



Report requested by Ofcom describing certain changes to the Accounting Documents for the year ended 31 March 2014 and illustrating the resulting differences to the Current Cost Financial Statements had those changes not applied

2 October 2014

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Section 1 – Introduction to the report requested by Ofcom describing certain changes to the Accounting Documents for the year ended 31 March 2014 and illustrating the resulting differences to the Current Cost Financial Statements had those changes not applied

Section 1

Introduction to the report requested by Ofcom describing certain changes to the Accounting Documents for the year ended 31 March 2014 and illustrating the resulting differences to the Current Cost Financial Statements had those changes not applied

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Section 1.1 – Introduction

As a standard part of the process for producing and publishing BT's Current Cost Financial Statements each year BT reviews its Accounting Documents, including the attribution and valuation methodologies set out in those Accounting Documents, to identify improvements that are superior to the prior year methodologies. BT updates the attribution and valuation methodologies, as set out in the Accounting Documents, to reflect changes in BT's organisation and structure, market changes, technological changes, changes in available data and regulatory changes, all to ensure that the Current Cost Financial Statements are as robust as possible. BT's methodology changes and corrections are subject to stringent internal review. As part of this review BT carefully considers the regulatory accounting principles which it applies in the required order of priority. The Current Cost Financial Statements for the year ended 31 March 2014 published on 15 August 2014 had an unqualified audit report.

Ofcom's Regulatory Financial Reporting Statement 20 May 2014 directed BT to provide and publish a reconciliation report which sets out changes to the Regulatory Accounting Methodology and correction of Material Errors and produce tables showing the effect of those changes. This 'Report requested by Ofcom describing certain changes to the Accounting Documents for the year ended 31 March 2014 and illustrating the resulting differences to the Current Cost Financial Statements had those changes not applied' (the "Report") is BT's response to that request. BT notes that in the Current Cost Financial Statements for the year ended 31 March 2014 there were certain methodology improvements that necessitated a restatement of the prior year 2012/13. These improvements are explained within the 2014 Current Cost Financial Statements in the Basis of Preparation, along with the main impact upon wholesale markets.

The Report is not a replacement for, nor should it be regarded as an alternative to, BT's published Current Cost Financial Statements for the year ended 31 March 2014. The Report is no more than a description of the methodology changes detailed in the Report and an illustration or view of the Current Cost Financial Statements for the year ended 31 March 2014 had those Statements been produced using the prior year 2012-13 methodologies.

The Report has not been audited.

Section 1.2 – Structure of the report

The Report follows the structure and layout requested by Ofcom. A description of each section is provided below:

- Section 2 – compares the consolidated results of the Fixed Access Markets, Business Connectivity Markets, Narrowband Markets, Wholesale Broadband Access Markets and Residual Markets as reported for the year ended 31 March 2014 to the results for those markets had certain changes to attribution and valuation methodologies not been applied.
- Section 3 – compares the attribution of wholesale current costs and wholesale current cost mean capital employed by individual Fixed Access Markets, Business Connectivity Markets, Narrowband Markets, Wholesale Broadband Access Markets and Residual Markets as reported for the year ended 31 March 2014 to the results had certain changes to the attribution and valuation methodologies not been applied.
- Section 4 – provides the illustrative difference of methodology changes on costs allocated to individual Fixed Access Markets, Business Connectivity Markets, Narrowband Markets, Wholesale Broadband Access Markets and Residual Markets.
- Section 5 – provides an explanation of the reported methodology changes.
- Section 6 – compares the Fully Allocated Cost results of the individual Fixed Access Markets, Business Connectivity Markets, Narrowband Markets, Wholesale Broadband Access Markets at a service level as reported for the year ended 31 March 2014 to the results for those markets had certain changes to the attribution and valuation methodologies not been applied.
- Section 7 – compares the Network Activity Statement as reported for the year ended 31 March 2014 to the Network Activity Statement had certain changes to the attribution and valuation methodologies not been applied.

Section 2

Illustrative Consolidated Performance Summary of 2013-14 Applying 2012-13 Methodologies

Section 2 – Illustrative Consolidated Performance Summary of 2013-14 Applying 2012-13 Methodologies

Section 2.1 – Illustrative Consolidated Performance Summary

As reported for the year ended 31 March 2014

	Internal Revenue	External Revenue	Total Revenue	Operating Costs	Depreciation	Holding (gain)/loss	Supp. Dep.	Other Adjs	Roundings	Total CCA Operating Costs	Return	Mean Capital Employed	Return on MCE
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Fixed Access Markets													
Wholesale analogue exchange line services	1,282	474	1,756	793	506	(142)	189	(2)	1	1,345	411	5,836	7.0 %
Wholesale local access	0	914	914	574	270	(62)	84	(4)	(1)	861	53	2,763	1.9 %
Wholesale ISDN2 exchange line services	55	68	123	36	18	(5)	6	1	2	58	66	205	31.8 %
Wholesale business ISDN30 exchange line services	115	110	225	47	30	(5)	(1)	1	0	72	153	210	73.1 %
Total	1,452	1,566	3,018	1,450	824	(214)	278	(4)	2	2,336	682	9,014	7.6 %
Business Connectivity Markets													
TISBO (up to and including 8Mbit/s)	151	227	378	139	96	(13)	2	1	3	228	150	615	24.5 %
TISBO (above 8Mbit/s up to and including 45Mbit/s)	18	8	26	8	7	(1)	0	0	(1)	13	13	48	25.5 %
TISBO (above 45Mbit/s up to and including 155Mbit/s)	22	13	35	8	7	(1)	0	0	0	14	21	60	35.9 %
Wholesale regional trunk segments	19	7	26	7	5	(1)	1	0	(2)	10	16	59	26.0 %
Technical areas (Point of Handover)	0	3	3	3	2	0	0	0	(1)	4	(1)	10	(11.9)%
AISBO Non WECLA	409	290	699	193	206	(38)	(1)	(1)	(1)	359	341	1,619	21.0 %
AISBO WECLA	45	31	76	17	16	(2)	(1)	0	2	32	44	91	47.5 %
MISBO Non WECLA	33	34	67	20	19	(1)	0	0	(2)	36	31	95	31.7 %
Total	697	613	1,310	395	358	(57)	1	0	(1)	696	614	2,597	23.6 %
Narrowband Markets													
Call origination on FPN networks	137	39	176	79	27	(2)	1	5	0	110	66	211	31.3 %
Fixed call termination	50	71	121	64	25	(2)	1	4	1	93	28	200	13.9 %
Technical areas (Interconnect Circuits)	6	32	38	19	5	0	0	0	1	25	13	36	37.4 %
Total	193	142	335	162	57	(4)	2	9	3	229	106	447	24.0 %
Wholesale Broadband Access Markets													
Wholesale Broadband Access - Market 1	302	89	391	217	106	(4)	(9)	3	(1)	312	79	483	16.4 %
Wholesale Broadband Access - Market 2	141	55	196	90	35	0	(5)	1	(2)	119	77	131	58.8 %
Total	443	144	587	307	141	(4)	(14)	4	(4)	430	157	614	29.6 %
Total SMP Markets	2,785	2,465	5,250	2,314	1,380	(279)	267	9	0	3,691	1,559	12,672	12.3 %
Wholesale Residual Markets	2,134	963	3,097	1,540	581	(14)	(21)	5	1	2,092	1,005	2,852	35.2 %
Retail Residual	0	14,859	14,859	13,571	711	(1)	(1)	1	(3)	14,278	581	1,271	45.7 %
Total Markets	4,919	18,287	23,206	17,425	2,672	(294)	245	15	(2)	20,061	3,145	16,795	18.7 %

Section 2 – Illustrative Consolidated Performance Summary of 2013-14 Applying 2012-13 Methodologies

Section 2.1 – Illustrative Consolidated Performance Summary (continued)

Restated on the basis of 12/13 methodologies

	Internal Revenue	External Revenue	Total Revenue	Operating Costs	Depreciation	Holding (gain)/loss	Supp. Dep.	Other Adjs	Roundings	Total CCA Operating Costs	Return	Mean Capital Employed	Return on MCE
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Fixed Access Markets													
Wholesale analogue exchange line services	1,282	474	1,756	816	505	(142)	189	(2)	(1)	1,365	391	5,835	6.7 %
Wholesale local access	0	914	914	623	280	(63)	84	(4)	3	923	(9)	2,832	(0.3)%
Wholesale ISDN2 exchange line services	55	68	123	38	18	(5)	6	1	1	59	64	207	30.6 %
Wholesale business ISDN30 exchange line services	115	110	225	50	31	(5)	(1)	1	0	76	149	218	69.0 %
Total	1,452	1,566	3,018	1,527	834	(215)	278	(4)	3	2,423	595	9,092	6.6 %
Business Connectivity Markets													
TISBO (up to and including 8Mbit/s)	151	227	378	143	99	(13)	2	1	(0)	232	146	634	23.1 %
TISBO (above 8Mbit/s up to and including 45Mbit/s)	18	8	26	8	7	(1)	0	0	(0)	14	12	49	23.8 %
TISBO (above 45Mbit/s up to and including 155Mbit/s)	22	13	35	8	7	(1)	0	0	0	14	21	61	34.7 %
Wholesale regional trunk segments	19	7	26	7	5	(1)	1	0	(2)	10	16	60	25.0 %
Technical areas (Point of Handover)	0	3	3	3	2	0	0	0	(1)	4	(1)	11	(13.5)%
AISBO Non WECLA	409	290	699	205	215	(39)	(3)	(1)	(0)	377	322	1,678	19.2 %
AISBO WECLA	45	31	76	17	17	(2)	(1)	0	2	33	43	94	45.2 %
MISBO Non WECLA	33	34	67	19	19	(1)	0	0	(0)	37	30	97	31.0 %
Total	697	613	1,310	410	371	(58)	(1)	0	(1)	721	589	2,683	21.9 %
Narrowband Markets													
Call origination on FPN networks	138	45	183	92	29	(2)	1	5	(1)	124	59	220	26.4 %
Fixed call termination	48	67	115	63	25	(2)	1	4	0	91	24	206	11.7 %
Technical areas (Interconnect Circuits)	6	32	38	19	5	0	0	0	1	25	13	37	37.7 %
Total	192	144	336	174	59	(4)	2	9	0	240	96	463	20.7 %
Wholesale Broadband Access Markets													
Wholesale Broadband Access - Market 1	302	89	391	217	105	(4)	(9)	3	(3)	309	82	469	17.5 %
Wholesale Broadband Access - Market 2	141	55	196	87	33	0	(6)	1	(0)	115	81	119	67.8 %
Total	443	144	587	304	138	(4)	(15)	4	(3)	424	163	589	33.5 %
Total SMP Markets	2,784	2,467	5,251	2,415	1,402	(281)	264	9	2	3,807	1,444	12,827	11.3 %
Wholesale Residual Markets	2,134	961	3,095	1,478	557	(12)	(20)	6	0	2,009	1,086	2,686	40.4 %
Retail Residual	0	14,860	14,860	13,527	713	(1)	(1)	1	(3)	14,235	625	1,271	49.2 %
Total Markets	4,918	18,288	23,206	17,420	2,672	(294)	243	16	(5)	20,052	3,154	16,784	18.8 %

Section 2 – Illustrative Consolidated Performance Summary of 2013-14 Applying 2012-13 Methodologies

Section 2.1 – Illustrative Consolidated Performance Summary (continued)

Effect of changes on results

	Internal Revenue	External Revenue	Total Revenue	Operating Costs	Depreciation	Holding (gain)/loss	Supp. Dep.	Other Adjs	Roundings	Total CCA Operating Costs	Return	Mean Capital Employed	Return on MCE
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Fixed Access Markets													
Wholesale analogue exchange line services	0	0	0	(23)	1	0	0	0	3	(19)	19	1	0.3%
Wholesale local access	0	0	0	(49)	(10)	1	0	0	(4)	(62)	62	(69)	2.2%
Wholesale ISDN2 exchange line services	0	0	0	(2)	0	0	0	0	0	(2)	2	(2)	1.2%
Wholesale business ISDN30 exchange line services	0	0	0	(3)	(1)	0	0	0	0	(4)	4	(9)	4.1%
Total	0	0	0	(77)	(10)	1	0	0	(1)	(87)	87	(78)	1.0%
Business Connectivity Markets													
TISBO (up to and including 8Mbit/s)	0	0	0	(4)	(3)	0	0	0	3	(4)	4	(19)	1.3%
TISBO (above 8Mbit/s up to and including 45Mbit/s)	0	0	0	0	0	0	0	0	(1)	(1)	1	(1)	1.8%
TISBO (above 45Mbit/s up to and including 155Mbit/s)	0	0	0	0	0	0	0	0	0	0	0	(1)	1.2%
Wholesale regional trunk segments	0	0	0	0	0	0	0	0	0	0	0	(1)	1.0%
Technical areas (Point of Handover)	0	0	0	0	0	0	0	0	0	0	0	(1)	1.6%
AISBO Non WECLA	0	0	0	(12)	(9)	1	2	0	0	(18)	18	(59)	1.8%
AISBO WECLA	0	0	0	0	(1)	0	0	0	0	(1)	1	(3)	2.3%
MISBO Non WECLA	0	0	0	1	0	0	0	0	(1)	(1)	0	(2)	0.7%
Total	0	0	0	(15)	(13)	1	2	0	2	(24)	25	(86)	1.7%
Narrowband Markets													
Call origination on FPN networks	(1)	(6)	(7)	(13)	(2)	0	0	0	1	(14)	7	(9)	4.9%
Fixed call termination	2	4	6	1	0	0	0	0	1	2	4	(6)	2.2%
Technical areas (Interconnect Circuits)	0	0	0	0	0	0	0	0	0	0	(1)	(1)	-0.3%
Total	1	(2)	(1)	(12)	(2)	0	0	0	2	(12)	11	(16)	3.3%
Wholesale Broadband Access Markets													
Wholesale Broadband Access - Market 1	0	0	0	0	1	0	0	0	2	3	(3)	14	-1.1%
Wholesale Broadband Access - Market 2	0	0	0	3	2	0	1	0	(2)	4	(4)	11	-9.0%
Total	0	0	0	3	3	0	1	0	(0)	7	(7)	25	-3.8%
Total SMP Markets													
Total SMP Markets	1	(2)	(1)	(101)	(22)	2	3	0	2	(116)	115	(155)	1.0%
Wholesale Residual Markets	0	2	2	62	24	(2)	(1)	(1)	1	83	(81)	166	-5.2%
Retail Residual	0	(1)	(1)	45	(2)	0	0	0	0	43	(44)	0	-3.4%
Total Markets	1	(1)	0	6	0	0	2	(1)	2	9	(9)	11	-0.1%

Section 2 – Illustrative Consolidated Performance Summary of 2013-14 Applying 2012-13 Methodologies

Section 2.1 – Illustrative Consolidated Performance Summary (continued)

Effect of changes on results as a percentage

	Internal Revenue	External Revenue	Total Revenue	Operating Costs	Depreciation	Holding (gain)/loss	Supp. Dep.	Other Adjs	Roundings	Total CCA Operating Costs	Return	Mean Capital Employed
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Fixed Access Markets												
Wholesale analogue exchange line services	0.0%	0.0%	0.0%	-2.8%	0.2%	0.0%	0.0%	0.0%	-192.7%	-1.4%	4.9%	0.0%
Wholesale local access	0.0%	0.0%	0.0%	-7.9%	-3.6%	-1.6%	0.0%	0.0%	-145.8%	-6.7%	-715.3%	-2.4%
Wholesale ISDN2 exchange line services	0.0%	0.0%	0.0%	-5.3%	0.0%	0.0%	0.0%	0.0%	11.1%	-3.1%	2.9%	-0.9%
Wholesale business ISDN30 exchange line services	0.0%	0.0%	0.0%	-6.0%	-3.2%	0.0%	0.0%	0.0%	0.0%	-5.3%	2.7%	-4.0%
Total	0.0%	0.0%	0.0%	-5.0%	-1.2%	-0.5%	0.0%	0.0%	-38.1%	-3.6%	14.6%	-0.9%
Business Connectivity Markets												
TISBO (up to and including 8Mbit/s)	0.0%	0.0%	0.0%	-2.8%	-3.0%	0.0%	0.0%	0.0%	-1918.2%	-1.7%	2.6%	-2.9%
TISBO (above 8Mbit/s up to and including 45Mbit/s)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	150.0%	-3.8%	4.2%	-2.7%
TISBO (above 45Mbit/s up to and including 155Mbit/s)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-105.9%	-2.4%	1.6%	-1.9%
Wholesale regional trunk segments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	22.5%	-3.8%	2.5%	-1.2%
Technical areas (Point of Handover)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.6%	-5.5%	-17.9%	-5.1%
AISBO Non WECLA	0.0%	0.0%	0.0%	-5.9%	-4.2%	-2.6%	-66.7%	0.0%	176.2%	-4.9%	5.7%	-3.5%
AISBO WECLA	0.0%	0.0%	0.0%	0.0%	-5.9%	0.0%	0.0%	0.0%	13.2%	-2.2%	1.7%	-3.2%
MISBO Non WECLA	0.0%	0.0%	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	319.7%	-0.6%	0.7%	-1.6%
Total	0.0%	0.0%	0.0%	-3.7%	-3.5%	-1.7%	-200.0%	0.0%	-34.4%	-3.4%	4.2%	-3.2%
Narrowband Markets												
Call origination on FPN networks	-0.7%	-13.3%	-3.8%	-14.1%	-6.9%	0.0%	0.0%	0.0%	-115.5%	-11.6%	12.7%	-4.1%
Fixed call termination	4.2%	6.0%	5.2%	1.6%	0.0%	0.0%	0.0%	0.0%	6320.0%	2.5%	15.6%	-3.1%
Technical areas (Interconnect Circuits)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	51.3%	1.8%	-3.4%	-2.6%
Total	0.5%	-1.4%	-0.3%	-6.9%	-3.4%	0.0%	0.0%	0.0%	598.7%	-4.9%	11.2%	-3.5%
Wholesale Broadband Access Markets												
Wholesale Broadband Access - Market 1	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	-59.1%	0.9%	-3.4%	2.9%
Wholesale Broadband Access - Market 2	0.0%	0.0%	0.0%	3.4%	6.1%	0.0%	-16.7%	0.0%	467.8%	3.5%	-5.0%	9.5%
Total	0.0%	0.0%	0.0%	1.0%	2.2%	0.0%	-6.7%	0.0%	3.9%	1.6%	-4.2%	4.3%
Total SMP Markets	0.0%	-0.1%	0.0%	-4.2%	-1.6%	-0.7%	1.1%	0.0%	-93.6%	-3.1%	8.0%	-1.2%
Wholesale Residual Markets	0.0%	0.2%	0.1%	4.2%	4.3%	16.7%	5.0%	-16.7%	196.1%	4.1%	-7.4%	6.2%
Retail Residual	0.0%	0.0%	0.0%	0.3%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.3%	-7.0%	0.0%
Total Markets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	-6.4%	-48.3%	0.0%	-0.3%	0.1%

Section 3
Illustrative Attribution of 2013-14 Wholesale Current Costs and Mean Capital Employed
Applying 2012-13 Methodologies

Section 3 – Illustrative Attribution of 2013-14 Wholesale Current Costs and Mean Capital Employed Applying 2012-13 Methodologies

Section 3.1 – Attribution of Wholesale Current Costs 2014 as reported

As reported for the year ended 31 March 2014

	Fixed Access Markets				Business Connectivity Markets							Narrowband Markets			Wholesale Broadband Access Markets		Wholesale Residual	Roundings	Total Markets	
	Wholesale analogue exchange line services £m	Wholesale local access £m	Wholesale ISDN2 exchange line services £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISBO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m				Wholesale broadband access - Market 2 £m
Operating Costs of Wholesale Services:																				
EOI Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	54	(153)	(1)	0
Provision/Maintenance	171	156	8	10	30	1	1	1	15	1	2	10	8	4	17	5	206	1	648	
Network Support	102	60	3	2	1	0	0	0	8	1	1	(2)	(2)	0	(2)	0	73	0	245	
General Support	152	125	6	8	21	1	1	1	0	44	4	8	4	3	10	4	214	(1)	610	
General Management	213	122	8	13	31	2	2	1	1	97	9	18	12	5	30	12	426	1	1,012	
Finance and Billing	11	7	0	0	1	0	0	0	0	4	0	0	0	0	1	0	12	2	38	
Accommodation	111	81	9	11	44	3	3	3	1	17	1	37	35	6	50	12	142	0	568	
Bad Debts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Costs	33	23	2	3	11	1	1	1	0	8	1	8	7	1	11	3	620	(2)	733	
Depreciation - Land & Buildings	14	20	1	2	8	1	1	1	0	3	0	6	5	1	11	3	33	(1)	109	
- Access	391	172	12	12	28	1	1	1	1	87	4	3	1	1	0	24	3	94	1	837
- Switch and Transmission	21	6	2	12	39	3	5	3	1	65	7	13	12	3	54	22	225	1	506	
- Other related	80	72	3	4	21	2	0	0	0	51	5	7	7	1	17	7	229	0	510	
Sub Total Depreciation	506	270	18	30	96	7	7	5	2	206	16	19	27	25	5	106	35	581	0	1,961
Sub Total HCA Operating Costs	1,299	844	54	77	235	15	15	12	5	399	33	39	106	89	24	323	125	2,121	1	5,816
CCA Adjustments:																				
Holding Loss/(Gain)	(142)	(62)	(5)	(5)	(13)	(1)	(1)	(1)	0	(38)	(2)	(1)	(2)	(2)	0	(4)	0	(14)	(1)	(294)
Supplementary Depreciation	189	84	6	(1)	2	0	0	1	0	(1)	(1)	0	1	1	0	(9)	(5)	(21)	(1)	245
Other Adjustments	(2)	(4)	1	1	1	0	0	0	0	(1)	0	0	5	4	0	3	1	5	1	15
Roundings	1	(1)	2	0	3	(1)	0	(2)	(1)	(1)	2	(2)	0	1	1	(1)	(2)	1	(1)	0
Total CCA Operating Costs	1,345	861	58	72	228	13	14	10	4	359	32	36	110	93	25	312	119	2,092	0	5,783

Section 3 – Illustrative Attribution of 2013-14 Wholesale Current Costs and Mean Capital Employed Applying 2012-13 Methodologies

Section 3.2 – Illustrative attribution of Wholesale Current Costs 2014 restated on basis of 2012-13 methodologies

Restated on the basis of 12/13 methodologies		Fixed Access Markets				Business Connectivity Markets							Narrowband Markets			Wholesale Broadband					
		Wholesale analogue exchange line services £m	Wholesale local access £m	Wholesale ISDN2 exchange line services £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISBO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m	Wholesale broadband access - Market 2 £m	Wholesale Residual £m	Roundings £m	Total Markets £m
Operating Costs of Wholesale Services:																					
EOI Charges		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	54	(153)	(1)	0
Provision/Maintenance		168	160	8	10	27	1	1	1	1	16	1	2	11	8	4	19	6	204	(2)	646
Network Support		101	63	3	2	2	0	0	0	8	1	1		(1)	(1)	0	(2)	0	71	(0)	248
General Support		149	123	6	8	20	1	1	1	49	4	5		10	4	2	11	4	205	(1)	602
General Management		238	147	9	14	34	2	2	1	104	9	9		23	8	6	30	11	402	(0)	1,050
Finance and Billing		12	7	0	1	1	0	0	0	4	0	0		0	0	0	1	0	11	1	38
Accommodation		114	97	10	12	47	3	3	3	16	1	1		40	37	6	48	10	118	0	567
Bad Debts		0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0
Other Costs		34	26	2	3	12	1	1	1	8	1	1		9	7	1	10	2	620	(1)	738
Depreciation - Land & Buildings		15	24	1	2	9	1	1	1	3	0	0		6	6	1	10	2	27	(0)	109
- Access		391	171	12	13	29	1	1	1	95	5	3		1	1	0	24	3	84	1	837
- Switch and Transmission		21	6	2	12	39	3	5	3	66	7	12		13	12	3	55	22	224	(0)	506
- Other related		78	79	3	4	22	2	0	0	51	5	4		9	6	1	16	6	222	0	508
Sub Total Depreciation		505	280	18	31	99	7	7	5	215	17	19		29	25	5	105	33	557	0	1,959
Sub Total HCA Operating Costs		1,321	903	56	81	242	15	15	12	5	420	34	38	121	88	24	322	120	2,035	(4)	5,848
CCA Adjustments:																					
Holding Loss/(Gain)		(142)	(63)	(5)	(5)	(13)	(1)	(1)	(1)	0	(39)	(2)	(1)	(2)	(2)	0	(4)	0	(12)	(1)	(294)
Supplementary Depreciation		189	84	6	(1)	2	0	0	1	0	(3)	(1)	0	1	1	0	(9)	(6)	(20)	1	245
Other Adjustments		(2)	(4)	1	1	1	0	0	0	(1)	0	0		5	4	0	3	1	6	0	15
Roundings		(1)	3	1	2	(0)	(0)	0	(2)	(1)	(0)	(0)		(1)	0	1	(3)	(0)	0	3	0
Total CCA Operating Costs		1,365	923	59	74	232	14	14	10	4	377	33	37	124	91	25	309	115	2,009	0	5,815

Section 3 – Illustrative Attribution of 2013-14 Wholesale Current Costs and Mean Capital Employed Applying 2012-13 Methodologies

Section 3.3 – Illustrative attribution of Wholesale Current Costs 2014 impact of changes on results

Effect of changes on results	Fixed Access Markets				Business Connectivity Markets							Narrowband Markets			Wholesale Broadband		Wholesale Residual	Roundings	Total Markets	
	Wholesale analogue exchange line services £m	Wholesale local access £m	Wholesale ISDN2 exchange line services £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISSO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m				Wholesale broadband access - Market 2 £m
Operating Costs of Wholesale Services:																				
EOI Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provision/Maintenance	3	(4)	0	0	3	0	0	0	0	(1)	0	0	(1)	0	0	(2)	(1)	2	3	2
Network Support	1	(3)	0	0	(1)	0	0	0	0	0	0	0	(2)	(1)	0	0	0	2	1	(2)
General Support	3	2	0	0	1	0	0	0	0	(5)	0	0	(1)	0	(1)	0	9	0	8	
General Management	(25)	(25)	(1)	(1)	(3)	0	0	0	0	(7)	0	0	(5)	4	(1)	0	1	24	1	(38)
Finance and Billing	(1)	0	0	(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0
Accommodation	(3)	(16)	(1)	(1)	(3)	0	0	0	0	1	0	1	(3)	(2)	0	2	2	24	0	1
Bad Debts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Costs	(1)	(3)	0	0	(1)	0	0	0	0	0	0	(1)	0	0	1	1	0	(1)	(5)	
Depreciation - Land & Buildings	(1)	(4)	0	0	(1)	0	0	0	0	0	0	0	(1)	(1)	0	1	1	6	(1)	0
- Access	0	1	0	(1)	(1)	0	0	0	0	(8)	(1)	0	0	0	0	0	0	10	(0)	(0)
- Switch and Transmission	0	0	0	0	0	0	0	0	0	(1)	0	0	0	0	(1)	0	1	1	1	0
- Other related	2	(7)	0	0	(1)	0	0	0	0	0	0	(2)	1	0	1	1	7	1	1	
Sub Total Depreciation	1	(10)	0	(1)	(3)	0	0	0	0	(9)	(1)	0	(2)	0	0	1	2	24	(0)	2
Sub Total HCA Operating Costs	(22)	(59)	(2)	(4)	(7)	0	0	0	0	(21)	(1)	1	(15)	1	0	1	5	86	5	(32)
CCA Adjustments:																				
Holding Loss/(Gain)	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	(2)	(0)	(0)
Supplementary Depreciation	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	1	(1)	(2)	0
Other Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1)	1	(0)
Roundings	3	(4)	0	0	3	(1)	0	(0)	(0)	(0)	0	(1)	1	1	0	2	(2)	1	(4)	(0)
Total CCA Operating Costs	(19)	(62)	(2)	(4)	(4)	(1)	(0)	(0)	(0)	(18)	(1)	(0)	(14)	2	0	3	4	83	1	(32)

Section 3 – Illustrative Attribution of 2013-14 Wholesale Current Costs and Mean Capital Employed Applying 2012-13 Methodologies

