

27 May 2026

Level 10,
1 Willis Street,
Wellington, 6011
New Zealand

By e-mail only to: [REDACTED]

Tēnā koe lan,

Conditional exemption from Notice to supply information to the under section 221 of the Telecommunications Act 2001

1. In response to your letter dated 8 May 2026 on behalf of Chorus Limited (**Chorus**), the Commerce Commission (the **Commission**) grants Chorus a conditional exemption from specific requirements set out in the Notice to supply information to the Commerce Commission (the **Notice**) to calculate the wash-up.¹ That Notice was issued under section 221 of the Telecommunications Act 2001 on 25 March 2025 and relates to the second regulatory period (PQP2).
2. The Notice requires Chorus to use certain models to calculate the actual allowable revenue, the actual total FFLAS revenue and the wash-up information report. Chorus has informed the Commission that it no longer uses these models and therefore cannot provide the information set out in the Notice.
3. The Commission grants Chorus an exemption from using the following models in calculating and submitting the required wash-up information for each regulatory year as required by the Notice:
 - 3.1. BBR model being the document titled “Chorus NZL CRM MAR Model v72 (part ts, int TCSD) – CTO v11 O11 – Option 3 – Corrected (HY) v92f4 153A delink ID s21.xlsx” provided to the **Commission** on 23 October 2024;
 - 3.2. Opex allocation model being the document titled “BBM Opex Allocation v4.3 (one link) v17c decision opex fc D_R 153A - Comm alloc + AM v7b

¹ Commerce Commission, “Notice to supply information to the Commerce Commission under section 221 of the Telecommunications Act 2001 – wash-up information” (25 March 2025).

revised RT02 s9op1.xlsm” provided to the **Commission** on 23 October 2024; and

3.3. RAB models being the document titled “Chorus NZL Core BBM v314_150v4 CRM IAV CC (two links) - 100 S18 O11 (HY) 10YP ID23 (D&R153A).xlsb” provided to the Commission on 23 October 2024.

4. This exemption is granted on the following conditions:

4.1. That Chorus uses the following models in calculating and submitting the required wash-up information for each regulatory year as required by the Notice:

4.1.1. **BBR model** being the document titled: “BPC MAR model v2.65.xlsb”, that replaces “Chorus NZL CRM MAR Model v72 (parts, int TCSD) – CTO v11 O11 – Option 3 – Corrected (HY) v92f4 153A delink ID s21.xlsb” provided to the **Commission** on 23 October 2024;

4.1.2. **Opex allocation model** being the document titled: “BPC opex allocation model v2.65.xlsb”, that replaces “BBM Opex Allocation v4.3 (one link) v17c decision opex fc D_R 153A - Comm alloc + AM v7b revised RT02 s9op1.xlsm” provided to the Commission on 23 October 2024;

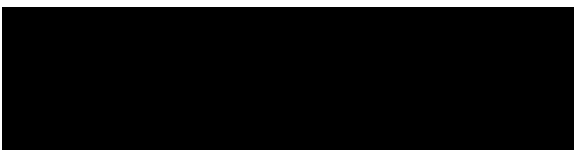
4.1.3. **RAB model** being the document titled: “BPC RAB model v2.65.xlsb,” that replaces “Chorus NZL Core BBM v314_150v4 CRM IAV CC (two links) – 100 S18 O11 (HY) 10YP ID23 (D&R153A).xlsb” provided to the Commission on 23 October 2024.

4.2. Chorus provides assurance signed by a Chorus executive that the models used to calculate the actual allowable revenue, the actual total FFLAS revenue and the wash-up information report for each disclosure year, are materially equivalent models to those originally required by the Notice.

5. A copy of this exemption response letter will be published on the Commission’s website.

6. If you have any questions regarding this matter, please contact Steve Riceman at infrastructure.regulation@comcom.govt.nz.

