



# Regulatory Financial Statements 2019

# Document user guide

## BT Regulatory Financial Statements 2019

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Regulatory Financial Statements 2019

#### Example

For further discussion of these items see pages •• and •• to ••. A reconciliation of adjusted EBITDA to group operating profit (loss) by line of business, and for the group, is provided in the table at the foot of pages •• to ••.



# Ofcom Statement on BT's Regulatory Financial Statements 2019

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## Introduction

BT's reporting obligations arise out of market reviews conducted by Ofcom and SMP conditions and directions related to regulatory reporting<sup>1</sup>. Under these SMP conditions BT is required to publish with the audited regulatory financial statements (RFS) any written statement made by Ofcom and provided to BT commenting on the data in, the notes to or any presentation of any or all of the RFS, the reconciliation report and/or the Accounting Methodology Documents.

We believe it is helpful to users of the RFS to draw attention to several important aspects of BT's 2018/19 RFS.

## Publication requirements

It is important that BT retains responsibility for its RFS and can respond to changes in circumstances when deciding how best to prepare them. Since June 2014, BT has been required to notify Ofcom and publish any changes that it intends to make to its allocation methodologies in advance in a report (the Change Control Notification). For each proposed change, the Change Control Notification should include a description of the change, the reason for making it and an estimate (based on the prior year RFS) of its impact on the financial results. When, in Ofcom's opinion, any proposed change does not comply with any SMP condition or the Regulatory Accounting Principles, it can direct BT not to make that change.

BT is also required to publish an audited reconciliation report (the Reconciliation Report) as part of the RFS, setting out the reasons for and impact of the methodology changes it actually made and the effect of correcting any material errors identified in the year. The actual changes should be similar to those included in the Change Control Notification, subject to the outcome of discussions with Ofcom.

## Changes to regulatory accounting methodologies

Appendix 3 sets out the methodology changes BT has made in 2018/19 and shows the impact of these changes on the published 2017/18 RFS. Following our review of the Change Control Notification we have not directed BT to withdraw any of its proposed changes, although this does not represent an endorsement of them.

## Next Steps

It is important that BT's regulatory reporting obligations remain relevant and appropriate and its RFS will evolve as our regulation develops. For example, this year readers will notice that Section 5, the Summary of Market Performance, has a greater focus on Openreach, consistent with the Directions issued in our March 2019 Regulatory Reporting Statement.<sup>2</sup>

The 2019/20 RFS will show further changes as a result of decisions we made in our July 2019 regulatory reporting statement. Notably, the 2019/20 RFS will report costs and revenues for the new Physical Infrastructure market and interexchange dark fibre services in the Business Connectivity market.

We expect to consult on BT's regulatory reporting requirements as part of the forthcoming Fixed Telecoms Market Review. We would encourage all our stakeholders to participate in these reviews as our decisions on these determine BT's future reporting obligations.

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<sup>1</sup> Some reporting also arises from the Commitments given by BT and Openreach which were notified to Ofcom under section 89C of the Communications Act 2003.

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<sup>2</sup> <https://www.ofcom.org.uk/consultations-and-statements/category-1/bt-regulatory-financial-reporting>

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Section 1  
Introduction to the Regulatory Financial Statements

## Section 1 – Introduction to the Regulatory Financial Statements

### 1.1 Regulatory Financial Reporting Obligations

The form and content of the Regulatory Financial Statements (RFS) are based on the reporting obligations set by Ofcom. We refer to these obligations as the Final Statements (see Section 2.1.4 Final Statements set out by Ofcom).

#### Openreach

We are required by Section 20.6 of the Commitments to disclose the financial results of Openreach separately and to reconcile the financial results to the Openreach segmental information shown in BT Group plc's Annual Report. We have included this information in Section 5 of these Regulatory Financial Statements.

#### BT Customer Facing Units and Markets with Significant Market Power (SMP)

In the 2019 RFS, we are required to report on the following SMP markets (in the UK excluding the Hull area, modified where stated below):

Market Review (MR)	Wholesale Local Access (WLAMR)	Business Connectivity (BCMR)	Narrowband (NMR)	Wholesale Broadband Access (WBAMR)
openreach	WLA	CISBO Rest of UK	WFAEL	
		CISBO Combined Geographic	ISDN2	
			ISDN30	
Rest of BT		Low Bandwidth TISBO	Call Origination	WBA Market A
			Call Termination	
			Technical Areas	

#### Reporting Financial Performance

We are required to report the Financial Performance of all SMP markets to which cost accounting and/or accounting separation obligations apply:

- At market review level encompassing individual SMP markets; and
- At an individual SMP market level.

# Section 1 – Introduction to the Regulatory Financial Statements

## BT SMP Markets

### Wholesale Local Access Markets

Copper and fibre fixed lines connecting end-users to access nodes in BT exchanges. Communication providers (CPs) use these lines to provide telephone and broadband internet services (including superfast broadband) to residential and business consumers.

#### WLA (Wholesale Local Access)

Copper lines and fibre lines used by CPs to connect end-users to their voice or broadband nodes located in BT exchanges.

### Wholesale Broadband Access Markets

Access and backhaul services that allow CPs to provide their end-user customers with broadband over fixed lines.

#### WBA (Market A) (Wholesale Broadband Access Market A)

Market A covers exchange areas where BT and no more than one other CP are currently, or forecast to be, present.

### Narrowband Markets

Provision of products and services that underpin the delivery of fixed line telephone calls. Different wholesale charges are raised to CPs depending on how much of the call is carried on our network

#### WFAEL (Wholesale Fixed Analogue Exchange Lines)

Copper lines connected to a line card in a BT telephony switch. Used by CPs to provide end-users with voice services. Is a prerequisite for WLA SMPF services.

#### ISDN2 (Wholesale ISDN2 exchange line services)

Two 64 Kbps channels provided over a single copper line, connected to a line card in a BT telephony switch. Used by CPs to provide business customers with voice and data services.

#### ISDN30 (Wholesale business ISDN30 exchange line services)

Similar functionality to ISDN2 but provides up to 30 x 64 Kbps channels over a single circuit that can be provided over copper, fibre or radio.

#### Call Termination (Wholesale Fixed Geographic Call Termination)

The wholesale charges for calls to BT fixed lines. These charges are for carrying the call to a BT terminating line from the nearest point in the network at which other CPs could interconnect.

#### Call Origination (Wholesale call Origination on Fixed Narrowband Network)

The wholesale calls originating on our network between the originating fixed line to the first point in the network at which other CPs can interconnect.

#### Technical Areas (DLE Interconnect Circuits)

Provision of the physical infrastructure that allows a CP to interconnect with our network. This enables calls to travel between the two networks.

### Business Connectivity Markets

Cover the provision of leased lines and dedicated circuits providing transmission capacity between fixed locations.

#### Low Bandwidth CISBO (Contemporary Interface Symmetric Broadband Origination) Rest of UK

This market is for services sold outside of the London Periphery, Central London, Hull and the CBDs of Birmingham, Bristol, Glasgow, Leeds and Manchester.

#### Low Bandwidth CISBO Combined Geographic

Leased lines provided using modern technology more suitable for the transmission of IP data.

This market is for services sold in the London Periphery zone and CBDs of Bristol and Manchester.

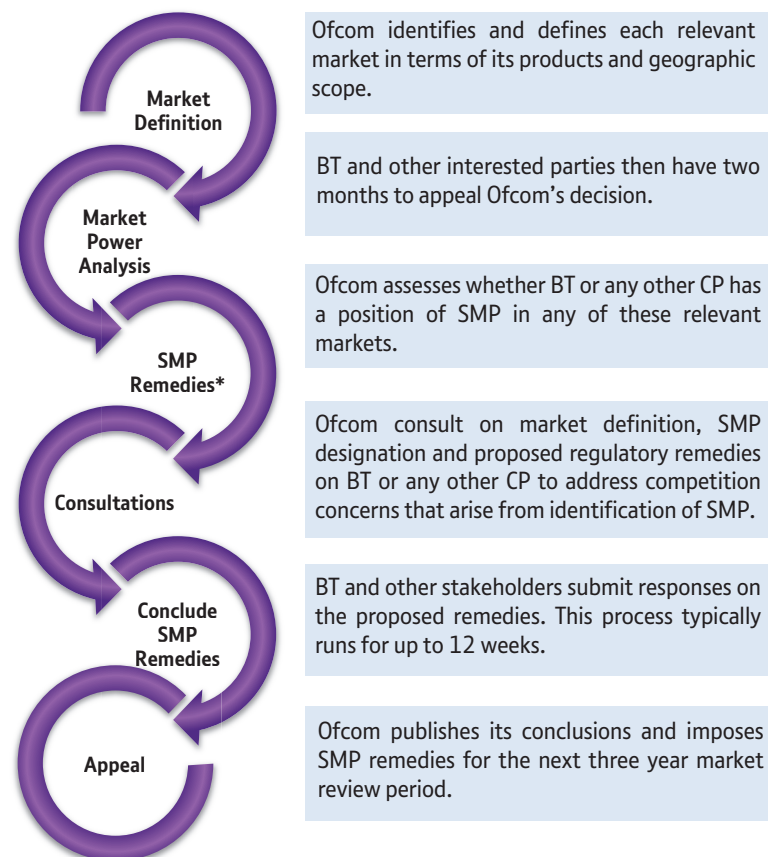
#### Low Bandwidth TISBO (Traditional Interface Symmetric Broadband Origination)

Low bandwidth leased lines (up to 8 Mbps) provided using legacy technology. End-users are gradually migrating to more modern technologies but currently still value certain characteristics of these traditional lines.