Section 3.4 – Illustrative attribution of Wholesale Current Costs 2014 impact of changes on results as a percentage

Effect of changes on results as a percentage	Fixed Access Markets				Business Connectivity Markets							Narrowband Markets			Wholesale Broadband Access Markets		Wholesale Residual	Roundings	Total Markets		
	Wholesale analogue exchange line services £m	Wholesale local access £m	Wholesale ISDN2 exchange line services £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISBO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m				Wholesale broadband access - Market 2 £m	
Operating Costs of Wholesale Services:																					
EOI Charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provision/Maintenance	1.8%	-2.5%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	-6.3%	0.0%	0.0%	-9.1%	0.0%	0.0%	-10.5%	-16.7%	1.0%	0.3%	0.0%	0.0%
Network Support	1.0%	-4.8%	0.0%	0.0%	-50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%	2.8%	-0.9%	0.0%	0.0%
General Support	2.0%	1.6%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	-10.2%	0.0%	0.0%	-20.0%	0.0%	50.0%	-9.1%	0.0%	4.4%	1.4%	0.0%	0.0%
General Management	-10.5%	-17.0%	-11.1%	-7.1%	-8.8%	0.0%	0.0%	0.0%	0.0%	-6.7%	0.0%	0.0%	-21.7%	50.0%	-16.7%	0.0%	9.1%	6.0%	-3.6%	0.0%	0.0%
Finance and Billing	-8.3%	0.0%	0.0%	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	0.7%	0.0%	0.0%
Accommodation	-2.6%	-16.5%	-10.0%	-8.3%	-6.4%	0.0%	0.0%	0.0%	0.0%	6.3%	0.0%	100.0%	-7.5%	-5.4%	0.0%	4.2%	20.0%	20.3%	0.2%	0.0%	0.0%
Bad Debts	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Costs	-2.9%	-11.5%	0.0%	0.0%	-8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-11.1%	0.0%	0.0%	10.0%	50.0%	0.0%	-0.7%	0.0%	0.0%
Depreciation - Land & Buildings	-6.7%	-16.7%	0.0%	0.0%	-11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-16.7%	0.0%	10.0%	50.0%	22.2%	0.2%	0.0%	0.0%
- Access	0.0%	0.6%	0.0%	-7.7%	-3.4%	0.0%	0.0%	0.0%	0.0%	-8.4%	-20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.9%	0.0%	0.0%	0.0%
- Switch and Transmission	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.8%	0.0%	0.4%	0.0%	0.0%	0.0%
- Other related	2.6%	-8.9%	0.0%	0.0%	-4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-22.2%	16.7%	0.0%	6.3%	16.7%	3.2%	0.3%	0.0%	0.0%
Sub Total Depreciation	0.2%	-3.6%	0.0%	-3.2%	-3.0%	0.0%	0.0%	0.0%	0.0%	-4.2%	-5.9%	0.0%	-6.9%	0.0%	0.0%	1.0%	6.1%	4.3%	0.1%	0.0%	0.0%
Sub Total HCA Operating Costs	-1.7%	-6.5%	-3.6%	-4.9%	-2.9%	0.0%	0.0%	0.0%	0.0%	-5.0%	-2.9%	2.6%	-12.4%	1.1%	0.0%	0.3%	4.2%	4.2%	-0.6%	0.0%	0.0%
CCA Adjustments:																					
Holding Loss/(Gain)	0.0%	-1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%	0.0%	0.0%
Supplementary Depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-16.7%	5.0%	0.0%	0.0%	0.0%
Other Adjustments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-16.7%	-0.1%	0.0%	0.0%
Roundings																					
Total CCA Operating Costs	-1.4%	-6.7%	-3.1%	-3.4%	-1.7%	-3.8%	-2.4%	-3.8%	-5.5%	-4.9%	-2.2%	-0.6%	-11.6%	2.5%	1.8%	0.9%	3.5%	4.1%	0.0%	0.0%	-0.6%

Section 3 – Illustrative Attribution of 2013-14 Wholesale Current Costs and Mean Capital Employed Applying 2012-13 Methodologies

Section 3.5 – Attribution of Wholesale Current Cost Mean Capital Employed 2014 as reported

As reported for the year ended 31 March 2014

	Fixed Access Markets				Business Connectivity Markets							Narrowband Markets			Wholesale Broadband Access Markets			Roundings	Total Markets	
	Wholesale analogue exchange line services £m	Wholesale local access £m	Wholesale ISDN2 exchange line services £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISBO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m	Wholesale broadband access - Market 2 £m			Wholesale Residual £m
Non-current Assets																				
Land & Buildings	120	204	14	18	88	6	8	6	1	23	2	2	64	60	11	122	31	340	0	1,120
Access - Copper	2,909	1,311	90	14	9	0	0	0	0	0	0	0	0	0	0	32	3	239	0	4,607
Access - Fibre	0	0	0	71	120	5	1	0	5	536	30	16	0	0	1	0	0	443	0	1,228
Access - Duct	2,605	1,103	81	60	237	23	30	37	2	655	21	25	46	43	11	122	21	340	(4)	5,458
Switch	77	16	12	6	0	0	0	0	0	0	0	0	43	40	5	0	0	77	(1)	275
Transmission	3	1	0	26	126	10	17	14	2	299	27	45	37	35	6	143	54	655	(1)	1,499
Other	279	240	13	16	52	4	4	3	1	143	13	10	33	30	5	81	25	654	(1)	1,605
Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-current Assets	5,993	2,875	210	211	632	48	60	60	11	1,656	93	98	223	208	39	500	134	2,748	(6)	15,793
Current Assets																				
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	4
Receivables																				
- Internal	96	50	7	12	21	1	2	1	0	38	4	4	10	7	2	22	11	(18)	0	270
- External	405	244	16	23	67	4	5	3	1	133	11	12	29	25	7	64	20	1,279	0	2,348
Total Current Assets	501	294	23	35	88	5	7	4	1	171	15	16	39	32	9	86	31	1,265	0	2,622
Payables falling due within one year																				
- Internal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(5)	(3)	8	0	0
- External	(606)	(371)	(25)	(33)	(96)	(6)	(7)	(4)	(2)	(193)	(15)	(17)	(45)	(36)	(10)	(88)	(28)	(1,064)	1	(2,645)
Total payables falling due within one year	(606)	(371)	(25)	(33)	(96)	(6)	(7)	(4)	(2)	(193)	(15)	(17)	(45)	(36)	(10)	(93)	(31)	(1,056)	1	(2,645)
Net Current Assets/(Payables)	(105)	(77)	(2)	2	(8)	(1)	0	0	(1)	(22)	0	(1)	(6)	(4)	(1)	(7)	0	209	1	(23)
Total Assets less Current Payables	5,888	2,798	208	213	624	47	60	60	10	1,634	93	97	217	204	38	493	134	2,957	(5)	15,770
Provisions for liabilities & charges	(52)	(35)	(2)	(3)	(8)	0	0	0	0	(15)	(1)	(1)	(4)	(4)	(1)	(9)	(3)	(104)	(3)	(245)
Roundings	0	0	(1)	(0)	(1)	1	0	(1)	0	0	(1)	(1)	(2)	0	(1)	(1)	0	(1)	9	(1)
Mean Capital Employed	5,836	2,763	205	210	615	48	60	59	10	1,619	91	95	211	200	36	483	131	2,852	0	15,524

Section 3 – Illustrative Attribution of 2013-14 Wholesale Current Costs and Mean Capital Employed Applying 2012-13 Methodologies

Section 3.6 – Illustrative attribution of Wholesale Current Cost Mean Capital Employed 2014 restated on basis of 2012-13 methodologies

Restated on the basis of 12/13 methodologies	Fixed Access Markets				Business Connectivity Markets								Narrowband Markets			Wholesale Broadband Access Markets		Roundings	Total Markets	
	Wholesale analogue exchange line serv/ces £m	Wholesale local access £m	Wholesale ISDN2 exchange line serv/ces £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISBO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m	Wholesale broadband access - Market 2 £m			Wholesale Residual £m
Non-current Assets																				
Land & Buildings	130	258	15	19	95	7	9	7	1	19	2	2	70	65	12	110	21	280	3	1,119
Access - Copper	2,904	1,304	90	14	9	0	0	0	0	0	0	0	0	0	0	32	3	251	0	4,607
Access - Fibre	0	0	0	78	130	6	1	0	6	600	33	18	0	0	1	0	0	355	0	1,228
Access - Duct	2,605	1,103	81	60	237	23	30	37	2	655	21	25	46	43	11	122	21	340	(4)	5,458
Switch	77	16	12	6	0	0	0	0	0	0	0	0	43	40	5	0	0	77	(1)	275
Transmission	3	1	0	26	126	10	17	14	2	301	27	45	37	35	6	147	56	647	(1)	1,499
Other	276	273	13	17	55	4	4	3	1	143	13	10	39	31	5	75	21	619	(1)	1,601
Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-current Assets	5,995	2,955	211	220	652	50	61	61	12	1,718	96	100	235	214	40	486	122	2,569	(9)	15,788
Current Assets																				
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	4
Receivables																				
- Internal	96	50	7	12	21	1	2	1	0	38	4	4	10	6	2	21	11	(18)	1	269
- External	407	258	17	24	68	4	5	3	1	138	11	12	32	24	7	63	19	1,254	0	2,347
Total Current Assets	503	308	24	36	89	5	7	4	1	176	15	16	42	30	9	84	30	1,240	1	2,620
Payables falling due within one year																				
- Internal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(5)	(3)	8	0	0
- External	(608)	(393)	(25)	(34)	(97)	(6)	(7)	(4)	(2)	(199)	(16)	(17)	(51)	(34)	(10)	(87)	(27)	(1,031)	1	(2,647)
Total payables falling due within one year	(608)	(393)	(25)	(34)	(97)	(6)	(7)	(4)	(2)	(199)	(16)	(17)	(51)	(34)	(10)	(92)	(30)	(1,023)	1	(2,647)
Net Current Assets/(Payables)	(105)	(85)	(1)	2	(8)	(1)	0	0	(1)	(23)	(1)	(1)	(9)	(4)	(1)	(8)	0	217	2	(27)
Total Assets less Current Payables	5,890	2,870	210	222	644	49	61	61	11	1,695	95	99	226	210	39	478	122	2,786	(6)	15,762
Provisions for liabilities & charges	(54)	(39)	(2)	(3)	(8)	0	0	0	0	(16)	(1)	(1)	(5)	(3)	(1)	(8)	(3)	(100)	(4)	(248)
Roundings	1	1	(1)	(1)	(2)	0	0	(1)	(0)	1	0	(1)	(1)	1	(1)	(1)	0	0	11	(1)
Mean Capital Employed	5,835	2,832	207	218	634	49	61	60	11	1,678	94	97	220	206	37	469	119	2,686	0	15,513

Section 4 – Illustrative difference of methodology changes on costs allocated to each market

Section 3.7 – Illustrative attribution of Wholesale Current Cost Mean Capital Employed 2014 impact of changes on results

Effect of changes on results	Fixed Access Markets				Business Connectivity Markets							Narrowband Markets			Wholesale Broadband Access Markets		Roundings	Total Markets			
	Wholesale analogue exchange line services £m	Wholesale local access £m	Wholesale ISDN2 exchange line services £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISBO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m			Wholesale broadband access - Market 2 £m	Wholesale Residual £m	
Non-current Assets																					
Land & Buildings	(10)	(54)	(1)	(1)	(7)	(1)	(1)	(1)	0	4	0	0	(6)	(5)	(1)	12	10	60	2	0	
Access - Copper	5	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(12)	(0)	(0)	
Access - Fibre	0	0	0	(7)	(10)	(1)	0	0	(1)	(64)	(3)	(2)	0	0	0	0	0	88	0	(0)	
Access - Duct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Switch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transmission	0	0	0	0	0	0	0	0	0	(2)	0	0	0	0	0	(4)	(2)	8	0	0	
Other	3	(33)	0	(1)	(3)	0	0	0	0	0	0	0	(6)	(1)	0	6	4	35	(0)	4	
Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Non-current Assets	(2)	(80)	(1)	(9)	(20)	(2)	(1)	(1)	(1)	(62)	(3)	(2)	(12)	(6)	(1)	14	12	179	2	4	
Current Assets																					
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Internal	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	1	1
- External	(2)	(14)	(1)	(1)	(1)	0	0	0	0	(5)	0	0	(3)	1	0	1	1	25	0	1	
Total Current Assets	(2)	(14)	(1)	(1)	(1)	0	0	0	0	(5)	0	0	(3)	2	0	2	1	25	(1)	2	
Payables falling due within one year																					
- Internal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- External	2	22	0	1	1	0	0	0	0	6	1	0	6	(2)	0	(1)	(1)	(33)	(0)	2	
Total payables falling due within one year	2	22	0	1	1	0	0	0	0	6	1	0	6	(2)	0	(1)	(1)	(33)	(0)	2	
Net Current Assets/(Payables)	0	8	(1)	0	0	0	0	0	0	1	1	0	3	0	0	1	0	(8)	(1)	4	
Total Assets less Current Payables	(2)	(72)	(2)	(9)	(20)	(2)	(1)	(1)	(1)	(61)	(2)	(2)	(9)	(6)	(1)	15	12	171	1	8	
Provisions for liabilities & charges	2	4	0	0	0	0	0	0	0	1	0	0	1	(1)	0	(1)	0	(4)	1	3	
Roundings	1	(1)	0	0	1	1	(0)	0	0	1	(1)	0	(1)	1	0	(0)	1	(1)	-	2	0
Mean Capital Employed	1	(69)	(2)	(9)	(19)	(1)	(1)	(1)	(1)	(59)	(3)	(2)	(9)	(6)	(1)	14	11	166	(0)	11	

Section 4 – Illustrative difference of methodology changes on costs allocated to each market

Section 3.8 – Illustrative attribution of Wholesale Current Cost Mean Capital Employed 2013 impact of changes on results in percentage terms

Effect of changes on results as a percentage	Fixed Access Markets				Business Connectivity Markets								Narrowband Markets			Wholesale Broadband Access Markets		Roundings	Total Markets	
	Wholesale analogue exchange line services £m	Wholesale local access £m	Wholesale ISDN2 exchange line services £m	Wholesale business ISDN30 exchange line services £m	TISBO (up to and including 8Mbit/s) £m	TISBO (above 8Mbit/s up to and including 45Mbit/s) £m	TISBO (above 45Mbit/s up to and including 155Mbit/s) £m	Wholesale regional trunk segments £m	Technical areas (Point of Handover) £m	AISBO Non WECLA £m	AISBO WECLA £m	MISBO Non WECLA £m	Call origination on fixed public narrowband networks £m	Fixed call termination £m	Technical areas (Interconnect Circuits) £m	Wholesale broadband access - Market 1 £m	Wholesale broadband access - Market 2 £m			Wholesale Residual £m
Non-current Assets																				
Land & Buildings	-7.7%	-20.9%	-6.7%	-5.3%	-7.4%	-14.3%	-11.1%	-14.3%	0.0%	21.1%	0.0%	0.0%	-8.6%	-7.7%	-8.3%	10.9%	47.6%	21.4%	0.0%	
Access - Copper	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-4.8%	0.0%	
Access - Fibre	0.0%	0.0%	0.0%	-9.0%	-7.7%	-16.7%	0.0%	0.0%	-16.7%	-10.7%	-9.1%	-11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	24.8%	0.0%	
Access - Duct	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Switch	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Transmission	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.7%	-3.6%	1.2%	0.0%	
Other	1.1%	-12.1%	0.0%	-5.9%	-5.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-15.4%	-3.2%	0.0%	8.0%	19.0%	5.7%	0.2%	
Investments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Non-current Assets	0.0%	-2.7%	-0.5%	-4.1%	-3.1%	-4.0%	-1.6%	-1.6%	-8.3%	-3.6%	-3.1%	-2.0%	-5.1%	-2.8%	-2.5%	2.9%	9.8%	7.0%	0.0%	
Current Assets																				
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Receivables	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
- Internal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%	4.8%	0.0%	0.0%	0.2%	
- External	-0.5%	-5.4%	-5.9%	-4.2%	-1.5%	0.0%	0.0%	0.0%	0.0%	-3.6%	0.0%	0.0%	-9.4%	4.2%	0.0%	1.6%	5.3%	2.0%	0.1%	
Total Current Assets	-0.4%	-4.5%	-4.2%	-2.8%	-1.1%	0.0%	0.0%	0.0%	0.0%	-2.8%	0.0%	0.0%	-7.1%	6.7%	0.0%	2.4%	3.3%	2.0%	0.1%	
Payables falling due within one year																				
- Internal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
- External	-0.3%	-5.6%	0.0%	-2.9%	-1.0%	0.0%	0.0%	0.0%	0.0%	-3.0%	-6.3%	0.0%	-11.8%	5.9%	0.0%	1.1%	3.7%	3.2%	-0.1%	
Total payables falling due within one year	-0.3%	-5.6%	0.0%	-2.9%	-1.0%	0.0%	0.0%	0.0%	0.0%	-3.0%	-6.3%	0.0%	-11.8%	5.9%	0.0%	1.1%	3.3%	3.2%	-0.1%	
Net Current Assets/(Payables)	0.0%	-9.4%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-4.3%	-100.0%	0.0%	-33.3%	0.0%	0.0%	-12.5%	0.0%	-3.7%	-14.5%	
Total Assets less Current Payables	0.0%	-2.5%	-1.0%	-4.1%	-3.1%	-4.1%	-1.6%	-1.6%	-9.1%	-3.6%	-2.1%	-2.0%	-4.0%	-2.9%	-2.6%	3.1%	9.8%	6.1%	0.1%	
Provisions for liabilities & charges	-3.7%	-10.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-6.3%	0.0%	0.0%	-20.0%	33.3%	0.0%	12.5%	0.0%	4.0%	-1.1%	
Roundings																				
Mean Capital Employed	0.0%	-2.4%	-0.9%	-4.0%	-2.9%	-2.7%	-1.9%	-1.2%	-5.1%	-3.5%	-3.2%	-1.6%	-4.1%	-3.1%	-2.6%	2.9%	9.5%	6.2%	-60.9%	0.1%

Section 4
Illustrative difference of methodology changes on costs allocated to each market

Section 4 – Illustrative difference of methodology changes on costs allocated to each market

Section 4.1 – Illustrative difference of methodology changes on costs allocated to each market

Ref.	Changes in allocation methodologies	Wholesale analogue exchange line services	Wholesale local access	Wholesale ISDN2 exchange line services	Wholesale business ISDN30 exchange line services	Fixed Access Markets	TISBO (up to and including 8Mbit/s)	TISBO (above 8Mbit/s up to and including 45Mbit/s)	TISBO (above 45Mbit/s up to and including 155Mbit/s)	Wholesale Regional Trunk Segments	Technical areas (Point of Handover)	AISBO non-WECLA	AISBO WECLA	MISBO non-WECLA	Business Connectivity Markets	Call origination on fixed public narrowband networks	Fixed call termination	Technical areas (Interconnect Circuits)	Narrowband Markets	Wholesale broadband access - Market 1	Wholesale broadband access - Market 2	Wholesale Broadband Access Markets	Wholesale residual	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Group Billing	1	0	0	1	(0)	(0)	(0)	(0)	(0)	0	0	0	0	(0)	(0)	(0)	(1)	(0)	(0)	(0)	(0)	1	
2	PPP	0	0	0	0	0	0	0	0	0	0	0	0	0	(9)	8	0	(1)	(0)	(0)	(0)	1	(0)	
3	Electricity	(6)	(37)	(1)	(1)	(45)	(6)	(0)	(1)	(0)	(0)	3	0	0	(3)	(5)	(4)	(0)	(9)	7	6	13	45	1
4	TSO	(4)	(1)	(0)	0	(6)	(0)	0	0	(0)	(1)	0	0	(0)	(1)	(1)	(0)	(1)	0	(0)	(0)	(11)	(18)	
5	SA/TRC/BB	4	1	0	1	5	6	0	(0)	(0)	0	0	0	(0)	6	(0)	(0)	2	2	(0)	(0)	(0)	(12)	(0)
	Effect of significant allocation methodology changes	(7)	(36)	(1)	0	(44)	(1)	(0)	(0)	(0)	(0)	4	0	1	3	(14)	3	1	(10)	7	6	12	22	(17)
	Aggregate effect of non-material allocation methodology changes	(12)	(25)	(0)	(3)	(40)	(4)	(0)	(0)	(0)	(0)	(22)	(1)	(1)	(29)	(1)	(0)	(0)	(1)	(4)	(2)	(6)	61	(1)
	Roundings	(0)	(1)	0	(1)	(2)	1	(1)	(0)	(0)	(0)	(0)	0	(0)	(1)	(0)	0	0	0	(0)	0	(0)	(0)	(1)
	Total effect of allocation methodology changes	(19)	(62)	(2)	(4)	(87)	(4)	(1)	(0)	(0)	(0)	(18)	(1)	(0)	(25)	(14)	2	0	(12)	3	4	7	83	(33)

Section 5
Explanation of reported methodology changes

Section 5 – Explanation of reported methodology changes

Section 5.1 – Group Billing Base Rationalisation

Reference number (Section 4.1)	1
Key driver for change	<p><i>State key driver based on Regulatory Accounting Principles (Select from: 1) cost causality; 2) objectivity; 3) consistency; 4) UK GAAP; 5) Transparency; or 6) Sampling)</i></p> <p>Cost causality.</p>
Trigger for change	<p><i>Select from 1)BT judgement 2) Regulatory decision 3) changes in available evidence 4) other</i></p> <p>Change in available evidence.</p>
Description of change	<p><i>A short explanation of the new methodology and how it differs from the old methodology</i></p> <p>During FY13/14, the BT Group Billing unit undertook a detailed review of their cost base and determined a superior attribution of cost to the BT Lines of Business ("LoB") on the basis of the people that support each LoB. They identified that Group Billing does not just serve BT Wholesale and BT Retail (as previous survey information suggested), as there are some activities performed for other LoBs.</p>
Effect of the change	<p><i>A description of the impact of the change in terms of the components most affected and the general impact of the change and the markets and services that are most affected by the changes</i></p> <p>More costs are allocated to Wholesale Analogue Exchange Line Services and the Openreach markets as a whole, with cost reductions in both Wholesale and retail residual markets and minor reductions in Wholesale markets.</p>

Support for the change	<p><i>A detailed justification for the change and the evidence taken into account to support the change</i></p> <p>A detailed analysis of Group Billing costs by market by service was undertaken and resulted in costs moving out of residual and some SMP markets, notably Wholesale Technical Areas Interconnect and into a number of SMP markets, notably Wholesale Analogue Exchange Line Services. There was immaterial effect at service level.</p>
Key changes in accounting documents	<p><i>Set out key changes to accounting documents</i></p> <p>Updated methodology descriptions in the DAM for the treatment of Group Billing costs.</p>

Section 5 – Explanation of reported methodology changes

Section 5.2 – Product Management Policy and Planning (PPP)

Reference number (Section 4.1)	2
Key driver for change	<p><i>State key driver based on Regulatory Accounting Principles (Select from: 1) cost causality; 2) objectivity; 3) consistency; 4) UK GAAP; 5) Transparency; or 6) Sampling)</i></p> <p>Cost causality.</p>
Trigger for change	<p><i>Select from 1)BT judgement 2) Regulatory decision 3) changes in available evidence 4) other</i></p> <p>Regulatory decision</p>
Description of change	<p><i>A short explanation of the new methodology and how it differs from the old methodology</i></p> <p>A Review of the fixed narrowband services markets (NMR) by Ofcom, published September 2013, removed the charge control on PPP in the Call Origination Market and the obligation for BT to separately report on PPP.</p> <p>Previously Ofcom imposed a charge control on PPP on 1 July 2004.</p> <p>PPP costs are recovered over all calls on an equivalent basis. Each physical call crossing BT's network is charged PPP only once. As PPP is incurred on all calls in all markets where BT has SMP it is relevant for Call Origination, Call Termination and Single Transit. PPP was reported as a separate service within the Call Origination Market. In the Narrowband Charge Control (NCC) effective 1 February 2014, PPP is no longer charge controlled. BT is thus no longer required to report PPP as a separate service so its costs can be re-allocated across the relevant services in Call Origination, Call Termination and Single Transit.</p>

Effect of the change	<p><i>A description of the impact of the change in terms of the components most affected and the general impact of the change and the markets and services that are most affected by the changes</i></p> <p>This is a re-allocation of costs within the calls markets and the net effect across these markets is c£1m.</p>
Support for the change	<p><i>A detailed justification for the change and the evidence taken into account to support the change</i></p> <p>The September 2013 Narrowband Market Review (NMR) by Ofcom removed the charge control on Product Management, Policy and Planning (PPP) and the obligation for BT to report PPP separately</p>
Key changes in accounting documents	<p><i>Set out key changes to accounting document</i></p> <p>The DAM has been amended to reflect the change to PPP and Component CO512. The Wholesale Catalogue has also been updated to reflect the change to CO512</p>

Section 5 – Explanation of reported methodology changes

Section 5.3 – Allocation of BT TSO Specialised Electricity and Power Costs.

Reference number (Section 4.1)	3
Key driver for change	<i>State key driver based on Regulatory Accounting Principles (Select from: 1) cost causality; 2) objectivity; 3) consistency; 4) UK GAAP; 5) Transparency; or 6) Sampling)</i> Cost causality.
Trigger for change	<i>Select from 1)BT judgement 2) Regulatory decision 3) changes in available evidence 4) other</i> Changes in available evidence.
Description of change	<i>A short explanation of the new methodology and how it differs from the old methodology</i> In FY13/14, BT amended the attribution methodology for BT TSO Specialised Electricity (DTNELSP/T) to reflect better data sources from Openreach for LLU and NGA electricity costs, and from BT TSO regarding the consumption of electricity by 21CN equipment. The BT TSO electricity base (DTNELSP/T) is also used as the driver for the allocation of power costs in relation to BT exchanges. These costs relate to heating, ventilation and cooling of exchange equipment. These costs are allocated through Activity Group's (AGs) 161-4 respectively and derive their base from the electricity base (DTNELSP/T).
Effect of the change	<i>A description of the impact of the change in terms of the components most affected and the general impact of the change and the markets and services that are most affected by the changes</i> The change results in costs being allocated out of all SMP markets, with the exception of the WBA Markets and AISBO non WECLA, into the Wholesale Residual Market.
Support for	<i>A detailed justification for the change and the evidence taken into account</i>

the change	<i>to support the change</i> Improved data sources from BT TSO regarding the electricity consumption of 21CN equipment and improved data sources from Openreach in relation to NGA and LLU will facilitate the improved attribution of NGA electricity costs, and facilitate the improved attribution of LLU costs to LLU related products.
Key changes in accounting documents	<i>Set out key changes to accounting documents</i> The DAM has been updated to reflect the new methodology for AGs 161, 162, 163 and 164.

