

10 November 2021

Simon Shen
Finance Business Partner Fibre
Northpower Fibre Limited
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Whangarei 0148

By email: Simon.SHEN@northpower.com

Dear Simon

Response to Northpower LFC2's application for an exemption from assurance report obligation for the 2020/21 disclosure year

1. We write in response to Northpower LFC2 Limited's (**LFC2**) email dated 16 September 2021 that requests the Commerce Commission (**Commission**) provide an exemption from the requirement to provide an assurance report for the 2020/21 disclosure year, as required by clause 2.3(2) of the LFC Information Disclosure Determination 2018 (**ID Determination**).¹
2. By this letter, the Commission grants LFC2 an exemption from the requirement to provide an assurance report for the 2020/21 disclosure year, as specified in paragraph 8.

Background – disclosure requirements

3. The ID Determination requires the disclosure of certain financial and non-financial information about LFC2's fibre network.² It also requires LFC2 to provide the Commission with certain verification assurances with respect to disclosures.
4. Clause 2.3(2) of the ID Determination requires LFC2 to provide an assurance report with respect to its reports on financial costs and characteristics if LFC2 reports a closing gross book value of total fixed asset movements equal to or in excess of \$20 million.³

¹ The ID Determination is available on our website at https://comcom.govt.nz/_data/assets/pdf_file/0035/92888/2018-NZCC-10-LFC-Information-disclosure-determination-2018-22-August-2018.PDF

² Clause 2.2 of the ID Determination.

³ See clause 1.2 of the ID Determination for the definition of reports on financial costs and characteristics.

5. The Commission may exempt an LFC from any or all of the provisions of the ID Determination, for a period and on such terms and conditions as specified in the exemption notice. The Commission may also revoke any such exemption.⁴

LFC2's exemption request

6. On 16 September 2021, LFC2 applied for an exemption from the requirement to provide a separate assurance report under the ID Determination for the 2020/21 disclosure year.
7. In place of providing a separate assurance report for the 2020/21 disclosure year, LFC2 proposed to provide the audit report prepared for LFC2's 2020/21 statutory financial statements.

Exemption granted

8. Under clause 4.2(a) of the ID Determination, the Commission grants LFC2 an exemption from the requirement of clause 2.3(2) of the ID Determination to provide an assurance report for the reports on financial costs and characteristics for the 2020/21 disclosure year.
9. We note that, in accordance with clause 2.3(1) of the ID Determination, we expect LFC2 to provide the audit report prepared for LFC2's 2020/21 statutory financial statements.⁵
10. This exemption may be revoked or further amended by the Commission at any time in accordance with clause 4.2(b) of the ID Determination.

Next steps

11. A copy of this exemption response letter will be published on the Commission's website.
12. If you have any questions regarding this matter, please contact Arthy Ananthapavan at Arthy.Ananthapavan@comcom.govt.nz.

Yours sincerely



Tristan Gilbertson

Telecommunications Commissioner

⁴ Clause 4.2 of the ID Determination.

⁵ Clause 2.3(6) of the ID Determination specifies requirements for the audit report.