Nāku iti noa, nā



Tristan Gilbertson
Telecommunications Commissioner

Appendix: Legal Framework and Exemption Rationale

Legal framework

- A1. Chorus Limited (Chorus) is subject to price-quality regulation under Part 6 of the Telecommunications Act 2001 (Act) in respect of the services specified in Regulation 6 of the Telecommunications (Regulated Fibre Service Providers) Regulations 2019. We, the Commerce Commission (Commission), have made a determination under s 170 specifying how price-quality regulation applies to Chorus during the second regulatory period (commencing 1 January 2025 until 31 December 2028, that we refer to as ‘PQP2’).²
- A2. The Commission requires information sought in the Notice to enable it to carry out its functions and exercise its powers under ss 194-196 of the Act to determine price-quality paths for Chorus, and to apply the relevant Fibre Input Methodologies (IMs) in doing so (as required by s 175 of the Act).
- A3. To set Chorus’ forecast allowable revenue for future regulatory periods (regulatory periods other than PQP2), the Commission requires wash-up information for each regulatory year of PQP2 from Chorus.
- A4. The Notice requires Chorus to calculate the actual allowable revenue and the actual total FFLAS revenue in clause A4.1 and A4.2. In order to do this, Chorus must calculate the actual building blocks revenue, which is then added to the actual pass-through costs and the wash-up amount specified in clause 3 of Schedule 2 of the PQP2 determination, as required by clause A6.

Exemption request

- A5. Chorus is required to use certain models to calculate the actual allowable revenue, the actual total FFLAS revenue and to provide us the wash-up information report by 31 May 2026.
- A6. The Notice requires Chorus to use specific models to provide the information set out in A5. On 8 May 2026, Chorus requested that the Commission grant it an exemption from using the models specified in the Notice. This was on the basis that “we have realised the final section 221 wash-up notice refers to the old Analysys Mason models. The notice was finalised in March 2025, which was before Chorus had completed and implemented BPC. However, we now use BPC and are not able to use the AM models to provide the information required by the notice. BPC is equivalent to the AM models – and it was the versions of the AM models specified in the notice that were recreated in BPC.”

² Telecommunications Act 2001, s 170(1)(b).]

- A7. Chorus has therefore requested an exemption from the Notice on the condition that it uses alternative models in providing the information required.
- A8. We understand this change has been undertaken as Chorus:
- a. originally engaged Analysys Mason to develop and support its PQID regulatory modelling. However, reliance on a UK-based consultancy has presented challenges and was not considered sustainable in the long term;
 - b. has had the objective of bringing the PQID modelling capability in-house since the models were originally developed;
 - c. has now migrated the models to SAP BPC, a module already used by Chorus for business planning; and
 - d. this transition has improved the efficiency of the modelling process, removed dependence on third-party support, and provides a strong foundation for ongoing process enhancements over time.

Exemption decisions

- A9. Under clause 13 of the Notice, the Commission may, at any time, by way of written notice to Chorus:
- a. exempt Chorus from any obligation in this notice, on such terms and conditions and for such period as the Commission specifies in the notice; and
 - b. amend or revoke any such exemption.

Approved exemption for regulatory years 2026, 2027 and 2028

- A10. We consider it reasonable to grant this exemption on the following conditions
- a. that these models are used in complying with the Notice:
 - i. **BBR model** means the document titled: “BPC MAR model v2.65.xlsb”;
 - ii. **opex allocation model** means the documents titled: “BPC opex allocation model v2.65.xlsb”;
 - iii. **RAB model** means the documents titled: “BPC RAB model v2.65.xlsb”.
- A11. that Chorus provide assurance from an executive that the models set out above are materially equivalent to those required in the original Notice.

- A12. Our view is that exempting Chorus from using the models stipulated on the conditions outlined above will still enable the Commission to carry out our functions and exercise our powers under ss 194-196 of the Act to determine price-quality paths for Chorus, and to apply the relevant IMs in doing so (as required by s 175 of the Act)] as set out in the Notice.
- A13. The Commission will, given the models used are materially equivalent to those required in the original Notice, be able to analyse the details of the actual allowable revenue and the actual total FFLAS revenue that will be provided to us in the wash-up information report, as originally intended.
- A14. Our view therefore is that this conditional exemption will not undermine the purpose of the Notice or the information we receive.