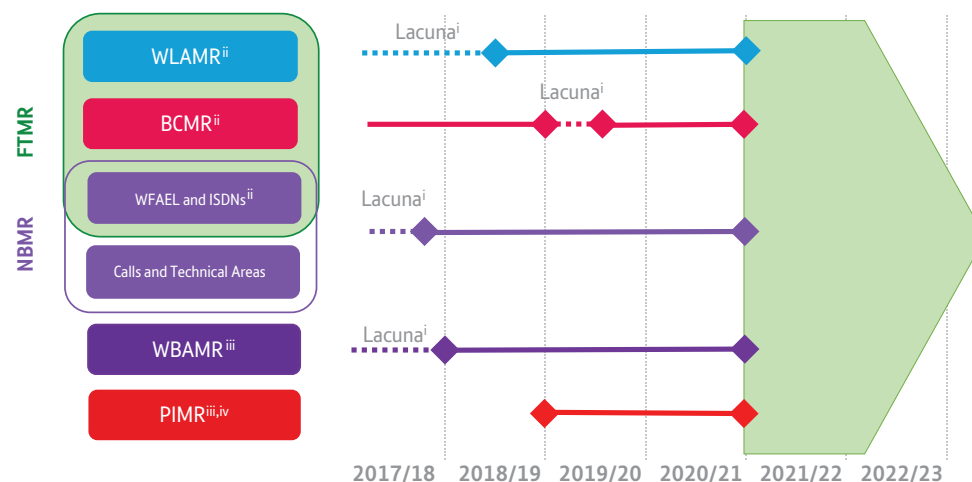
# Section 1 – Introduction to the Regulatory Financial Statements

## 1.2 Regulatory Market Review Cycle

Ofcom reviews some communications markets periodically, in accordance with the EU Common Regulatory Framework, which is implemented in the UK by the Communications Act 2003 as amended. The process involves three analytical stages: Market Definition, Market Power Analysis and SMP Remedies. This is followed by consultations with stakeholders, after which Ofcom will conclude and potentially impose SMP remedies for the next period. Prior to the expiry of the market review where the remedies are in place, the market review cycle will start again.



### Market Regulatory Period (BT's Financial Year)



◆ Regulatory Period Beginning/Ending

- i Interim period between expired price controls and implementation of new price controls
- ii Ofcom intends to merge markets into a Fixed Telecoms Market and assess competition across all access services in a new combined Fixed Telecoms Market Review (FTMR) from 2021
- iii Market will be reviewed as part of the FTMR
- iv New Market from 2019/20: Physical Infrastructure Market Review (PIMR)

\*Examples of SMP remedies are below:





# Section 1 – Introduction to the Regulatory Financial Statements

## 1.3 Regulatory Market Changes

### Wholesale Local Access Market

#### Key Regulatory Changes

Ofcom published the final statement of the WLA market review on 28 March 2018. This set out the Ofcom policy regarding WLA services and will cover the period 1 April 2018 to 31 March 2021.

Following the WLA market review concluded in March 2018, Ofcom made changes to the Local Loop Unbundling (LLU) and Virtual Unbundled Local Access (VULA) product regulation which took effect from 1 April 2018. MPF is still subject to a CPI-based charge control. SMPF had its charge control removed and replaced with a fair and reasonable pricing obligation.

Ofcom has introduced a charge control for the Generic Ethernet Access (GEA) 40/10 lower speed product. The 55/10 and 80/20 and higher bandwidth products are subject to fair, reasonable charges, terms and conditions and no undue discrimination obligations. This means we still have some flexibility in how we price these products.

Along with charge controls, Ofcom has implemented new minimum service level obligations (MSL) and a cap on duct and pole access prices.

The WLA market review also directed BT to make changes to cost allocation methodologies for the WLA market, and to the level of disclosure for these markets. These are detailed in the 2018/19 Change Control Notification.

#### Key Market Changes

There has been an increase in demand for WLA driven by continued growth in fibre technology as a result of increased investment from BT and Broadband Delivery UK (BDUK). Demand for WLA Copper services has remained flat.

Return on Capital Employed (ROCE) for WLA has fallen, driven primarily by falling returns on GEA services. These services have been impacted by price reductions, increased costs to meet higher MSLs, and an increase in NGA infrastructure investment. Returns on WLA Copper services have fallen slightly, driven by the increased costs to meet higher MSLs.

# Section 1 – Introduction to the Regulatory Financial Statements

## Business Connectivity Markets

### Key Regulatory Changes

The final statement of the BCMR was published on 28 April 2016. This set out new cost allocation methodologies, new charge controls and redefined the markets. The new cost allocations were introduced in 2015/16 and the charge controls commenced in 2016/17.

We disagreed with some aspects of this statement and appealed these to the Competition Appeal Tribunal (CAT). In July 2017 the CAT upheld our appeal on product market, geographic market and core network grounds. In November 2017 the CAT quashed Ofcom's decisions on these aspects and told it to reconsider.

On 23 November 2017, Ofcom published the following two statements revoking the relevant parts of the 2016 BCMR and imposing temporary conditions:

- Revocation of certain measures imposed in the business connectivity markets; and
- Temporary SMP conditions in relation to business connectivity services

These documents set out revised markets for CISBO (Contemporary Interface Symmetric Broadband Origination), moving all services greater than 1Gbps to Residual and changing the geographical split.

In its statement, Ofcom found BT to have SMP in the following markets:

- Low Bandwidth CISBO in the Combined Geographic area (London Periphery, Manchester and Bristol);
- Low Bandwidth CISBO in the Rest of UK area (the UK excluding Hull, the Combined Geographic area, London, Birmingham, Glasgow and Leeds); and
- Low Bandwidth TISBO (in the UK excluding Hull). This market definition now includes Low Bandwidth services previously included in Regional Trunk and Technical Areas.

Charge controls were imposed in these markets, principally on the basket of Ethernet CI services up to and including 1Gbps. A starting charge adjustment of -12% and an annual price cap of CPI-13.5% was also imposed. 2018/19 is the final year of this charge control.

Under the new charge control, prices in the market have fallen significantly.

In November 2018 Ofcom launched a consultation on its review of the business connectivity market setting out proposals for regulation during the period April 2019 to March 2021. Ofcom proposes that all traditional interface services are deregulated, while

Very High Bandwidth Ethernet and Optical services will be subject to a charge control for the first time – albeit at nominally flat prices. Ofcom is proposing that the Central London Area (CLA) should continue to be deregulated in the Access Market, while in the Inter-exchange market BT exchanges with two or more Principal Core Operators (PCO) are proposed to be deregulated. There are also proposals to require Openreach to offer dark fibre connections (at cost) between exchanges where one end is a BT-only exchange. The key remedies are:

- In areas where BT faces competition from two or more rivals, fair and reasonable pricing are imposed and standards for quality of service are removed
- In areas with limited competition (BT Only or BT+1 competitor), prices are kept flat and have standards for quality of service at all bandwidths

We responded to the consultation on 18 January and Ofcom published its final statement in June 2019.

### Key Market Changes

The CISBO markets saw a decrease in ROCE, driven primarily by price reductions. The decrease was partly offset by an increase in volumes. Costs and MCE have increased, driven by increased fibre investment.

Within the TISBO market there continues to be a fall in demand for traditional Time Division Multiplexing (TDM) circuits as customers migrate to CISBO services and other services such as broadband. This has resulted in falling volumes and lower ROCE in this market.

The main charge controls in place for 2018/19 are as follows:

Charge control by Basket	Value
Low Bandwidth CISBO Rest of UK	CPI-13.5%
Low Bandwidth CISBO Combined Geographic	CPI-13.5%
Low Bandwidth TISBO	CPI-3.5%

## Section 1 – Introduction to the Regulatory Financial Statements

### Narrowband Markets

#### Key Regulatory Changes

The final statement of the NMR was published on 30 November 2017. It covered five fixed voice telephone wholesale markets and the related interconnect circuits technical area, concluding that we have SMP in the following markets:

- WFAEL
- ISDN2
- ISDN30
- Call origination
- Call termination
- Technical areas (DLE Interconnect Circuits)

Ofcom's consultation concluded that, the WFAEL market should be subject to a fair and reasonable charging obligation rather than a cost-based charge control, from 1 April 2017.

ISDN2 and ISDN30 market charge controls have remained on existing lines. Transition to deregulation for the provision and rental of new lines started 1 December 2018.

Call Origination was covered by a fair and reasonable obligation for the year.

We are charge controlled in the Call Termination market based on the long run incremental costs (LRIC). The current nominal average charge will reduce by around 6-7% for the next three years, or an average of about 4p per line per year.

The Interconnect (IC) Market is defined as only IC that connects at the Digital Local Exchange (DLE), whereas previously connections at the Tandem were also included. The charge control on IC remains in place.

Market	After 1 Feb 2018
Fixed Geographic Call Termination	0.0323 ppm
Interconnect Circuits	0%

#### Key Market Changes

The WFAEL market has matured. The most significant trend in the WFAEL market is the movement of CPs from premium to basic line rental services.

ISDN2 volumes declined as alternatives such as Session Initiation Protocol (SIP) Trunking, broadband and NGA services provided opportunities for substitution.

ISDN30 also continues to decline as customers migrated to more modern technology such as Ethernet. However, this market still has considerable rental volumes as ISDN30 provides smaller businesses a cheaper alternative to Ethernet products.

Calls markets continue to show reducing volumes, driven by the ongoing migration of call services from fixed narrowband networks to mobile networks and VoIP, reducing call origination and termination volumes.

As call origination and termination volumes reduce, there is a consequential reduction in the demand for interconnect circuits. Interconnect circuit volumes have also reduced due to CPs rationalising their existing interconnections with BT, directly interconnecting with other CPs, and moving to IP solutions which do not require traditional interconnect circuits.

## Section 1 – Introduction to the Regulatory Financial Statements

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### Wholesale Broadband Access Markets

#### Key Regulatory Changes

Ofcom published the Wholesale Broadband Access Market Review on 31 July 2018. The key headlines were the reduction of the size of WBA Market A (where BT has SMP) to 0.9% of premises. Market B exchanges are defined as those with three or more CPs present (including BT), and Market A exchanges are defined as those with two or less CPs present (including BT). The charge control in place for Market A has been removed and replaced with a fair and reasonable requirement on terms, conditions and charges.

