Prices Index”** means the index of prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department (which is the Office for National Statistics at the time of publication of this notification) from time to time in respect of all items;
- (j) **“Controlling Percentage”** is to be determined in accordance with condition 7C.6;
- (k) **“CPI”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 October immediately before the beginning of the Relevant Year, expressed as a percentage (rounded to two decimal places) of that Consumer Prices Index as at the beginning of that first mentioned period;
- (l) **“Dominant Provider”** means British Telecommunications plc, whose registered company number is 1800000, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined in section 1159 of the Companies Act 2006;
- (m) **“Excess Revenue”** means the difference between (i) the revenue which the Dominant Provider earned in the Relevant Year from providing the services listed in conditions 7C.1(a) to 7C.1(p), and (ii) the revenue the Dominant

Provider would have earned in the Relevant Year from providing the services listed in conditions 7C.1(a) to 7C.1(p) if it had complied with condition 7C.1;

- (n) **“Exchange Line”** means apparatus comprised in the Dominant Provider’s electronic communications network and installed for the purpose of connecting a telephone exchange run by the Dominant Provider to a Network Termination Point comprised in Network Termination and Testing Apparatus installed by the Dominant Provider for the purpose of providing electronic communications services at the premises at which the Network Termination and Testing Apparatus is located;
- (o) **“Initial Charge”** means, for the purposes of calculating the Percentage Change in accordance with condition 7C.3, the charge by the Dominant Provider for the individual service, *i*, in the relevant Basket as set out in the column entitled ‘Initial Charge’ in the Annex to this Condition;
- (p) **“Internal and External Shifts”** means, the provision of the service ‘Internal and External Shifts’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Wholesale Analogue Line Rental;
- (q) **“Network Termination and Testing Apparatus”** means an item of apparatus comprised in an electronic communications network installed in a fixed position on served premises which enables:
 - i. approved apparatus to be readily connected to, and disconnected from, the network;
 - ii. the conveyance of signals between such approved apparatus and the network;
 - iii. the due functioning of the network to be tested, but the only other functions of which, if any, are:
 - A. to supply energy between such approved apparatus and the network;
 - B. to protect safety or security of the operation of the network; or

- C. to enable other operations exclusively related to the running of the network to be performed or the due functioning of any system to which the network is or is to be connected to be tested (separately or together with the network);
- (r) **“Network Termination Point”** means the physical point at which a Relevant Subscriber is provided with access to a public electronic communications network;
- (s) **“Non-Working Day”** means Sundays and public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable);
- (t) **“OFCOM”** means the Office of Communications as established pursuant to section 1(1) of the Office of Communications Act 2002 (c. 11);
- (u) **“Ordinary Maintenance”** means maintenance which is part of the service provided by the Dominant Provider in consideration of the charge for an Exchange Line and includes normal fault repair, as defined in the Dominant Provider’s standard terms and conditions;
- (v) **“Percentage Change”** has the meaning given to it in condition 7C.3 or 7C.4, as applicable;
- (w) **“Prior Year”** means the period of 12 months ending on 31 March immediately preceding the Relevant Year;
- (x) **“Prior Year Weighted Average Charge”** is to be determined in accordance with the relevant formula in condition 7C.3;
- (y) **Relevant Excess Revenue** means the Excess Revenue earned from charging the Affected Communications Provider;

- (z) **"Relevant Subscriber"** means any person who is party to a contract with a provider of public electronic communications services for the supply of such services;
- (aa) **"Relevant Year"** means each of the following three periods:
- i. the period beginning on 1 April 2014 and ending on 31 March 2015 (the **"First Relevant Year"**);
 - ii. the period beginning on 1 April 2015 and ending on 31 March 2016 (the **"Second Relevant Year"**);
 - iii. the period beginning on 1 April 2016 and ending on 31 March 2017 (the **"Third Relevant Year"**).
- (bb) **"Relevant Year Weighted Average Charge"** is to be determined in accordance with the relevant formula in condition 7C.3;
- (cc) **"Simultaneously Provided"** means, in the case of:
- i. WLR Conversion;
 - ii. WLR Start of Stopped MPF Line; or
 - iii. WLR Standard Connection,
- when that service and/or product is ordered and purchased simultaneously with SMPF New Provide;
- (dd) **"SMPF New Provide"** means the provision of Shared Access on a line that previously did not have Shared Access, including when the line was previously provided with Metallic Path Facilities;
- (ee) **"Standard Chargeable Visit"** means the provision of the service 'Standard Chargeable Visit (Visit plus up to 1 hours work)' (which shall be construed as

having the same meaning as, as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Wholesale Analogue Line Rental;