Section 5 – Explanation of reported methodology changes

Section 5.4 –BT TSO organisational changes and better information sources

Reference number (Section 4.1)	4
Key driver for change	<p><i>State key driver based on Regulatory Accounting Principles (Select from: 1) cost causality; 2) objectivity; 3) consistency; 4) UK GAAP; 5) Transparency; or 6) Sampling)</i></p> <p>Cost causality, consistency.</p>
Trigger for change	<p><i>Select from 1)BT judgement 2) Regulatory decision 3) changes in available evidence 4) other</i></p> <p>Changes in available evidence; other (simplification)</p>
Description of change	<p><i>A short explanation of the new methodology and how it differs from the old methodology</i></p> <p>BT has amended the treatment of some of the BT TSO cost attribution to reflect better / latest information from BT TSO and has also simplified the methodology for Application Support & Maintenance to remove unnecessary analysis.</p> <ul style="list-style-type: none"> a) References to ex-BTO & ex-BTID underpinning some of our 12/13 methodologies are no longer valid, and processes have become BT TSO focussed and share common practices. b) We are now using better information from BT TSO, namely the TSO FTE resource planning data and SARMS data. <p>The methodology changes for 2013/14 are as follows</p> <p><u>Contract and in life product support</u></p> <p>The cost of this activity is based upon the FTE that are used to provide 2nd & 3rd Line technical support to the rest of BT on platforms and products.</p> <p>The 12/13 methodology was based upon the ex-BTO TSO trades, and</p>

<p>business case analysis provided by the ex BTO TSO finance.team .</p> <p>In 13/14, we used TSO Billing Data and new BT TSO SARMS data and analysis to allocate costs to products and services.</p> <p><u>Exchange Infrastructure Plan and Build</u></p> <p>The cost of this activity is based upon the FTE that are used to plan and build the exchange infrastructure for Transmission, Ethernet and LLU</p> <p>The 12/13 methodology was based upon the ex-BTO trades, and the pay of the old BTO Capacity Management unit</p> <p>In 13/14 we used BT TSO Billing Data and new BT TSO information relating to the FTE activities by the relevant platforms</p> <p><u>Power radio and Other Infrastructure Support</u></p> <p>The cost of this activity is based upon the FTE that are used to maintain the Power Vent and Cooling equipment within the exchange, as well as specialised FTE used for activities such as Aerial Rigging.</p> <p>The 12/13 methodology was based on the use of Class of Work bookings (CoW) for the specific OUC (TSF).</p> <p>In 13/14 we use both CoW bookings and new BT TSO resource planning analysis to allocate costs of non-CoW driven activities. The activities that support Power or (Power) activities are allocated direct to the power Activity groups (AG161 and AG163)</p> <p><u>Application, Support & Maintenance - Design</u></p> <p>These activities are delivered by FTE that are used to provide the support for BT designed applications used across the LoBs</p> <p>The 12/13 methodology was based on BT TSO trades, and a further analysis of the business case analysis from the SALSA (Single Authorised List of Systems and Applications) system.</p> <p>In 13/14, we used BT TSO trades, themselves based upon SALSA data, to attribute to LoBs, and then use Openreach and BT Wholesale LoB pay to</p>

Section 5 – Explanation of reported methodology changes

	allocate to products and services. Our analysis shows there is little variance between the old and the new proposal.
Effect of the change	<p><i>A description of the impact of the change in terms of the components most affected and the general impact of the change and the markets and services that are most affected by the changes</i></p> <p>The markets most impacted by the changes are Wholesale Analogue Exchange Line Services, Wholesale Local Access and WBA Market 1. The main services impacted by the change are Wholesale premium and basic analogue service rentals, MPF rentals, Co-mingling new provides, Co-mingling rentals, and Residual services.</p>
Support for the change	<p><i>A detailed justification for the change and the evidence taken into account to support the change</i></p> <p>There are several key reasons for making these changes.</p> <ol style="list-style-type: none"> 1. References to ex BTO and ex BTID divisions underpinning some of the 12/13 methodologies are no longer valid, and processes have become BT TSO focused, sharing common practices.

	2. Better / latest information from BT TSO
Key changes in accounting documents	<p><i>Set out key changes to accounting documents</i></p> <p>Activity Group 102 and 103 descriptions have been included in the DAM and BT TSO base references have been updated to reflect the new methodologies.</p>

Section 5 – Explanation of reported methodology changes

Section 5.5 – Change in allocations for Special Fault Investigations (SFIs), Broadband Boost, and Time Related Charges (TRCs)

Reference number (Section 4.1)	5
Key driver for change	<p><i>State key driver based on Regulatory Accounting Principles (Select from: 1) cost causality; 2) objectivity; 3) consistency; 4) UK GAAP; 5) Transparency; or 6) Sampling)</i></p> <p>Cost causality.</p>
Trigger for change	<p><i>Select from 1)BT judgement 2) Regulatory decision 3) changes in available evidence 4) other</i></p> <p>Changes in available evidence.</p>
Description of change	<p><i>A short explanation of the new methodology and how it differs from the old methodology</i></p> <p><u>SFIs/Broadband Boost</u></p> <p>SFIs are a chargeable investigation product that attempts to identify and resolve problems affecting Digital Subscriber Lines (DSL).</p> <p>In 2013/14, we changed the basis of calculation of SFI costs to : Hours x Standard Labour rate, to align to Ofcom’s modelling approach.</p> <p>We changed the costing for Broadband Boost (which is a chargeable investigation product that attempts to identify and resolve problems affecting Broadband speed and reliability) to use the cost booked directly to the Broadband Boost Class of Work (CoW).</p> <p>This approaches differs from the previous methodology by the following:</p> <ol style="list-style-type: none"> 1. More accurate calculations based on CoW mix 2. The calculations are more granular, instead of using the same percentage allocated from each CoW we now allocate based on those that have a greater SFI element. <p>TRCs refer to the provision of additional services where the work is not</p>

	<p>covered within BT service level agreements.</p> <p>Under the old methodology, TRC costs were allocated using CoW analysis. The new methodology follows a similar approach to SFIs, using hours spent on TRC activities.</p>
Effect of the change	<p><i>A description of the impact of the change in terms of the components most affected and the general impact of the change and the markets and services that are most affected by the changes</i></p> <p>The markets most impacted by the changes are Wholesale Analogue Exchange Line Services, Wholesale Local Access and TISBO (up to and including 8Mbit/s). The main services affected are PPC services, MPF Rentals, Wholesale basic and premium analogue service rentals, MPF new provides and Residual services.</p>
Support for the change	<p><i>A detailed justification for the change and the evidence taken into account to support the change</i></p> <p><u>SFIs/Broadband Boost</u></p> <p>We have obtained a better understanding of the time spent on SFI and Broadband Boost by Class of Work.</p> <p><u>TRCs</u></p> <p>We have obtained a better understanding of the TRC cost by use of hours data.</p>
Key changes in accounting documents	<p><i>Set out key changes to accounting documents</i></p> <p>The base methodologies for PDTORSFI, PDTURSFI, PDTUDL, PDTUEL, PDTBSBB in the DAM have been updated to reflect the new methodologies.</p>

Section 6
Illustrative difference of methodology changes on FAC

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.1 – Illustrative for Wholesale Analogue Exchange Line Services

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Wholesale basic analogue internal service rentals	102.10	103.25	(1.15)	-1.1%
Wholesale basic analogue external service rentals	102.10	103.25	(1.15)	-1.1%
Wholesale premium analogue internal service rentals	104.99	106.24	(1.25)	-1.2%
Wholesale premium analogue external service rentals	104.99	106.24	(1.25)	-1.2%
Wholesale basic analogue internal service connections	41.64	41.25	0.39	0.9%
Wholesale premium analogue internal service connections	41.64	41.25	0.39	0.9%
Wholesale premium and basic analogue external service connections	41.64	41.25	0.39	0.9%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.1.1 – Illustrative for Wholesale Analogue Exchange Line Services calculation of FAC based on component costs and usage factors

		Wholesale analogue exchange line services					
		Average cost per unit (from annex 15)	Wholesale basic analogue internal service rentals	Wholesale premium analogue internal service rentals	Wholesale basic analogue internal service connections	Wholesale premium analogue internal service connections	Wholesale premium and basic analogue external service connections
Components	Unit (d)		£	£	£	£	£
As reported for the year ended 31 March 2014							
Wholesale Access specific	£/trans	9.34			9.34	9.34	9.34
Routing & records	£/line	5.25			5.25	5.25	5.25
MDF Hardware jumpering	£/line	16.68			16.68	16.68	16.68
E side copper capital	£/line	8.46	8.45	8.45			
E side copper current	£/line	2.13	2.13	2.56			
D side copper capital	£/line	48.57	48.51	48.51			
D side copper current	£/line	7.16	7.16	8.60			
Local exchanges general frames capital	£/line	1.60	1.60	1.60			
Local exchanges general frames current	£/line	0.83	0.83	1.00			
PSTN line test equipment	£/line	0.13	0.13	0.13			
Dropwire capital & PSTN NTE	£/line	17.36	17.36	17.36			
Residential PSTN drop maintenance	£/line	3.67	3.67	4.41			
PSTN line cards	£/line	7.87	7.87	7.87			
Combi Card voice	£/line	0.22	0.22	0.22			
Broadband line testing systems	£/line	2.50	0.93	0.93			
Sales product management (q)	%	£17m	0.17	0.20	0.08	0.08	0.08
Service Centres - Assurance (q)	%	£38m	0.93	0.93			
Service Centres - Provision (q)	%	£113m			10.06	10.06	10.06
Directories (q)	%	£29m	1.69	1.69			
Revenue Debtors (q)	%	£43m	0.45	0.53	0.23	0.23	0.23
Fully Allocated Costs (£)			102.10	104.99	41.64	41.64	41.64

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.1.1 – Illustrative for Wholesale Analogue Exchange Line Services calculation of FAC based on component costs and usage factors (continued)

		Wholesale analogue exchange line services					
		Average cost per unit (from annex 15)	Wholesale basic analogue internal service rentals	Wholesale premium analogue internal service rentals	Wholesale basic analogue internal service connections	Wholesale premium analogue internal service connections	Wholesale premium and basic analogue external service connections
Components	Unit (d)		£	£	£	£	£
Restated on the basis of 12/13 methodologies							
Wholesale Access specific	£/trans	9.13			9.13	9.13	9.13
Routing & records	£/line	3.45			3.45	3.45	3.45
MDF Hardware jumpering	£/line	18.42			18.42	18.42	18.42
E side copper capital	£/line	8.46	8.45	8.45			
E side copper current	£/line	2.00	2.00	2.40			
D side copper capital	£/line	48.80	48.74	48.74			
D side copper current	£/line	7.63	7.63	9.16			
Local exchanges general frames capital	£/line	1.60	1.60	1.60			
Local exchanges general frames current	£/line	0.70	0.70	0.85			
PSTN line test equipment	£/line	0.14	0.14	0.14			
Dropwire capital & PSTN NTE	£/line	17.52	17.52	17.52			
Residential PSTN drop maintenance	£/line	3.99	3.99	4.79			
PSTN line cards	£/line	8.18	8.18	8.18			
Combi Card voice	£/line	0.15	0.15	0.15			
Broadband line testing systems	£/line	2.31	0.77	0.77			
Sales product management (q)	%	£19m	0.18	0.21	0.09	0.09	0.09
Service Centres - Assurance (q)	%	£39m	0.95	0.95			
Service Centres - Provision (q)	%	£111m			9.93	9.93	9.93
Directories (q)	%	£31m	1.80	1.80			
Revenue Debtors (q)	%	£43m	0.45	0.53	0.23	0.23	0.23
Fully Allocated Costs (£)			103.25	106.24	41.25	41.25	41.25

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.1.1 - Illustrative for Wholesale Analogue Exchange Line Services calculation of FAC based on component costs and usage factors (continued)

		Wholesale analogue exchange line services					
		Average cost per unit (from annex 15)	Wholesale basic analogue internal service rentals	Wholesale premium analogue internal service rentals	Wholesale basic analogue internal service connections	Wholesale premium analogue internal service connections	Wholesale premium and basic analogue external service connections
Effect of changes on results	Unit (d)		£	£	£	£	£
Wholesale Access specific	£/trans	0.22			0.21	0.21	0.21
Routeing & records	£/line	1.79			1.80	1.80	1.80
MDF Hardware jumpering	£/line	(1.74)			(1.74)	(1.74)	(1.74)
E side copper capital	£/line	0.00					
E side copper current	£/line	0.13	0.13	0.16			
D side copper capital	£/line	(0.23)	(0.23)	(0.23)			
D side copper current	£/line	(0.47)	(0.47)	(0.56)			
Local exchanges general frames capital	£/line	(0.01)					
Local exchanges general frames current	£/line	0.13	0.13	0.15			
PSTN line test equipment	£/line	(0.00)	(0.01)	(0.01)			
Dropwire capital & PSTN NTE	£/line	(0.16)	(0.16)	(0.16)			
Residential PSTN drop maintenance	£/line	(0.32)	(0.32)	(0.38)			
PSTN line cards	£/line	(0.31)	(0.31)	(0.31)			
Combi Card voice	£/line	0.07	0.07	0.07	0.00	0.00	0.00
Broadband line testing systems	£/line	0.19	0.16	0.16			
Sales product management (q)	%	(£2m)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Service Centres - Assurance (q)	%	(£1m)	(0.02)	(0.02)			
Service Centres - Provision (q)	%	£2m			0.13	0.13	0.13
Directories (q)	%	(£2m)	(0.11)	(0.11)			
Revenue Debtors (q)	%	£0m					
Fully Allocated Costs (£)	%		(1.15)	(1.25)	0.39	0.39	0.39

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.1.1 - Illustrative for Wholesale Analogue Exchange Line Services calculation of FAC based on component costs and usage factors (continued)

		Wholesale analogue exchange line services					
		Average cost per unit (from annex 15)	Wholesale basic analogue internal service rentals	Wholesale premium analogue internal service rentals	Wholesale basic analogue internal service connections	Wholesale premium analogue internal service connections	Wholesale premium and basic analogue external service connections
Effect of changes on results as a percentage			£	£	£	£	£
Components	Unit (d)						
Wholesale Access specific	£/trans	2.4%			2.3%	2.3%	2.3%
Routing & records	£/line	52.0%			52.2%	52.2%	52.2%
MDF Hardware jumpering	£/line	-9.5%			-9.4%	-9.4%	-9.4%
E side copper capital	£/line	0.1%	0.0%	0.0%			
E side copper current	£/line	6.3%	6.5%	6.7%			
D side copper capital	£/line	-0.5%	-0.5%	-0.5%			
D side copper current	£/line	-6.1%	-6.2%	-6.1%			
Local exchanges general frames capital	£/line	-0.5%	0.0%	0.0%			
Local exchanges general frames current	£/line	17.8%	18.6%	17.6%			
PSTN line test equipment	£/line	-3.0%	-7.1%	-7.1%			
Dropwire capital & PSTN NTE	£/line	-0.9%	-0.9%	-0.9%			
Residential PSTN drop maintenance	£/line	-7.9%	-8.0%	-7.9%			
PSTN line cards	£/line	-3.8%	-3.8%	-3.8%			
Combi Card voice	£/line	45.3%	46.7%	46.7%			
Broadband line testing systems	£/line	8.3%	20.8%	20.8%			
Sales product management (q)	%	-10.5%	-5.6%	-4.8%	-11.1%	-11.1%	-11.1%
Service Centres - Assurance (q)	%	-2.6%	-2.1%	-2.1%			
Service Centres - Provision (q)	%	1.8%			1.3%	1.3%	1.3%
Directories (q)	%	-6.5%	-6.1%	-6.1%			
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)	%		-1.1%	-1.2%	0.9%	0.9%	0.9%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.2 – Illustrative for Wholesale Local Access (WLA)

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
MPF New Provides	36.73	37.43	(0.70)	-1.9%
MPF Single Migrations	30.45	32.97	(2.52)	-7.6%
MPF Bulk Migrations	21.58	23.21	(1.63)	-7.0%
MPF Ceases	19.88	21.59	(1.71)	-7.9%
MPF Rentals	110.78	113.31	(2.53)	-2.2%
Co-mingling New Provides	18,091.49	22,960.61	(4,869.12)	-21.2%
Co-mingling Rentals	6,419.72	8,553.64	(2,133.92)	-24.9%
Tie Cables	61.65	69.63	(7.98)	-11.5%
SMPF New Provides	26.24	28.31	(2.07)	-7.3%
SMPF Single Migrations	29.98	32.45	(2.47)	-7.6%
SMPF Bulk Migrations	21.55	23.17	(1.62)	-7.0%
SMPF Ceases	19.91	21.63	(1.72)	-8.0%
SMPF Rentals	8.25	8.02	0.23	2.9%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.2.1 – Illustrative for Wholesale Local Access (WLA) calculation of FAC based on component costs and usage factors

			Wholesale local access													
			Average cost per unit (from annex 15)	MPF New Provides	MPF Single Migrations	MPF Bulk Migrations	MPF Ceases	MPF Rentals	Co-mingling New Provides	Co-mingling Rentals	Tie Cables	SMPF New Provides	SMPF Single Migrations	SMPF Bulk Migrations	SMPF Ceases	SMPF Rentals
As reported for the year ended 31 March 2014				£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)															
Local Loop Unbundling room build	£/room	18,014.91						18,010.60								
Local Loop Unbundling hostel rentals	£/hostel rental	3,169.17							3,169.22							
Local Loop Unbundling tie cables	£/cable	57.25								57.25						
Routeing & records	£/line	5.25														
MDF Hardware jumpering	£/line	16.68	23.89	24.08	15.55	16.60					19.87	23.61	15.55	16.68		
E side copper capital	£/line	8.46					8.46									
E side copper current	£/line	2.13					3.53									0.75
D side copper capital	£/line	48.57					48.57									
D side copper current	£/line	7.16					11.87									2.54
Local exchanges general frames capital	£/line	1.60					3.19									1.60
Local exchanges general frames current	£/line	0.83					1.79									0.82
PSTN line test equipment	£/line	0.13					0.13									
Dropwire capital & PSTN NTE	£/line	17.36					17.36									
Residential PSTN drop maintenance	£/line	3.67					6.09									
Broadband line testing systems	£/line	2.50					6.88									1.55
Local Loop Unbundling hostel rentals power & vent	£/hostel rental	3,204.49							3,204.54							
Sales product management (q)	%	£17m	0.28	0.20	0.18	0.12	0.18	23.95	13.67	0.14	0.20	0.20	0.18	0.09	0.06	
Service Centres - Assurance (q)	%	£38m					0.87		0.87	0.87						0.18
Service Centres - Provision (q)	%	£113m	6.43	5.34	5.04	2.39	0.77	2.39		2.39	5.34	5.34	5.01	2.39	0.02	
Local Loop Unbundling systems development (q)	%	£17m	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68
Revenue Debtors (q)	%	£43m	0.20	0.15	0.13	0.09	0.41	53.87	30.74	0.32	0.15	0.15	0.13	0.07	0.05	
Fully Allocated Costs (£)			36.73	30.45	21.58	19.88	110.78	18,091.49	6,419.72	61.65	26.24	29.98	21.55	19.91	8.25	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.2.1 – Illustrative for Wholesale Local Access (WLA) calculation of FAC based on component costs and usage factors (continued)

Restated on the basis of 12/13 methodologies			Wholesale local access												
			Average cost per unit (from annex 15)	MPF New Provides	MPF Single Migrations	MPF Bulk Migrations	MPF Ceases	MPF Rentals	Co-mingling New Provides	Co-mingling Rentals	Tie Cables	SMPF New Provides	SMPF Single Migrations	SMPF Bulk Migrations	SMPF Ceases
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£
Local Loop Unbundling room build	£/room	22,883.00					22,877.52								
Local Loop Unbundling hostel rentals	£/hostel rental	3,166.88						3,166.93							
Local Loop Unbundling tie cables	£/cable	65.19							65.19						
Routeing & records	£/line	3.45	3.45												
MDF Hardware jumpering	£/line	18.42	26.39	26.60	17.18	18.33				21.94	26.08	17.18	18.42		
E side copper capital	£/line	8.46					8.46								
E side copper current	£/line	2.00					3.32								0.71
D side copper capital	£/line	48.80					48.80								
D side copper current	£/line	7.63					12.64								2.70
Local exchanges general frames capital	£/line	1.60					3.21								1.60
Local exchanges general frames current	£/line	0.70					3.04								0.70
PSTN line test equipment	£/line	0.14					0.14								
Dropwire capital & PSTN NTE	£/line	17.52					17.52								
Residential PSTN drop maintenance	£/line	3.99					6.61								
Broadband line testing systems	£/line	2.31					6.58								1.29
Local Loop Unbundling hostel rentals power & vent	£/hostel rental	5,339.33						5,339.42							
Sales product management (q)	%	£19m	0.30	0.22	0.20	0.13	0.20	26.18	14.94	0.16	0.22	0.22	0.19	0.10	0.07
Service Centres - Assurance (q)	%	£39m					0.92		0.92	0.92					0.19
Service Centres - Provision (q)	%	£111m	6.40	5.31	5.01	2.35	0.77	2.35		2.35	5.31	5.31	4.98	2.35	0.02
Local Loop Unbundling systems development (q)	%	£17m	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Revenue Debtors (q)	%	£43m	0.20	0.15	0.13	0.09	0.41	53.87	30.74	0.32	0.15	0.15	0.13	0.07	0.05
Fully Allocated Costs (£)			37.43	32.97	23.21	21.59	113.31	22,960.61	8,553.64	69.63	28.31	32.45	23.17	21.63	8.02

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.2.1 – Illustrative for Wholesale Local Access (WLA) calculation of FAC based on component costs and usage factors (continued)

Effect of changes on results		Average cost per unit (from annex 15)	Wholesale local access												
			MPF New Provides	MPF Single Migrations	MPF Bulk Migrations	MPF Ceases	MPF Rentals	Co-mingling New Provides	Co-mingling Rentals	Tie Cables	SMPF New Provides	SMPF Single Migrations	SMPF Bulk Migrations	SMPF Ceases	SMPF Rentals
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£
Local Loop Unbundling room build	£/room	(4,868.09)						(4,866.92)							
Local Loop Unbundling hostel rentals	£/hostel rental	2.29								2.29					
Local Loop Unbundling tie cables	£/cable	(7.94)									(7.94)				
Routeing & records	£/line	1.79	1.80												
MDF Hardware jumpering	£/line	(1.74)	(2.50)	(2.52)	(1.63)	(1.73)					(2.07)	(2.47)	(1.63)	(1.74)	
E side copper capital	£/line	0.00													
E side copper current	£/line	0.13					0.21								0.04
D side copper capital	£/line	(0.23)					(0.23)								
D side copper current	£/line	(0.47)					(0.77)								(0.16)
Local exchanges general frames capital	£/line	(0.01)					(0.02)								
Local exchanges general frames current	£/line	0.13					(1.25)								0.12
PSTN line test equipment	£/line	(0.00)					(0.01)								
Dropwire capital & PSTN NTE	£/line	(0.16)					(0.16)								
Residential PSTN drop maintenance	£/line	(0.32)					(0.52)								
Broadband line testing systems	£/line	0.19					0.30								0.26
Local Loop Unbundling hostel rentals power & vent	£/hostel rental	(2,134.85)							(2,134.88)						
Sales product management (q)	%	(£2m)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(2.23)	(1.27)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)
Service Centres - Assurance (q)	%	(£1m)					(0.05)		(0.05)	(0.05)					(0.01)
Service Centres - Provision (q)	%	£2m	0.03	0.03	0.03	0.04		0.04		0.04	0.03	0.03	0.03	0.04	
Local Loop Unbundling systems development (q)	%	£0m	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Revenue Debtors (q)	%	£0m													
Fully Allocated Costs (£)			(0.70)	(2.52)	(1.63)	(1.71)	(2.53)	(4,869.12)	(2,133.92)	(7.98)	(2.07)	(2.47)	(1.62)	(1.72)	0.23

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.2.1 – Illustrative for Wholesale Local Access (WLA) calculation of FAC based on component costs and usage factors (continued)

		Wholesale local access													
		Average cost per unit (from annex 15)	MPF New Provides	MPF Single Migrations	MPF Bulk Migrations	MPF Ceases	MPF Rentals	Co-mingling New Provides	Co-mingling Rentals	Tie Cables	SMPF New Provides	SMPF Single Migrations	SMPF Bulk Migrations	SMPF Ceases	SMPF Rentals
Effect of changes on results as a percentage			£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£
Local Loop Unbundling room build	£/room	-21.3%						-21.3%							
Local Loop Unbundling hostel rentals	£/hostel rental	0.1%							0.1%						
Local Loop Unbundling tie cables	£/cable	-12.2%								-12.2%					
Routing & records	£/line	52.0%	52.2%												
MDF Hardware jumpering	£/line	-9.5%	-9.5%	-9.5%	-9.4%						-9.4%	-9.5%	-9.5%	-9.4%	
E side copper capital	£/line	0.1%					0.0%								
E side copper current	£/line	6.3%					6.3%								5.6%
D side copper capital	£/line	-0.5%					-0.5%								
D side copper current	£/line	-6.1%					-6.1%								-5.9%
Local exchanges general frames capital	£/line	-0.5%					-0.6%								0.0%
Local exchanges general frames current	£/line	17.8%					-41.1%								17.1%
PSTN line test equipment	£/line	-3.0%					-7.1%								
Dropwire capital & PSTN NTE	£/line	-0.9%					-0.9%								
Residential PSTN drop maintenance	£/line	-7.9%					-7.9%								
Broadband line testing systems	£/line	8.3%					4.6%								20.2%
Local Loop Unbundling hostel rentals power & vent	£/hostel rental	-40.0%							-40.0%						
Sales product management (q)	%	-10.5%	-6.7%	-9.1%	-10.0%	-7.7%	-10.0%	-8.5%	-8.5%	-12.5%	-9.1%	-9.1%	-5.3%	-10.0%	-14.3%
Service Centres - Assurance (q)	%	-2.6%					-5.4%		-5.4%	-5.4%					-5.3%
Service Centres - Provision (q)	%	1.8%	0.5%	0.6%	0.6%	1.7%	0.0%	1.7%		1.7%	0.6%	0.6%	0.6%	1.7%	0.0%
Local Loop Unbundling systems development (q)	%	0.0%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			-1.9%	-7.6%	-7.0%	-7.9%	-2.2%	-21.2%	-24.9%	-11.5%	-7.3%	-7.6%	-7.0%	-8.0%	2.9%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.3 – Illustrative for Wholesale ISDN2 Exchange Line Services

Service	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologie s %
Wholesale ISDN2 internal service rentals	68.80	70.72	(1.92)	-2.7%
Wholesale ISDN2 external service rentals	68.80	70.72	(1.92)	-2.7%
Wholesale ISDN2 internal service connections	25.43	25.49	(0.06)	-0.2%
Wholesale ISDN2 external service connections	25.43	25.49	(0.06)	-0.2%
Wholesale ISDN2 internal service transfers	14.98	14.75	0.23	1.6%
Wholesale ISDN2 external service transfers	15.11	14.88	0.23	1.5%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.3.1 – Illustrative for Wholesale ISDN2 Exchange Line Services calculation of FAC based on component costs and usage factors

			Wholesale ISDN2 exchange line services						
			Average cost per unit (from annex 15)	Wholesale ISDN2 internal service rentals	Wholesale ISDN2 external service rentals	Wholesale ISDN2 internal service connections	Wholesale ISDN2 external service connections	Wholesale ISDN2 internal service transfers	Wholesale ISDN2 external service transfers
As reported for the year ended 31 March 2014				£	£	£	£	£	£
Components	Unit (d)								
Wholesale Access specific	£/trans	9.34				4.67	4.67	4.67	4.67
Routeing & records	£/line	5.25				1.75	1.75		
MDF Hardware jumpering	£/line	16.68				8.34	8.34		
E side copper capital	£/line	8.46	4.23	4.23					
E side copper current	£/line	2.13	1.82	1.82					
D side copper capital	£/line	48.57	24.28	24.28					
D side copper current	£/line	7.16	6.11	6.11					
Local exchanges general frames capital	£/line	1.60	0.80	0.80					
Local exchanges general frames current	£/line	0.83	0.50	0.50					
PSTN line test equipment	£/line	0.13	0.11	0.11					
Dropwire capital & PSTN NTE	£/line	17.36	8.68	8.68					
ISDN2 drop maintenance	£/channel	1.90	1.90	1.90					
ISDN2 line cards	£/channel	17.61	17.61	17.61					
ISDN2 NTE	£/channel	0.72	0.72	0.72					
Sales product management (q)	%	£17m	0.52	0.52	0.28	0.28	0.12	0.18	
Service Centres - Assurance (q)	%	£38m	0.93	0.93					
Service Centres - Provision (q)	%	£113m			10.06	10.06	10.06	10.06	
Revenue Debtors (q)	%	£43m	0.59	0.59	0.33	0.33	0.13	0.20	
Fully Allocated Costs (£)			68.80	68.80	25.43	25.43	14.98	15.11	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.3.1 - Illustrative for Wholesale ISDN2 Exchange Line Services calculation of FAC based on component costs and usage factors (continued)