#### Key Market Changes

The composition of WBA customers in regulated areas is changing as CPs withdraw from BT's IPstream products. There has, however, been growth in fibre broadband and correspondingly good growth in WBA fibre products. These products have remained competitive in the marketplace due to the increased roll-out of infrastructure, which has allowed us to offer higher speeds on our WBA fibre products.

Sales of Wholesale Broadband Connect (WBC) fibre and copper products are growing, while IPstream service volumes are declining, as end users are moving away from the legacy broadband network (20CN) to the 21CN platform. Overall, the WBC revenue growth outweighs the IPstream revenue decline, due to an increase in bandwidth consumption per end user.

Section 2  
Basis of Preparation

## Section 2 – Basis of Preparation

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### 2.1 Basis of Preparation

#### 2.1.1 Regulatory Accounting Framework

The ultimate holding company of British Telecommunications plc ('the Company') is BT Group plc. The terms 'the Group', 'the Company', 'BT', 'we', 'us' or 'our' refer collectively to BT Group plc and its subsidiary undertakings. The group financial statements consolidate the financial statements of BT Group plc and its subsidiaries, and include its share of the results of associates and joint ventures using the equity method of accounting.

BT Group plc's Annual Report details the basis of preparation and explains the accounting policies adopted by the Group. BT's Annual Report 2019, on which the independent external auditors issued an unqualified report, did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006 and has been delivered to the Registrar of Companies.

The Company has, by agreement with BT Group plc, prepared the RFS in accordance with the Regulatory Accounting Principles (RAP) (as described in Section 2.1.2 below) and Accounting Methodology Document (AMD) (as described in Section 2.1.3 below), by disaggregating balances recorded in the general ledgers and other accounting records of the Group.

The RAP and AMD set out the framework under which the RFS are prepared.

#### 2.1.2 Regulatory Accounting Principles

The RAP are the principles we apply or use in the preparation of the RFS. For example we must attribute revenues, costs, assets and liabilities in accordance with the activities which cause the revenues to be earned, or costs to be incurred, or assets to be acquired, or liabilities to be incurred respectively.

Ofcom set out its conclusions in the Regulatory Financial Reporting Final Statement it issued on 20 May 2014 that, in preparing the RFS, BT shall comply with the RAP, including the requirement for consistency with regulatory decisions.

This requirement is reiterated in the RAP amended by Ofcom's SMP conditions imposed following market reviews, most recently, SMP condition 7.8 set out in Annex 1 of the 2018 WBA Statement.

#### 2.1.3 Documentation and Application of the Regulatory Accounting Framework

In adhering to the RAP, we prepare and annually update our methodology documentation, the AMD. This document covers:

- **Attribution Methods** - we explain how we attribute revenue, transfer charges, costs, assets and liabilities to activities.

- **Transfer Charge System Methodology** - we explain our approach to transfer charges within our regulatory costing system (CostPerform).
- **No Undue Discrimination** - we demonstrate an equivalent treatment for internal and external CPs. For each reported market, we disclose the average price of services sold to external CPs and the average price sold to internal CPs. Where a reported market is required to buy input services from an upstream reported market, the cost is shown as an Equivalence of Input (EOI) charge.
- **Accounting Policies** - the way we apply the requirements of the Companies Act 2006, Article 4 of the International Accounting Standards (IAS) Regulation, and our accounting policies, in line with the RAP. The AMD details the accounting policies adopted in preparing the underlying financial information.
- **Long Run Incremental Cost (LRIC) Methodology** - the long run incremental cost principles, procedures and processes form the framework we use to calculate long run incremental costs and standalone costs.
- **Current Cost Accounting (CCA)** - we prepare the RFS under the Financial Capital Maintenance (FCM) convention in accordance with the principles set out in the handbook "Accounting for the Effects of Changing Prices", published in 1986 by the Accounting Standards Committee. Under the FCM convention, we include changes in asset values in the RFS income statement as unrealised holding gains or losses. The CCA section also includes the Regulatory Asset Valuation (RAV) where Ofcom has directed an alternative methodology for valuing parts of the local access network.
- **Usage Factors** - we use usage factors in our costing methodology to reflect the different usage of network components by services.

In addition to the AMD, we also publish a Wholesale Catalogue, which separately identifies and describes services which are internally, externally, or both internally and externally supplied, and those which are used in the course of supplying other wholesale services.

The product and geographic markets defined by Ofcom's Final Statements do not correspond to how the Group is organised for management and accounting purposes. The RFS are therefore produced by overlaying the requirements of the regulatory reporting framework on the management and accounting structure of the Group.

We reconcile the RFS to BT's statutory accounts (in Section 5 of this report) and we explain any differences.

## Section 2 – Basis of Preparation

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For the purposes of the RFS, we calculate Fully Allocated Cost (FAC) for our network components including a Return on Mean Capital Employed (MCE) attributed to that component.

Due to the complex nature of the RFS, figures in this report are individually rounded to the nearest relevant unit (e.g. £m or £0.1m). For values of less than £50,000 these round to a 0, and where there is no value this is shown as “-”. Totals and sub-totals are calculated based on these rounded figures and percentages are based on unrounded figures. Where required by the Final Statements, rounding differences are shown on each individual schedule. Where rounding differences are not shown minor summation inconsistencies may arise between schedules.

### 2.1.4 Final Statements set out by Ofcom:

Below are the Final Statements setting out the legal directions relevant to the RFS for the year ended 31 March 2019:

- Regulatory Financial Reporting Final Statement 20 March 2019
- Wholesale Broadband Access Market Review Statement 31 July 2018
- Wholesale Local Access Market Review Statement 28 March 2018
- Narrowband Market Review Statement 30 November 2017
- Business Connectivity Market Review 2016 Revocation of certain measures imposed in the business connectivity markets 23 November 2017
- Business Connectivity Markets Temporary SMP conditions in relation to business connectivity services 23 November 2017
- Business Connectivity Market Review Statement 28 April 2016

### 2.1.5 Changes to BT's Financial Reporting Obligations

Implementation of the Regulatory Financial Reporting Final Statement (RFR 2019) – See Change Control Notification 2019 (the “CCN 2019”) reference 3.01

This review directed changes to schedules presented in the RFS and the removal of others. Section 5 of this RFS includes the Performance Summary by Market; Attribution of Wholesale Current Costs and BT Group Reconciliation.

Information included in the 2018 RFS Section 6 – Openreach Information has been combined to be included in Section 5.

To ensure compliance with the financial reporting obligations of the Commitments, Openreach information has been incorporated in the schedules which detail Attribution of Wholesale Current Costs and the Performance Summary by Market.

### Implementation of the WBAMR 2018 – See CCN 2019 reference 3.02

This market review has revised geographic boundaries classifying exchanges as WBA Market A or B, to reflect where we have SMP. These are the exchanges and proportion of UK premises, without accounting for “committed” planned LLU and Fibre roll out, in Market A will represent 0.9% of the overall market. The Point of Handover adjustment, that relates to cabinets held in Market B associated with a ‘child’ exchange located in Market A, will no longer be required as the majority of exchanges will now be in Market B. There have also been a number of presentational changes to our reporting including:

- Market summary: we have only reported services that have both total revenue in excess of £5m and EOI costs of £1m. The remaining services will be aggregated into ‘Other WBA (Market A)’.
- Calculation of FAC summary: will no longer be disclosed.
- EOI summary: Will only report inputs that have total revenue in excess of £1m. The remaining EOI inputs will be aggregated into a new service ‘EOI Other’.

### Implementation of the NMR 2017 – See CCN 2019 reference 3.03

Ofcom's Narrowband Market Review, dated 20 November 2017 directed changes to ISDN2 and ISDN30, requiring the revised renaming of several services.

The impact of the market restructures are shown in Appendix 3.1.3.

### Implementation of the WLAMR 2018 – See CCN 2019 reference 3.04

Ofcom's WLA Market Review, dated 28 March 2018, directs changes in our reporting at the service level. We will present service level information for GEA 40/10 services previously included in Other WLA. SMPF services will no longer be reported and will be included in Other WLA.

The impact of the market restructures are shown in Appendix 3.1.3.

### 2.1.6 Comparability of Current and Prior Year Results

The 2018/19 results are prepared in accordance with the AMD issued on 31 July 2019. The restated comparatives for the year ended 31 March 2018 reflect methodology changes listed in the CCN 2019 as summarised in section 3.1.4 of Appendix 3, and all known errors above

## Section 2 – Basis of Preparation

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Ofcom's defined materiality threshold as described in section 3.1.5 of Appendix 3. The impact of these changes is shown in Appendix 3.1.4 on pages 126–131.

### IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 sets out the requirements for recognising revenue and costs from contracts with customers. The Annual Report details the adoption of IFRS 15, we have chosen to adopt on a modified retrospective basis. This means the new standard has only been applied to contracts in progress but not completed at 1 April 2018 and prior year comparatives have not been restated.

The impact of IFRS 15 in the RFS is due to changes in the way we account for connections revenue. Previously, the group recognised connections revenue upon performance of the connection activity. Under IFRS 15, connections revenue is deferred and recognised on a straight-line basis over the associated line/circuit contractual period. This means that revenue and costs are recognised later. The largest impact is seen in our Business Connectivity and Wholesale Local Access markets.

### 2.1.7 Adoption of the Commitments

In 2018 we fulfilled the Commitments we gave to Ofcom following its Digital Communications Review. Ofcom was broadly satisfied with our progress, including the incorporation of Openreach Ltd as a wholly owned subsidiary of BT plc, with its own board and greater strategic independence, and completing the TUPE transfer into the new Openreach Ltd of 31,000 employees from BT plc. Our next priority is to fulfil our commitment to make information sharing between BT and Openreach more transparent.