- (ff) **“Supplementary Charges (Per Hour)”** means the provision of the service ‘Supplementary charges (Per Hour or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of Wholesale Analogue Line Rental;
- (gg) **“Supplementary Charges (Per Visit)”** means the provision of the service ‘Supplementary charges (Per Visit)’ (which shall be construed as having the same meaning as, as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use Wholesale Analogue Line Rental;
- (hh) **“Third Party”** means a person providing a public electronic communications service or a person providing a public electronic communications network;
- (ii) **“Total Revenue”** means the total revenue from communications providers (including, for the avoidance of doubt, from the Dominant Provider to itself), in relation to the services and/or products subject to this Condition, excluding any discounts offered by the Dominant Provider;
- (jj) **“Wholesale Analogue Line Rental”** means an electronic communications service provided by the Dominant Provider to a Third Party for the use and Ordinary Maintenance of an analogue Exchange Line;
- (kk) **“WLR Connection Services”** means all of the products and/or services listed from time to time for the purpose of the Annex to this Condition;
- (ll) **“WLR Conversion”** shall be construed as having the same meaning as ‘Conversion of Local Loop Unbundling (LLU) Metallic Path Facility (MPF) to a single Wholesale Access line’ as provided by the Dominant Provider on its website for definitions and explanations of its products;

- (mm) **“WLR Standard Connection”** means the product and/or service listed in the Annex to this Condition as ‘Supply of new Basic line - Per line’, as provided by the Dominant Provider on its website for definitions and explanations of its products;

- (nn) **“WLR Start of Stopped MPF Line”** means the product and/or service listed in the Annex to this Condition as ‘Supply of new line - Per line - using previously stopped LLU MPF line’, as provided by the Dominant Provider on its website for definitions and explanations of its products;

- (oo) **“WLR Transfer”** means a charge for the transfer of control of an analogue access line (including, for the avoidance of doubt, ‘Line Transfer (inc Working Line Takeover and Starting of Stopped lines) Basic line - Per transfer’ as provided by the Dominant Provider on its website for definitions and explanations of its products); and

- (pp) **“Working Day”** means any day other than Saturdays, Sundays, public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable).

Annex to Condition 7C

Products and/or services subject to charge control pursuant to condition 7C.1(p)

Meaning of WLR Connection Services

For the purposes of Condition 7C, the expression “**WLR Connection Services**” shall be construed as including only the following two products and/or services, subject to any such changes as OFCOM may direct from time to time following any proposal by the Dominant Provider to introduce a new product and/or service or to substitute one or more of these two products and/or services for another (in which case this list shall be construed accordingly):

Item	Initial Charge
1. Supply of new Basic line - Per line	£47.11
2. Supply of new line - Per line - using previously stopped LLU MPF line	£40.86

Except in so far as the context otherwise requires, the terms or descriptions of products and/or services used in this Annex shall be construed as having the same meaning as those provided by the Dominant Provider on its website for definitions and explanations of its products in addition to future product updates. These are as at **[date]** found as follows:

- For WLR product information, please refer to:
<http://www.openreach.co.uk/orpg/home/products/wlr3/wlr3.do>

Condition 7D – Wholesale ISDN30 services charge control

7D.1 In each Relevant Year the Dominant Provider must not charge more than:
(ISDN30)

- (a) £81.57 for the ISDN30 Transfer Service;
- (b) £81.57 for the ISDN30 Direct Dial In Planning Service;
- (c) £0.81 for the ISDN30 Direct Dial In Connection Service; and
- (d) £1.04 for the ISDN30 Direct Dial In Rental Service.

7D.2 The Dominant Provider must take all reasonable steps to secure that, at the end of each Relevant Year, the Percentage Change (determined in accordance with condition 7D.4 and 7D.5, as applicable) in:

(a) the aggregate of charges for:

- i. ISDN30 Rental Services;
- ii. ISDN30 Connection Services; and
- iii. ISDN30 Enhanced Care Services;

(b) the charge for ISDN30 Connection Services;

(c) the charge for ISDN30 Enhanced Care Services;

(d) the charge for a Standard Chargeable Visit when that service is provided by the Dominant Provider within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(a)(i) applies;

(e) the charge for a Standard Chargeable Visit when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(a)(ii) applies;

(f) for a Standard Chargeable Visit when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified

in condition 7D.3(a)(iii) applies;

(g) the charge for an Additional Hour when that service is provided by the Dominant Provider within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(b)(i) applies;

(h) the charge for an Additional Hour when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(b)(ii) applies;

(i) the charge for an Additional Hour when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(b)(iii) applies;

(j) the charge for Supplementary Charges (Per Visit) when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(c)(i) applies;

(k) the charge for Supplementary Charges (Per Visit) when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(c)(ii) applies;

(l) the charge for Supplementary Charges (Per Hour) when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(d)(i) applies;

(m) the charge for Supplementary Charges (Per Hour) when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(d)(ii) applies;

(n) the charge for Internal and External Shifts, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(e) applies; and

(o) the charge for Additional Line Shifted, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7D.3(f) applies, is not more than the Controlling Percentage (determined in accordance with condition

7D.6).