		Average cost per unit (from annex 15)	Wholesale ISDN2 exchange line services					
			Wholesale ISDN2 internal service rentals	Wholesale ISDN2 external service rentals	Wholesale ISDN2 internal service connections	Wholesale ISDN2 external service connections	Wholesale ISDN2 internal service transfers	Wholesale ISDN2 external service transfers
Restated on the basis of 12/13 methodologies			£	£	£	£	£	£
Components	Unit (d)							
Wholesale Access specific	£/trans	9.13			4.56	4.56	4.56	4.56
Routeing & records	£/line	3.45			1.15	1.15		
MDF Hardware jumpering	£/line	18.42			9.21	9.21		
E side copper capital	£/line	8.46	4.23	4.23				
E side copper current	£/line	2.00	1.71	1.71				
D side copper capital	£/line	48.80	24.40	24.40				
D side copper current	£/line	7.63	6.51	6.51				
Local exchanges general frames capital	£/line	1.60	0.80	0.80				
Local exchanges general frames current	£/line	0.70	0.42	0.42				
PSTN line test equipment	£/line	0.14	0.11	0.11				
Dropwire capital & PSTN NTE	£/line	17.52	8.76	8.76				
ISDN2 drop maintenance	£/channel	2.35	2.35	2.35				
ISDN2 line cards	£/channel	18.57	18.57	18.57				
ISDN2 NTE	£/channel	0.75	0.75	0.75				
Sales product management (q)	%	£19m	0.57	0.57	0.31	0.31	0.13	0.19
Service Centres - Assurance (q)	%	£39m	0.95	0.95				
Service Centres - Provision (q)	%	£111m			9.93	9.93	9.93	9.93
Revenue Debtors (q)	%	£43m	0.59	0.59	0.33	0.33	0.13	0.20
	0							
Fully Allocated Costs (£)			70.72	70.72	25.49	25.49	14.75	14.88

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.3.1 - Illustrative for Wholesale ISDN2 Exchange Line Services calculation of FAC based on component costs and usage factors (continued)

		Wholesale ISDN2 exchange line services						
		Average cost per unit (from annex 15)	Wholesale ISDN2 internal service rentals	Wholesale ISDN2 external service rentals	Wholesale ISDN2 internal service connections	Wholesale ISDN2 external service connections	Wholesale ISDN2 internal service transfers	Wholesale ISDN2 external service transfers
			£	£	£	£	£	£
Effect of changes on results	Unit (d)							
Components								
Wholesale Access specific	£/trans	0.22			0.11	0.11	0.11	0.11
Routeing & records	£/line	1.79			0.60	0.60		
MDF Hardware jumpering	£/line	(1.74)			(0.87)	(0.87)		
E side copper capital	£/line	0.00						
E side copper current	£/line	0.13	0.11	0.11				
D side copper capital	£/line	(0.23)	(0.12)	(0.12)				
D side copper current	£/line	(0.47)	(0.40)	(0.40)				
Local exchanges general frames capital	£/line	(0.01)						
Local exchanges general frames current	£/line	0.13	0.08	0.08				
PSTN line test equipment	£/line	(0.00)						
Dropwire capital & PSTN NTE	£/line	(0.16)	(0.08)	(0.08)				
ISDN2 drop maintenance	£/channel	(0.45)	(0.45)	(0.45)				
ISDN2 line cards	£/channel	(0.96)	(0.96)	(0.96)				
ISDN2 NTE	£/channel	(0.03)	(0.03)	(0.03)				
Sales product management (q)	%	(£2m)	(0.05)	(0.05)	(0.03)	(0.03)	(0.01)	(0.01)
Service Centres - Assurance (q)	%	(£1m)	(0.02)	(0.02)				
Service Centres - Provision (q)	%	£2m			0.13	0.13	0.13	0.13
Revenue Debtors (q)	%	£0m						
Fully Allocated Costs (£)			(1.92)	(1.92)	(0.06)	(0.06)	0.23	0.23

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.3.1 - Illustrative for Wholesale ISDN2 Exchange Line Services calculation of FAC based on component costs and usage factors (continued)

		Wholesale ISDN2 exchange line services						
		Average cost per unit (from annex 15)	Wholesale ISDN2 internal service rentals	Wholesale ISDN2 external service rentals	Wholesale ISDN2 internal service connections	Wholesale ISDN2 external service connections	Wholesale ISDN2 internal service transfers	Wholesale ISDN2 external service transfers
			£	£	£	£	£	£
Effect of changes on results as a percentage								
Components	Unit (d)							
Wholesale Access specific	£/trans	2.4%			2.4%	2.4%	2.4%	2.4%
Routeing & records	£/line	52.0%			52.2%	52.2%		
MDF Hardware jumpering	£/line	-9.5%			-9.4%	-9.4%		
E side copper capital	£/line	0.1%	0.0%	0.0%				
E side copper current	£/line	6.3%	6.4%	6.4%				
D side copper capital	£/line	-0.5%	-0.5%	-0.5%				
D side copper current	£/line	-6.1%	-6.1%	-6.1%				
Local exchanges general frames capital	£/line	-0.5%	0.0%	0.0%				
Local exchanges general frames current	£/line	17.8%	19.0%	19.0%				
PSTN line test equipment	£/line	-3.0%	0.0%	0.0%				
Dropwire capital & PSTN NTE	£/line	-0.9%	-0.9%	-0.9%				
ISDN2 drop maintenance	£/channel	-19.2%	-19.1%	-19.1%				
ISDN2 line cards	£/channel	-5.2%	-5.2%	-5.2%				
ISDN2 NTE	£/channel	-3.3%	-4.0%	-4.0%				
Sales product management (q)	%	-10.5%	-8.8%	-8.8%	-9.7%	-9.7%	-7.7%	-5.3%
Service Centres - Assurance (q)	%	-2.6%	-2.1%	-2.1%				
Service Centres - Provision (q)	%	1.8%			1.3%	1.3%	1.3%	1.3%
Revenue Debtors (q)	%							
Fully Allocated Costs (£)			-2.71%	-2.71%	-0.24%	-0.24%	1.56%	1.55%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.4 – Illustrative for TISBO (up to and including 8Mbit/s)

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Internal Partial and Private Circuits 64kbit/s - connections	1,497.67	1,803.75	(306.08)	-17.0%
External Partial and Private Circuits 64kbit/s - connections	1,497.67	1,803.75	(306.08)	-17.0%
Partial and Private Circuits 64Kbit/s - link				
Main link fixed charge per year				
Enhanced maintenance fixed charge per year (ao)				
Total Internal	65.63	69.25	(3.62)	-5.2%
Main link fixed charge per year				
Enhanced maintenance fixed charge per year (ao)				
Total External	65.63	69.25	(3.62)	-5.2%
Partial and Private Circuits 64Kbit/s - distribution				
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total Internal	3.58	3.74	(0.16)	-4.3%
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total External	3.58	3.74	(0.16)	-4.3%
Partial and Private Circuits 64Kbit/s - trunk				
Trunk segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total Internal	3.75	3.91	(0.16)	-4.1%
Trunk segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total External	3.75	3.91	(0.16)	-4.1%
Partial and Private Circuits 64Kbit/s - local end				
Local end fixed charge per year				
Enhanced maintenance fixed charge per year (ao)				
Total Internal	888.84	938.07	(49.23)	-5.2%
Local end fixed charge per year				
Enhanced maintenance fixed charge per year (ao)				
Total External	888.84	938.07	(49.23)	-5.2%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.4 – Illustrative for TISBO (up to and including 8Mbit/s) continued

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Internal Partial and Private Circuits 2Mbit/s - connections	5,571.26	4,301.62	1,269.64	29.5%
External Partial and Private Circuits 2Mbit/s - connections	5,571.26	4,301.62	1,269.64	29.5%
Partial and Private Circuits 2Mbit/s - link				
Main link fixed charge per year				
Enhanced maintenance fixed charge per year				
Total internal	119.98	131.74	(11.76)	-8.9%
Main link fixed charge per year				
Enhanced maintenance fixed charge per year				
Total External	119.98	131.74	(11.76)	-8.9%
Partial and Private Circuits 2Mbit/s - distribution				
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total Internal	45.26	47.56	(2.30)	-4.8%
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total External	45.26	47.56	(2.30)	-4.8%
Weighted average local end price for CLZ/non CLZ // Nationally averaged	514.97	594.05	(79.08)	-13.3%
External Radio Backhaul Service - sub 2Mbit/s connections	12,069.70	14,597.69	(2,527.99)	-17.3%
Internal Radio Backhaul Service - 2Mbit/s connections	5,538.03	5,178.08	359.95	7.0%
External Radio Backhaul Service - 2Mbit/s connections	5,538.03	5,178.08	359.95	7.0%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.4.1 – Illustrative for TISBO (up to and including 8Mbit/s) calculation of FAC based on component costs and usage factors

		TISBO (up to and including 8Mbit/s)											
		Average cost per unit (from annex 15)	Partial and Private Circuits 64Kbit/s - connections	Partial and Private Circuits 64Kbit/s - link	Partial and Private Circuits 64Kbit/s - distribution	Partial and Private Circuits 64Kbit/s - trunk	Partial and Private Circuits 64Kbit/s - local end	Partial and Private Circuits 2Mbit/s - connections	Partial and Private Circuits 2Mbit/s - link	Partial and Private Circuits 2Mbit/s - distribution	Weighted average local end price for CLZ/non CLZ // Nationally averaged cost	Radio Backhaul Service - sub 2Mbit/s connections	Radio Backhaul Service - 2Mbit/s connections
As reported for the year ended 31 March 2014			£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)												
E side copper capital	£/line	8.46					8.46				2.04		
E side copper current	£/line	2.13					2.13				0.19		
D side copper capital	£/line	48.57					48.57				11.69		
D side copper current	£/line	7.16					7.16				0.64		
Local exchanges general frames capital (y)	£/line	1.60					1.60				0.38		
PC rental 2Mbit/s link per km distribution	£/km	42.07								42.07			
PC rental 64kbit/s link	£/link	56.95		56.95									
PC rental 2Mbit/s link	£/link	99.09							99.09				
PC rental 64kbit/s link per km transmission	£/km	3.46			3.46	3.46							
2Mbit/s and above PC link connection cct provision	£/circuit	5,458.76						5,458.76					5,458.76
64kbit/s PC link connection cct provision	£/circuit	1,746.74	1,465.29									12,039.57	
PC rental 64kbit/s link local end	£/le	786.73					786.65						
PC rental 2Mbit/s local end copper	£/le	400.85									51.70		
PC rental 2Mbit/s local end fibre	£/le	522.01									401.97		
SG & A partial private circuits (q)	%	£24m	28.86	7.74	0.11	0.26	30.55	100.29	18.63	2.84	40.49	26.86	70.66
Access Cards (other services) (q)	%	£49m									0.95		
Revenue Debtors (q)	%	£43m	3.52	0.94	0.01	0.03	3.72	12.21	2.26	0.35	4.92	3.27	8.61
Fully Allocated Costs (£)			1,497.67	65.63	3.58	3.75	888.84	5,571.26	119.98	45.26	514.97	12,069.70	5,538.03

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.4.1 - Illustrative for TISBO (up to and including 8Mbit/s) calculation of FAC based on component costs and usage factors (continued)

		TISBO (up to and including 8Mbit/s)											
		Average cost per unit (from annex 15)	Partial and Private Circuits 64Kbit/s - connections	Partial and Private Circuits 64Kbit/s - link	Partial and Private Circuits 64Kbit/s - distribution	Partial and Private Circuits 64Kbit/s - trunk	Partial and Private Circuits 64Kbit/s - local end	Partial and Private Circuits 2Mbit/s - connections	Partial and Private Circuits 2Mbit/s - link	Partial and Private Circuits 2Mbit/s - distribution	Weighted average local end price for CLZ/non CLZ // Nationally averaged cost	Radio Backhaul Service - sub 2Mbit/s connections	Radio Backhaul Service - 2Mbit/s connections
Restated on the basis of 12/13 methodologies			£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£
E side copper capital	£/line	8.46					8.46				2.04		
E side copper current	£/line	2.00					2.00				0.18		
D side copper capital	£/line	48.80					48.80				11.75		
D side copper current	£/line	7.63					7.63				0.68		
Local exchanges general frames capital (y)	£/line	1.60					1.60				0.39		
PC rental 2Mbit/s link per km distribution	£/km	43.70								44.45			
PC rental 64kbit/s link	£/link	60.92		60.92									
PC rental 2Mbit/s link	£/link	102.92							110.30				
PC rental 64kbit/s link per km transmission	£/km	3.63			3.63	3.63							
2Mbit/s and above PC link connection cct provision	£/circuit	4,193.69						4,193.69					5,090.42
64kbit/s PC link connection cct provision	£/circuit	2,113.26	1,772.68									14,568.71	
PC rental 64kbit/s link local end	£/le	836.77					836.70						
PC rental 2Mbit/s local end copper	£/le	414.42									53.68		
PC rental 2Mbit/s local end fibre	£/le	564.45									479.38		
SG & A partial private circuits (q)	%	£22m	27.55	7.39	0.10	0.25	29.16	95.72	19.18	2.76	40.22	25.71	79.05
Access Cards (other services) (q)	%	£47m									0.83		
Revenue Debtors (q)	%	£43m	3.52	0.94	0.01	0.03	3.72	12.21	2.26	0.35	4.92	3.27	8.61
Fully Allocated Costs (£)			1,803.75	69.25	3.74	3.91	938.07	4,301.62	131.74	47.56	594.05	14,597.69	5,178.08

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.4.1 - Illustrative for TISBO (up to and including 8Mbit/s) calculation of FAC based on component costs and usage factors (continued)

			TISBO (up to and including 8Mbit/s)											
			Average cost per unit (from annex 15)	Partial and Private Circuits 64Kbit/s - connections	Partial and Private Circuits 64Kbit/s - link	Partial and Private Circuits 64Kbit/s - distribution	Partial and Private Circuits 64Kbit/s - trunk	Partial and Private Circuits 64Kbit/s - local end	Partial and Private Circuits 2Mbit/s - connections	Partial and Private Circuits 2Mbit/s - link	Partial and Private Circuits 2Mbit/s - distribution	Weighted average local end price for CLZ/non CLZ // Nationally averaged cost	Radio Backhaul Service - sub 2Mbit/s connections	Radio Backhaul Service - 2Mbit/s connections
Effect of changes on results				£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£
E side copper capital	£/line	0.00										0.00		
E side copper current	£/line	0.13					0.13					0.01		
D side copper capital	£/line	(0.23)					(0.23)					(0.06)		
D side copper current	£/line	(0.47)					(0.47)					(0.04)		
Local exchanges general frames capital (y)	£/line	(0.01)										(0.01)		
PC rental 2Mbit/s link per km distribution	£/km	(1.64)									(2.38)			
PC rental 64kbit/s link	£/link	(3.97)		(3.97)										
PC rental 2Mbit/s link	£/link	(3.83)								(11.21)				
PC rental 64kbit/s link per km transmission	£/km	(0.17)			(0.17)	(0.17)								
2Mbit/s and above PC link connection cct provision	£/circuit	1,265.07						1,265.07						368.34
64kbit/s PC link connection cct provision	£/circuit	(366.52)	(307.39)										(2,529.14)	
PC rental 64kbit/s link local end	£/le	(50.05)					(50.05)							
PC rental 2Mbit/s local end copper	£/le	(13.56)										(1.98)		
PC rental 2Mbit/s local end fibre	£/le	(42.44)										(77.41)		
SG & A partial private circuits (q)	%	£2m	1.31	0.35	0.01	0.01	1.39	4.57	(0.55)	0.08	0.27	1.15	(8.39)	
Access Cards (other services) (q)	%	£2m										0.12		
Revenue Debtors (q)	%	£0m										0.00		
Fully Allocated Costs (£)			(306.08)	(3.62)	(0.16)	(0.16)	(49.23)	1,269.64	(11.76)	(2.30)	(79.08)	(2,527.99)		359.95

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.4.1 - Illustrative for TISBO (up to and including 8Mbit/s) calculation of FAC based on component costs and usage factors (continued)

		TISBO (up to and including 8Mbit/s)												
		Average cost per unit (from annex 15)	Partial and Private Circuits 64Kbit/s - connections	Partial and Private Circuits 64Kbit/s - link	Partial and Private Circuits 64Kbit/s - distribution	Partial and Private Circuits 64Kbit/s - trunk	Partial and Private Circuits 64Kbit/s - local end	Partial and Private Circuits 2Mbit/s - connections	Partial and Private Circuits 2Mbit/s - link	Partial and Private Circuits 2Mbit/s - distribution	Weighted average local end price for CLZ/non CLZ // Nationally averaged cost	Radio Backhaul Service - sub 2Mbit/s connections	Radio Backhaul Service - 2Mbit/s connections	
Effect of changes on results as a percentage			£	£	£	£	£	£	£	£	£	£	£	
Components	Unit (d)													
E side copper capital	£/line	0.1%					0.0%				0.1%			
E side copper current	£/line	6.3%					6.5%				7.5%			
D side copper capital	£/line	-0.5%					-0.5%				-0.5%			
D side copper current	£/line	-6.1%					-6.2%				-5.8%			
Local exchanges general frames capital (y)	£/line	-0.5%					0.0%				-2.8%			
PC rental 2Mbit/s link per km distribution	£/km	-3.7%								-5.4%				
PC rental 64kbit/s link	£/link	-6.5%		-6.5%										
PC rental 2Mbit/s link	£/link	-3.7%							-10.2%					
PC rental 64kbit/s link per km transmission	£/km	-4.6%			-4.7%	-4.7%								
2Mbit/s and above PC link connection cct provision	£/circuit	30.2%						30.2%					7.2%	
64kbit/s PC link connection cct provision	£/circuit	-17.3%	-17.3%									-17.4%		
PC rental 64kbit/s link local end	£/le	-6.0%					-6.0%							
PC rental 2Mbit/s local end copper	£/le	-3.3%									-3.7%			
PC rental 2Mbit/s local end fibre	£/le	-7.5%									-16.1%			
SG & A partial private circuits (q)	%	9.1%	4.8%	4.7%	10.0%	4.0%	4.8%	4.8%	-2.9%	2.9%	0.7%	4.5%	-10.6%	
Access Cards (other services) (q)	%	4.3%									15.1%			
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	
Fully Allocated Costs (£)			-17.0%	-5.2%	-4.3%	-4.1%	-5.2%	29.5%	-8.9%	-4.8%	-13.3%	-17.3%	7.0%	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.5 – Illustrative for TISBO (above 8Mbit/s up to and including 45Mbit/s)

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Internal Partial and Private Circuits 34/45Mbit/s - connections	5,562.90	4,293.40	1,269.50	29.6%
External Partial and Private Circuits 34/45Mbit/s - connections	5,562.90	4,293.40	1,269.50	29.6%
Partial and Private Circuits 34/45Mbit/s - link				
Main link fixed charge per year				
Enhanced maintenance fixed charge per year				
Total Internal	1,032.76	1,062.52	(29.76)	-2.8%
Main link fixed charge per year				
Enhanced maintenance fixed charge per year				
Total External	1,032.76	1,062.52	(29.76)	-2.8%
Partial and Private Circuits 34/45Mbit/s - distribution				
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total Internal	389.83	401.31	(11.48)	-2.9%
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total External	389.83	401.31	(11.48)	-2.9%
Partial and Private Circuits 34/45Mbit/s - local end				
Local end fixed charge per year				
Enhanced maintenance fixed charge per year				
Total Internal	2,580.89	2,772.43	(191.54)	-6.9%
Local end fixed charge per year				
Enhanced maintenance fixed charge per year				
Total External	2,580.89	2,772.43	(191.54)	-6.9%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.5.1 – Illustrative for TISBO (above 8Mbit/s up to and including 45Mbit/s) calculation of FAC based on component costs and usage factors

			TISBO (above 8Mbit/s up to and including 45Mbit/s)				
			Average cost per unit (from annex 15)	Partial and Private Circuits 34/45Mbit/s - connections	Partial and Private Circuits 34/45Mbit/s - link	Partial and Private Circuits 34/45Mbit/s - distribution	Partial and Private Circuits 34/45Mbit/s - local end
As reported for the year ended 31 March 2014				£	£	£	£
Components	Unit (d)						
PC rental 34Mbit/s link per km distribution	£/km	362.02				362.02	
PC rental 34Mbit/s link	£/link	866.83			866.83		
2Mbit/s and above PC link connection cct provision	£/circuit	5,458.76	5,458.80				
PC rental 34Mbit/s link local end	£/le	2,384.85					2,385.00
SG & A partial private circuits (q)	%	£24m	92.80	148.16	24.79		157.88
Access Cards (other services) (q)	%	£49m					19.88
Revenue Debtors (q)	%	£43m	11.30	17.77	3.02		18.13
Fully Allocated Costs (£)				5,562.90	1,032.76	389.83	2,580.89

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.5.1 - Illustrative for TISBO (above 8Mbit/s up to and including 45Mbit/s) calculation of FAC based on component costs and usage factors (continued)

			TISBO (above 8Mbit/s up to and including 45Mbit/s)				
			Average cost per unit (from annex 15)	Partial and Private Circuits 34/45Mbit/s - connections	Partial and Private Circuits 34/45Mbit/s - link	Partial and Private Circuits 34/45Mbit/s - distribution	Partial and Private Circuits 34/45Mbit/s - local end
Restated on the basis of 12/13 methodologies				£	£	£	£
Components	Unit (d)						
PC rental 34Mbit/s link per km distribution	£/km	374.62				374.62	
PC rental 34Mbit/s link	£/link	903.34			903.34		
2Mbit/s and above PC link connection cct provision	£/circuit	4193.69	4,193.60				
PC rental 34Mbit/s link local end	£/le	2,587.56					2,587.75
SG & A partial private circuits (q)	%	£22m	88.50	141.41	23.67		150.69
Access Cards (other services) (q)	%	£47m					15.86
Revenue Debtors (q)	%	£43m	11.30	17.77	3.02		18.13
Fully Allocated Costs (£)				4,293.40	1,062.52	401.31	2,772.43

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.5.1 - Illustrative for TISBO (above 8Mbit/s up to and including 45Mbit/s) calculation of FAC based on component costs and usage factors (continued)

			TISBO (above 8Mbit/s up to and including 45Mbit/s)					
			Average cost per unit (from annex 15)		Partial and Private Circuits 34/45Mbit/s - connections	Partial and Private Circuits 34/45Mbit/s - link	Partial and Private Circuits 34/45Mbit/s - distribution	Partial and Private Circuits 34/45Mbit/s - local end
Effect of changes on results					£	£	£	£
Components	Unit (d)							
PC rental 34Mbit/s link per km distribution	£/km	(12.60)					(12.60)	
PC rental 34Mbit/s link	£/link	(36.51)				(36.51)		
2Mbit/s and above PC link connection cct provision	£/circuit	1,265.07			1,265.20			
PC rental 34Mbit/s link local end	£/le	(202.72)						(202.75)
SG & A partial private circuits (q)	%	£2m			4.30	6.75	1.12	7.19
Access Cards (other services) (q)	%	£2m						4.02
Revenue Debtors (q)	%	£0m						
Fully Allocated Costs (£)					1,269.50	(29.76)	(11.48)	(191.54)

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.5.1 - Illustrative for TISBO (above 8Mbit/s up to and including 45Mbit/s) calculation of FAC based on component costs and usage factors (continued)

		TISBO (above 8Mbit/s up to and including 45Mbit/s)				
		Average cost per unit (from annex 15)	Partial and Private Circuits 34/45Mbit/s - connections	Partial and Private Circuits 34/45Mbit/s - link	Partial and Private Circuits 34/45Mbit/s - distribution	Partial and Private Circuits 34/45Mbit/s - local end
Effect of changes on results as a percentage			£	£	£	£
Components	Unit (d)					
PC rental 34Mbit/s link per km distribution	£/km	-3.4%			-3.4%	
PC rental 34Mbit/s link	£/link	-4.0%		-4.0%		
2Mbit/s and above PC link connection cct provision	£/circuit	30.2%	30.2%			
PC rental 34Mbit/s link local end	£/le	-7.8%				-7.8%
SG & A partial private circuits (q)	%	9.1%	4.9%	4.8%	4.7%	4.8%
Access Cards (other services) (q)	%	4.3%				25.3%
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			29.6%	-2.8%	-2.9%	-6.9%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.6 – Illustrative for TISBO (above 45Mbit/s up to and including 155Mbit/s)

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Internal Partial and Private Circuits 140/155Mbit/s - connections	5,576.77	4,306.27	1,270.50	29.5%
External Partial and Private Circuits 140/155Mbit/s - connections	5,576.77	4,306.27	1,270.50	29.5%
Partial and Private Circuits 140/155Mbit/s - link				
Main link fixed charge per year				
Enhanced maintenance fixed charge per year				
Total Internal	2,501.15	2,548.49	(47.34)	-1.9%
Main link fixed charge per year				
Enhanced maintenance fixed charge per year				
Total External	2,501.15	2,548.49	(47.34)	-1.9%
Partial and Private Circuits 140/155Mbit/s - distribution				
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total Internal	694.08	712.30	(18.22)	-2.6%
Terminating segment charge per year				
Enhanced maintenance per kilometre charge per year				
Total External	694.08	712.30	(18.22)	-2.6%
Internal Partial and Private Circuits 140/155Mbit/s - local end				
Local end fixed charge per year				
Enhanced maintenance fixed charge per year				
Total Internal	2,001.20	2,062.58	(61.38)	-3.0%
Local end fixed charge per year				
Enhanced maintenance fixed charge per year				
Total External	2,001.20	2,062.58	(61.38)	-3.0%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.6.1 – Illustrative for TISBO (above 45Mbit/s up to and including 155Mbit/s) calculation of FAC based on component costs and usage factors

			TISBO (above 45Mbit/s up to and including 155Mbit/s)			
		Average cost per unit (from annex 15)	Partial and Private Circuits 140/155Mbit/s - connections	Partial and Private Circuits 140/155Mbit/s - link	Partial and Private Circuits 140/155Mbit/s - distribution	Internal Partial and Private Circuits 140/155Mbit/s - local end
			£	£	£	£
As reported for the year ended 31 March 2014						
Components	Unit (d)		£	£	£	£
PC rental 140Mbit/s link per km distribution	£/km	669.37			669.39	
PC rental 140Mbit/s link	£/link	1,986.53		1,985.97		
2Mbit/s and above PC link connection cct provision	£/circuit	5,458.76	5,459.00			
PC rental 140Mbit/s link local end	£/le	1,372.45				1,373.06
SG & A partial private circuits (q)	%	£24m	105.00	459.25	22.01	542.22
Access Cards (other services) (q)	%	£49m				19.88
Revenue Debtors (q)	%	£43m	12.77	55.93	2.68	66.04
Fully Allocated Costs (£)			5,576.77	2,501.15	694.08	2,001.20

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.6.1 - Illustrative for TISBO (above 45Mbit/s up to and including 155Mbit/s) calculation of FAC based on component costs and usage factors (continued)

		TISBO (above 45Mbit/s up to and including 155Mbit/s)				
		Average cost per unit (from annex 15)	Partial and Private Circuits 140/155Mbit/s - connections	Partial and Private Circuits 140/155Mbit/s - link	Partial and Private Circuits 140/155Mbit/s - distribution	Internal Partial and Private Circuits 140/155Mbit/s - local end
			£	£	£	£
Restated on the basis of 12/13 methodologies						
Components	Unit (d)					
PC rental 140Mbit/s link per km distribution	£/km	688.59			688.61	
PC rental 140Mbit/s link	£/link	2054.78		2,054.21		
2Mbit/s and above PC link connection cct provision	£/circuit	4193.69	4,193.50			
PC rental 140Mbit/s link local end	£/le	1462.49				1,463.14
SG & A partial private circuits (q)	%	£22m	100.00	438.35	21.01	517.54
Access Cards (other services) (q)	%	£47m				15.86
Revenue Debtors (q)	%	£43m	12.77	55.93	2.68	66.04
Fully Allocated Costs (£)			4,306.27	2,548.49	712.30	2,062.58

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.6.1 - Illustrative for TISBO (above 45Mbit/s up to and including 155Mbit/s) calculation of FAC based on component costs and usage factors (continued)

			TISBO (above 45Mbit/s up to and including 155Mbit/s)			
		Average cost per unit (from annex 15)	Partial and Private Circuits 140/155Mbit/s - connections	Partial and Private Circuits 140/155Mbit/s - link	Partial and Private Circuits 140/155Mbit/s - distribution	Internal Partial and Private Circuits 140/155Mbit/s - local end
Effect of changes on results			£	£	£	£
Components	Unit (d)					
PC rental 140Mbit/s link per km distribution	£/km	(19.22)			(19.22)	
PC rental 140Mbit/s link	£/link	(68.25)		(68.24)		
2Mbit/s and above PC link connection cct provision	£/circuit	1,265.07	1,265.50			
PC rental 140Mbit/s link local end	£/le	(90.04)				(90.08)
SG & A partial private circuits (q)	%	£2m	5.00	20.90	1.00	24.68
Access Cards (other services) (q)	%	£2m				4.02
Revenue Debtors (q)	%	£0m				
Fully Allocated Costs (£)			1,270.50	(47.34)	(18.22)	(61.38)