In June and November 2018 Ofcom published reports on progress towards delivering a more independent Openreach, in which it updated on its view of steps taken towards implementing the legal separation of Openreach Limited from BT Group. In the most recent report, Ofcom stated that it remained "broadly satisfied with progress" and that "significant progress has been made and the Commitments have now been fully implemented in BT and Openreach." Ofcom has published a full compliance report in June 2019 covering the period April 2018 to March 2019.



Section 3  
Statement of Responsibility

## Section 3 – Statement of Responsibility

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### 3.1 Statement of Responsibility

British Telecommunications plc (the “Company”) is required to prepare the RFS in accordance with the Final Statements as described in Section 2.1.4 ‘Final Statements set out by Ofcom’.

The RFS include comparative information for the year ended 31 March 2018 originally published on 31 July 2018 (the “2018 RFS”). The 2018 RFS were subsequently subject to certain restatements and re-presentations detailed in section 2.1.6. The Reconciliation Report (Appendix 3) provides additional detail on the impact of these methodology changes and errors identified subsequent to publishing the 2018 RFS.

The directors confirm to the best of their knowledge that the RFS for the year ended 31 March 2019 have been prepared in accordance with the requirements of the Final Statements, the Accounting Methodology Document (“AMD”) and Wholesale Catalogue issued on 31 July 2019 and in accordance with the RAP.

The directors confirm to the best of their knowledge that the comparative information for the year ended 31 March 2018 included in the RFS have been prepared in accordance with the requirements of the Final Statements and the AMD issued on 31 July 2018 subject to certain restatements and re-presentations as detailed in Appendix 3.1.1 and 3.1.3.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Openreach

The Company is also required in accordance with the Commitments to separately report the financial results of Openreach within the RFS as explained in Section 1.1.

The Commitments require the Company to report the financial results of Openreach, including the following:

- Openreach financial information such as headline revenue, operating costs disaggregated by major cost category, depreciation, revenues broken down into the broad product groups that Openreach Business Unit provides and further split between internal and external sales, and separately identified payments to other parts of BT for products that form inputs to Openreach Business Unit products (eg electronics); and

- Reconciliation of Openreach’s revenue, operating profit and return or profit before tax (and other such items as agreed between the Company and Ofcom) with financial information about Openreach shown in BT’s Annual Report.

The Openreach Financial Statements can be found in Section 5 and include comparative information for the year ended 31 March 2018. These comparatives were subject to certain restatements and representations detailed in Appendix 3.1.1 and 3.1.3.

The form, content and basis of preparation of the financial results of Openreach follow those used in the preparation of the RFS as described above, except where differences are agreed with Ofcom.

The directors confirm to the best of their knowledge that the Openreach Financial Statements for the year ended 31 March 2019, have been prepared in accordance with the AMD and Wholesale Catalogue issued on 31 July 2019, and comply with the requirements of the Commitments issued on 1 October 2018.

The directors confirm to the best of their knowledge that the comparative information for the Openreach Financial Statements for the year ended 31 March 2018 included in the RFS, have been prepared in accordance with the requirements of the Final Statements and the AMD issued on 31 July 2018, subject to certain restatements and re-presentations as detailed in Appendix 3.1.1 and 3.1.3, and comply with the requirements of the Commitments issued on 1 October 2018.

Approved by the Board of Directors and signed on its behalf by:

Simon Lowth

Director, British Telecommunications plc

31 July 2019

Section 4  
Audit Report

## Section 4 – Audit Report

### 4.1 Report of Independent Auditors

*Independent auditors' report to the directors of British Telecommunications plc and Ofcom issued in accordance with the Final Statements as set out below*

#### Opinions

We have audited the non-statutory financial statements of the Company (for the year ended 31 March 2019) which are set out on pages 1 to 139 of the attached report titled Regulatory Financial Statements (the "Regulatory Financial Statements") as specified in Ofcom's Final Statements (the "Final Statements") as described in paragraph 2.1.4 above. These Regulatory Financial Statements are prepared in accordance with the Accounting Methodology Document ("AMD") and the Wholesale Catalogue ("WC").

We have audited the information in respect of the Market Financial Statements, Openreach (the "Openreach Information") and the impact of methodology changes and errors (the "Reconciliation Report"), which we refer to as the 2019 Financial Statements, contained within the Regulatory Financial Statements 2019.

The Market Financial Statements comprise the following statements for the year ended 31 March 2019 for the Markets listed on page 4:

- a) the Summary of Market Performance on pages 21 to 42; and
- b) the related notes comprising the Basis of Preparation on pages 10 to 13, the individual market summaries and individual market calculations of Fully Allocated Cost based on component costs and usage factors on pages 43 to 107, and Appendix 1 on pages 108 to 114.

The Market Financial Statements include the statements of financial performance for each of the following market groups for the year ended 31 March 2019 shown within the Performance Summary by Market on page 22:

- Wholesale Local Access;
- Business Connectivity Markets;
- Narrowband Markets; and
- Wholesale Broadband Access (Market A).

The Market Financial Statements also include the statements of financial performance for each market for the year ended 31 March 2019 shown within the Performance Summary by Market on page 22, including those listed below on which we express an opinion (the "PIA Markets"):

- Wholesale local access services ("WLA");
- Low Bandwidth Contemporary Interface Symmetric Broadband Origination – Rest of UK ("Low Bandwidth CISBO Rest of UK");
- Low Bandwidth Traditional Interface Symmetric Broadband Origination ("Low Bandwidth TISBO");
- Wholesale fixed analogue exchange line services ("WFAEL");
- Wholesale ISDN30 exchange line services ("ISDN30");
- Fixed Call Origination;
- Fixed Geographic Call Termination; and
- Wholesale Broadband Access (Market A) ("WBA – Market A").

For the avoidance of doubt, we do not express audit opinions in respect of the statements of financial performance for Low Bandwidth CISBO Combined Geographic, Wholesale ISDN 2 Exchange Line Services ("ISDN 2") or Technical areas (DLE Interconnect Circuits) for the year ended 31 March 2019 shown within the Performance Summary by Market on page 22.

The Openreach Information comprises information relating to income, MCE and reconciliation statements for Openreach for the year ended 31 March 2019, separately reported in the Summary of Market Performance on pages 21 to 42:

The Regulatory Financial Statements for the year ended 31 March 2019 are prepared by British Telecommunications plc (the "Company") to comply with the Final Statements, and in accordance with the Company's Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2019 and in respect of the Openreach information in accordance with the Commitments agreed between the Company and Ofcom dated 1st October 2018 (the "Commitments").

The 2019 Financial Statements include comparative information for the year ended 31 March 2018 first published on 31 July 2018 which has been restated and re-presented by the Company to comply with the Final Statements, and in accordance with the Company's Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2018 as amended, where applicable, in accordance with "Comparability of current and prior year results" on pages 12 and 13. This comparative information includes the restated Performance Summary by Market on page 23 (the "Restated Market Financial Statements").

## Section 4 – Audit Report

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The Reconciliation Report in Appendix 3 shows the impact of methodology changes and errors on revenues, costs and MCE.

Nb. As set out on page 11, BT follows Ofcom's Regulatory Accounting Principles ("RAP"), by preparing and annually updating its methodology documentation, the AMD. Ofcom is notified about any changes to the AMD annually, as part of the Network Change Control Notification (NCCN) process, the documentation of which we review.

In our opinion:

- a) the Financial Statements as a whole, each of the Financial Statements and the Market Summary Statements for each of the PPIA Markets for the year ended 31 March 2019 have been properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2019 and comply with the disclosure requirements of the Final Statements;
- b) the Openreach Information for the year ended 31 March 2019 has been properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2019 and complies with the disclosure requirements of the Commitments and the Final Statements;
- c) the Restated Financial Statements as a whole have been properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2018 as amended, where applicable, in accordance with "Comparability of current and prior year results" on pages 12 and 13 and comply with the disclosure requirements of the Final Statements.
- d) for the 2019 Reconciliation Report, all Material Changes were included in the Change Control Notification, the description of each of the Material Changes provided by BT in the Change Control Notification is accurate, BT included each and every Material Change in the reconciliation report and correctly calculated the impact of all changes presented in the Regulatory Financial Statements, the description of each of the Material Errors provided by BT in the reconciliation report is accurate; and
- e) the Corrected Previous Year Figures set out in the reconciliation report are properly prepared in accordance with the Accounting Methodology Documents for the

previous Financial Year had these Accounting Methodology Documents not included these Material Errors,

- f) the 2018 Error Correction schedule as a whole has been properly prepared in accordance with the Accounting Methodology Document and the Wholesale Catalogue dated 31 July 2018 including correction of the identified errors described in Appendix 3 to the Regulatory Financial Statements on page 132 (the "2018 Basis of Preparation").

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP audited the Statutory Financial Statements of BT Group plc (the "Statutory Financial Statements"), which includes British Telecommunications plc, for the year ended 31 March 2019 on which it expressed an unmodified audit opinion, and PWC LLP audited the Statutory Financial Statements for the year ended 31 March 2018 on which it expressed an unmodified audit opinion. These audit reports on the Statutory Financial Statements describe the scope of their audits of those Statutory Financial Statements. In conducting our subsequent audit of the 2019 Financial Statements, and in providing the opinions above, we have not performed any additional tests of the transactions and balances which are recorded in the general ledgers and other accounting records beyond those already performed for the purpose of the audits of the Statutory Financial Statements.

### **Independence**

We remained independent of BT Group plc and its subsidiaries ("the Group") in accordance with the ethical requirements that are relevant to our audit of the 2019 Financial Statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Emphasis of matter – Basis of preparation**

In forming our opinions on the 2019 Financial Statements, which are not modified, we draw attention to the fact that the Regulatory Accounts have been prepared in accordance with a special purpose framework for the Directors and Ofcom for the specific purpose as described

## Section 4 – Audit Report

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in the ‘Use of this report’ paragraph below. The nature, form and content of the Regulatory Financial Statements are determined by Ofcom. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable for Ofcom’s purposes.