7D.3 In the First Relevant Year, the Dominant Provider shall not charge more than:

- (a) for a Standard Chargeable Visit, the amount of:
 - i. £[72.00 to 105.60] when that service is provided within the hours of 8am to 5pm on a Working Day;
 - ii. £[108.00 to 158.40] when that service is provided on a Non-Working Day; and
 - iii. £[90.00 to 132.00] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (b) for an Additional Hour, the amount of:
 - i. £[36.00 to 52.80] per hour when that service is provided within the hours of 8am to 5pm on a Working Day;
 - ii. £[72.00 to 105.60] per hour when that service is provided on a Non-Working Day; and
 - iii. £[54.00 to 79.20] per hour when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (c) for Supplementary Charges (Per Visit), the amount of:
 - i. £[36.00 to 52.80] when that service is provided on a Non-Working Day; and
 - ii. £[18.00 to 26.40] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (d) for Supplementary Charges (Per Hour), the amount of:
 - i. £[36.00 to 52.80] when that service is provided on a Non-Working Day; and
 - ii. £[18.00 to 26.40] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (e) for Internal and External Shifts, the amount of £[72.00 to 105.60] in the First Relevant Year;
- (f) for Additional Line Shifted, the amount of £[36.00 to 52.80] in the First Relevant Year.

7D.4

The Percentage Change for the purposes of the products and/or services specified in conditions 7D.2(a), 7D.2(b) and 7D.2(c) respectively (each of which is known as a “Basket”) shall be calculated for the purposes of complying with condition 7D.2 by employing the following formula:

$$C_t = \frac{\sum_{i=1}^n \left[R_i \frac{(\bar{p}_{i,t} - \bar{p}_{i,t-1})}{\bar{p}_{i,t-1}} \right]}{\sum_{i=1}^n R_i}$$

Where:

C_t is the Percentage Change in the aggregate of charges for the services in the Basket for Relevant Year t ;

n is the number of individual services in the Basket;

i is a number from 1 to n for each of the n individual services in the Basket;

R_i is the Total Revenue accrued during the Prior Year in respect of the individual service i that forms part of the Basket;

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

$\bar{p}_{i,t}$ is the Relevant Year Weighted Average Charge made by the Dominant Provider for the individual service i that forms part of the Basket during the Relevant Year, excluding any discounts offered by the Dominant Provider:

Where such Relevant Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t} = \sum_{j=1}^m (w_{i,j,t} p_{i,j,t})$$

Where:

m is the number of time periods for which there are distinct charges during the Relevant Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t}$ is the proportion of the Relevant Year in which each charge, $p_{i,j,t}$, is in effect, calculated by the number of days during which the charge is in effect and dividing

(1) for the First Relevant Year, by 365;

(2) for the Second Relevant Year, by 366; and

(3) for the Third Relevant Year, by 365.

$p_{i,j,t}$ is the charge for the specified period, j , during the Relevant Year t , for the individual service, i ;

$\bar{p}_{i,t-1}$ is, for the purposes of calculating the Percentage Change for the First Relevant Year, the Initial Charge for the individual service i that forms part of the Basket during the Prior Year, For the purposes of calculating the Percentage Change for the Second Relevant Year and the Third Relevant Year, $\bar{p}_{i,t-1}$ is the Prior Year Weighted Average Charge made by the Dominant Provider for the individual service i that forms part of the Basket during the Prior Year, excluding any discounts offered by the Dominant Provider;

Where such Prior Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t-1} = \sum_{j=1}^m (w_{i,j,t-1} p_{i,j,t-1})$$

Where:

m is the number of time periods for which there are distinct charges during the Prior Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t-1}$ is the proportion of the Prior Year in which each charge, $P_{i,j,t-1}$, is in effect, calculated by the number of days during which the charge is in effect and dividing:

(1) for the First Relevant Year, by 365;

(2) for the Second Relevant Year, by 365;

(3) the Third Relevant Year, by 366;

$P_{i,j,t-1}$ is the charge for the individual period, j , during the Prior Year, $t-1$, for the individual service, i .

7D.5

The Percentage Change for the purposes of each of the products and/or services specified in conditions 7D.2(d) to 7D.2(o) (each of which is referred to in this condition as a “single charge category”) shall be calculated, for the purposes of complying with condition 7D.2, by employing the following formula:

$$C_t = \frac{(\bar{p}_t - \bar{p}_{t-1})}{\bar{p}_{t-1}}$$

Where:

C_t is the Percentage Change in charges for the specific product and/or service in the single charge category in question for the Relevant Year t ;

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

\bar{p}_t shall be calculated by employing the formula set out in condition 7D.4 above for the Relevant Year Weighted Average Charge, excluding any discounts offered by the Dominant Provider, and its references to individual service i shall be treated as references to charges for the specific product and/or service in the single charge category in question; and

\bar{p}_{t-1} shall be calculated by employing the formula set out in condition 7D.4 above for the Prior Year Weighted Average Charge, excluding any discounts offered by the Dominant Provider, and its references to individual service i shall be treated as references to charges for the specific product and/or service in the single charge category in question.

- 7D.6** a) Subject to conditions 7D.6(c) to 7D.6(e) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in conditions 7D.2(a), (b) and (c) shall be calculated by employing the following formula:

$$CP_t = CPI_t + X$$

Where:

CP_t is the Controlling Percentage for Relevant Year t ;

CPI_t is CPI for the Relevant Year, t ;

X means:

- i. for the category of products and/or services specified in condition 7D.2(a) 0 (zero) percentage points;
- ii. for the category of products and/or services specified in condition 7D.2(b) 5 percentage points; and
- iii. for the category of products and/or services specified in condition 7D.2(c) 0 (zero) percentage points.