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.6.1 - Illustrative for TISBO (above 45Mbit/s up to and including 155Mbit/s) calculation of FAC based on component costs and usage factors (continued)

			TISBO (above 45Mbit/s up to and including 155Mbit/s)				
			Average cost per unit (from annex 15)	Partial and Private Circuits 140/155Mbit/s - connections	Partial and Private Circuits 140/155Mbit/s - link	Partial and Private Circuits 140/155Mbit/s - distribution	Internal Partial and Private Circuits 140/155Mbit/s - local end
Effect of changes on results as a percentage				£	£	£	£
Components	Unit (d)						
PC rental 140Mbit/s link per km distribution	£/km	-2.8%				-2.8%	
PC rental 140Mbit/s link	£/link	-3.3%			-3.3%		
2Mbit/s and above PC link connection cct provision	£/circuit	30.2%	30.2%				
PC rental 140Mbit/s link local end	£/le	-6.2%					-6.2%
SG & A partial private circuits (q)	%	9.1%	5.0%	4.8%	4.8%	4.8%	
Access Cards (other services) (q)	%	4.3%					25.3%
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			29.5%	-1.9%	-2.6%		-3.0%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.7 – Illustrative for Wholesale Regional Trunk Segments

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Partial and Private circuits 2Mbit/s - trunk regional				
Trunk charge per year				
Enhanced maintenance per km charge per year				
Total Internal	18.91	19.42	(0.51)	-2.6%
Trunk charge per year				
Enhanced maintenance per km charge per year				
Total External	18.91	19.42	(0.51)	-2.6%
Partial and Private circuits 34/45Mbit/s - trunk regional				
Trunk charge per year				
Enhanced maintenance per km charge per year				
Total Internal	275.30	283.37	(8.07)	-2.8%
Trunk charge per year				
Enhanced maintenance per km charge per year				
Total External	275.30	283.37	(8.07)	-2.8%
Partial and Private circuits 140/155Mbit/s - trunk regional				
Trunk charge per year				
Enhanced maintenance per km charge per year				
Total Internal	1,001.77	1,034.65	(32.88)	-3.2%
Trunk charge per year				
Enhanced maintenance per km charge per year				
Total External	1,001.77	1,034.65	(32.88)	-3.2%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.7.1 – Illustrative for Wholesale Regional Trunk Segments calculation of FAC based on component costs and usage factors

			Wholesale Regional Trunk Segments		
		Average cost per unit (from annex 15)	Partial and Private circuits 2 Mbit/s - trunk regional	Partial and Private circuits 34/45 Mbit/s - trunk regional	Partial and Private circuits 140/155 Mbit/s - trunk regional
Fully Allocated Cost (£)			£	£	£
Components	Unit (d)				
PCrental 2Mbit link per km regional trunk	£/km	16.47	16.39		
PCrental 34Mbit link per km regional trunk	£/km	285.93		256.12	
PCrental 140Mbit link per km regional trunk	£/km	1,162.62			992.40
PPCsupport services (q)	%	£3m			
SG & A partial private circuits (q)	%	£24m	2.25	17.10	8.35
Revenue Debtors (q)	%	£43m	0.27	2.08	1.02
Fully Allocated Costs (£)			18.91	275.30	1,001.77

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.7.1 – Illustrative for Wholesale Regional Trunk Segments calculation of FAC based on component costs and usage factors (continued)

			Wholesale Regional Trunk Segments		
			Partial and Private circuits 2Mbit/s - trunk regional	Partial and Private circuits 34/45Mbit/s - trunk regional	Partial and Private circuits 140/155Mbit/s - trunk regional
Restated on the basis of 12/13 methodologies			£	£	£
Components	Unit (d)	Average cost per unit (from annex 15)			
PC rental 2Mbit link per km regional trunk	£/km	17.08	17.00		
PC rental 34Mbit link per km regional trunk	£/km	295.85		264.97	
PC rental 140Mbit link per km regional trunk	£/km	1,201.68			1,025.66
PPC support services (q)	%	£3m			
SG & A partial private circuits (q)	%	£22m	2.15	16.32	7.97
Revenue Debtors (q)	%	£43m	0.27	2.08	1.02
Fully Allocated Costs (£)			19.42	283.37	1,034.65

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.7.1 – Illustrative for Wholesale Trunk Segments calculation of FAC based on component costs and usage factors (continued)

			Wholesale Regional Trunk Segments			
			Average cost per unit (from annex 15)	Partial and Private circuits 2Mbit/s - trunk regional	Partial and Private circuits 34/45Mbit/s - trunk regional	Partial and Private circuits 140/155Mbit/s - trunk regional
Effect of changes on results				£	£	£
Components	Unit (d)					
PC rental 2Mbit link per km regional trunk	£/km	(0.61)	(0.61)			
PC rental 34Mbit link per km regional trunk	£/km	(9.92)		(8.85)		
PC rental 140Mbit link per km regional trunk	£/km	(39.06)				(33.26)
PPC support services (q)	%	£0m				
SG & A partial private circuits (q)	%	£2m	0.10	0.78		0.38
Revenue Debtors (q)	%	£0m				
Fully Allocated Costs (£)				(0.51)	(8.07)	(32.88)

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.7.1 – Illustrative for Wholesale Trunk Segments calculation of FAC based on component costs and usage factors (continued)

			Wholesale Regional Trunk Segments		
		Average cost per unit (from annex 15)	Partial and Private circuits 2Mbit/s - trunk regional	Partial and Private circuits 34/45Mbit/s - trunk regional	Partial and Private circuits 140/155Mbit/s - trunk regional
Effect of changes on results as a percentage			£	£	£
Components	Unit (d)				
PC rental 2Mbit link per km regional trunk	£/km	-3.6%	-3.6%		
PC rental 34Mbit link per km regional trunk	£/km	-3.4%		-3.3%	
PC rental 140Mbit link per km regional trunk	£/km	-3.3%			-3.2%
PPC support services (q)	%	0.0%			
SG & A partial private circuits (q)	%	9.1%	4.7%	4.8%	4.8%
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			-2.6%	-2.8%	-3.2%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.8 – Illustrative for Technical Areas (Point of Handover)

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
External Customer Sited Handover rentals	974.63	975.98	(1.35)	-0.1%
External In Span Handover rentals	169.87	172.39	(2.52)	-1.5%
External 3rd Party POH Rentals - equipment	108.96	121.69	(12.73)	-10.5%
External 3rd Party POH Rental 64kbit/s - circuit	140.22	148.48	(8.26)	-5.6%
External 3rd Party POH Rental 2Mbit/s non CLZ - circuit	109.34	115.16	(5.82)	-5.1%
External 3rd Party POH Rental Other - circuit	118.35	234.14	(115.79)	-49.5%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.8.1 – Illustrative for Technical Areas (Point of Handover) calculation of FAC based on component costs and usage factors

			Technical Areas (Point of Handover)						
			Average cost per unit (from annex 15)	Customer Sited Handover rental	In Span Handover rental	External 3rd Party POH Rental 155Mbit/s	External 3rd Party POH Rental 64Kbit/s	External 3rd Party POH Rental 2Mbit/s non CLZ	External 3rd Party POH Rental 155Mbit/s
As reported for the year ended 31 March 2014				£	£	£	£	£	£
Components	Unit (d)								
Point of Handover electronics	£/eq	5,175.74	916.02	140.46					
PC rental 64kbit/s link local end	£/le	786.73			14.89	133.96			
PC rental 34Mbit/s link local end	£/le	2,384.85			6.39				5.32
PC rental 140Mbit/s link local end	£/le	1,372.45			0.48				1.53
PC rental 2Mbit/s local end copper	£/le	400.85			10.65		13.08		
PC rental 2Mbit/s local end fibre	£/le	522.01			74.59		84.59		98.60
SG & A partial private circuits (q)	%	£24m	52.25	26.22	0.97	5.58	9.56		10.55
Access Cards (other services) (q)	%	£49m			0.87		0.95		1.06
Revenue Debtors (q)	%	£43m	6.36	3.19	0.12	0.68	1.16		1.29
Fully Allocated Costs (£)			974.63	169.87	108.96	140.22	109.34		118.35

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.8.1 – Illustrative for Technical Areas (Point of Handover) calculation of FAC based on component costs and usage factors (continued)

			Technical Areas (Point of Handover)						
			Average cost per unit (from annex 15)	Customer Sited Handover rental	In Span Handover rental	External 3rd Party POH Rental 155Mbit/s	External 3rd Party POH Rental 64Kbit/s	External 3rd Party POH Rental 2Mbit/s non CLZ	External 3rd Party POH Rental 155Mbit/s
Restated on the basis of 12/13 methodologies				£	£	£	£	£	£
Components	Unit (d)								
Point of Handover electronics	£/eq	5,308.36	919.74	144.18					
PC rental 64kbit/s link local end	£/le	836.77			15.84	142.47			
PC rental 34Mbit/s link local end	£/le	2,587.56			6.93				5.77
PC rental 140Mbit/s link local end	£/le	1,462.49			0.52				1.63
PC rental 2Mbit/s local end copper	£/le	414.42			10.95		13.45		
PC rental 2Mbit/s local end fibre	£/le	564.45			85.63		90.66		204.27
SG & A partial private circuits (q)	%	£22m	49.88	25.02	0.96	5.33	9.13		19.41
Access Cards (other services) (q)	%	£47m			0.74		0.76		1.77
Revenue Debtors (q)	%	£43m	6.36	3.19	0.12	0.68	1.16		1.29
Fully Allocated Costs (£)			975.98	172.39	121.69	148.48	115.16		234.14

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.8.1 – Illustrative for Technical Areas (Point of Handover) calculation of FAC based on component costs and usage factors (continued)

			Technical Areas (Point of Handover)						
			Average cost per unit (from annex 15)	Customer Sited Handover rental	In Span Handover rental	External 3rd Party POH Rental 155Mbit/s	External 3rd Party POH Rental 64Kbit/s	External 3rd Party POH Rental 2Mbit/s non CLZ	External 3rd Party POH Rental 155Mbit/s
Components	Unit (d)		£	£	£	£	£	£	£
Point of Handover electronics	£/eq	(132.61)	(3.72)	(3.72)					
PC rental 64kbit/s link local end	£/le	(50.05)			(0.95)	(8.51)			
PC rental 34Mbit/s link local end	£/le	(202.72)			(0.54)			(0.45)	
PC rental 140Mbit/s link local end	£/le	(90.04)			(0.04)			(0.10)	
PC rental 2Mbit/s local end copper	£/le	(13.56)			(0.30)		(0.37)		
PC rental 2Mbit/s local end fibre	£/le	(42.44)			(11.04)		(6.07)	(105.67)	
SG & A partial private circuits (q)	%	£2m	2.37	1.20	0.01	0.25	0.43	(8.86)	
Access Cards (other services) (q)	%	£2m			0.13		0.19	(0.71)	
Revenue Debtors (q)	%	£0m							
Fully Allocated Costs (£)			(1.35)	(2.52)	(12.73)	(8.26)	(5.82)	(115.79)	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.8.1 – Illustrative for Technical Areas (Point of Handover) calculation of FAC based on component costs and usage factors (continued)

		Technical Areas (Point of Handover)						
		Average cost per unit (from annex 15)	Customer Sited Handover rental	In Span Handover rental	External 3rd Party POH Rental 155Mbit/s	External 3rd Party POH Rental 64Kbit/s	External 3rd Party POH Rental 2Mbit/s non CLZ	External 3rd Party POH Rental 155Mbit/s
			£	£	£	£	£	£
Effect of changes on results as a percentage								
Components	Unit (d)							
Point of Handover electronics	£/eq	-2.5%	-0.4%	-2.6%				
PC rental 64kbit/s link local end	£/le	-6.0%			-6.0%	-6.0%		
PC rental 34Mbit/s link local end	£/le	-7.8%			-7.8%			-7.8%
PC rental 140Mbit/s link local end	£/le	-6.2%			-7.7%			-6.1%
PC rental 2Mbit/s local end copper	£/le	-3.3%			-2.7%		-2.8%	
PC rental 2Mbit/s local end fibre	£/le	-7.5%			-12.9%		-6.7%	-51.7%
SG & A partial private circuits (q)	%	9.1%	4.8%	4.8%	1.0%	4.7%	4.7%	-45.6%
Access Cards (other services) (q)	%	4.3%			17.6%		25.0%	-40.1%
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			-0.1%	-1.5%	-10.5%	-5.6%	-5.1%	-49.5%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.9 – Illustrative for AISBO Non WECLA

Service	2013/14	2013/14	Effect of change in methodologies £	Effect of change in methodologies %
	FAC (on 2013/14 basis) £	FAC (on 2012/13 basis) £		
Wholesale extension services 10Mbit/s rentals non-WECLA- Internal	1,452.27	1,568.80	(116.53)	-7.4%
Wholesale extension services 10Mbit/s rentals non-WECLA- External	1,451.80	1,568.31	(116.51)	-7.4%
Wholesale extension services 100Mbit/s rentals non-WECLA- Internal	2,190.55	2,290.37	(99.82)	-4.4%
Wholesale extension services 100Mbit/s rentals non-WECLA- External	1,553.67	1,668.42	(114.75)	-6.9%
Wholesale extension services 1000Mbit/s rentals non-WECLA- Internal	2,923.70	3,019.34	(95.64)	-3.2%
Wholesale extension services 1000Mbit/s rentals non-WECLA- External	2,922.05	3,017.60	(95.55)	-3.2%
Wholesale extension services other bandwidth rentals non-WECLA- Intern:	942.21	1,064.71	(122.50)	-11.5%
Backhaul extension services 1000Mbit/s rentals non-WECLA- External	2,810.75	2,898.34	(87.59)	-3.0%
EAD Local Access 10Mbit/s rentals non-WECLA- Internal	1,759.64	1,880.20	(120.56)	-6.4%
EAD Local Access 10Mbit/s rentals non-WECLA- External	1,759.46	1,880.02	(120.56)	-6.4%
EAD Local Access 100Mbit/s rentals non-WECLA- Internal	1,818.81	1,937.68	(118.87)	-6.1%
EAD Local Access 100Mbit/s rentals non-WECLA- External	1,817.98	1,936.81	(118.83)	-6.1%
EAD Local Access 1000Mbit/s rentals non-WECLA- Internal	2,569.95	2,673.60	(103.65)	-3.9%
EAD Local Access 1000Mbit/s rentals non-WECLA- External	2,576.27	2,680.20	(103.93)	-3.9%
EAD Other 10Mbit/s rentals non-WECLA- Internal	2,660.00	2,927.89	(267.89)	-9.1%
EAD Other 10Mbit/s rentals non-WECLA- External	2,659.67	2,927.54	(267.87)	-9.2%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.9 – Illustrative for AISBO Non WECLA (cont'd)

	2013/14 FAC (on 2013/14 basis)	2013/14 FAC (on 2012/13 basis)	Effect of change in methodologies	Effect of change in methodologies
EAD Other 100Mbit/s rentals non-WECLA- Internal	2,829.76	3,114.10	(284.34)	-9.1%
EAD Other 100Mbit/s rentals non-WECLA- External	2,827.59	3,111.83	(284.24)	-9.1%
EAD Other 1000Mbit/s rentals non-WECLA- Internal	4,018.59	4,357.20	(338.61)	-7.8%
EAD Other 1000Mbit/s rentals non-WECLA- External	4,017.47	4,356.04	(338.57)	-7.8%
EAD Local Access 10Mbit/s connections non-WECLA- Internal	844.70	845.31	(0.61)	-0.1%
EAD Local Access 10Mbit/s connections non-WECLA- External	844.69	845.29	(0.60)	-0.1%
EAD Local Access 100Mbit/s connections non-WECLA- Internal	844.50	845.10	(0.60)	-0.1%
EAD Local Access 100Mbit/s connections non-WECLA- External	842.97	843.51	(0.54)	-0.1%
EAD Local Access 1000Mbit/s connections non-WECLA- Internal	843.15	843.73	(0.58)	-0.1%
EAD Local Access 1000Mbit/s connections non-WECLA- External	839.14	839.51	(0.37)	0.0%
EAD 10Mbit/s connections non-WECLA- Internal	843.75	844.32	(0.57)	-0.1%
EAD 10Mbit/s connections non-WECLA- External	843.52	844.07	(0.55)	-0.1%
EAD 100Mbit/s connections non-WECLA- Internal	844.14	844.73	(0.59)	-0.1%
EAD 100Mbit/s connections non-WECLA- External	843.59	844.15	(0.56)	-0.1%
EAD 1000Mbit/s connections non-WECLA- Internal	856.07	857.18	(1.11)	-0.1%
EAD 1000Mbit/s connections non-WECLA- External	858.83	860.06	(1.23)	-0.1%
Ethernet Backhaul Direct rentals non-WECLA- External	6,604.59	5,189.14	1,415.45	27.3%
Ethernet Backhaul Direct connections non-WECLA- External	864.33	865.38	(1.05)	-0.1%
Main link rental charges non-WECLA- Internal	191.30	191.68	(0.38)	-0.2%
Main link rental charges non-WECLA- External	191.39	191.77	(0.38)	-0.2%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.g.1 – Illustrative for AISBO Non WECLA calculation of FAC based on component costs and usage factors

		AISBO non-WECLA															
		Average cost per unit (from annex 15)	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	
As reported for the year ended 31 March 2014			£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Routing & records	£/line	5.25															
21CN Backhaul Link & Length	£/circuit	10,963.65															
Backhaul extension services fibre etc	£/le	820.61															
Wholesale & LAN extension services fibre etc	£/le	2,954.07	899.06	899.06	900.01	900.01	924.45	924.45	899.06	81.57	856.86	856.86	856.86	856.86	856.86	856.86	
Ethernet main links	£/fibre km	164.55															
Ethernet Electronics	£/le	533.90	496.26	496.26	531.88	531.88	1,209.02	1,209.02	0.28	1,169.58	809.57	809.57	809.57	809.57	902.67	902.67	
Sales product management (q)	%	£17m	9.33	9.09	10.69	9.99	27.07	26.22	2.72	13.44	10.65	10.56	8.55	8.16	19.29	22.31	
Access Cards (other services) (q)	%	£49m	7.06	7.06	706.15	70.62	706.15	706.15	5.72	706.15	7.06	7.06	70.62	70.62	706.15	706.15	
Service Centres - Assurance (q)	%	£38m	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	63.83	63.83	63.83	63.83	63.83	63.83	
Service Centres - Provision (q)	%	£113m															
Revenue Debtors (q)	%	£43m	8.65	8.42	9.91	9.26	25.10	24.30	2.52	20.32	11.67	11.58	9.38	8.94	21.15	24.45	
Fully Allocated Costs (£)			1,452.27	1,451.80	2,190.55	1,553.67	2,923.70	2,922.05	942.21	2,810.75	1,759.64	1,759.46	1,818.81	1,817.98	2,569.95	2,576.27	2,660.00

		AISBO non-WECLA															
		Average cost per unit (from annex 15)	EAD Other 1000Mbit/s rentals non-WECLA-Internal	EAD Other 1000Mbit/s rentals non-WECLA-External	EAD Local Access 100Mbit/s connections non-WECLA-Internal	EAD Local Access 100Mbit/s connections non-WECLA-External	EAD Local Access 100Mbit/s connections non-WECLA-Internal	EAD Local Access 100Mbit/s connections non-WECLA-External	EAD Local Access 100Mbit/s connections non-WECLA-Internal	EAD Local Access 100Mbit/s connections non-WECLA-External	EAD 100Mbit/s connections non-WECLA-Internal	EAD 100Mbit/s connections non-WECLA-External	EAD 100Mbit/s connections non-WECLA-Internal	EAD 100Mbit/s connections non-WECLA-External	EAD 100Mbit/s connections non-WECLA-Internal	EAD 100Mbit/s connections non-WECLA-External	
As reported for the year ended 31 March 2014			£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Routing & records	£/line	5.25			5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	
21CN Backhaul Link & Length	£/circuit	10,963.65															
Backhaul extension services fibre etc	£/le	820.61															
Wholesale & LAN extension services fibre etc	£/le	2,954.07	2,272.76	2,272.76	163.15	163.15	163.15	163.15	163.15	163.15	163.15	163.15	163.15	163.15	163.15	163.15	
Ethernet main links	£/fibre km	164.55															
Ethernet Electronics	£/le	533.90	902.67	902.67													
Sales product management (q)	%	£17m	34.91	34.37	7.72	7.71	7.62	6.89	7.36	5.07	7.26	7.16	7.45	7.19	13.14	14.46	
Access Cards (other services) (q)	%	£49m	706.15	706.15													
Service Centres - Assurance (q)	%	£38m	63.83	63.83													
Service Centres - Provision (q)	%	£113m			660.12	660.12	660.12	660.12	660.12	660.12	660.12	660.12	660.12	660.12	660.12	660.12	
Revenue Debtors (q)	%	£43m	38.27	37.69	8.46	8.46	8.36	7.56	7.27	5.55	7.97	7.84	8.17	7.88	14.41	15.85	
Fully Allocated Costs (£)			4,018.59	4,017.47	844.70	844.69	844.50	842.97	843.15	839.14	843.75	843.52	844.14	843.59	856.07	858.83	6,604.59

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.g.1 - Illustrative for AISBO Non WECLA calculation of FAC based on component costs and usage factors (continued)

Restated on the basis of 12/13 methodologies		Average cost per unit (from annex 15)	AISBO non-WECLA															
			Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services other bandwidth rentals non-WECLA-Internal	Wholesale extension services other bandwidth rentals non-WECLA-External	EAD Local Access 100Mbit/s rentals non-WECLA-Internal	EAD Local Access 100Mbit/s rentals non-WECLA-External	EAD Local Access 100Mbit/s rentals non-WECLA-Internal	EAD Local Access 100Mbit/s rentals non-WECLA-External	EAD Local Access 1000Mbit/s rentals non-WECLA-Internal	EAD Local Access 1000Mbit/s rentals non-WECLA-External		
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£		
Routing & records	£/line	3.45																
21CN Backhaul Link & Length	£/circuit	9,148.86																
Backhaul extension services fibre etc	£/le	940.85																
Wholesale & LAN extension services fibre etc	£/le	3,340.52	1,021.39	1,021.39	1,022.47	1,022.47	1,050.14	1,050.14	1,021.39	79.72	987.20	987.20	987.20	987.20	987.20	2,024.84		
Ethernet main links	£/fibre kr	165.29																
Ethernet Electronics	£/le	526.93	489.71	489.71	524.86	524.86	1,193.05	1,193.05	0.28	1,154.14	798.88	798.88	798.88	798.88	890.75	890.75		
Sales product management (q)	%	£19m	10.20	9.94	11.68	11.68	10.92	29.60	28.66	2.97	14.69	11.64	11.55	9.35	8.92	21.09		
Access Cards (other services) (q)	%	£47m	6.89	6.89	689.49	68.95	689.49	689.49	5.59	689.49	6.89	6.89	68.95	68.95	689.49	689.49		
Service Centres - Assurance (q)	%	£39m	31.96	31.96	31.96	31.96	31.96	31.96	31.96	31.96	63.92	63.92	63.92	63.92	63.92	63.92		
Service Centres - Provision (q)	%	£111m																
Revenue Debtors (q)	%	£43m	8.65	8.42	9.91	9.26	25.10	24.30	2.52	20.32	11.67	11.58	9.38	8.94	21.15	24.45		
Fully Allocated Costs (£)			1,568.80	1,568.31	2,290.37	1,668.42	3,019.34	3,017.60	1,064.71	2,898.34	1,880.20	1,880.02	1,937.68	1,936.81	2,673.60	2,680.20		
			2,927.89	2,927.54	3,114.10	3,111.83												

Restated on the basis of 12/13 methodologies		Average cost per unit (from annex 15)	AISBO non-WECLA															
			EAD Other 1000Mbit/s rentals non-WECLA-Internal	EAD Other 1000Mbit/s rentals non-WECLA-External	EAD Local Access 10Mbit/s connections non-WECLA-Internal	EAD Local Access 10Mbit/s connections non-WECLA-External	EAD Local Access 100Mbit/s connections non-WECLA-Internal	EAD Local Access 100Mbit/s connections non-WECLA-External	EAD Local Access 1000Mbit/s connections non-WECLA-Internal	EAD Local Access 1000Mbit/s connections non-WECLA-External	EAD 10Mbit/s connections non-WECLA-Internal	EAD 10Mbit/s connections non-WECLA-External	EAD 100Mbit/s connections non-WECLA-Internal	EAD 100Mbit/s connections non-WECLA-External	EAD 1000Mbit/s connections non-WECLA-Internal	EAD 1000Mbit/s connections non-WECLA-External		
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£		
Routing & records	£/line	3.45																
21CN Backhaul Link & Length	£/circuit	9,148.86													5,013.95			
Backhaul extension services fibre etc	£/le	940.85																
Wholesale & LAN extension services fibre etc	£/le	3,340.52	2,636.61	2,636.61	159.45	159.45	159.45	159.45	159.45	159.45	159.45	159.45	159.45	159.45	159.45	40.33		
Ethernet main links	£/fibre kr	165.29																
Ethernet Electronics	£/le	526.93	890.75	890.75														
Sales product management (q)	%	£19m	38.16	37.58	8.44	8.42	8.33	7.54	8.05	5.54	7.94	7.82	8.15	7.86	14.36	15.80		
Access Cards (other services) (q)	%	£47m	689.49	689.49														
Service Centres - Assurance (q)	%	£39m	63.92	63.92														
Service Centres - Provision (q)	%	£111m			668.96	668.96	668.96	668.96	668.96	668.96	668.96	668.96	668.96	668.96	668.96	63.92		
Revenue Debtors (q)	%	£43m	38.27	37.69	8.46	8.46	8.36	7.56	7.27	5.55	7.97	7.84	8.17	7.88	14.41	15.85		
Fully Allocated Costs (£)			4,357.20	4,356.04	845.31	845.29	845.10	843.51	843.73	839.51	844.32	844.07	844.73	844.15	857.18	860.06		
			5,189.14	865.38	191.68	191.77												

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.g.1 - Illustrative for AISBO Non WECLA calculation of FAC based on component costs and usage factors (continued)

		AISBO non-WECLA																		
		Average cost per unit (from annex 15)	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services other bandwidth rentals non-WECLA-Internal	Backhaul extension services 1000Mbit/s rentals non-WECLA-External	EAD Local Access 10Mbit/s rentals non-WECLA-Internal	EAD Local Access 10Mbit/s rentals non-WECLA-External	EAD Local Access 100Mbit/s rentals non-WECLA-Internal	EAD Local Access 100Mbit/s rentals non-WECLA-External	EAD Local Access 1000Mbit/s rentals non-WECLA-Internal	EAD Local Access 1000Mbit/s rentals non-WECLA-External	EAD Other 10Mbit/s rentals non-WECLA-Internal	EAD Other 10Mbit/s rentals non-WECLA-External	EAD Other 100Mbit/s rentals non-WECLA-Internal	EAD Other 100Mbit/s rentals non-WECLA-External	
Effect of changes on results			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)																			
Routing & records	£/line	1.79																		
21CN Backhaul Link & Length	£/circuit	1,814.79																		
Backhaul extension services fibre etc	£/le	(120.24)							(120.24)											
Wholesale & LAN extension services fibre etc	£/le	(386.44)	(122.33)	(122.33)	(122.46)	(122.46)	(125.69)	(125.69)	(122.33)	1.85	(130.34)	(130.34)	(130.34)	(130.34)	(130.34)	(130.34)	(130.34)	(130.34)	(130.34)	(130.34)
Ethernet main links	£/fibre km	(0.74)																		
Ethernet Electronics	£/le	6.97	6.55	6.55	7.02	7.02	15.97	15.97	15.44	10.69	10.69	10.69	10.69	11.92	11.92	10.69	10.69	10.69	10.69	10.69
Sales product management (q)	%	(£2m)	(0.87)	(0.85)	(0.99)	(0.93)	(2.53)	(2.44)	(0.25)	(1.25)	(0.99)	(0.80)	(0.76)	(1.80)	(2.08)	(1.42)	(1.40)	(1.26)	(1.16)	(1.16)
Access Cards (other services) (q)	%	£2m	0.17	0.17	16.66	1.67	16.66	16.66	0.13	16.66	0.17	1.67	1.67	16.66	16.66	0.17	0.17	1.67	1.67	1.67
Service Centres - Assurance (q)	%	(£1m)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)
Service Centres - Provision (q)	%	£2m																		
Revenue Debtors (q)	%	£0m																		
Fully Allocated Costs (£)			(116.53)	(116.51)	(99.82)	(114.75)	(95.64)	(95.55)	(122.50)	(87.59)	(120.56)	(120.56)	(118.87)	(118.83)	(103.65)	(103.93)	(267.89)	(267.87)	(284.34)	(284.24)