The Regulatory Financial Statements are separate from the statutory financial statements of BT Group and have not been prepared on the basis of IFRS or UK GAAP, and therefore do not necessarily represent a true and fair view of the financial position of the company.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- a) the directors’ use of the going concern basis of accounting in the preparation of the 2019 Financial Statements is not appropriate; or
- b) the directors have not disclosed in the 2019 Financial Statements any identified material uncertainties that may cast significant doubt about the Group’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from 9 May 2019, the date when the Statutory Financial Statements for the year ended 31 March 2019 were authorised for issue.

Because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group’s ability to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Regulatory Financial Statements 2019 other than the 2019 Financial Statements and our auditors’ report thereon.

The directors are responsible for the other information. Our opinion on the 2019 Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the 2019 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 2019 Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the 2019 Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Directors’ Statement of Responsibility set out on page 15, the directors are responsible for the preparation of the Regulatory Financial Statements under the current cost convention in accordance with:

- a) Ofcom’s Final Statements, as set out in Section 2 of this document; and
- b) the Company’s Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2019.

The Directors are also responsible for the preparation of the Openreach Information under the current cost convention in accordance with:

- the Commitments;
- the Final Statements; and
- the Company’s Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2019.

The directors are also responsible for the preparation of the Reconciliation Report under the current cost convention in accordance with:

- the Final Statements;
- in respect of information for the year ended 31 March 2019, the 2019 Basis of Preparation; and
- in respect of information for the year ended 31 March 2018, the 2018 Basis of Preparation.

As explained in the “Basis of Preparation” on pages 10 to 13 the Company has, by agreement with BT Group plc, its ultimate parent company, prepared the 2019 Financial Statements by disaggregating balances recorded in the general ledgers and other accounting records of the Group maintained in accordance with the Companies Act 2006 and used, in accordance with that Act, for the preparation of the Statutory Financial Statements for the years ended 31 March 2019 and 31 March 2018.

The Directors are also responsible for determining that the basis of preparation is acceptable in the circumstances and also for such internal control as they determine is necessary to enable

## Section 4 – Audit Report

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the preparation of 2019 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the 2019 Financial Statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable matters related to going concern, and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic regard the directors' assessment was made for the purposes of the preparation of the Statutory Financial Statements approved on 9 May 2019 and, therefore, covers a period of at least, but not limited to, twelve month period from that date.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether:

- a) the Market Financial Statements as a whole, each of the Market Group Statements, the statements of financial performance for each of the PPIA Markets and the Openreach Information are properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and Wholesale Catalogue dated 31 July 2019 and comply with the disclosure requirements of the Final Statements and in respect of the Openreach Information, the Commitments.
- b) the restated Market Financial Statements as a whole for the year ended 31 March 2018 are properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and Wholesale Catalogue dated 31 July 2018 subject to the changes described in "Comparability of current and prior year results" on pages 12 and 13, and comply with the disclosure requirements of the Final Statements.
- c) the 2019 Methodology Change Schedule as a whole is properly prepared in accordance with the 2019 Basis of Preparation and complies with the disclosure requirements of the Final Statements; and
- d) the 2018 Error Correction schedule as a whole is properly prepared in accordance with the 2018 Basis of Preparation and complies with the disclosure requirements of the Final Statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 2019 Financial Statements. In this regard, we have used a quantitative materiality threshold of 2 – 3% of the total revenues or costs of each PPIA Market and Market Group for the purposes of planning and performing our audit.

We also report our opinion as to whether, in the course of conducting our audit, we have become aware of any material changes in costing methodologies used in the preparation of the 2019 Financial Statements compared with the costing methodologies applied in the preparation of the 2018 Financial Statements which were not included in the description of methodology changes published by the Company in the Change Control Notification. Further we read each of the papers approved by the Company's Accounting Separation Improvement Group ("ASIG") in the period 1 August 2018 to 31 July 2019 and report any methodology changes expected by management to have a material impact on the 2019 Financial Statements which were approved by the ASIG for use in the preparation of the 2019 Financial Statements for the year ended 31 March 2019 but not included in the description of methodology changes published by the Company in the Change Control Notification.

### Use of this report

This report, including the opinion, has been prepared for and only for the directors and for Ofcom for the purposes of meeting the Company's obligations under the Final Statements in accordance with our engagement letter with the Company and Ofcom dated 12 March 2018 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

The engagement partner on the audit resulting in this independent auditors' report is Antony Cates.

KPMG LLP

Chartered Accountants

London

31 July 2019

Section 5  
Summary of Market Performance



## Section 5 – Summary of Market Performance

### Performance Summary by Market or Technical Area

For the year ended 31 March 2019

	Section	Internal Revenue £m	External Revenue £m	Total Revenue £m	Operating Costs £m	Depreciation £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA Adj. £m	Roundings £m	Total CCA Operating Costs £m	Return £m	Mean Capital Employed £m	Return on MCE %
<b>Openreach</b>														
<b>WLA</b>	6.1	858	1,495	2,353	1,186	546	(120)	93	(2)	-	1,703	650	6,077	10.7%
<b>Business Connectivity Markets</b>														
Low Bandwidth CISBO Rest of UK	7.1	291	208	499	227	200	(35)	39	(1)	-	430	69	1,980	3.5%
Low Bandwidth CISBO Combined Geographic	7.2	15	13	28	9	8	(1)	1	0	-	17	11	63	16.8%
<b>Narrowband Markets</b>														
WFAEL	8.1	1,243	371	1,614	717	407	(107)	112	4	-	1,133	481	4,518	10.6%
ISDN2	8.2	32	47	79	27	12	(3)	3	1	-	40	39	125	31.8%
ISDN30	8.3	60	76	136	52	22	(3)	3	0	1	75	61	195	31.1%
<b>Total Openreach SMP Markets</b>		<b>2,499</b>	<b>2,210</b>	<b>4,709</b>	<b>2,218</b>	<b>1,195</b>	<b>(269)</b>	<b>251</b>	<b>2</b>	<b>1</b>	<b>3,398</b>	<b>1,311</b>	<b>12,958</b>	<b>10.1%</b>
Openreach Residual		260	106	366	63	120	(17)	23	(1)	-	188	178	801	22.3%
<b>Total Openreach</b>		<b>2,759</b>	<b>2,316</b>	<b>5,075</b>	<b>2,281</b>	<b>1,315</b>	<b>(286)</b>	<b>274</b>	<b>1</b>	<b>1</b>	<b>3,586</b>	<b>1,489</b>	<b>13,759</b>	<b>10.8%</b>
<b>Rest of BT</b>														
<b>Business Connectivity Markets</b>														
Low Bandwidth TISBO	7.3	74	48	122	69	30	(3)	4	(0)	-	100	22	217	10.3%
<b>Narrowband Markets</b>														
Fixed Call Origination		108	30	138	70	18	(2)	2	1	-	89	49	147	33.6%
Fixed Geographic Call Termination	8.4	3	6	9	66	19	(2)	2	1	-	86	(77)	143	(54.0)%
Technical Areas (DLE Interconnect Circuits)	8.5	-	6	6	3	1	(0)	0	0	-	4	2	6	22.0%
<b>WBA (Market A)</b>	9.1	99	3	102	37	16	(2)	3	(0)	-	54	48	131	37.0%
<b>Total Rest of BT SMP Markets</b>		<b>284</b>	<b>93</b>	<b>377</b>	<b>245</b>	<b>84</b>	<b>(9)</b>	<b>11</b>	<b>2</b>	<b>-</b>	<b>333</b>	<b>44</b>	<b>644</b>	<b>6.9%</b>
Rest of BT Residual		1,922	21,018	22,940	19,126	2,126	(12)	18	(1)	-	21,257	1,683	20,692	8.1%
<b>Total Rest of BT</b>		<b>2,206</b>	<b>21,111</b>	<b>23,317</b>	<b>19,371</b>	<b>2,210</b>	<b>(21)</b>	<b>29</b>	<b>1</b>	<b>-</b>	<b>21,590</b>	<b>1,727</b>	<b>21,336</b>	<b>8.1%</b>
Eliminations		(4,966)	-	(4,966)	(5,026)	(45)	11	(15)	1	-	(5,074)	108	(503)	-
Roundings		1	1	2	-	1	1	(1)	-	(1)	-	2	1	-
<b>Total Markets</b>		<b>-</b>	<b>23,428</b>	<b>23,428</b>	<b>16,626</b>	<b>3,481</b>	<b>(295)</b>	<b>287</b>	<b>3</b>	<b>-</b>	<b>20,102</b>	<b>3,326</b>	<b>34,593</b>	<b>9.6%</b>
<b>Total SMP Markets</b>		<b>2,783</b>	<b>2,303</b>	<b>5,086</b>	<b>2,463</b>	<b>1,279</b>	<b>(278)</b>	<b>262</b>	<b>4</b>	<b>1</b>	<b>3,731</b>	<b>1,355</b>	<b>13,602</b>	<b>10.0%</b>

## Section 5 – Summary of Market Performance

### Performance Summary by Market or Technical Area

Restated for the year ended 31 March 2018 (b)