- b) Subject to conditions 7D.6(c), 7D.6(d) and 7D.6(f) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in condition 7D.2(d) to 7D.2(o) shall be calculated by employing the following formula:

$$CP_t = X$$

Where:

CP_t is the Controlling Percentage for Relevant Year t ,

X means:

- a. for the category of products and/or services specified in condition 7D.2(d) [-0.1% to 2.8%] percentage points;
- b. for the category of products and/or services specified in condition 7D.2(e) [-0.1% to 2.8%] percentage points;
- c. for the category of products and/or services specified in condition 7D.2(f) [-0.1% to 2.8%] percentage points;
- d. for the category of products and/or services specified in condition 7D.2(g) [-0.1% to 2.8%] percentage points;
- e. for the category of products and/or services specified in condition 7D.2(h) [-0.1% to 2.8%] percentage points;
- f. for the category of products and/or services specified in condition 7D.2(i) [-0.1% to 2.8%] percentage points;
- g. for the category of products and/or services specified in condition 7D.2(j) [-0.1% to 2.8%] percentage points;
- h. for the category of products and/or services specified in condition 7D.2(k) [-0.1% to 2.8%] percentage points;
- i. for the category of products and/or services specified in condition 7D.2(l) [-0.1% to 2.8%] percentage points;

- j. for the category of products and/or services specified in condition 7D.2(m) [-0.1% to 2.8%] percentage points;
- k. for the category of products and/or services specified in condition 7D.2(n) [-0.1% to 2.8%] percentage points;
- l. for the category of products and/or services specified in condition 7D.2(o) [-0.1% to 2.8%] percentage points.

For the avoidance of doubt, the charges for each of the products and/or services set out in conditions 7D.2(d) to 7D.2(o) are constrained by condition 7D.3 in the First Relevant Year.

- c) For each of the categories of products and/or services specified in:
 - i. conditions 7D.2(a) to (c), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is less than the Controlling Percentage (“**Deficiency**”), then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7D.6(e) below; and
 - ii. conditions 7D.2(d) to (o), in the case of Deficiency either in the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7D.6(f) below.
- d) For each of the categories of products and/or services specified in:
 - i. condition 7D.2(a) to (c), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is more than the Controlling Percentage (“**Excess**”), then the Controlling Percentage for the following Relevant Year shall also be determined in accordance with condition 7D.6(e) below; and
 - ii. conditions 7D.2(d) to (o), in the case of Excess either in the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7D.6(f) below.

- e) For each of the categories of products and/or services specified in condition 7D.2(a) to (c), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + CPI + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in condition 7D.2 (a) to (c) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in condition 7D.3 above;

X is as set out in condition 7D.6(a) above; and

CPI has the meaning ascribed to it in condition 7D.11(i) below.

- f) For each of the categories of products and/or services specified in condition 7D.2(d) to (o), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in condition 7D.2 (d) to (o) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in condition 7D.4 or 7D.5 above, as applicable; and

X is as set out in condition 7D.6(b) above.

- 9) For each of the categories of products and/or services specified in condition 7D.2 (a) to (o), where the Percentage Change in any Relevant Year is more than the Controlling Percentage, the Dominant Provider shall, to the extent reasonably possible, and as soon as reasonably practicable, repay the Relevant Excess Revenue to the relevant Affected Communications Provider.

7D.7 Where:

- a. the Dominant Provider makes a material change (other than to a Charge) to any Charge Controlled Service for which a Charge is charged;
- b. the Dominant Provider makes a change to the date on which its financial year ends; or
- c. there is a material change in the basis of the Consumer Prices Index,

conditions 7D.1 to 7D.6 shall have effect subject to such reasonable adjustment to take account of the change as Ofcom may direct to be appropriate in the circumstances. For the purposes of this condition 7D.7, a material change to the Charge Controlled Service includes (but is not limited to) the introduction of a new product and/or service wholly or substantially in substitution for an existing Charge Controlled Service.

7D.8 The Dominant Provider must record, maintain and supply to Ofcom in an electronic format, no later than three months after the end of each Relevant Year, the data necessary for Ofcom to monitor compliance of the Dominant Provider with the

price control. The data must include:

- a. pursuant to condition 7D.4 and 7D.5, as applicable, the calculated Percentage Change relating to each category of services specified in conditions 7D.2 (a) to (o);
- b. all relevant data the Dominant Provider used in the calculation of the Percentage Change as set out in 7D.4 and 7D.5 above, including for each specific service, *i*;
- c. all charges, excluding any discounts, published by the Dominant Provider from time to time during the Relevant Year and the Prior Year, including the dates and time periods during which they were in force;
- d. the Relevant Year Weighted Average Charges and the Prior Year Weighted Average Charges for all of the services for which conditions 7D.4 and/or 7D.5 apply, as applicable, and calculations thereof;
- e. other data necessary for monitoring compliance with the charge control; and
- f. such data as Ofcom may from time to time direct,

All relevant revenues in respect of a specific service in a Basket shall be provided to at least the nearest £1,000.