		AISBO non-WECLA																			
		Average cost per unit (from annex 15)	EAD Other 1000Mbit/s rentals non-WECLA-Internal	EAD Other 1000Mbit/s rentals non-WECLA-External	EAD Local Access 10Mbit/s connections non-WECLA-Internal	EAD Local Access 10Mbit/s connections non-WECLA-External	EAD Local Access 100Mbit/s connections non-WECLA-Internal	EAD Local Access 100Mbit/s connections non-WECLA-External	EAD Local Access 1000Mbit/s connections non-WECLA-Internal	EAD Local Access 1000Mbit/s connections non-WECLA-External	EAD 10Mbit/s connections non-WECLA-Internal	EAD 10Mbit/s connections non-WECLA-External	EAD 100Mbit/s connections non-WECLA-Internal	EAD 100Mbit/s connections non-WECLA-External	EAD 1000Mbit/s connections non-WECLA-Internal	EAD 1000Mbit/s connections non-WECLA-External	Ethernet Backhaul Direct rentals non-WECLA-External	Ethernet Backhaul Direct connections non-WECLA-External	Main link rental charges non-WECLA-Internal	Main link rental charges non-WECLA-External	
Effect of changes on results			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)																				
Routing & records	£/line	1.79			5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25					
21CN Backhaul Link & Length	£/circuit	1,814.79															1,414.08				
Backhaul extension services fibre etc	£/le	(120.24)																			
Wholesale & LAN extension services fibre etc	£/le	(386.44)	(363.85)	(363.85)	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.71	0.53	0.53	
Ethernet main links	£/fibre km	(0.74)																	(0.74)	(0.74)	
Ethernet Electronics	£/le	6.97	11.92	11.92																	
Sales product management (q)	%	(£2m)	(3.25)	(3.21)	(0.72)	(0.71)	(0.71)	(0.65)	(0.69)	(0.47)	(0.68)	(0.66)	(0.70)	(0.67)	(1.22)	(1.34)	(2.24)	(1.17)	(0.17)	(0.17)	
Access Cards (other services) (q)	%	£2m	16.66	16.66																	
Service Centres - Assurance (q)	%	(£1m)	(0.09)	(0.09)																	
Service Centres - Provision (q)	%	£2m			(8.84)	(8.84)	(8.84)	(8.84)	(8.84)	(8.85)	(8.84)	(8.84)	(8.84)	(8.84)	(8.84)	(8.84)					
Revenue Debtors (q)	%	£0m																			
Fully Allocated Costs (£)			(338.61)	(338.57)	(0.61)	(0.60)	(0.60)	(0.54)	(0.58)	(0.37)	(0.57)	(0.55)	(0.59)	(0.56)	(1.11)	(1.23)	1,415.45	(1.05)	(0.38)	(0.38)	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.g.1 - Illustrative for AISBO Non WECLA calculation of FAC based on component costs and usage factors (continued)

		AISBO non-WECLA																		
		Average cost per unit (from annex 15)	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services 100Mbit/s rentals non-WECLA-External	Wholesale extension services 100Mbit/s rentals non-WECLA-Internal	Wholesale extension services other bandwidth rentals non-WECLA-Internal	Backhaul extension services 1000Mbit/s rentals non-WECLA-External	EAD Local Access 10Mbit/s rentals non-WECLA-Internal	EAD Local Access 10Mbit/s rentals non-WECLA-External	EAD Local Access 100Mbit/s rentals non-WECLA-Internal	EAD Local Access 100Mbit/s rentals non-WECLA-External	EAD Local Access 1000Mbit/s rentals non-WECLA-Internal	EAD Local Access 1000Mbit/s rentals non-WECLA-External	EAD Other 10Mbit/s rentals non-WECLA-Internal	EAD Other 10Mbit/s rentals non-WECLA-External	EAD Other 100Mbit/s rentals non-WECLA-Internal	EAD Other 100Mbit/s rentals non-WECLA-External	
Effect of changes on results as a percentage			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)																			
Routing & records	£/line	52.0%																		
21CN Backhaul Link & Length	£/circuit	19.8%																		
Backhaul extension services fibre etc	£/le	-12.8%							-13.2%											
Wholesale & LAN extension services fibre etc	£/le	-11.6%	-12.0%	-12.0%	-12.0%	-12.0%	-12.0%	-12.0%	2.3%	-13.2%	-13.2%	-13.2%	-13.2%	-13.2%	-13.2%	-13.7%	-13.7%	-13.7%	-13.7%	
Ethernet main links	£/fibre kr	-0.4%																		
Ethernet Electronics	£/le	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	0.0%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	
Sales product management (q)	%	-10.5%	-8.5%	-8.6%	-8.5%	-8.5%	-8.5%	-8.4%	-8.5%	-8.5%	-8.6%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	
Access Cards (other services) (q)	%	4.3%	2.5%	2.5%	2.4%	2.4%	2.4%	2.3%	2.4%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.5%	2.5%	2.4%	2.4%	
Service Centres - Assurance (q)	%	-2.6%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	
Service Centres - Provision (q)	%	1.8%																		
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Fully Allocated Costs (£)			-7.4%	-7.4%	-4.4%	-6.9%	-3.2%	-11.5%	-3.0%	-6.4%	-6.4%	-6.1%	-6.1%	-3.9%	-3.9%	-9.1%	-9.2%	-9.1%	-9.1%	

		AISBO non-WECLA																	
		Average cost per unit (from annex 15)	EAD Other 1000Mbit/s rentals non-WECLA-Internal	EAD Other 1000Mbit/s rentals non-WECLA-External	EAD Local Access 10Mbit/s connections non-WECLA-Internal	EAD Local Access 10Mbit/s connections non-WECLA-External	EAD Local Access 100Mbit/s connections non-WECLA-Internal	EAD Local Access 100Mbit/s connections non-WECLA-External	EAD 10Mbit/s connections non-WECLA-Internal	EAD 10Mbit/s connections non-WECLA-External	EAD 100Mbit/s connections non-WECLA-Internal	EAD 100Mbit/s connections non-WECLA-External	EAD 1000Mbit/s connections non-WECLA-Internal	EAD 1000Mbit/s connections non-WECLA-External	Ethernet Backhaul Direct rentals non-WECLA-External	Ethernet Backhaul Direct connections non-WECLA-External	Main link rental charges non-WECLA-Internal	Main link rental charges non-WECLA-External	
Effect of changes on results as a percentage			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)																		
Routing & records	£/line	52.0%																	
21CN Backhaul Link & Length	£/circuit	19.8%													28.2%				
Backhaul extension services fibre etc	£/le	-12.8%																	
Wholesale & LAN extension services fibre etc	£/le	-11.6%	-13.8%	-13.8%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	9.2%	2.3%	2.4%	2.4%	
Ethernet main links	£/fibre kr	-0.4%															-0.4%	-0.4%	
Ethernet Electronics	£/le	1.3%	1.3%	1.3%															
Sales product management (q)	%	-10.5%	-8.5%	-8.5%	-8.5%	-8.4%	-8.5%	-8.6%	-8.6%	-8.5%	-8.6%	-8.4%	-8.6%	-8.5%	-8.5%	-8.5%	-8.6%	-8.8%	
Access Cards (other services) (q)	%	4.3%	2.4%	2.4%															
Service Centres - Assurance (q)	%	-2.6%	-0.1%	-0.1%											-0.1%				
Service Centres - Provision (q)	%	1.8%			-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%		-1.3%			
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Fully Allocated Costs (£)			-7.8%	-7.8%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	27.3%	-0.1%	-0.2%	-0.2%	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.10 – Illustrative for AISBO WECLA

Service	2013/14	2013/14	Effect of change in methodologies	Effect of change in methodologies
	FAC (on 2013/14 basis) £	FAC (on 2012/13 basis) £		
Wholesale extension services 10Mbit/s rentals WECLA- Internal	948.91	998.63	(49.72)	-5.0%
Wholesale extension services 10Mbit/s rentals WECLA- External	948.55	998.25	(49.70)	-5.0%
Wholesale extension services 100Mbit/s rentals WECLA- Internal	1,035.06	1,083.20	(48.14)	-4.4%
Wholesale extension services 100Mbit/s rentals WECLA- External	1,034.32	1,082.41	(48.09)	-4.4%
Wholesale extension services 1000Mbit/s rentals WECLA- Internal	2,396.27	2,422.16	(25.89)	-1.1%
Wholesale extension services 1000Mbit/s rentals WECLA- External	2,395.81	2,421.65	(25.84)	-1.1%
EAD Local Access 10Mbit/s rentals WECLA- Internal	1,322.52	1,370.98	(48.46)	-3.5%
EAD Local Access 10Mbit/s rentals WECLA- External	1,322.07	1,370.50	(48.43)	-3.5%
EAD Local Access 100Mbit/s rentals WECLA- Internal	1,381.50	1,428.24	(46.74)	-3.3%
EAD Local Access 100Mbit/s rentals WECLA- External	1,380.65	1,427.36	(46.71)	-3.3%
EAD Local Access 1000Mbit/s rentals WECLA- Internal	2,143.95	2,175.99	(32.04)	-1.5%
EAD Local Access 1000Mbit/s rentals WECLA- External	2,139.98	2,171.83	(31.85)	-1.5%
EAD Other 10Mbit/s rentals WECLA- Internal	1,805.16	1,931.86	(126.70)	-6.6%
EAD Other 10Mbit/s rentals WECLA- External	1,803.46	1,930.08	(126.62)	-6.6%
EAD Other 100Mbit/s rentals WECLA- Internal	1,911.28	2,043.94	(132.66)	-6.5%
EAD Other 100Mbit/s rentals WECLA- External	1,907.55	2,040.03	(132.48)	-6.5%
EAD Other 1000Mbit/s rentals WECLA- Internal	2,832.39	2,975.01	(142.62)	-4.8%
EAD Other 1000Mbit/s rentals WECLA- External	2,827.28	2,969.67	(142.39)	-4.8%
Ethernet Backhaul Direct rentals WECLA- External	5,792.14	4,559.07	1,233.07	27.0%
Ethernet Backhaul Direct connections WECLA- External	865.53	866.78	(1.25)	-0.1%
Main link rental charges WECLA- Internal	87.48	87.39	0.09	0.1%
Main link rental charges WECLA- External	87.35	87.26	0.09	0.1%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.10.1 – Illustrative for AISBO WECLA calculation of FAC based on component costs and usage factors

As reported for the year ended 31 March 2014		AISBO WECLA																							
		Average cost per unit (from annex 15)	Wholesale extension services 10Mbit/s rentals WECLA- Internal	Wholesale extension services 10Mbit/s rentals WECLA- External	Wholesale extension services 100Mbit/s rentals WECLA- Internal	Wholesale extension services 100Mbit/s rentals WECLA- External	Wholesale extension services 1000Mbit/s rentals WECLA- Internal	Wholesale extension services 1000Mbit/s rentals WECLA- External	EAD Local Access 10Mbit/s rentals WECLA- Internal	EAD Local Access 10Mbit/s rentals WECLA- External	EAD Local Access 100Mbit/s rentals WECLA- Internal	EAD Local Access 100Mbit/s rentals WECLA- External	EAD Local Access 1000Mbit/s rentals WECLA- Internal	EAD Local Access 1000Mbit/s rentals WECLA- External	EAD Other 10Mbit/s rentals WECLA- Internal	EAD Other 10Mbit/s rentals WECLA- External	EAD Other 100Mbit/s rentals WECLA- Internal	EAD Other 100Mbit/s rentals WECLA- External	EAD Other 1000Mbit/s rentals WECLA- Internal	EAD Other 1000Mbit/s rentals WECLA- External	Ethernet Backhaul Direct rentals WECLA- External	Ethernet Backhaul Direct connections WECLA- External	Main link rental charges WECLA- Internal	Main link rental charges WECLA- External	
Components	Unit (d)	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Routing & records	£/line	5.25																							
21CN Backhaul Link & Length	£/circuit	10,963.65																				5,618.76			
Wholesale & LAN extension services fibre etc	£/le	2,954.07	395.10	395.10	395.81	395.81	399.39	399.39	419.50	419.50	419.50	419.50	419.50	419.50	890.95	890.95	937.19	937.19	1,083.43	1,083.44	44.03	163.25	23.03	23.03	
Ethernet main links	£/fibre km	164.55																					60.43	60.43	
Ethernet Electronics	£/le	533.90	496.75	496.75	516.72	516.71	1,209.23	1,209.25	809.57	809.57	809.57	809.57	902.67	902.67	809.57	809.57	809.58	809.58	902.67	902.67					
Sales product management (q)	%	£17m	9.39	9.20	10.38	10.00	25.73	25.50	10.76	10.56	8.58	8.17	24.71	22.82	16.09	15.29	14.34	12.56	36.40	33.96	22.90	13.00	1.92	1.86	
Access Cards (other services) (q)	%	£49m	7.06	7.06	70.62	70.62	706.15	706.15	7.06	7.06	70.62	70.62	706.15	706.15	7.06	7.06	70.62	70.62	706.15	706.15					
Service Centres - Assurance (q)	%	£38m	31.91	31.91	31.91	31.91	31.92	31.92	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83				
Service Centres - Provision (q)	%	£113m																				660.00			
Revenue Debtors (q)	%	£43m	8.70	8.53	9.62	9.27	23.85	23.60	11.80	11.55	9.40	8.96	27.09	25.01	17.66	16.76	15.72	13.77	39.91	37.23	42.62	24.03	2.10	2.03	
Fully Allocated Costs (£)			948.91	948.55	1,035.06	1,034.32	2,396.27	2,395.81	1,322.52	1,322.07	1,381.50	1,380.65	2,143.95	2,139.98	1,805.16	1,803.46	1,911.28	1,907.55	2,832.39	2,827.28	5,792.14	865.53	87.48	87.35	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.10.1 - Illustrative for AISBO WECLA calculation of FAC based on component costs and usage factors (continued)

		AISBO WECLA																						
		Average cost per unit (from annex 15)	Wholesale extension services 10Mbit/s rentals WECLA- Internal	Wholesale extension services 10Mbit/s rentals WECLA- External	Wholesale extension services 100Mbit/s rentals WECLA- Internal	Wholesale extension services 100Mbit/s rentals WECLA- External	Wholesale extension services 1000Mbit/s rentals WECLA- Internal	Wholesale extension services 1000Mbit/s rentals WECLA- External	EAD Local Access 10Mbit/s rentals WECLA- Internal	EAD Local Access 10Mbit/s rentals WECLA- External	EAD Local Access 100Mbit/s rentals WECLA- Internal	EAD Local Access 100Mbit/s rentals WECLA- External	EAD Local Access 1000Mbit/s rentals WECLA- Internal	EAD Local Access 1000Mbit/s rentals WECLA- External	EAD Other 10Mbit/s rentals WECLA- Internal	EAD Other 10Mbit/s rentals WECLA- External	EAD Other 100Mbit/s rentals WECLA- Internal	EAD Other 100Mbit/s rentals WECLA- External	EAD Other 1000Mbit/s rentals WECLA- Internal	EAD Other 1000Mbit/s rentals WECLA- External	Ethernet Backhaul Direct rentals WECLA- External	Ethernet Backhaul Direct connections WECLA- External	Main link rental charges WECLA- Internal	Main link rental charges WECLA- External
Restated on the basis of 12/13 methodologies		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)																							
Routing & records	£/line	3.45																						
21CN Backhaul Link & Length	£/circuit	9,148.86																					5.25	
Wholesale & LAN extension services fibre etc	£/le	3,340.52	450.61	450.61	451.42	451.42	455.47	455.47	477.72	477.71	477.72	477.72	477.72	477.72	1,026.92	1,026.92	1,080.78	1,080.78	1,251.15	1,251.15	40.33	159.50	22.50	22.50
Ethernet main links	£/fibre km	165.29																					60.70	60.70
Ethernet Electronics	£/le	526.93	490.19	490.19	509.90	509.88	1,193.26	1,193.27	798.88	798.88	798.88	798.88	890.75	890.75	798.88	798.88	798.89	798.88	890.75	890.75				
Sales product management (q)	%	£19m	10.27	10.06	11.35	10.93	28.13	27.87	11.77	11.54	9.37	8.93	27.02	24.95	17.58	16.71	15.68	13.73	39.79	37.13	25.04	14.25	2.09	2.03
Access Cards (other services) (q)	%	£47m	6.90	6.90	68.95	68.95	689.49	689.48	6.89	6.90	68.95	68.95	689.49	689.48	6.90	6.89	68.95	68.95	689.49	689.49				
Service Centres - Assurance (q)	%	£39m	31.96	31.96	31.96	31.96	31.96	31.96	63.92	63.92	63.92	63.92	63.92	63.92	63.92	63.92	63.92	63.92	63.92	63.92				
Service Centres - Provision (q)	%	£111m																					669.00	
Revenue Debtors (q)	%	£43m	8.70	8.53	9.62	9.27	23.85	23.60	11.80	11.55	9.40	8.96	27.09	25.01	17.66	16.76	15.72	13.77	39.91	37.23	42.62	24.03	2.10	2.03
Fully Allocated Costs (£)		0	998.63	998.25	1,083.20	1,082.41	2,422.16	2,421.65	1,370.98	1,370.50	1,428.24	1,427.36	2,175.99	2,171.83	1,931.86	1,930.08	2,043.94	2,040.03	2,975.01	2,969.67	4,559.07	866.78	87.39	87.26

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.10.1 - Illustrative for AISBO WECLA calculation of FAC based on component costs and usage factors (continued)

		AISBO WECLA																							
		Average cost per unit (from annex 15)	Wholesale extension services 10Mbit/s rentals WECLA- Internal	Wholesale extension services 10Mbit/s rentals WECLA- External	Wholesale extension services 100Mbit/s rentals WECLA- Internal	Wholesale extension services 100Mbit/s rentals WECLA- External	Wholesale extension services 1000Mbit/s rentals WECLA- Internal	Wholesale extension services 1000Mbit/s rentals WECLA- External	EAD Local Access 10Mbit/s rentals WECLA- Internal	EAD Local Access 10Mbit/s rentals WECLA- External	EAD Local Access 100Mbit/s rentals WECLA- Internal	EAD Local Access 100Mbit/s rentals WECLA- External	EAD Local Access 1000Mbit/s rentals WECLA- Internal	EAD Local Access 1000Mbit/s rentals WECLA- External	EAD Other 10Mbit/s rentals WECLA- Internal	EAD Other 10Mbit/s rentals WECLA- External	EAD Other 100Mbit/s rentals WECLA- Internal	EAD Other 100Mbit/s rentals WECLA- External	EAD Other 1000Mbit/s rentals WECLA- Internal	EAD Other 1000Mbit/s rentals WECLA- External	Ethernet Backhaul Direct rentals WECLA- External	Ethernet Backhaul Direct connections WECLA- External	Main link rental charges WECLA- Internal	Main link rental charges WECLA- External	
Effect of changes on results			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)																								
Routing & records	£/line	1.79																							
21CN Backhaul Link & Length	£/circuit	1,814.79																							
Wholesale & LAN extension services fibre etc	£/le	(386.44)	(55.51)	(55.51)	(55.61)	(55.61)	(56.08)	(56.08)	(58.22)	(58.21)	(58.22)	(58.22)	(58.22)	(58.22)	(135.97)	(135.97)	(143.59)	(143.59)	(167.72)	(167.71)					
Ethernet main links	£/fibre km	(0.74)																							
Ethernet Electronics	£/le	6.97	6.56	6.56	6.82	6.83	15.97	15.98	10.69	10.69	10.69	10.69	11.92	11.92	10.69	10.69	10.69	10.70	11.92	11.92					
Sales product management (q)	%	(£2m)	(0.88)	(0.86)	(0.97)	(0.93)	(2.40)	(2.37)	(1.01)	(0.98)	(0.79)	(0.76)	(2.31)	(2.13)	(1.49)	(1.42)	(1.34)	(1.17)	(3.39)	(3.17)	(2.14)	(1.25)	(0.17)	(0.17)	
Access Cards (other services) (q)	%	£2m	0.16	0.16	1.67	1.67	16.66	16.67	0.17	0.16	1.67	1.67	16.66	16.67	0.16	0.17	1.67	1.67	16.66	16.66					
Service Centres - Assurance (q)	%	(£1m)	(0.05)	(0.05)	(0.05)	(0.05)	(0.04)	(0.04)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)					
Service Centres - Provision (q)	%	£2m																							
Revenue Debtors (q)	%	£0m																							
Fully Allocated Costs (£)			(49.72)	(49.70)	(48.14)	(48.09)	(25.89)	(25.84)	(48.46)	(48.43)	(46.74)	(46.71)	(32.04)	(31.85)	(126.70)	(126.62)	(132.66)	(132.48)	(142.62)	(142.39)	1,231.60	1,233.07	(1.25)	0.09	0.09

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.10.1 - Illustrative for AISBO WECLA calculation of FAC based on component costs and usage factors (continued)

		AISBO WECLA																							
Effect of changes on results as a percentage		Average cost per unit (from annex 15)	Wholesale extension services 10Mbit/s rentals WECLA- Internal	Wholesale extension services 10Mbit/s rentals WECLA- External	Wholesale extension services 100Mbit/s rentals WECLA- Internal	Wholesale extension services 100Mbit/s rentals WECLA- External	Wholesale extension services 1000Mbit/s rentals WECLA- Internal	Wholesale extension services 1000Mbit/s rentals WECLA- External	EAD Local Access 10Mbit/s rentals WECLA- Internal	EAD Local Access 10Mbit/s rentals WECLA- External	EAD Local Access 100Mbit/s rentals WECLA- Internal	EAD Local Access 100Mbit/s rentals WECLA- External	EAD Local Access 1000Mbit/s rentals WECLA- Internal	EAD Local Access 1000Mbit/s rentals WECLA- External	EAD Other 10Mbit/s rentals WECLA- Internal	EAD Other 10Mbit/s rentals WECLA- External	EAD Other 100Mbit/s rentals WECLA- Internal	EAD Other 100Mbit/s rentals WECLA- External	EAD Other 1000Mbit/s rentals WECLA- Internal	EAD Other 1000Mbit/s rentals WECLA- External	Ethernet Backhaul Direct rentals WECLA- External	Ethernet Backhaul Direct connections WECLA- External	Main link rental charges WECLA- Internal	Main link rental charges WECLA- External	
Components	Unit (d)	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Routing & records	£/line	52.0%																							
21CN Backhaul Link & Length	£/circuit	19.8%																							
Wholesale & LAN extension services fibre etc	£/le	-11.6%	-12.3%	-12.3%	-12.3%	-12.3%	-12.3%	-12.3%	-12.2%	-12.2%	-12.2%	-12.2%	-12.2%	-12.2%	-13.2%	-13.2%	-13.3%	-13.3%	-13.4%	-13.4%					
Ethernet main links	£/fibre km	-0.4%																							
Ethernet Electronics	£/le	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%					
Sales product management (q)	%	-10.5%	-8.6%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.6%	-8.5%	-8.4%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	28.1%			
Access Cards (other services) (q)	%	4.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.4%	2.5%	2.3%	2.4%	2.4%	2.4%	2.4%	2.3%	2.5%	2.4%	2.4%	2.4%	2.4%					
Service Centres - Assurance (q)	%	-2.6%	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%					
Service Centres - Provision (q)	%	1.8%																							
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
Fully Allocated Costs (£)			-5.0%	-5.0%	-4.4%	-4.4%	-1.1%	-1.1%	-3.5%	-3.5%	-3.3%	-3.3%	-1.5%	-1.5%	-6.6%	-6.6%	-6.5%	-6.5%	-4.8%	-4.8%	27.0%	-0.1%	0.1%	0.1%	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.11 – Illustrative for MISBO Non WECLA

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Ethernet Backhaul Direct MISBO connections non-WECLA - External	777.30	790.03	-12.73	-1.6%
Ethernet Backhaul Direct MISBO rentals non-WECLA - External	22,016.98	18,664.50	3,352.48	18.0%
Backhaul extension services MISBO rentals non-WECLA - Internal	11,019.33	10,938.19	81.14	0.7%
Backhaul extension services MISBO rentals non-WECLA - External	10,728.84	10,653.15	75.69	0.7%
Wholesale extension services MISBO rentals non-WECLA - Internal	11,170.40	11,094.67	75.73	0.7%
Wholesale extension services MISBO rentals non-WECLA - External	9,996.13	9,947.32	48.81	0.5%
Main link rental charges non-WECLA - Internal	191.77	192.18	-0.41	-0.2%
Main link rental charges non-WECLA - External	191.78	192.19	-0.41	-0.2%
Optical services connections non-WECLA - Internal	943.57	954.53	-10.96	-1.1%
Optical services connections non-WECLA - External	790.89	806.06	-15.17	-1.9%
Optical services rentals non-WECLA - Internal	9,989.15	10,150.53	-161.38	-1.6%
Optical services rentals non-WECLA - External	10,029.47	10,189.88	-160.41	-1.6%
Optical services Main link rental charges non-WECLA - Internal	193.07	193.54	-0.47	-0.2%
Optical services Main link rental charges non-WECLA - External	192.26	192.69	-0.43	-0.2%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.11.1 – Illustrative for MISBO Non WECLA calculation of FAC based on component costs and usage factors

			MISBO non-WECLA													
			Average cost per unit (from annex 15)	Ethernet Backhaul Direct MISBO connections non-WECLA - External	Ethernet Backhaul Direct MISBO rentals non-WECLA - External	Backhaul extension services MISBO rentals non-WECLA - Internal	Backhaul extension services MISBO rentals non-WECLA - External	Wholesale extension services MISBO rentals non-WECLA - Internal	Wholesale extension services MISBO rentals non-WECLA - External	Main link rental charges non-WECLA - Internal	Main link rental charges non-WECLA - External	Optical services connections non-WECLA - Internal	Optical services connections non-WECLA - External	Optical services rentals non-WECLA - Internal	Optical services rentals non-WECLA - External	Optical services Main link rental charges non-WECLA - Internal
As reported for the year ended 31 March 2014			£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£
21CN Backhaul Link & Length	£/circuit	10,963.65		11,838.46												
Backhaul extension services fibre etc	£/le	820.61			906.87	906.90										
Wholesale & LAN extension services fibre etc	£/le	2,954.07		1,788.76	81.55	81.57	1,018.17	1,018.17	23.03	23.03	163.15		1,788.80	1,788.80	23.03	23.03
Ethernet main links	£/fibre km	164.55							164.55	164.55					164.55	164.55
Ethernet Electronics	£/le	533.90			8,113.14	2,822.21	2,822.24	2,913.18	2,913.19				8,113.18	8,113.18		
Sales product management (q)	%	£17m	41.27	74.76	45.73	35.05	75.56	69.96	2.17	2.18	62.43	67.87	44.42	33.04	2.85	2.43
Access Cards (other services) (q)	%	£49m			7,061.53	6,782.78	7,061.53	5,898.08								
Service Centres - Assurance (q)	%	£38m		63.81	31.92	31.92	31.92	31.92					1.58	63.83		
Service Centres - Provision (q)	%	£113m	660.09								660.12	660.12				
AISBO Excess Construction (q)	%	£24m														
Revenue Debtors (q)	%	£43m	75.94	138.05	69.52	68.38	70.04	64.81	2.02	2.02	57.87	62.90	41.17	30.62	2.64	2.25
Fully Allocated Costs (£)			777.30	22,016.98	11,019.33	10,728.84	11,170.40	9,996.13	191.77	191.78	943.57	790.89	9,989.15	10,029.47	193.07	192.26

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.11.1 - Illustrative for MISBO Non WECLA calculation of FAC based on component costs and usage factors (continued)