	Section	Internal Revenue £m	External Revenue £m	Total Revenue £m	Operating Costs £m	Depreciation £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA Adj. £m	Roundings £m	Total CCA Operating Costs £m	Return £m	Mean Capital Employed £m	Return on MCE %
<b>Openreach</b>														
<b>WLA</b>	6.1	935	1,433	2,368	1,063	500	(145)	85	(7)	(1)	1,495	873	5,301	16.5%
<b>Business Connectivity Markets</b>														
Low Bandwidth CISBO Rest of UK	7.1	344	234	578	231	186	(43)	37	(5)	-	406	172	1,838	9.3%
Low Bandwidth CISBO Combined Geographic	7.2	17	14	31	11	8	(1)	1	(0)	(1)	18	13	62	19.9%
<b>Narrowband Markets</b>														
WFAEL	8.1	1,279	370	1,649	683	400	(147)	110	(2)	-	1,044	605	4,605	13.1%
ISDN2	8.2	34	55	89	28	13	(4)	3	1	(1)	40	49	135	36.3%
ISDN30	8.3	71	88	159	50	24	(4)	3	0	-	73	86	207	41.8%
<b>Total Openreach SMP Markets</b>		<b>2,680</b>	<b>2,194</b>	<b>4,874</b>	<b>2,066</b>	<b>1,131</b>	<b>(344)</b>	<b>239</b>	<b>(13)</b>	<b>(3)</b>	<b>3,076</b>	<b>1,798</b>	<b>12,148</b>	<b>14.8%</b>
Openreach Residual		291	111	402	102	129	(24)	24	(4)	-	227	175	683	25.6%
<b>Total Openreach</b>		<b>2,971</b>	<b>2,305</b>	<b>5,276</b>	<b>2,168</b>	<b>1,260</b>	<b>(368)</b>	<b>263</b>	<b>(17)</b>	<b>(3)</b>	<b>3,303</b>	<b>1,973</b>	<b>12,831</b>	<b>15.4%</b>
<b>Rest of BT</b>														
<b>Business Connectivity Markets</b>														
Low Bandwidth TISBO	7.3	87	71	158	83	42	(6)	6	(1)	(1)	123	35	287	12.0%
<b>Narrowband Markets</b>														
Fixed Call Origination		107	36	143	68	18	(3)	1	3	1	88	55	148	37.2%
Fixed Geographic Call Termination	8.4	4	7	11	60	18	(3)	1	3	1	80	(69)	136	(50.7)%
Technical Areas (DLE Interconnect Circuits)	8.5	-	6	6	4	1	(0)	0	(0)	-	5	1	7	8.8%
<b>WBA (Market A)</b>	9.1	78	5	83	33	14	(3)	3	(1)	1	47	36	123	29.1%
<b>Total Rest of BT SMP Markets</b>		<b>276</b>	<b>125</b>	<b>401</b>	<b>248</b>	<b>93</b>	<b>(15)</b>	<b>11</b>	<b>4</b>	<b>2</b>	<b>343</b>	<b>58</b>	<b>701</b>	<b>8.1%</b>
Rest of BT Residual		1,989	21,293	23,282	19,861	2,163	(18)	19	(4)	(1)	22,020	1,262	18,883	6.7%
<b>Total Rest of BT</b>		<b>2,265</b>	<b>21,418</b>	<b>23,683</b>	<b>20,109</b>	<b>2,256</b>	<b>(33)</b>	<b>30</b>	<b>(0)</b>	<b>1</b>	<b>22,363</b>	<b>1,320</b>	<b>19,584</b>	<b>6.7%</b>
Eliminations		(5,236)	-	(5,236)	(5,298)	(57)	15	(16)	3	-	(5,353)	117	(559)	-
Roundings		-	-	-	-	-	2	(1)	(1)	2	2	(2)	-	-
<b>Total Markets</b>		<b>-</b>	<b>23,723</b>	<b>23,723</b>	<b>16,979</b>	<b>3,459</b>	<b>(384)</b>	<b>276</b>	<b>(15)</b>	<b>-</b>	<b>20,315</b>	<b>3,408</b>	<b>31,856</b>	<b>10.7%</b>
<b>Total SMP Markets</b>		<b>2,956</b>	<b>2,319</b>	<b>5,275</b>	<b>2,314</b>	<b>1,224</b>	<b>(359)</b>	<b>250</b>	<b>(9)</b>	<b>(1)</b>	<b>3,419</b>	<b>1,856</b>	<b>12,849</b>	<b>14.4%</b>

## Section 5 – Summary of Market Performance

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### 5.2 Wholesale Sector Costs

We outline below a brief description of the sectors reported in the Attribution of Wholesale Current Cost Statement and the key drivers of these sectors. Further details of these sectors can be found in the AMD.

#### EOI Input Prices

Where Openreach provides services under an EOI obligation, these are provided on an equivalent basis to all customers. This means that BT provides, in respect of a particular product or service, the same product or service to all CPs (including BT) on the same timescales, terms and conditions (including price and service levels) by means of the same systems and processes.

#### Provision and Maintenance

Provision and Maintenance includes engineering pay and non-pay costs relating to network provisions, installation and maintenance of the network. The largest of these costs relates to distribution side copper maintenance which is apportioned to services on the basis of the number of lines, relative fault rates and service levels.

#### Network Support

Network Support contains costs of the activities necessary to support the running of BT's network including time booked by engineers to non-operational activities. Most of these costs are apportioned using previously allocated engineers' pay.

## Section 5 – Summary of Market Performance

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### General Support

General Support includes planning, development, supplies, transport, computing, customer service, personnel and administration, and other general support costs. The key drivers for the apportionment of General Support include activity surveys and previously allocated pay costs.

### General Management

General Management includes operator services, costs of general management activities and other general expenses. The key drivers are pay costs and asset values.

### Accommodation

Accommodation includes building rents, business rates, facilities management and utility bills. Accommodation costs are mainly apportioned based on the use of floor space and power consumption.

### Other Costs

This includes other costs including finance and billing costs and bad debts other costs includes payments to other UK CPs, which are allocated to Rest of BT Residual.

### Depreciation

Depreciation is analysed between land and buildings, access, switch, duct and transmission and other (including network power, computers and amortisation of software). The key drivers are engineering models and direct mapping of BT classes of work to network components and then onto the appropriate service based on usage factors and service volumes.

## Section 5 – Summary of Market Performance

### Attribution of Wholesale Current Costs

For the year ended 31 March 2019

	EOI Input Prices £m	Provision/ Maintenance £m	Network Support £m	General Support £m	General Management £m	Accommodation £m	Other Costs £m	Total Operating Costs £m
<b>Openreach</b>								
<b>WLA</b>	-	372	185	215	262	128	24	1,186
<b>Business Connectivity Markets</b>								
Low Bandwidth CISBO Rest of UK	-	14	50	46	88	20	9	227
Low Bandwidth CISBO Combined Geographic	-	1	1	2	4	1	0	9
<b>Narrowband Markets</b>								
WFAEL	-	188	109	138	163	91	28	717
ISDN2	-	5	3	3	5	9	2	27
ISDN30	-	11	5	7	10	15	4	52
<b>Total Openreach SMP Markets</b>	-	<b>591</b>	<b>353</b>	<b>411</b>	<b>532</b>	<b>264</b>	<b>67</b>	<b>2,218</b>
Openreach Residual	-	72	20	30	23	28	(110)	63
<b>Total Openreach</b>	-	<b>663</b>	<b>373</b>	<b>441</b>	<b>555</b>	<b>292</b>	<b>(43)</b>	<b>2,281</b>
<b>Rest of BT</b>								
<b>Business Connectivity Markets</b>								
Low Bandwidth TISBO	-	13	5	6	12	27	6	69
<b>Narrowband Markets</b>								
Fixed Call Origination	-	6	2	3	14	38	7	70
Fixed Geographic Call Termination	-	6	2	3	8	39	8	66
Technical Areas (DLE Interconnect Circuits)	-	1	0	0	0	1	1	3
<b>WBA (Market A)</b>	<b>14</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>2</b>	<b>37</b>
<b>Total Rest of BT SMP Markets</b>	<b>14</b>	<b>29</b>	<b>11</b>	<b>14</b>	<b>38</b>	<b>115</b>	<b>24</b>	<b>245</b>
Rest of BT Residual	985	5	1	3,399	11,752	761	2,223	19,126
<b>Total Rest of BT</b>	<b>999</b>	<b>34</b>	<b>12</b>	<b>3,413</b>	<b>11,790</b>	<b>876</b>	<b>2,247</b>	<b>19,371</b>
Eliminations								(5,026)
Roundings								-
<b>Total Markets</b>	-	<b>680</b>	<b>380</b>	<b>3,846</b>	<b>12,332</b>	<b>1,157</b>	<b>(1,769)</b>	<b>16,626</b>
<b>Total SMP Markets</b>	<b>14</b>	<b>620</b>	<b>364</b>	<b>425</b>	<b>570</b>	<b>379</b>	<b>91</b>	<b>2,463</b>

## Section 5 – Summary of Market Performance

Land and Buildings £m	Duct, Access Copper and Access Fibre £m	Switch and Transmission £m	Other Related £m	Total Depreciation £m	Total HCA Operating Costs £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA Adjs. £m	Roundings £m	Total CCA Operating Costs £m
22	420	7	97	546	1,732	(120)	93	(2)	-	1,703
3	109	67	21	200	427	(35)	39	(1)	-	430
0	3	3	2	8	17	(1)	1	0	-	17
11	348	12	36	407	1,124	(107)	112	4	-	1,133
1	8	1	2	12	39	(3)	3	1	-	40
2	12	6	2	22	74	(3)	3	0	1	75
<b>39</b>	<b>900</b>	<b>96</b>	<b>160</b>	<b>1,195</b>	<b>3,413</b>	<b>(269)</b>	<b>251</b>	<b>2</b>	<b>1</b>	<b>3,398</b>
5	40	57	18	120	183	(17)	23	(1)	-	188
<b>44</b>	<b>940</b>	<b>153</b>	<b>178</b>	<b>1,315</b>	<b>3,596</b>	<b>(286)</b>	<b>274</b>	<b>1</b>	<b>1</b>	<b>3,586</b>
4	12	10	4	30	99	(3)	4	(0)	-	100
6	1	7	4	18	88	(2)	2	1	-	89
6	1	7	5	19	85	(2)	2	1	-	86
0	0	0	1	1	4	(0)	0	0	-	4
2	2	7	5	16	53	(2)	3	(0)	-	54
<b>18</b>	<b>16</b>	<b>31</b>	<b>19</b>	<b>84</b>	<b>329</b>	<b>(9)</b>	<b>11</b>	<b>2</b>	<b>-</b>	<b>333</b>
71	18	488	1,549	2,126	21,252	(12)	18	(1)	-	21,257
<b>89</b>	<b>34</b>	<b>519</b>	<b>1,568</b>	<b>2,210</b>	<b>21,581</b>	<b>(21)</b>	<b>29</b>	<b>1</b>	<b>-</b>	<b>21,590</b>
				(45)	(5,071)					(5,074)
				1	1					-
<b>131</b>	<b>953</b>	<b>661</b>	<b>1,736</b>	<b>3,481</b>	<b>20,107</b>	<b>(295)</b>	<b>287</b>	<b>3</b>	<b>-</b>	<b>20,102</b>
<b>57</b>	<b>916</b>	<b>127</b>	<b>179</b>	<b>1,279</b>	<b>3,742</b>	<b>(278)</b>	<b>262</b>	<b>4</b>	<b>1</b>	<b>3,731</b>