7D.9 Conditions 7D.1 to 7D.8 shall not apply to such extent as Ofcom may direct.

7D.10 The Dominant Provider must comply with any direction Ofcom may make from time to time under this condition.

7D.11 In this Condition

- a. “**Additional Hour**” means the provision of the service ‘Additional Hours (or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN30 Services;

- b. **“Additional Line Shifted”** means the provision of the service ‘Additional Line shifted’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN30 Services;
- c. **“Affected Communications Provider”** means each communications provider to whom the Dominant Provider has provided any of the services and/or products listed in conditions 7D.2 (a) to (o) of this Condition during the Relevant Year;
- d. **“Basket”** shall be construed in accordance with condition 7D.4;
- e. **“Charge”** mean the charge (being in all cases the amounts offered or charged by the Dominant Provider), excluding any discounts offered by the Dominant Provider, to a communications provider for the Charge Controlled Service;
- f. **“Charge Controlled Service”** means a service or Basket of services listed in conditions 7D.1 and/or 7D.2;
- g. **“Consumer Prices Index”** means the index of prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department (which is the Office for National Statistics at the time of publication of this notification) from time to time in respect of all items;
- h. **“Controlling Percentage”** is to be determined in accordance with condition 7D.6;
- i. **“CPI”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 October immediately before the beginning of the Relevant Year, expressed as a percentage (rounded to two decimal places) of that Consumer Prices Index as at the beginning of that first mentioned period;
- j. **“Excess Revenue”** means the difference between (i) the revenue which the Dominant Provider earned in the Relevant Year from providing the

services listed in conditions 7D.2(a) to 7D.2(o), and (ii) the revenue the Dominant Provider would have earned in the Relevant Period from providing the services listed in conditions 7D.2(a) to 7D.2(o) if it had complied with condition 7D.2;

- k. **“Initial Charge”** means, for the purposes of calculating the Percentage Change in accordance with condition 7D.4, the charge by the Dominant Provider for the individual service, *i*, in the relevant Basket as at [DATE] as provided by the Dominant Provider on its website for definitions and explanations of its products;
- l. **“Internal and External Shifts”** means, the provision of the service ‘Internal and External Shifts’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN30 Services;
- m. **“Non-Working Day”** means Sundays and public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable);
- n. **“Percentage Change”** has the meaning given to it in condition 7D.4 and 7D.5, as applicable;
- o. **“Prior Year Weighted Average Charge”** is to be determined in accordance with the relevant formula in condition 7D.4;
- p. **“Relevant Excess Revenue”** means the Excess Revenue earned from charging the Affected Communications Provider;
- q. **“Relevant Year Weighted Average Charge”** is to be determined in accordance with the relevant formula in condition 7D.4;
- r. **“Standard Chargeable Visit”** means the provision of the service ‘Standard Chargeable Visit (Visit plus up to 1 hours work)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN30 Services;

- s. **“Supplementary Charges (Per Hour)”** means the provision of the service ‘Supplementary charges (Per Hour or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN30 Services;

- t. **“Supplementary Charges (Per Visit)”** means the provision of the service ‘Supplementary charges (Per Visit)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN30 Services;

- u. **“Total Revenue”** means the total revenue from communications providers (including, for the avoidance of doubt, from the Dominant Provider to itself), in relation to the services and/or products subject to this Condition, excluding any discounts offered by the Dominant Provider; and

- v. **“Working Day”** means any day other than Saturdays, Sundays, public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable).

Condition 7E – Wholesale ISDN2 services charge control

- 7E.1** In each Relevant Year the Dominant Provider must not charge more than £20 per line for the ISDN2 Transfer Services. For the avoidance of doubt, a reference to 'per line' in this condition 7E means to two channels.
- 7E.2** The Dominant Provider must take all reasonable steps to secure that, at the end of each Relevant Year, the Percentage Change (determined in accordance with condition 7E.4 and 7E.5, as applicable) in:
- (a) the aggregate of charges for ISDN2 Rental Services and ISDN2 Connection Services;
 - (b) the charge for a Standard Chargeable Visit when that service is provided by the Dominant Provider within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(a)(i) applies;
 - (c) the charge for a Standard Chargeable Visit when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(a)(ii) applies;
 - (d) for a Standard Chargeable Visit when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(a)(iii) applies;
 - (e) the charge for an Additional Hour when that service is provided by the Dominant Provider within the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(b)(i) applies;
 - (f) the charge for an Additional Hour when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(b)(ii) applies;

- (g) the charge for an Additional Hour when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(b)(iii) applies;
- (h) the charge for Supplementary Charges (Per Visit) when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(c)(i) applies;
- (i) the charge for Supplementary Charges (Per Visit) when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(c)(ii) applies;
- (j) the charge for Supplementary Charges (Per Hour) when that service is provided by the Dominant Provider on a Non-Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(d)(i) applies;
- (k) the charge for Supplementary Charges (Per Hour) when that service is provided by the Dominant Provider on a Saturday or outside the hours of 8am to 5pm on a Working Day, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(d)(ii) applies;
- (l) the charge for Internal and External Shifts, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(e) applies; and
- (m) the charge for Additional Line Shifted, except for the First Relevant Year in relation to which the charge ceiling specified in condition 7E.3(f) applies,

is not more than the Controlling Percentage (determined in accordance with condition 7E.6).