Restated on the basis of 12/13 methodologies			MISBO non-WECLA													
			Average cost per unit (from annex 15)	Ethernet Backhaul Direct MISBO connections non-WECLA - External	Ethernet Backhaul Direct MISBO rentals non-WECLA - External	Backhaul extension services MISBO rentals non-WECLA - Internal	Backhaul extension services MISBO rentals non-WECLA - External	Wholesale extension services MISBO rentals non-WECLA - Internal	Wholesale extension services MISBO rentals non-WECLA - External	Main link rental charges non-WECLA - Internal	Main link rental charges non-WECLA - External	Optical services connections non-WECLA - Internal	Optical services connections non-WECLA - External	Optical services rentals non-WECLA - Internal	Optical services rentals non-WECLA - External	Optical services Main link rental charges non-WECLA - Internal
Components	Unit (d)	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
21CN Backhaul Link & Length	£/circuit	9,148.86	8,321.61													
Backhaul extension services fibre etc	£/le	940.85		1,027.16	1,027.14											
Wholesale & LAN extension services fibre etc	£/le	3,340.52	2,053.24	79.75	79.72	1,140.50	1,140.50	22.50	22.50	159.45		2,053.19	2,053.19	22.50	22.50	
Ethernet main links	£/fibre km	165.29						165.29	165.29					165.29	165.29	
Ethernet Electronics	£/le	526.93	8,005.99	2,784.93	2,784.96	2,874.71	2,874.71					8,006.03	8,006.03			
Sales product management (q)	%	£19m	45.09	81.71	49.98	38.31	82.60	76.48	2.37	2.38	68.25	74.20	48.56	36.12	3.11	2.65
Access Cards (other services) (q)	%	£47m		6,894.87	6,622.68	6,894.86	5,758.86									
Service Centres - Assurance (q)	%	£39m		63.90	31.98	31.96	31.96					1.58	63.92			
Service Centres - Provision (q)	%	£111m	669.00							668.96	668.96					
AISBO Excess Construction (q)	%	£24m														
Revenue Debtors (q)	%	£43m	75.94	138.05	69.52	68.38	70.04	64.81	2.02	2.02	57.87	62.90	41.17	30.62	2.64	2.25
Fully Allocated Costs (£)			790.03	18,664.50	10,938.19	10,653.15	11,094.67	9,947.32	192.18	192.19	954.53	806.06	10,150.53	10,189.88	193.54	192.69

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.11.1 - Illustrative for MISBO Non WECLA calculation of FAC based on component costs and usage factors (continued)

			MISBO non-WECLA													
		Average cost per unit (from annex 15)	Ethernet Backhaul Direct MISBO connections non-WECLA - External	Ethernet Backhaul Direct MISBO rentals non-WECLA - External	Backhaul extension services MISBO rentals non-WECLA - Internal	Backhaul extension services MISBO rentals non-WECLA - External	Wholesale extension services MISBO rentals non-WECLA - Internal	Wholesale extension services MISBO rentals non-WECLA - External	Main link rental charges non-WECLA - Internal	Main link rental charges non-WECLA - External	Optical services connections non-WECLA - Internal	Optical services connections non-WECLA - External	Optical services rentals non-WECLA - Internal	Optical services rentals non-WECLA - External	Optical services Main link rental charges non-WECLA - Internal	Optical services Main link rental charges non-WECLA - External
Effect of changes on results			£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)															
21CN Backhaul Link & Length	£/circuit	1,814.79		3,516.85												
Backhaul extension services fibre etc	£/le	(120.24)			(120.29)	(120.24)										
Wholesale & LAN extension services fibre etc	£/le	(386.44)		(264.48)	1.80	1.85	(122.33)	(122.33)	0.53	0.53	3.70		(264.39)	(264.39)	0.53	0.53
Ethernet main links	£/fibre km	(0.74)							(0.74)	(0.74)					(0.74)	(0.74)
Ethernet Electronics	£/le	6.97		107.15	37.28	37.28	38.47	38.48					107.15	107.15		
Sales product management (q)	%	(£2m)	(3.82)	(6.95)	(4.25)	(3.26)	(7.04)	(6.52)	(0.20)	(0.20)	(5.82)	(6.33)	(4.14)	(3.08)	(0.26)	(0.22)
Access Cards (other services) (q)	%	£2m			166.66	160.10	166.67	139.22								
Service Centres - Assurance (q)	%	(£1m)		(0.09)	(0.06)	(0.04)	(0.04)	(0.04)						(0.09)		
Service Centres - Provision (q)	%	£2m	(8.91)								(8.84)	(8.84)				
AISBO Excess Construction (q)	%	£0m														
Revenue Debtors (q)	%	£0m														
Fully Allocated Costs (£)			(12.73)	3,352.48	81.14	75.69	75.73	48.81	(0.41)	(0.41)	(10.96)	(15.17)	(161.38)	(160.41)	(0.47)	(0.43)

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.11.1 - Illustrative for MISBO Non WECLA calculation of FAC based on component costs and usage factors (continued)

Effect of changes on results as a percentage			MISBO non-WECLA													
			Average cost per unit (from annex 15)	Ethernet Backhaul Direct MISBO connections non-WECLA - External	Ethernet Backhaul Direct MISBO rentals non-WECLA - External	Backhaul extension services MISBO rentals non-WECLA - Internal	Backhaul extension services MISBO rentals non-WECLA - External	Wholesale extension services MISBO rentals non-WECLA - Internal	Wholesale extension services MISBO rentals non-WECLA - External	Main link rental charges non-WECLA - Internal	Main link rental charges non-WECLA - External	Optical services connections non-WECLA - Internal	Optical services connections non-WECLA - External	Optical services rentals non-WECLA - Internal	Optical services rentals non-WECLA - External	Optical services Main link rental charges non-WECLA - Internal
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£
21CN Backhaul Link & Length	£/circuit	19.8%		42.3%												
Backhaul extension services fibre etc	£/le	-12.8%			-11.7%	-11.7%										
Wholesale & LAN extension services fibre etc	£/le	-11.6%		-12.9%	2.3%	2.3%	-10.7%	-10.7%	2.4%	2.4%	2.3%		-12.9%	-12.9%	2.4%	2.4%
Ethernet main links	£/fibre km	-0.4%							-0.4%	-0.4%					-0.4%	-0.4%
Ethernet Electronics	£/le	1.3%		1.3%	1.3%	1.3%	1.3%	1.3%					1.3%	1.3%		
Sales product management (q)	%	-10.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.5%	-8.4%	-8.4%	-8.5%	-8.5%	-8.5%	-8.5%	-8.4%	-8.3%
Access Cards (other services) (q)	%	4.3%			2.4%	2.4%	2.4%	2.4%								
Service Centres - Assurance (q)	%	-2.6%		-0.1%	-0.2%	-0.1%	-0.1%	-0.1%					0.0%	-0.1%		
Service Centres - Provision (q)	%	1.8%	-1.3%								-1.3%	-1.3%				
AISBO Excess Construction (q)	%	0.0%														
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			-1.6%	18.0%	0.7%	0.7%	0.7%	0.5%	-0.2%	-0.2%	-1.1%	-1.9%	-1.6%	-1.6%	-0.2%	-0.2%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.12 – Illustrative for Technical Areas (Interconnect Circuits)

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Customer Sited Interconnect (end to end circuit)				
External Wholesale standard CSI connections	5,020.68	4,022.78	997.90	24.8%
External Wholesale standard CSI rentals - fixed	444.65	463.63	(18.98)	-4.1%
External Wholesale standard CSI rentals - per km	10.36	10.95	(0.59)	-5.4%
In Span Interconnect with Interconnect Extension Circuit (end to end circuit)				
External Wholesale IEC connections	1,230.76	1,072.88	157.88	14.7%
External Wholesale IEC rentals - fixed	239.87	250.91	(11.04)	-4.4%
External Wholesale IEC rentals - per km	19.65	20.33	(0.68)	-3.3%
In Span Interconnect				
External Wholesale intra-building circuits connections	492.25	498.06	(5.81)	-1.2%
External Wholesale intra-building circuits rentals	97.95	102.67	(4.72)	-4.6%
External Wholesale ISI rentals	449.72	467.11	(17.39)	-3.7%
External Nominated ISI - per km	39.47	40.10	(0.63)	-1.6%
External Wholesale rearrangements	2,128.55	1,669.93	458.62	27.5%
Internal Wholesale standard CSI rentals - fixed	346.70	360.96	(14.26)	-4.0%
Internal Wholesale standard CSI rentals - per km	10.36	10.95	(0.59)	-5.4%
Internal Wholesale intra-building circuits rentals	97.95	102.67	(4.72)	-4.6%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.12.1 – Illustrative for Technical Areas (Interconnect Circuits) calculation of FAC based on component costs and usage factors

			Technical areas (Interconnect Circuits)														
			Customer Sited Interconnect (end to end circuit)			In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect						Internal Interconnect		
			Average cost per unit (from annex 15)	External Wholesale standard CSI connections	External Wholesale standard CSI rental - fixed	External Wholesale standard CSI rentals - per km	External Wholesale IEC connections	External Wholesale IEC rentals - fixed	External Wholesale IEC rentals - per km	External Wholesale intra-building circuits connections	External Wholesale intra-building circuits rentals	External Wholesale ISI rentals	External Nominated ISI	External Wholesale rearrangements	Internal Wholesale standard CSI rentals - fixed	Internal Wholesale standard CSI rentals - per km	Internal Wholesale intra-building circuits rentals
As reported for the year ended 31 March 2014			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Interconnect local end rental 2Mbit/s	£/circuit	153.72		153.72											153.72		
Interconnect 2Mbit/s connection	£/circuit	2,832.46	4,364.86			711.83							2,053.82				
Interconnect extension circuits (IEC) 2Mbit/s link	£/circuit	62.41					62.41										
Customer Sited Interconnect cct (CSI) 2Mbit/s link	£/circuit	14.96		14.96											14.96		
Nominated In Span I/Connect cct (ISI) transmission	£/100m	29.07										29.07					
Interconnect extension circuits (IEC) 2Mbit per km	£/km	16.20						16.20									
Customer Sited Interconnect cct (CSI) 2Mbit per km	£/km	6.91			6.91											6.91	
In Span Interconnect circuits (ISI) transmission	£/100m	449.72									449.72						
Intra Building Circuit (IBC) connection	£/circuit	361.86	361.86			361.86			361.86								
Intra Building Circuit (IBC) rental	£/circuit	81.68		81.68			81.68			81.68							81.68
SG&A Interconnect (q)	%	£6m	283.43	187.33	3.33	151.44	92.35	3.33	125.72	15.69		10.03	72.05	171.64	3.33	15.69	
Revenue Debtors (q)	%	£43m	10.53	6.96	0.12	5.63	3.43	0.12	4.67	0.58		0.37	2.68	6.38	0.12	0.58	
Fully Allocated Costs (£)			5,020.68	444.65	10.36	1,230.76	239.87	19.65	492.25	97.95	449.72	39.47	2,128.55	346.70	10.36	97.95	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.12.1 – Illustrative for Technical Areas (Interconnect Circuits) calculation of FAC based on component costs and usage factors (continued)

		Technical areas (Interconnect Circuits)														
		Customer Sited Interconnect (end to end circuit)			In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect			Internal Interconnect					
		Average cost per unit (from annex 15)	External Wholesale standard CSI connections	External Wholesale standard CSI rental - fixed	External Wholesale standard CSI rentals - per km	External Wholesale IEC connections	External Wholesale IEC rentals - fixed	External Wholesale IEC rentals - per km	External Wholesale intra-building circuits connections	External Wholesale intra-building circuits rentals	External Wholesale ISI rentals	External Nominated ISI	External Wholesale rearrangements	Internal Wholesale standard CSI rentals - fixed	Internal Wholesale standard CSI rentals - per km	Internal Wholesale intra-building circuits rentals
Restated on the basis of 12/13 methodologies			£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)															
Interconnect local end rental 2Mbit/s	£/circuit	159.06		159.06										159.06		
Interconnect 2Mbit/s connection	£/circuit	2,189.79	3,353.30			546.87						1,591.61				
Interconnect extension circuits (IEC) 2Mbit/s link	£/circuit	64.91					64.91									
Customer Sited Interconnect cct (CSI) 2Mbit/s link	£/circuit	15.34		15.34										15.34		
Nominated In Span I/Connect cct (ISI) transmission	£/100m	29.20									29.20					
Interconnect extension circuits (IEC) 2Mbit per km	£/km	16.72						16.72								
Customer Sited Interconnect cct (CSI) 2Mbit per km	£/km	7.34			7.34										7.34	
In Span Interconnect circuits (ISI) transmission	£/100m	467.11								467.11						
Intra Building Circuit (IBC) connection	£/circuit	361.41	361.41			361.40			361.41							
Intra Building Circuit (IBC) rental	£/circuit	85.62		85.62			85.62			85.62						85.62
SG&A Interconnect (q)	%	£6m	297.54	196.65	3.49	158.98	96.95	3.49	131.98	16.47	10.53	75.64	180.18	3.49	16.47	
Revenue Debtors (q)	%	£43m	10.53	6.96	0.12	5.63	3.43	0.12	4.67	0.58	0.37	2.68	6.38	0.12	0.58	
Fully Allocated Costs (£)			4,022.78	463.63	10.95	1,072.88	250.91	20.33	498.06	102.67	467.11	40.10	1,669.93	360.96	10.95	102.67

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.12.1 – Illustrative for Technical Areas (Interconnect Circuits) calculation of FAC based on component costs and usage factors (continued)

		Technical areas (Interconnect Circuits)														
			Customer Sited Interconnect (end to end circuit)			In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect			Internal Interconnect				
		Average cost per unit (from annex 15)	External Wholesale standard CSI connections	External Wholesale standard CSI rental - fixed	External Wholesale standard CSI rentals - per km	External Wholesale IEC connections	External Wholesale IEC rentals - fixed	External Wholesale IEC rentals - per km	External Wholesale intra-building circuits connections	External Wholesale intra-building circuits rentals	External Wholesale ISI rentals	External Nominated ISI	External Wholesale rearrangements	Internal Wholesale standard CSI rentals - fixed	Internal Wholesale standard CSI rentals - per km	Internal Wholesale intra-building circuits rentals
Effect of changes on results			£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£	£	£	£	£
Interconnect local end rental 2Mbit/s	£/circuit	(5.34)		(5.34)										(5.34)		
Interconnect 2Mbit/s connection	£/circuit	642.66	1,011.56			164.96							462.21			
Interconnect extension circuits (IEC) 2Mbit/s link	£/circuit	(2.50)					(2.50)									
Customer Sited Interconnect cct (CSI) 2Mbit/s link	£/circuit	(0.38)		(0.38)										(0.38)		
Nominated In Span I/Connect cct (ISI) transmission	£/100m	(0.13)									(0.13)					
Interconnect extension circuits (IEC) 2Mbit per km	£/km	(0.52)						(0.52)								
Customer Sited Interconnect cct (CSI) 2Mbit per km	£/km	(0.43)			(0.43)										(0.43)	
In Span Interconnect circuits (ISI) transmission	£/100m	(17.39)									(17.39)					
Intra Building Circuit (IBC) connection	£/circuit	0.45	0.45			0.46			0.45							
Intra Building Circuit (IBC) rental	£/circuit	(3.93)		(3.94)			(3.94)			(3.94)						(3.94)
SG&A Interconnect (q)	%	£0m	(14.11)	(9.32)	(0.16)	(7.54)	(4.60)	(0.16)	(6.26)	(0.78)	(0.50)	(3.59)	(8.54)	(0.16)	(0.78)	
Revenue Debtors (q)	%	£0m														
Fully Allocated Costs (£)		0	997.90	(18.98)	(0.59)	157.88	(11.04)	(0.68)	(5.81)	(4.72)	(17.39)	(0.63)	458.62	(14.26)	(0.59)	(4.72)

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.12.1 – Illustrative for Technical Areas (Interconnect Circuits) calculation of FAC based on component costs and usage factors (continued)

		Technical areas (Interconnect Circuits)														
		Customer Sited Interconnect (end to end circuit)			In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect						Internal Interconnect		
		Average cost per unit (from annex 15)	External Wholesale standard CSI connections	External Wholesale standard CSI rental - fixed	External Wholesale standard CSI rentals - per km	External Wholesale IEC connections	External Wholesale IEC rentals - fixed	External Wholesale IEC rentals - per km	External Wholesale intra-building circuits connections	External Wholesale intra-building circuits rentals	External Wholesale ISI rentals	External Nominated ISI	External Wholesale rearrangements	Internal Wholesale standard CSI rentals - fixed	Internal Wholesale standard CSI rentals - per km	Internal Wholesale intra-building circuits rentals
			£	£	£	£	£	£	£	£	£	£	£	£	£	£
Effect of changes on results as a percentage																
Components	Unit (d)															
Interconnect local end rental 2Mbit/s	£/circuit	-3.4%		-3.4%											-3.4%	
Interconnect 2Mbit/s connection	£/circuit	29.3%	30.2%			30.2%							29.0%			
Interconnect extension circuits (IEC) 2Mbit/s link	£/circuit	-3.9%					-3.9%									
Customer Sited Interconnect cct (CSI) 2Mbit/s link	£/circuit	-2.5%		-2.5%											-2.5%	
Nominated In Span I/Connect cct (ISI) transmission	£/100m	-0.4%										-0.4%				
Interconnect extension circuits (IEC) 2Mbit per km	£/km	-3.1%						-3.1%								
Customer Sited Interconnect cct (CSI) 2Mbit per km	£/km	-5.8%			-5.9%										-5.9%	
In Span Interconnect circuits (ISI) transmission	£/100m	-3.7%									-3.7%					
Intra Building Circuit (IBC) connection	£/circuit	0.1%	0.1%			0.1%			0.1%							
Intra Building Circuit (IBC) rental	£/circuit	-4.6%		-4.6%			-4.6%			-4.6%						-4.6%
SG&A Interconnect (q)	%	0.0%	-4.7%	-4.7%	-4.6%	-4.7%	-4.7%	-4.6%	-4.7%	-4.7%	-4.7%	-4.7%	-4.7%	-4.7%	-4.6%	-4.7%
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			24.8%	-4.1%	-5.4%	14.7%	-4.4%	-3.3%	-1.2%	-4.6%	-3.7%	-1.6%	27.5%	-4.0%	-5.4%	-4.6%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.13 – Illustrative for Wholesale Broadband Access Market 1

	2013/14 FAC (on 2013/14 basis) £	2013/14 FAC (on 2012/13 basis) £	Effect of change in methodologies £	Effect of change in methodologies %
Service				
Internal End user access connections Mkt 1				
EOI	30.67	30.67	-	0.0%
WBA Input	3.80	3.78	0.02	0.5%
	34.47	34.45	0.02	0.1%
External end user access connections Mkt 1				
EOI	30.67	30.67	-	0.0%
WBA Input	3.80	3.78	0.02	0.5%
	34.47	34.45	0.02	0.1%
Internal IPstream Connect End user access Rentals Mkt 1				
EOI	21.83	21.83	-	0.0%
WBA Input	84.97	80.96	4.01	5.0%
	106.80	102.79	4.01	3.9%
External IPstream Connect End user access Rentals Mkt 1				
EOI	22.87	22.87	-	0.0%
WBA Input	90.49	86.86	3.63	4.2%
	113.36	109.73	3.63	3.3%
Internal IPstream Connect Bandwidth Mkt 1				
EOI	4.58	4.58	-	0.0%
WBA Input	39.49	40.25	(0.76)	-1.9%
	44.07	44.83	(0.76)	-1.7%
External IPstream Connect Bandwidth Mkt 1				
EOI	7.63	7.63	-	0.0%
WBA Input	70.92	72.46	(1.54)	-2.1%
	78.55	80.09	(1.54)	-1.9%
Internal WBC end user access-Rentals Mkt 1				
EOI	12.38	12.38	-	0.0%
WBA Input	30.40	22.49	7.91	35.2%
	42.78	34.87	7.91	22.7%
External WBC end user access-Rentals Mkt 1				
EOI	12.38	12.38	-	0.0%
WBA Input	30.40	22.49	7.91	35.2%
	42.78	34.87	7.91	22.7%
Internal WBC BW - Revenues Mkt 1				
EOI	5.08	5.08	-	0.0%
WBA Input	9.33	9.43	(0.10)	-1.1%
	14.41	14.51	(0.10)	-0.7%
External WBC BW - Revenues Mkt 1				
EOI	5.40	5.40	-	0.0%
WBA Input	9.33	9.43	(0.10)	-1.1%
	14.73	14.83	(0.10)	-0.7%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.13.1 – Illustrative for Wholesale Broadband Access Market 1 calculation of FAC based on component costs and usage factors

		Wholesale broadband access market 1 - BT only operator										
		Average cost per unit (from annex 15)	Internal End user access connections Mkt 1	External end user access connections Mkt 1	Internal IPstream Connect End user access Rentals Mkt 1	External IPstream Connect End user access Rentals Mkt 1	Internal IPstream Connect Bandwidth Mkt 1	External IPstream Connect Bandwidth Mkt 1	Internal WBC end user access-Rentals Mkt 1	External WBC end user access-Rentals Mkt 1	Internal WBC BW - Revenues Mkt 1	External WBC BW - Revenues Mkt 1
			£	£	£	£	£	£	£	£	£	£
Components	Unit (d)											
Combi Card Broadband Access	£/line	25.83			25.83	25.83			25.83	25.83		
21CN Backhaul Link & Length	£/circuit	10,963.65					2.73	2.73			2.73	2.73
Core/Metro (broadband)	£/circuit	6.19					3.89	3.89			3.89	3.89
ADSL connections	£/conn	1.73	1.73	1.73								
Broadband line testing systems	£/line	2.50			0.48	0.48			0.48	0.48		
ATM customer interface 34Mbit/s (q)	£/port	726.14					0.02	0.04				
ATM customer interface > 155Mbit/s (q)	£/port	416.23					0.75	1.58				
ATM network interface (q)	£/port	378.20					0.32	0.68				
ATM network switching (q)	£/use	3.27					1.84	3.87				
Inter ATM transmissions (q)	£/use	0.31					7.90	16.61				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	£47m					12.55	26.38				
SG&A Broadband (q)	%	£78m	2.03	2.03	4.25	4.52	3.78	4.11	3.76	3.76	2.13	2.13
DSLAM capital/maintenance (q)	%	£141m			54.03	59.25	4.17	9.47				
Edge Ethernet ports (q)	%	£10m					0.39	0.39			0.39	0.39
Core/Metro connectivity (q)	%	£60m					0.79	0.79				
Revenue Debtors (q)	%	£43m	0.21	0.21	0.43	0.46	0.38	0.42	0.38	0.38	0.22	0.22
EOI Notional Creditors (ap)	%	0	(0.17)	(0.17)	(0.05)	(0.05)	(0.02)	(0.04)	(0.05)	(0.05)	(0.03)	(0.03)
Fully Allocated Costs (£)			3.80	3.80	84.97	90.49	39.49	70.92	30.40	30.40	9.33	9.33

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.13.1 – Illustrative for Wholesale Broadband Access Market 1 calculation of FAC based on component costs and usage factors (continued)

		Wholesale broadband access market 1 - BT only operator										
		Average cost per unit (from annex 15)	Internal End user access connections Mkt 1	External end user access connections Mkt 1	Internal IPstream Connect End user access Rentals Mkt 1	External IPstream Connect End user access Rentals Mkt 1	Internal IPstream Connect Bandwidth Mkt 1	External IPstream Connect Bandwidth Mkt 1	Internal WBC end user access-Rentals Mkt 1	External WBC end user access-Rentals Mkt 1	Internal WBC BW - Revenues Mkt 1	External WBC BW - Revenues Mkt 1
Restated on the basis of 12/13 methodologies			£	£	£	£	£	£	£	£	£	£
Components	Unit (d)		£	£	£	£	£	£	£	£	£	£
		3	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	13.00
Combi Card Broadband Access	£/line	17.83			17.83	17.83			17.83	17.83		
21CN Backhaul Link & Length	£/circuit	9,148.86					2.51	2.51			2.51	2.51
Core/Metro (broadband)	£/circuit	5.80					4.24	4.24			4.24	4.24
ADSL connections	£/conn	1.72	1.72	1.72								
Broadband line testing systems	£/line	2.31			0.59	0.59			0.59	0.59		
ATM customer interface 34Mbit/s (q)	£/port	745.27					0.02	0.04				
ATM customer interface > 155Mbit/s (q)	£/port	427.17					0.77	1.62				
ATM network interface (q)	£/port	388.28					0.33	0.70				
ATM network switching (q)	£/use	3.35					1.89	3.98				
Inter ATM transmissions (q)	£/use	0.32					8.11	17.04				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	£49m					12.87	27.06				
SG&A Broadband (q)	%	£78m	2.02	2.02	4.23	4.50	3.76	4.09	3.74	3.74	2.12	2.12
DSLAM capital/maintenance (q)	%	£159m			57.93	63.53	4.26	9.67				
Edge Ethernet ports (q)	%	£9m					0.37	0.37			0.37	0.37
Core/Metro connectivity (q)	%	£57m					0.76	0.76				
Revenue Debtors (q)	%	£43m	0.21	0.21	0.43	0.46	0.38	0.42	0.38	0.38	0.22	0.22
EOI Notional Creditors (ap)	%	0	(0.17)	(0.17)	(0.05)	(0.05)	(0.02)	(0.04)	(0.05)	(0.05)	(0.03)	(0.03)
Fully Allocated Costs (£)			3.78	3.78	80.96	86.86	40.25	72.46	22.49	22.49	9.43	9.43

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.13.1 – Illustrative for Wholesale Broadband Access Market 1 calculation of FAC based on component costs and usage factors (continued)

		Wholesale broadband access market 1 - BT only operator										
		Average cost per unit (from annex 15)	Internal End user access connections Mkt 1	External end user access connections Mkt 1	Internal IPstream Connect End user access Rentals Mkt 1	External IPstream Connect End user access Rentals Mkt 1	Internal IPstream Connect Bandwidth Mkt 1	External IPstream Connect Bandwidth Mkt 1	Internal WBC end user access-Rentals Mkt 1	External WBC end user access-Rentals Mkt 1	Internal WBC BW - Revenues Mkt 1	External WBC BW - Revenues Mkt 1
Effect of changes on results			£	£	£	£	£	£	£	£	£	£
Components	Unit (d)											
Combi Card Broadband Access	£/line	8.00			8.00	8.00			8.00	8.00		
21CN Backhaul Link & Length	£/circuit	1,814.79					0.22	0.22			0.22	0.22
Core/Metro (broadband)	£/circuit	0.39					(0.35)	(0.35)			(0.35)	(0.35)
ADSL connections	£/conn	0.00	0.01	0.01								
Broadband line testing systems	£/line	0.19			(0.11)	(0.11)			(0.11)	(0.11)		
ATM customer interface 34Mbit/s (q)	£/port	(19.13)										
ATM customer interface > 155Mbit/s (q)	£/port	(10.94)					(0.02)	(0.04)				
ATM network interface (q)	£/port	(10.07)					(0.01)	(0.02)				
ATM network switching (q)	£/use	(0.09)					(0.05)	(0.11)				
Inter ATM transmissions (q)	£/use	(0.01)					(0.21)	(0.43)				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	(£2m)					(0.32)	(0.68)				
SG&A Broadband (q)	%	£0m	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01
DSLAM capital/maintenance (q)	%	(£18m)			(3.90)	(4.28)	(0.09)	(0.20)				
Edge Ethernet ports (q)	%	£1m					0.02	0.02			0.02	0.02
Core/Metro connectivity (q)	%	£3m					0.03	0.03				
Revenue Debtors (q)	%	£0m										
EOI Notional Creditors (ap)	%											
Fully Allocated Costs (£)			0.02	0.02	4.01	3.63	(0.76)	(1.54)	7.91	7.91	(0.10)	(0.10)

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.13.1 – Illustrative for Wholesale Broadband Access Market 1 calculation of FAC based on component costs and usage factors (continued)