## Section 5 – Summary of Market Performance

### Attribution of Wholesale Current Costs

Restated for the year ended 31 March 2018 (b)

	EOI Input Prices £m	Provision/ Maintenance £m	Network Support £m	General Support £m	General Management £m	Accommodation £m	Other Costs £m	Total Operating Costs £m
<b>Openreach</b>								
<b>WLA</b>	-	337	150	217	233	108	18	1,063
<b>Business Connectivity Markets</b>								
Low Bandwidth CISBO Rest of UK	-	10	42	71	84	18	6	231
Low Bandwidth CISBO Combined Geographic	-	0	1	4	4	1	1	11
<b>Narrowband Markets</b>								
WFAEL	-	188	99	136	148	87	25	683
ISDN2	-	5	3	4	5	9	2	28
ISDN30	-	11	5	7	10	15	2	50
<b>Total Openreach SMP Markets</b>	-	<b>551</b>	<b>300</b>	<b>439</b>	<b>484</b>	<b>238</b>	<b>54</b>	<b>2,066</b>
Openreach Residual	-	91	18	35	40	27	(109)	102
<b>Total Openreach</b>	-	<b>642</b>	<b>318</b>	<b>474</b>	<b>524</b>	<b>265</b>	<b>(55)</b>	<b>2,168</b>
<b>Rest of BT</b>								
<b>Business Connectivity Markets</b>								
Low Bandwidth TISBO	-	17	6	7	14	32	7	83
<b>Narrowband Markets</b>								
Fixed Call Origination	-	6	2	3	12	37	8	68
Fixed Geographic Call Termination	-	6	2	3	7	36	6	60
Technical Areas (DLE Interconnect Circuits)	-	1	0	0	0	2	1	4
<b>WBA (Market A)</b>	<b>12</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>10</b>	<b>2</b>	<b>33</b>
<b>Total Rest of BT SMP Markets</b>	<b>12</b>	<b>33</b>	<b>11</b>	<b>14</b>	<b>37</b>	<b>117</b>	<b>24</b>	<b>248</b>
Rest of BT Residual	1,065	(657)	15	3,452	12,797	747	2,442	19,861
<b>Total Rest of BT</b>	<b>1,077</b>	<b>(624)</b>	<b>26</b>	<b>3,466</b>	<b>12,834</b>	<b>864</b>	<b>2,466</b>	<b>20,109</b>
Eliminations								(5,298)
Roundings								-
<b>Total Markets</b>	-	<b>(1)</b>	<b>340</b>	<b>3,931</b>	<b>13,344</b>	<b>1,116</b>	<b>(1,751)</b>	<b>16,979</b>
<b>Total SMP Markets</b>	<b>12</b>	<b>584</b>	<b>311</b>	<b>453</b>	<b>521</b>	<b>355</b>	<b>78</b>	<b>2,314</b>

## Section 5 – Summary of Market Performance

Land and Buildings £m	Duct, Access Copper and Access Fibre £m	Switch and Transmission £m	Other Related £m	Total Depreciation £m	Total HCA Operating Costs £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA Adjs. £m	Roundings £m	Total CCA Operating Costs £m
29	380	9	82	500	1,563	(145)	85	(7)	(1)	1,495
3	98	68	17	186	417	(43)	37	(5)	-	406
0	3	3	2	8	19	(1)	1	(0)	(1)	18
11	340	15	34	400	1,083	(147)	110	(2)	-	1,044
1	8	1	3	13	41	(4)	3	1	(1)	40
2	12	6	4	24	74	(4)	3	0	-	73
<b>46</b>	<b>841</b>	<b>102</b>	<b>142</b>	<b>1,131</b>	<b>3,197</b>	<b>(344)</b>	<b>239</b>	<b>(13)</b>	<b>(3)</b>	<b>3,076</b>
5	45	58	21	129	231	(24)	24	(4)	-	227
<b>51</b>	<b>886</b>	<b>160</b>	<b>163</b>	<b>1,260</b>	<b>3,428</b>	<b>(368)</b>	<b>263</b>	<b>(17)</b>	<b>(3)</b>	<b>3,303</b>
5	18	13	6	42	125	(6)	6	(1)	(1)	123
6	1	8	3	18	86	(3)	1	3	1	88
6	1	8	3	18	78	(3)	1	3	1	80
0	0	1	0	1	5	(0)	0	(0)	-	5
2	2	7	3	14	47	(3)	3	(1)	1	47
<b>19</b>	<b>22</b>	<b>37</b>	<b>15</b>	<b>93</b>	<b>341</b>	<b>(15)</b>	<b>11</b>	<b>4</b>	<b>2</b>	<b>343</b>
86	18	523	1,536	2,163	22,024	(18)	19	(4)	(1)	22,020
<b>105</b>	<b>40</b>	<b>560</b>	<b>1,551</b>	<b>2,256</b>	<b>22,365</b>	<b>(33)</b>	<b>30</b>	<b>(0)</b>	<b>1</b>	<b>22,363</b>
				(57)	(5,355)					(5,353)
				-	-					2
<b>154</b>	<b>898</b>	<b>707</b>	<b>1,700</b>	<b>3,459</b>	<b>20,438</b>	<b>(384)</b>	<b>276</b>	<b>(15)</b>	<b>-</b>	<b>20,315</b>
<b>65</b>	<b>863</b>	<b>139</b>	<b>157</b>	<b>1,224</b>	<b>3,538</b>	<b>(359)</b>	<b>250</b>	<b>(9)</b>	<b>(1)</b>	<b>3,419</b>



## Section 5 – Summary of Market Performance

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### 5.3 Wholesale Current Cost Mean Capital Employed

We outline below a brief description of the non-current assets sectors and working capital reported in the Attribution of Wholesale Current Cost Mean Capital Employed Statement and the key drivers of the sector. Further details of these sectors can be found in the AMD.

#### Land and Buildings

This sector contains the asset values that are booked to BT Classes of Work (CoW) for land and buildings, including freehold, long leases and short leases. The sector includes corporate offices and network buildings owned by BT. Asset values are mainly apportioned based on the use of floor space.

#### Access – Copper

This sector contains the asset values for access copper (all the copper cables in the access network and all other necessary equipment required to carry signals between the user and the exchange). The key driver is direct mapping of CoW to network components and then onto the appropriate service based on usage factors and actual service volumes.

#### Access – Fibre

This sector contains the asset values for access fibre. The key driver is the mapping of CoW to network components and then onto the appropriate service based on usage factors and actual service volumes.

#### Duct

This sector contains the asset values for duct. Duct is a pipe, tube or conduit through which underground cables are passed. The key driver is a duct model that allocates CoW to network cable components and then onto the appropriate service based on usage factors and actual service volumes.

#### Switch

This sector contains the asset values for switching equipment. This equipment is located in BT exchanges. The key drivers are engineering models that allocate CoW to network components and then onto the appropriate service based on usage factors and actual service volumes.

## Section 5 – Summary of Market Performance

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### Transmission

This sector contains the asset values for transmission. Transmission includes core transmission Synchronous Digital Hierarchy (SDH), Plesiochronous Digital Hierarchy (PDH), cables and repeaters. The core transmission is used to link exchanges. The key drivers are engineering inventories and models that allocate CoW to network components and then onto the appropriate service based on usage factors and service volumes.

### Other

This sector contains the asset values for a range of assets used by BT businesses including categories such as Software, Motor Transport and 21CN. The key drivers are surveys, engineering models and direct mapping of CoW to network components and then onto the appropriate service based on usage factors and actual service volumes.

### Government Grants

This sector includes receipt of government grant funding in relation to eligible capex spend that has been incurred and relates to; grant funded assets, received from a local or regional authority or from a devolved government body such as: Broadband Delivery UK (BDUK) grant funding received from the Department of Culture Media and Sport; and European Regional Development Fund (ERDF) grants. Allocation to FTTP and FTTC is based on capex.

### Working Capital

Working capital includes internal receivables and payables, external receivables and payables. Receivables and payables include an approximation of the internal “notional” receivables and payables that would be incurred if trades between BT’s business units were undertaken with a third party and at arm’s length. They are based upon the average trading terms of the Group’s external trade. Other working capital is attributed based on previously allocated costs and capex.