7E.3 In the First Relevant Year, the Dominant Provider shall not charge more than:

- (a) for a Standard Chargeable Visit, the amount of:

- i. £[72.00 to 105.60] when that service is provided within the hours of 8am to 5pm on a Working Day;
 - ii. £[108.00 to 158.40] when that service is provided on a Non-Working Day; and
 - iii. £[90.00 to 132.00] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (b) for an Additional Hour, the amount of:
 - i. £[36.00 to 52.80] per hour when that service is provided within the hours of 8am to 5pm on a Working Day;
 - ii. £[72.00 to 105.60] per hour when that service is provided on a Non-Working Day; and
 - iii. £[54.00 to 79.20] per hour when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (c) for Supplementary Charges (Per Visit), the amount of:
 - i. £[36.00 to 52.80] when that service is provided on a Non-Working Day; and
 - ii. £[18.00 to 26.40] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (d) for Supplementary Charges (Per Hour), the amount of:
 - i. £[36.00 to 52.80] when that service is provided on a Non-Working Day; and
 - ii. £[18.00 to 26.40] when that service is provided on a Saturday or outside the hours of 8am to 5pm on a Working Day.

- (e) for Internal and External Shifts, the amount of £[72.00 to 105.60] in the First Relevant Year;

- (f) for Additional Line Shifted, the amount of £[36.00 to 52.80] in the First

Relevant Year.

7E.4 The Percentage Change for the purposes of the products and/or services specified in condition 7E.2(a) (which is a “Basket”) shall be calculated for the purposes of complying with condition 7E.2 by employing the following formula:

$$C_t = \frac{\sum_{i=1}^n \left[R_i \frac{(\bar{p}_{i,t} - \bar{p}_{i,t-1})}{\bar{p}_{i,t-1}} \right]}{\sum_{i=1}^n R_i}$$

Where:

C_t is the Percentage Change in the aggregate of charges for the services in the Basket for Relevant Year t ;

n is the number of individual services in the Basket;

i is a number from 1 to n for each of the n individual services in the Basket;

R_i is the Total Revenue accrued during the Prior Year in respect of the individual service i that forms part of the Basket;

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

$\bar{p}_{i,t}$ is the Relevant Year Weighted Average Charge made by the Dominant Provider for the individual service i that forms part of the Basket during the Relevant Year, excluding any discounts offered by the Dominant Provider:

Where such Relevant Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t} = \sum_{j=1}^m (w_{i,j,t} p_{i,j,t})$$

Where:

m is the number of time periods for which there are distinct charges

during the Relevant Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t}$ is the proportion of the Relevant Year in which each charge, $p_{i,j,t}$, is in effect, calculated by the number of days during which the charge is in effect and dividing

- (1) for the First Relevant Year, by 365;
- (2) for the Second Relevant Year, by 366; and
- (3) for the Third Relevant Year, by 365.

$p_{i,j,t}$ is the charge for the specified period, j , during the Relevant Year, t , for the individual service, i ;

$\bar{p}_{i,t-1}$ is, for the purposes of calculating the Percentage Change for the First Relevant Year, the Initial Charge for the individual service i that forms part of the Basket during the Prior Year, For the purposes of calculating the Percentage Change for the Second Relevant Year and the Third Relevant Year, $\bar{p}_{i,t-1}$ is the Prior Year Weighted Average Charge made by the Dominant Provider for the individual service i that forms part of the Basket during the Prior Year, excluding any discounts offered by the Dominant Provider:

Where such Prior Year Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t-1} = \sum_{j=1}^m (w_{i,j,t-1} p_{i,j,t-1})$$

Where:

m is the number of time periods for which there are distinct charges during the Prior Year;

j is a number from 1 to m for each of the m time periods during which a distinct charge is in effect;

$w_{i,j,t-1}$ is the proportion of the Prior Year in which each charge, $p_{i,j,t-1}$, is in effect, calculated by the number of days during which the charge is in effect and dividing

(1) for the First Relevant Year, by 365;

(2) for the Second Relevant Year, by 365;

(3) for the Third Relevant Year, by 366;

$p_{i,j,t-1}$ is the charge for the individual period, j , during the Prior Year, for the individual service, i .

7E.5 The Percentage Change for the purposes of each of the products and/or services specified (each of which is referred to in this condition as a “single charge category”) in conditions 7E.2(b) to 7E.2(m) shall be calculated, for the purposes of complying with condition 7E.2, by employing the following formula:

$$C_t = \frac{(\bar{p}_t - \bar{p}_{t-1})}{\bar{p}_{t-1}}$$

Where:

C_t is the Percentage Change in charges for the specific product and/or service in the single charge category in question for the Relevant Year t ;

t refers to the Relevant Year;

$t-1$ refers to the Prior Year;

\bar{p}_t shall be calculated by employing the formula set out in condition 7E.4 above for the Relevant Year Weighted Average Charge, excluding any discounts offered by the Dominant Provider, and its references to

individual service *i* shall be treated as references to charges for the specific product and/or service in the single charge category in question; and

\bar{p}_{t-1} shall be calculated by employing the formula set out in condition 7E.4 above for the Prior Year Weighted Average Charge, excluding any discounts offered by the Dominant Provider, and its references to individual service *i* shall be treated as references to charges for the specific product and/or service in the single charge category in question.