		Wholesale broadband access market 1 - BT only operator										
		Average cost per unit (from annex 15)	Internal End user access connections Mkt 1	External end user access connections Mkt 1	Internal IPstream Connect End user access Rentals Mkt 1	External IPstream Connect End user access Rentals Mkt 1	Internal IPstream Connect Bandwidth Mkt 1	External IPstream Connect Bandwidth Mkt 1	Internal WBC end user access-Rentals Mkt 1	External WBC end user access-Rentals Mkt 1	Internal WBC BW - Revenues Mkt 1	External WBC BW - Revenues Mkt 1
Effect of changes on results as a percentage			£	£	£	£	£	£	£	£	£	£
Components	Unit (d)											
Combi Card Broadband Access	£/line	44.9%			44.9%	44.9%			44.9%	44.9%		
21CN Backhaul Link & Length	£/circuit	19.8%					8.8%	8.8%			8.8%	8.8%
Core/Metro (broadband)	£/circuit	6.7%					-8.3%	-8.3%			-8.3%	-8.3%
ADSL connections	£/conn	0.1%	0.6%	0.6%								
Broadband line testing systems	£/line	8.3%			-18.6%	-18.6%			-18.6%	-18.6%		
ATM customer interface 34Mbit/s (q)	£/port	-2.6%					0.0%	0.0%				
ATM customer interface > 155Mbit/s (q)	£/port	-2.6%					-2.6%	-2.5%				
ATM network interface (q)	£/port	-2.6%					-3.0%	-2.9%				
ATM network switching (q)	£/use	-2.6%					-2.6%	-2.8%				
Inter ATM transmissions (q)	£/use	-2.5%					-2.6%	-2.5%				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	-4.1%					-2.5%	-2.5%				
SG&A Broadband (q)	%	0.0%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
DSLAM capital/maintenance (q)	%	-11.3%			-6.7%	-6.7%	-2.1%	-2.1%				
Edge Ethernet ports (q)	%	11.1%					5.4%	5.4%			5.4%	5.4%
Core/Metro connectivity (q)	%	5.3%					3.9%	3.9%				
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EOI Notional Creditors (ap)	%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			0.5%	0.5%	5.0%	4.2%	-1.9%	-2.1%	35.2%	35.2%	-1.1%	-1.1%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.14 – Illustrative for Wholesale Broadband Access Market 2

Service	£	£	£	%
Internal End user access connections Mkt 2				
EOI	30.67	30.67	-	0.0%
WBA Input	3.93	3.91	0.02	0.5%
	34.60	34.58	0.02	0.1%
External end user access connections Mkt 2				
EOI	30.67	30.67	-	0.0%
WBA Input	3.93	3.91	0.02	0.5%
	34.60	34.58	0.02	0.1%
Internal IPstream Connect End user access Rentals Mkt 2				
EOI	24.14	24.14	-	0.0%
WBA Input	92.91	89.95	2.96	3.3%
	117.04	114.08	2.96	2.6%
External IPstream Connect End user access Rentals Mkt 2				
EOI	24.87	24.87	-	0.0%
WBA Input	114.50	113.25	1.25	1.1%
	139.37	138.12	1.25	0.9%
Internal IPstream Connect Bandwidth Mkt 2				
EOI	9.34	9.34	-	0.0%
WBA Input	47.25	48.12	(0.87)	-1.8%
	56.59	57.46	(0.87)	-1.5%
External IPstream Connect Bandwidth Mkt 2				
EOI	8.52	8.52	-	0.0%
WBA Input	49.42	50.32	(0.90)	-1.8%
	57.94	58.84	(0.90)	-1.5%
Internal WBC end user access-Rentals Mkt 2				
EOI	12.38	12.38	-	0.0%
WBA Input	30.40	22.49	7.91	35.2%
	42.78	34.87	7.91	22.7%
External WBC end user access-Rentals Mkt 2				
EOI	12.38	12.38	-	0.0%
WBA Input	30.40	22.49	7.91	35.2%
	42.78	34.87	7.91	22.7%
Internal WBC BW - Revenues Mkt 2				
EOI	9.10	9.10	-	0.0%
WBA Input	9.31	9.41	(0.10)	-1.1%
	18.41	18.51	(0.10)	-0.5%
External WBC BW - Revenues Mkt 2				
EOI	9.09	9.09	-	0.0%
WBA Input	9.31	9.41	(0.10)	-1.1%
	18.40	18.50	(0.10)	-0.5%

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.14.1 – Illustrative for Wholesale Broadband Access Market 2 calculation of FAC based on component costs and usage factors

		Wholesale broadband access market 2 - 2 to 3 principal operators										
		Average cost per unit (from annex 15)	Internal End user access connections Mkt 2	External end user access connections Mkt 2	Internal IPstream Connect End user access Rentals Mkt 2	External IPstream Connect End user access Rentals Mkt 2	Internal IPstream Connect Bandwidth Mkt 2	External IPstream Connect Bandwidth Mkt 2	Internal WBC end user access- Rentals Mkt 2	External WBC end user access- Rentals Mkt 2	Internal WBC BW - Revenues Mkt 2	External WBC BW - Revenues Mkt 2
As reported for the year ended 31 March 2014			£	£	£	£	£	£	£	£	£	£
Components	Unit (d)											
Combi Card Broadband Access	£/line	25.83			25.83	25.83			25.83	25.83		
21CN Backhaul Link & Length	£/circuit	10,963.65					2.73	2.73			2.73	2.73
Core/Metro (broadband)	£/circuit	6.19					3.89	3.89			3.89	3.89
ADSL connections	£/conn	1.73	1.73	1.73								
Broadband line testing systems	£/line	2.50			0.48	0.48			0.48	0.48		
ATM customer interface 34Mbit/s (q)	£/port	726.14					0.02	0.02				
ATM customer interface > 155Mbit/s (q)	£/port	416.23					1.24	1.34				
ATM network interface (q)	£/port	378.20					0.38	0.41				
ATM network switching (q)	£/use	3.27					3.06	3.29				
Inter ATM transmissions (q)	£/use	0.31					8.83	9.49				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	£47m					15.56	16.72				
SG&A Broadband (q)	%	£78m	2.15	2.15	4.61	4.81	6.73	6.68	3.76	3.76	2.13	2.13
DSLAM capital/maintenance (q)	%	£141m			61.57	82.94	2.99	3.04				
Edge Ethernet ports (q)	%	£10m					0.39	0.39			0.39	0.39
Core/Metro connectivity (q)	%	£60m					0.79	0.79				
Revenue Debtors (q)	%	£43m	0.22	0.22	0.47	0.49	0.69	0.68	0.38	0.38	0.22	0.22
EOI Notional Creditors (ap)	%	0.00	(0.17)	(0.17)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Fully Allocated Costs (£)			3.93	3.93	92.91	114.50	47.25	49.42	30.40	30.40	9.31	9.31

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.14.1 – Illustrative for Wholesale Broadband Access Market 2 calculation of FAC based on component costs and usage factors (continued)

		Wholesale broadband access market 2 - 2 to 3 principal operators										
		Average cost per unit (from annex 15)	Internal End user access connections Mkt 2	External end user access connections Mkt 2	Internal IPstream Connect End user access Rentals Mkt 2	External IPstream Connect End user access Rentals Mkt 2	Internal IPstream Connect Bandwidth Mkt 2	External IPstream Connect Bandwidth Mkt 2	Internal WBC end user access- Rentals Mkt 2	External WBC end user access- Rentals Mkt 2	Internal WBC BW - Revenues Mkt 2	External WBC BW - Revenues Mkt 2
Restated on the basis of 12/13 methodologies			£	£	£	£	£	£	£	£	£	£
Components	Unit (d)											
Combi Card Broadband Access	£/line	17.83			17.83	17.83			17.83	17.83		
21CN Backhaul Link & Length	£/circuit	9,148.86					2.51	2.51			2.51	2.51
Core/Metro (broadband)	£/circuit	5.80					4.24	4.24			4.24	4.24
ADSL connections	£/conn	1.72	1.72	1.72								
Broadband line testing systems	£/line	2.31			0.59	0.59			0.59	0.59		
ATM customer interface 34Mbit/s (q)	£/port	745.27					0.02	0.02				
ATM customer interface > 155Mbit/s (q)	£/port	427.17					1.28	1.37				
ATM network interface (q)	£/port	388.28					0.39	0.42				
ATM network switching (q)	£/use	3.35					3.14	3.37				
Inter ATM transmissions (q)	£/use	0.32					9.06	9.73				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	£49m					15.96	17.15				
SG&A Broadband (q)	%	£78m	2.14	2.14	4.59	4.78	6.69	6.64	3.74	3.74	2.12	2.12
DSLAM capital/maintenance (q)	%	£159m			66.52	89.61	3.06	3.11				
Edge Ethernet ports (q)	%	£9m					0.37	0.37			0.37	0.37
Core/Metro connectivity (q)	%	£57m					0.76	0.76				
Revenue Debtors (q)	%	£43m	0.22	0.22	0.47	0.49	0.69	0.68	0.38	0.38	0.22	0.22
EOI Notional Creditors (ap)	%	0.00	(0.17)	(0.17)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Fully Allocated Costs (£)			3.91	3.91	89.95	113.25	48.12	50.32	22.49	22.49	9.41	9.41

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.14.1 – Illustrative for Wholesale Broadband Access Market 2 calculation of FAC based on component costs and usage factors (continued)

			Wholesale broadband access market 2 - 2 to 3 principal operators										
			Average cost per unit (from annex 15)	Internal End user access connections Mkt 2	External end user access connections Mkt 2	Internal IPstream Connect End user access Rentals Mkt 2	External IPstream Connect End user access Rentals Mkt 2	Internal IPstream Connect Bandwidth Mkt 2	External IPstream Connect Bandwidth Mkt 2	Internal WBC end user access- Rentals Mkt 2	External WBC end user access- Rentals Mkt 2	Internal WBC BW - Revenues Mkt 2	External WBC BW - Revenues Mkt 2
Effect of changes on results				£	£	£	£	£	£	£	£	£	£
Components	Unit (d)												
Combi Card Broadband Access	£/line	8.00			8.00	8.00				8.00	8.00		
21CN Backhaul Link & Length	£/circuit	1,814.79					0.22	0.22				0.22	0.22
Core/Metro (broadband)	£/circuit	0.39					(0.35)	(0.35)				(0.35)	(0.35)
ADSL connections	£/conn	0.00	0.01	0.01									
Broadband line testing systems	£/line	0.19			(0.11)	(0.11)				(0.11)	(0.11)		
ATM customer interface 34Mbit/s (q)	£/port	(19.13)						(0.04)	(0.03)				
ATM customer interface > 155Mbit/s (q)	£/port	(10.94)						(0.01)	(0.01)				
ATM network interface (q)	£/port	(10.07)						(0.08)	(0.08)				
ATM network switching (q)	£/use	(0.09)						(0.23)	(0.24)				
Inter ATM transmissions (q)	£/use	(0.01)						(0.40)	(0.43)				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	(£2m)											
SG&A Broadband (q)	%	£0m	0.01	0.01	0.02	0.03	0.04	0.04	0.02	0.02	0.01	0.01	
DSLAM capital/maintenance (q)	%	(£18m)			(4.95)	(6.67)	(0.07)	(0.07)					
Edge Ethernet ports (q)	%	£1m					0.02	0.02			0.02	0.02	
Core/Metro connectivity (q)	%	£3m					0.03	0.03					
Revenue Debtors (q)	%	£0m											
EOI Notional Creditors (ap)	%												
Fully Allocated Costs (£)			0.02	0.02	2.96	1.25	(0.87)	(0.90)	7.91	7.91	(0.10)	(0.10)	

Section 6 – Illustrative difference of methodology changes on FAC

Section 6.14.1 – Illustrative for Wholesale Broadband Access Market 2 calculation of FAC based on component costs and usage factors (continued)

		Wholesale broadband access market 2 - 2 to 3 principal operators										
		Average cost per unit (from annex 15)	Internal End user access connections Mkt 2	External end user access connections Mkt 2	Internal IPstream Connect End user access Rentals Mkt 2	External IPstream Connect End user access Rentals Mkt 2	Internal IPstream Connect Bandwidth Mkt 2	External IPstream Connect Bandwidth Mkt 2	Internal WBC end user access- Rentals Mkt 2	External WBC end user access- Rentals Mkt 2	Internal WBC BW - Revenues Mkt 2	External WBC BW - Revenues Mkt 2
Effect of changes on results as a percentage			£	£	£	£	£	£	£	£	£	£
Components	Unit (d)											
Combi Card Broadband Access	£/line	44.9%			44.9%	44.9%			44.9%	44.9%		
21CN Backhaul Link & Length	£/circuit	19.8%					8.8%	8.8%			8.8%	8.8%
Core/Metro (broadband)	£/circuit	6.7%					-8.3%	-8.3%			-8.3%	-8.3%
ADSL connections	£/conn	0.1%	0.6%	0.6%								
Broadband line testing systems	£/line	8.3%			-18.6%	-18.6%			-18.6%	-18.6%		
ATM customer interface 34Mbit/s (q)	£/port	-2.6%					0.0%	0.0%				
ATM customer interface > 155Mbit/s (q)	£/port	-2.6%					-3.1%	-2.2%				
ATM network interface (q)	£/port	-2.6%					-2.6%	-2.4%				
ATM network switching (q)	£/use	-2.6%					-2.5%	-2.4%				
Inter ATM transmissions (q)	£/use	-2.5%					-2.5%	-2.5%				
Broadband backhaul circuits (excl Virtual Paths) (q)	%	-4.1%					-2.5%	-2.5%				
SG&A Broadband (q)	%	0.0%	0.5%	0.5%	0.4%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%
DSLAM capital/maintenance (q)	%	-11.3%			-7.4%	-7.4%	-2.3%	-2.3%				
Edge Ethernet ports (q)	%	11.1%					5.4%	5.4%			5.4%	5.4%
Core/Metro connectivity (q)	%	5.3%					3.9%	3.9%				
Revenue Debtors (q)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EOI Notional Creditors (ap)	%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fully Allocated Costs (£)			0.5%	0.5%	3.3%	1.1%	-1.8%	-1.8%	35.2%	35.2%	-1.1%	-1.1%

Section 7
Illustrative difference of methodology changes on Network Activity Statement

Section 7 – Illustrative difference of methodology changes on Network Activity Statement

Section 7.1 – Illustrative difference of methodology changes on Network Activity Statement 2014

Fully Allocated Cost (£m)	As reported for the year ended 31 March 2014			Based on 12/13 methodologies			Difference		
	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year
	£m		£	£m		£	£m		£
SMP Cost Accounting components									
Low Tisbo Equipment Depn	13	(a)	(a)	13	(a)	(a)	0	(a)	(a)
High Tisbo Equipment Depn	2	(a)	(a)	2	(a)	(a)	0	(a)	(a)
Very High Tisbo Equipment Depn	0	(a)	(a)	0	(a)	(a)	0	(a)	(a)
Low Tisbo Excess Construction	10	(a)	(a)	10	(a)	(a)	0	(a)	(a)
ALSBO Excess Construction	24	(a)	(a)	24	(a)	(a)	0	(a)	(a)
PC rental 2Mbit link per km regional trunk	15	852,726 km	£16.47	15	852,726 km	£17.08	0	- km	(£0.61)
PC rental 34Mbit link per km regional trunk	4	12,431 km	£285.93	4	12,431 km	£295.85	0	- km	(£9.92)
PC rental 140Mbit link per km regional trunk	8	7,401 km	£1,162.62	8	7,401 km	£1,201.68	0	- km	(£39.06)
Directories	29	(a)	(a)	31	(a)	(a)	(2)	(a)	(a)
Local Loop Unbundling room build	30	1,666 rooms	£18,014.91	39	1,666 rooms	£22,883.00	(9)	- rooms	(£4,868.09)
Local Loop Unbundling hostel rentals	46	14,758 hostels	£3,169.17	46	14,758 hostels	£3,166.88	0	- hostels	£2.29
Local Loop Unbundling tie cables	16	293,195 cables	£57.25	19	293,195 cables	£65.19	(3)	- cables	(£7.94)
Local Loop Unbundling systems development	17	(a)	(a)	17	(a)	(a)	0	(a)	(a)
Wholesale Access specific	30	3,237,419 trans	£9.34	30	3,237,419 trans	£9.13	0	- trans	£0.22
Routing & records	25	4,810,536 lines	£5.25	11	3,254,730 lines	£3.45	14	1,555,806 lines	£1.79
MDF Hardware jumpering	175	10,519,844 lines	£16.68	193	10,479,003 lines	£18.42	(18)	40,841 lines	(£1.74)
E side copper capital	215	25,447,512 lines	£8.46	215	25,447,512 lines	£8.46	0	- lines	£0.00
E side copper current	74	34,717,000 lines	£2.13	70	34,717,000 lines	£2.00	4	- lines	£0.13
D side copper capital	1,236	25,447,512 lines	£48.57	1,241	25,447,512 lines	£48.80	(5)	- lines	(£0.23)
D side copper current	249	34,717,000 lines	£7.16	265	34,717,000 lines	£7.63	(16)	- lines	(£0.47)
Local exchanges general frames capital	67	41,950,216 lines	£1.60	67	41,950,216 lines	£1.60	0	- lines	(£0.01)
Local exchanges general frames current	37	43,921,624 lines	£0.83	42	60,123,365 lines	£0.70	(5)	(16,201,741) lines	£0.13
PSTN line test equipment	4	25,755,602 lines	£0.13	4	25,526,018 lines	£0.14	0	229,584 lines	(£0.00)
Dropwire capital & PSTN NTE	440	25,303,242 lines	£17.36	444	25,303,242 lines	£17.52	(4)	- lines	(£0.16)
Residential PSTN drop maintenance	112	30,556,814 lines	£3.67	121	30,556,814 lines	£3.99	(9)	- lines	(£0.32)
ISDN2 drop maintenance	2	1,065,503 channels	£1.90	3	1,065,503 channels	£2.35	(1)	- channels	(£0.45)
PSTN line cards	135	17,245,298 lines	£7.87	140	17,245,298 lines	£8.18	(5)	- lines	(£0.31)
ISDN2 line cards	19	1,065,503 channels	£17.61	20	1,065,503 channels	£18.57	(1)	- channels	(£0.96)
Pair gain	0	17,245,298 eq	£0.00	0	17,245,298 eq	£0.00	0	- eq	(£0.00)
ISDN2 NTE	1	1,065,503 channels	£0.72	1	1,065,503 channels	£0.75	0	- channels	(£0.03)
Service Centres - Provision	113	(a)	(a)	111	(a)	(a)	2	(a)	(a)
Service Centres - Assurance	38	(a)	(a)	39	(a)	(a)	(1)	(a)	(a)
Access Cards (other services)	49	(a)	(a)	47	(a)	(a)	2	(a)	(a)
Combi Card voice	3	17,245,298 lines	£0.22	2	17,245,298 lines	£0.15	1	- lines	£0.07
Combi Card Broadband Access	186	7,190,695 lines	£25.83	128	7,190,695 lines	£17.83	58	- lines	£8.00
Core/Metro (voice)	2	209,721 mm	£0.00	2	209,721 mm	£0.00	0	- mm	£0.00
Core/Metro connectivity	60	(a)	(a)	57	(a)	(a)	3	(a)	(a)
Edge Ethernet ports	10	(a)	(a)	9	(a)	(a)	1	(a)	(a)
iNode (call set up and features)	17	(a)	(a)	17	(a)	(a)	0	(a)	(a)
MSAN-POS1 Voice Link	2	116,583 mm	£0.00	2	116,583 mm	£0.00	0	- mm	£0.00
21CN Backhaul Link & Length	115	10,414 circuits	£10,963.65	95	10,414 circuits	£9,148.86	20	- circuits	£1,814.79
Core/Metro (broadband)	147	23,679,082 circuits	£6.19	138	23,679,082 circuits	£5.80	9	- circuits	£0.39
ADSL connections	3	1,654,235 conns	£1.73	3	1,654,235 conns	£1.72	0	- conns	£0.00

Section 7 – Illustrative difference of methodology changes on Network Activity Statement

Section 7.1 – Illustrative difference of methodology changes on Network Activity Statement 2014 (continued)

Fully Allocated Cost (£m)	As reported for the year ended 31 March 2014			Based on 12/13 methodologies			Difference		
	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year
	£m		£	£m		£	£m		£
SMP Cost Accounting components									
Broadband line testing systems	86	34,022,506 lines	£2.50	78	34,022,506 lines	£2.31	8	- lines	£0.19
DSLAM capital/maintenance	141	(a)	(a)	159	(a)	(a)	(18)	(a)	(a)
ATM customer interface 2Mbit/s	0	2,803 ports	£53.41	0	2,803 ports	£55.00	0	- ports	(£1.58)
ATM customer interface 34Mbit/s	1	755 ports	£726.14	1	755 ports	£745.27	0	- ports	(£19.13)
ATM customer interface > 155Mbit/s	4	9,333 ports	£416.23	4	9,333 ports	£427.17	0	- ports	(£10.94)
ATM network interface	2	4,458 ports	£378.20	2	4,458 ports	£388.28	0	- ports	(£10.07)
ATM network switching	11	3,280,622 usage	£3.27	11	3,280,622 usage	£3.35	0	- usage	(£0.09)
Inter ATM transmissions	39	124,381,342 usage	£0.31	40	124,381,342 usage	£0.32	(1)	- usage	(£0.01)
Remote - local transmission link	33	94,106 mm	£0.04	34	94,106 mm	£0.04	(1)	- mm	(£0.00)
Remote - local transmission length	18	173,152 mm	£0.01	18	173,152 mm	£0.01	0	- mm	(£0.00)
PC rental 2Mbit/s link per km distribution	74	1,739,447 km	£42.07	76	1,739,447 km	£43.70	(2)	- km	(£1.64)
PC rental 34Mbit/s link per km distribution	8	25,716 km	£362.02	9	25,716 km	£374.62	(1)	- km	(£12.60)
PC rental 140Mbit/s link per km distribution	9	12,998 km	£669.37	10	12,998 km	£688.59	(1)	- km	(£19.22)
Point of Handover electronics	9	1,653 eq	£5,175.74	9	1,653 eq	£5,308.36	0	- eq	(£132.61)
PC rental 64kbit/s link	8	140,516 links	£56.95	9	140,516 links	£60.92	(1)	- links	(£3.97)
PC rental 2Mbit/s link	11	117,474 links	£99.09	13	117,474 links	£102.92	(2)	- links	(£3.83)
PC rental 34Mbit/s link	1	1,474 links	£866.83	1	1,474 links	£903.34	0	- links	(£36.51)
PC rental 140Mbit/s link	1	798 links	£1,986.53	1	798 links	£2,054.78	0	- links	(£68.25)
PC rental 64kbit/s link per km transmission	14	4,052,630 km	£3.46	15	4,052,630 km	£3.63	(1)	- km	(£0.17)
2Mbit/s and above PC link connection cct provision	18	3,251 circuits	£5,458.76	14	3,251 circuits	£4,193.69	4	- circuits	£1,265.07
64kbit/s PC link connection cct provision	0	263 circuits	£1,746.74	0	263 circuits	£2,113.26	0	- circuits	(£366.52)
PC rental 64kbit/s link local end	26	32,834 le	£786.73	27	32,834 le	£836.77	(1)	- le	(£50.05)
PC rental 34Mbit/s link local end	5	1,742 le	£2,384.85	5	1,742 le	£2,587.56	0	- le	(£202.72)
PC rental 140Mbit/s link local end	1	955 le	£1,372.45	1	955 le	£1,462.49	0	- le	(£90.04)
PC rental 2Mbit/s local end copper	8	19,233 le	£400.85	8	19,233 le	£414.42	0	- le	(£13.56)
PC rental 2Mbit/s local end fibre	66	124,226 le	£522.01	69	124,226 le	£564.45	(3)	- le	(£42.44)
Backhaul extension services fibre etc	8	11,334 le	£820.61	10	11,334 le	£940.85	(2)	- le	(£120.24)
Wholesale & LAN extension services fibre etc	224	75,619 le	£2,954.07	253	75,619 le	£3,340.52	(29)	- le	(£386.44)
Interconnect local end rental 2Mbit/s	1	9,351 circuits	£153.72	1	9,351 circuits	£159.06	0	- circuits	(£5.34)
Interconnect 2Mbit/s connection	6	2,066 circuits	£2,832.46	5	2,066 circuits	£2,189.79	1	- circuits	£642.66
Interconnect extension circuits (IEC) 2Mbit/s link	1	9,828 circuits	£62.41	1	9,828 circuits	£64.91	0	- circuits	(£2.50)
Customer Sited Interconnect cct (CSI) 2Mbit/s link	0	9,351 circuits	£14.96	0	9,351 circuits	£15.34	0	- circuits	(£0.38)
Nominated In Span I/Connect cct (ISI) transmission	0	18,127 100m	£29.07	0	18,127 100m	£29.20	0	- 100m	(£0.13)
Interconnect extension circuits (IEC) 2Mbit per km	4	239,356 km	£16.20	4	239,356 km	£16.72	0	- km	(£0.52)
Customer Sited Interconnect cct (CSI) 2Mbit per km	1	270,356 km	£6.91	2	270,356 km	£7.34	(1)	- km	(£0.43)
In Span Interconnect circuits (ISI) transmission	2	6,059 100m	£449.72	2	6,059 100m	£467.11	0	- 100m	(£17.39)
Intra Building Circuit (IBC) connection	0	1,174 circuits	£361.86	0	1,174 circuits	£361.41	0	- circuits	£0.45
Intra Building Circuit (IBC) rental	6	67,980 circuits	£81.68	6	67,980 circuits	£85.62	0	- circuits	(£3.93)
PPC support services	3	(a)	(a)	3	(a)	(a)	0	(a)	(a)
Ethernet main links	90	541,042 fibre km	£164.55	90	541,042 fibre km	£165.29	0	- fibre km	(£0.74)
Ethernet Electronics	161	301,096 le	£533.90	159	301,096 le	£526.93	2	- le	£6.97
SG & A partial private circuits	24	(a)	(a)	22	(a)	(a)	2	(a)	(a)
Product management policy & planning	15	41,037 mm	£0.04	16	104,443 mm	£0.02	(1)	(63,406) mm	£0.02
SG&A Interconnect	6	(a)	(a)	6	(a)	(a)	0	(a)	(a)

Section 7 – Illustrative difference of methodology changes on Network Activity Statement

Section 7.1 – Illustrative difference of methodology changes on Network Activity Statement 2014 (continued)

Fully Allocated Cost (£m)	As reported for the year ended 31 March 2014			Based on 12/13 methodologies			Difference		
	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year	Total of operating costs and capital costs relating to current year	Volume	Average costs per min/unit on a current cost basis relating to current year
	£m		£	£m		£	£m		£
SMP Cost Accounting components									
SG&A Broadband	78	(a)	(a)	78	(a)	(a)	0	(a)	(a)
Broadband backhaul circuits (excl Virtual Paths)	47	(a)	(a)	49	(a)	(a)	(2)	(a)	(a)
National OA non chargeable	3	47,992 mm	£0.01	3	47,992 mm	£0.01	0	- mm	(£0.00)
Emergency OA (999) non chargeable	9	56,876 mm	£0.02	10	56,876 mm	£0.02	(1)	- mm	(£0.00)
Sales product management	17	(a)	(a)	19	(a)	(a)	(2)	(a)	(a)
Local Loop Unbundling hostel rentals power & vent	47	14,758 hostels	£3,204.49	79	14,758 hostels	£5,339.33	(32)	- hostels	(£2,134.85)
Local exchange processor	74	122,430 mm	£0.06	80	122,430 mm	£0.07	(6)	- mm	(£0.00)
Local exchange concentrator	76	123,746 mm	£0.06	82	123,746 mm	£0.07	(6)	- mm	(£0.00)
Revenue Debtors	43	-	£0.00	43	-	£0.00	0	-	£0.00
ISDN30 connections	0	(n)		0	(n)		0	(n)	
ISDN30 access	0	(n)		0	(n)		0	(n)	
ISDN30 line cards	0	(n)		0	(n)		0	(n)	
Access Cards (ISDN30 services)	0	(n)		0	(n)		0	(n)	
Main exchange switching	0	(n)		0	(n)		0	(n)	
SMP Accounting Separation components	97	n/a	n/a	99	n/a	n/a	(2)	n/a	n/a
Residual components	1,805	n/a	-	1,767	n/a	-	38	n/a	
Roundings	(2)			2			(4)		
Total	7,220			7,250			(30)		

(a) This component is attributed on a % basis so no volume or unit cost is derivable.

(n) Accounting Separation components require no costs to be disclosed.