- 7E.6** a) Subject to conditions 7E.6(c) to 7E.6(e) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in condition 7E.2(a), shall be calculated by employing the following formula:

$$CP_t = CPI_t + X$$

Where:

X means 0 (zero) percentage points;

CP_t is the Controlling Percentage for Relevant Year *t*;

CPI_t is CPI for the Relevant Year, *t*;

- b) Subject to conditions 7E.6(c), 7E.6(d) and 7E.6(f) below, the Controlling Percentage in relation to any Relevant Year for each of the categories of products and/or services specified in condition 7E.2(b) to 7E.2(m) shall be calculated by employing the following formula:

$$CP_t = X$$

Where:

CP_t is the Controlling Percentage for Relevant Year *t*;

X means:

- i. for the category of products and/or services specified in condition

7E.2(b) [-0.1% to 2.8%] percentage points;

- ii. for the category of products and/or services specified in condition 7E.2(c) [-0.1% to 2.8%] percentage points;
- iii. for the category of products and/or services specified in condition 7E.2(d) [-0.1% to 2.8%] percentage points;
- iv. for the category of products and/or services specified in condition 7E.2(e) [-0.1% to +2.8%] percentage points;
- v. for the category of products and/or services specified in condition 7E.2(f) [-0.1% to 2.8%] percentage points;
- vi. for the category of products and/or services specified in condition 7E.2(g) [-0.1% to 2.8%] percentage points;
- vii. for the category of products and/or services specified in condition 7E.2(h) [-0.1% to 2.8%] percentage points;
- viii. for the category of products and/or services specified in condition 7E.2(i) [-0.1% to 2.8%] percentage points;
- ix. for the category of products and/or services specified in condition 7E.2(j) [-0.1% to 2.8%] percentage points;
- x. for the category of products and/or services specified in condition 7E.2(k) [-0.1% to 2.8%] percentage points;
- xi. for the category of products and/or services specified in condition 7E.2(l) [-0.1% to 2.8%] percentage points; and
- xii. for the category of products and/or services specified in condition 7E.2(m) [-0.1% to 2.8%] percentage points.

For the avoidance of doubt, the charges for each of the products and/or services set out in conditions 7E.2(b) to 7E.2(m) are constrained by condition 7E.3 in the First Relevant Year.

c) For the products and/or services specified in:

- i. condition 7E.2(a), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is less than the Controlling Percentage (“**Deficiency**”), then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7E.6 (e) below; and
- ii. conditions 7E.2(b) to (m), in the case of Deficiency either in the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7E.6(f) below.

d) For the products and/or services specified in:

- i. condition 7E.2(a), where the Percentage Change in either the First Relevant Year or the Second Relevant Year is more than the Controlling Percentage (“**Excess**”), then the Controlling Percentage for the following Relevant Year shall also be determined in accordance with condition 7E.6(e) below; and
- ii. conditions 7E.2(b) to (m), in the case of Excess either in the First Relevant Year or the Second Relevant Year, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with condition 7E.6(f) below.

e) For the products and/or services specified in condition 7E.2(a), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + CPI + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in condition 7E.2(a) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in condition 7E.4 above;

X is as set out in condition 7E.6(a) above; and

CPI has the meaning ascribed to it in condition 7E.11(i) below.

- f) For each of the categories of products and/or services specified in condition 7E.2(b) to (m), in the case of Deficiency or Excess, the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Third Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year);

CP_{t-1} is the Controlling Percentage for the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in case of Deficiency or Excess in the Second Relevant Year);

C_{t-1} is the Percentage Change in the Charge for the category of products and/or services specified in condition 7E.2 (b) to (m) during the First Relevant Year (in the case of Deficiency or Excess in the First Relevant Year) or for the Second Relevant Year (in the case of Deficiency or Excess in the Second Relevant Year), calculated in accordance with the formula for C_t set out in condition 7E.4 or 7E.5 above, as applicable; and

X is as set out in condition 7E.6(b) above.

- g) For each of the categories of products and/or services specified in condition 7E.2, where the Percentage Change in any Relevant Year is more than the Controlling Percentage, the Dominant Provider shall, to the extent reasonably possible, and as soon as reasonably practicable, repay the Relevant Excess Revenue to the relevant Affected Communications Provider.

7E.7 Where:

- a. the Dominant Provider makes a material change (other than to a Charge) to any Charge Controlled Service for which a Charge is charged;
- b. the Dominant Provider makes a change to the date on which its financial year ends; or
- c. there is a material change in the basis of the Consumer Prices Index,

conditions 7E.1 to 7E.6 shall have effect subject to such reasonable adjustment to take account of the change as Ofcom may direct to be appropriate in the circumstances. For the purposes of this condition 7E.7, a material change to the Charge Controlled Service includes (but is not limited to) the introduction of a new product and/or service wholly or substantially in substitution for an existing Charge Controlled Service.

7E.8 The Dominant Provider must record, maintain and supply to Ofcom in an electronic format, no later than three months after the end of each Relevant Year, the data necessary for Ofcom to monitor compliance of the Dominant Provider with the price control. The data must include:

- a. pursuant to conditions 7E.4 and 7E.5, as applicable, the calculated Percentage Change relating to each category of services specified in conditions 7E.2(a) through to 7E.2(m);
- b. all relevant data the Dominant Provider used in the calculation of the Percentage Change as set out in 7E.4 and 7E.5 above, including for each specific service, *i*;

- c. all charges, excluding any discounts, published by the Dominant Provider from time to time during the Relevant Year and the Prior Year, including the dates and time period during which they were in force;
- d. the Relevant Year Weighted Average Charges and the Prior Year Weighted Average Charges for all of the services for which conditions 7E.4 and/or 7E.5 apply and calculations thereof;
- e. such data as Ofcom may from time to time direct; and
- f. other data necessary for monitoring compliance with the charge control.

All relevant revenues in respect of a specific service in the Basket shall be provided to at least the nearest £1,000.

- 7E.9** Conditions 7E.1 to 7E.8 shall not apply to such extent as Ofcom may direct.
- 7E.10** The Dominant Provider must comply with any direction Ofcom may make from time to time under this condition.
- 7E.11** In this Condition:
- a) “**Additional Hour**” means the provision of the service ‘Additional Hours (or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN2 Services;
 - b) “**Additional Line Shifted**” means the provision of the service ‘Additional Line shifted’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN2 Services;
 - c) “**Affected Communications Provider**” means each communications

provider to whom the Dominant Provider has provided any of the services and/or products listed in condition 7E.2(a) to 7E.2(m) of this Condition during the Relevant Year;

- d) **"Basket"** shall be construed in accordance with condition 7E.4;
- e) **"Charge"** means the charge (being in all cases the amounts offered or charged by the Dominant Provider) excluding any discounts offered by the Dominant Provider, to a communications provider for the Charge Controlled Service;
- f) **"Charge Controlled Service"** means a service or Basket of services listed in conditions 7E.1 and 7E.2;
- g) **"Controlling Percentage"** is to be determined in accordance with condition 7E.6;
- h) **"Consumer Prices Index"** means the index of prices compiled by an agency or a public body on behalf of Her Majesty's Government or a governmental department (which is the Office for National Statistics at the time of publication of this notification) from time to time in respect of all items;
- i) **"CPI"** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 October immediately before the beginning of the Relevant Year, expressed as a percentage (rounded to two decimal places) of that Consumer Prices Index as at the beginning of that first mentioned period;
- j) **"Excess Revenue"** means the difference between (i) the revenue which the Dominant Provider earned in the Relevant Year from providing the services listed in conditions 7E.2(a) to 7E.2(m), and (ii) the revenue the Dominant Provider would have earned in the Relevant Year from providing the services and/or products listed in conditions 7E.2(a) to 7E.2(m) if it had complied with condition 7E.2;
- k) **"Initial Charge"** means, for the purposes of calculating the Percentage Change in accordance with condition 7E.4, the charge by the Dominant

Provider for the individual service, *i*, in the Basket as at [DATE] as provided by the Dominant Provider on its website for definitions and explanations of its products;

- l) **“Internal and External Shifts”** means, the provision of the service ‘Internal and External Shifts’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN2 Services;
- m) **“Non-Working Day”** means Sundays and public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable);
- n) **“Percentage Change”** has the meaning given to it in condition 7E.4 and 7E.5, as applicable;
- o) **“Prior Year Weighted Average Charge”** is to be determined in accordance with the formula in condition 7E.4;
- p) **“Relevant Excess Revenue”** means the Excess Revenue earned from charging the Affected Communications Provider;
- q) **“Relevant Year Weighted Average Charge”** is to be determined in accordance with the formula in condition 7E.4;
- r) **“Standard Chargeable Visit”** means the provision of the service ‘Standard Chargeable Visit (Visit plus up to 1 hours work)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN2 Services;
- s) **“Supplementary Charges (Per Hour)”** means the provision of the service ‘Supplementary charges (Per Hour or Part thereof)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN2 Services;

- t) **“Supplementary Charges (Per Visit)”** means the provision of the service ‘Supplementary charges (Per Visit)’ (which shall be construed as having the same meaning as provided by the Dominant Provider on its website for definitions and explanations of its products) where this is reasonably necessary for the use of ISDN2 Services;

- u) **“Total Revenue”** means the total revenue from communications providers (including, for the avoidance of doubt, from the Dominant Provider to itself), in relation to the services and/or products subject to this Condition, excluding any discounts offered by the Dominant Provider; and

- v) **“Working Day”** means any day other than Saturdays, Sundays, public holidays or bank holidays in England and Wales, Scotland or Northern Ireland (as applicable).