## Section 5 – Summary of Market Performance

### Attribution of Wholesale Current Cost Mean Capital Employed

For the year ended 31 March 2019

	Land & Buildings £m	Access – Copper £m	Access – Fibre £m	Duct £m	Switch £m	Transmission £m	Other £m	Less Government Grants £m	Total Non- current Assets £m
<b>Openreach</b>									
WLA	218	1,846	1,973	2,231	17	13	308	(582)	6,024
<b>Business Connectivity Markets</b>									
Low Bandwidth CISBO Rest of UK	27	0	930	693	-	260	66	-	1,976
Low Bandwidth CISBO Combined Geographic	1	0	31	16	-	12	3	-	63
<b>Narrowband Markets</b>									
WFAEL	106	2,269	0	1,915	27	1	133	-	4,451
ISDN2	15	51	0	43	4	0	8	-	121
ISDN30	24	6	96	39	2	8	13	-	188
<b>Total Openreach SMP Markets</b>	<b>391</b>	<b>4,172</b>	<b>3,030</b>	<b>4,937</b>	<b>50</b>	<b>294</b>	<b>531</b>	<b>(582)</b>	<b>12,823</b>
Openreach Residual	54	52	183	518	0	202	57	-	1,066
<b>Total Openreach</b>	<b>445</b>	<b>4,224</b>	<b>3,213</b>	<b>5,455</b>	<b>50</b>	<b>496</b>	<b>588</b>	<b>(582)</b>	<b>13,889</b>
<b>Rest of BT</b>									
<b>Business Connectivity Markets</b>									
Low Bandwidth TISBO	45	2	50	67	0	26	20	-	210
<b>Narrowband Markets</b>									
Fixed Call Origination	61	0	0	32	11	11	23	-	138
Fixed Geographic Call Termination	63	0	0	33	11	12	24	-	143
Technical Areas (DLE Interconnect Circuits)	2	0	0	2	0	1	1	-	6
<b>WBA (Market A)</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>58</b>	<b>-</b>	<b>21</b>	<b>24</b>	<b>-</b>	<b>125</b>
<b>Total Rest of BT SMP Markets</b>	<b>193</b>	<b>2</b>	<b>50</b>	<b>192</b>	<b>22</b>	<b>71</b>	<b>92</b>	<b>-</b>	<b>622</b>
Rest of BT Residual	659	22	7	265	859	859	17,518	-	20,189
<b>Total Rest of BT</b>	<b>852</b>	<b>24</b>	<b>57</b>	<b>457</b>	<b>881</b>	<b>930</b>	<b>17,610</b>	<b>-</b>	<b>20,811</b>
Eliminations									(505)
Roundings									3
<b>Total Markets</b>	<b>1,270</b>	<b>4,236</b>	<b>3,214</b>	<b>5,588</b>	<b>932</b>	<b>1,371</b>	<b>18,169</b>	<b>(582)</b>	<b>34,198</b>
<b>Total SMP Markets</b>	<b>584</b>	<b>4,174</b>	<b>3,080</b>	<b>5,129</b>	<b>72</b>	<b>365</b>	<b>623</b>	<b>(582)</b>	<b>13,445</b>

## Section 5 – Summary of Market Performance

Internal Current Assets £m	External Current Assets £m	Total Current Assets £m	Internal Current Liabilities £m	External Current Liabilities £m	Total Current Liabilities £m	Total Assets less Current Liabilities £m	Provisions for liabilities and charges £m	Roundings £m	Total Mean Capital Employed £m
155	470	625	-	(536)	(536)	6,113	(35)	(1)	6,077
33	110	143	-	(129)	(129)	1,990	(10)	-	1,980
2	4	6	-	(6)	(6)	63	(0)	-	63
106	227	333	-	(244)	(244)	4,540	(23)	1	4,518
5	8	13	-	(8)	(8)	126	(1)	-	125
9	16	25	-	(16)	(16)	197	(2)	-	195
<b>310</b>	<b>835</b>	<b>1,145</b>	<b>-</b>	<b>(939)</b>	<b>(939)</b>	<b>13,029</b>	<b>(71)</b>	<b>-</b>	<b>12,958</b>
24	79	103	-	(242)	(242)	927	(127)	1	801
<b>334</b>	<b>914</b>	<b>1,248</b>	<b>-</b>	<b>(1,181)</b>	<b>(1,181)</b>	<b>13,956</b>	<b>(198)</b>	<b>1</b>	<b>13,759</b>
8	19	27	-	(18)	(18)	219	(3)	1	217
9	16	25	-	(14)	(14)	149	(2)	-	147
1	16	17	-	(14)	(14)	146	(2)	(1)	143
0	1	1	-	(1)	(1)	6	(0)	-	6
7	8	15	(1)	(7)	(8)	132	(1)	-	131
<b>25</b>	<b>60</b>	<b>85</b>	<b>(1)</b>	<b>(54)</b>	<b>(55)</b>	<b>652</b>	<b>(8)</b>	<b>-</b>	<b>644</b>
(359)	8,198	7,839	1	(7,023)	(7,022)	21,006	(314)	-	20,692
<b>(334)</b>	<b>8,258</b>	<b>7,924</b>	<b>-</b>	<b>(7,077)</b>	<b>(7,077)</b>	<b>21,658</b>	<b>(322)</b>	<b>-</b>	<b>21,336</b>
		(21)			20	(506)			(503)
		(1)			1	3			1
<b>-</b>	<b>9,150</b>	<b>9,150</b>	<b>-</b>	<b>(8,237)</b>	<b>(8,237)</b>	<b>35,111</b>	<b>(517)</b>	<b>(1)</b>	<b>34,593</b>
<b>335</b>	<b>895</b>	<b>1,230</b>	<b>(1)</b>	<b>(993)</b>	<b>(994)</b>	<b>13,681</b>	<b>(79)</b>	<b>-</b>	<b>13,602</b>

## Section 5 – Summary of Market Performance

### Attribution of Wholesale Current Cost Mean Capital Employed

Restated for the year ended 31 March 2018 (b)

	Land & Buildings £m	Access – Copper £m	Access – Fibre £m	Duct £m	Switch £m	Transmission £m	Other £m	Less Government Grants £m	Total Non- current Assets £m
<b>Openreach</b>									
<b>WLA</b>	196	1,807	1,602	1,983	20	14	297	(596)	5,323
<b>Business Connectivity Markets</b>									
Low Bandwidth CISBO Rest of UK	26	0	808	678	-	268	63	-	1,843
Low Bandwidth CISBO Combined Geographic	1	0	29	16	-	12	3	-	61
<b>Narrowband Markets</b>									
WFAEL	105	2,363	0	1,928	35	2	141	-	4,574
ISDN2	15	58	0	47	5	0	8	-	133
ISDN30	23	7	101	44	3	11	13	-	202
<b>Total Openreach SMP Markets</b>	<b>366</b>	<b>4,235</b>	<b>2,540</b>	<b>4,696</b>	<b>63</b>	<b>307</b>	<b>525</b>	<b>(596)</b>	<b>12,136</b>
Openreach Residual	52	50	192	527	0	212	65	-	1,098
<b>Total Openreach</b>	<b>418</b>	<b>4,285</b>	<b>2,732</b>	<b>5,223</b>	<b>63</b>	<b>519</b>	<b>590</b>	<b>(596)</b>	<b>13,234</b>
<b>Rest of BT</b>									
<b>Business Connectivity Markets</b>									
Low Bandwidth TISBO	54	3	70	93	0	43	24	-	287
<b>Narrowband Markets</b>									
Fixed Call Origination	61	0	0	29	15	14	23	-	142
Fixed Geographic Call Termination	60	0	0	29	15	14	23	-	141
Technical Areas (DLE Interconnect Circuits)	2	0	0	3	1	1	1	-	8
<b>WBA (Market A)</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>57</b>	<b>-</b>	<b>22</b>	<b>20</b>	<b>-</b>	<b>121</b>
<b>Total Rest of BT SMP Markets</b>	<b>199</b>	<b>3</b>	<b>70</b>	<b>211</b>	<b>31</b>	<b>94</b>	<b>91</b>	<b>-</b>	<b>699</b>
Rest of BT Residual	711	25	8	266	840	970	17,493	-	20,313
<b>Total Rest of BT</b>	<b>910</b>	<b>28</b>	<b>78</b>	<b>477</b>	<b>871</b>	<b>1,064</b>	<b>17,584</b>	<b>-</b>	<b>21,012</b>
Eliminations									(568)
Roundings									-
<b>Total Markets</b>	<b>1,298</b>	<b>4,297</b>	<b>2,733</b>	<b>5,356</b>	<b>933</b>	<b>1,519</b>	<b>18,138</b>	<b>(596)</b>	<b>33,678</b>
<b>Total SMP Markets</b>	<b>565</b>	<b>4,238</b>	<b>2,610</b>	<b>4,907</b>	<b>94</b>	<b>401</b>	<b>616</b>	<b>(596)</b>	<b>12,835</b>

## Section 5 – Summary of Market Performance

Internal Current Assets £m	External Current Assets £m	Total Current Assets £m	Internal Current Liabilities £m	External Current Liabilities £m	Total Current Liabilities £m	Total Assets less Current Liabilities £m	Provisions for liabilities and charges £m	Roundings £m	Total Mean Capital Employed £m
156	329	485	-	(471)	(471)	5,337	(34)	(2)	5,301
38	53	91	-	(86)	(86)	1,848	(10)	-	1,838
2	2	4	-	(4)	(4)	61	(0)	1	62
108	137	245	-	(191)	(191)	4,628	(23)	-	4,605
6	5	11	-	(8)	(8)	136	(1)	-	135
10	9	19	-	(14)	(14)	207	(2)	2	207
<b>320</b>	<b>535</b>	<b>855</b>	<b>-</b>	<b>(774)</b>	<b>(774)</b>	<b>12,217</b>	<b>(70)</b>	<b>1</b>	<b>12,148</b>
26	56	82	-	(205)	(205)	975	(292)	-	683
<b>346</b>	<b>591</b>	<b>937</b>	<b>-</b>	<b>(979)</b>	<b>(979)</b>	<b>13,192</b>	<b>(362)</b>	<b>1</b>	<b>12,831</b>
10	13	23	-	(21)	(21)	289	(3)	1	287
9	9	18	-	(13)	(13)	147	(2)	3	148
1	9	10	-	(12)	(12)	139	(1)	(2)	136
0	1	1	-	(1)	(1)	8	(0)	(1)	7
5	4	9	(1)	(6)	(7)	123	(1)	1	123
<b>25</b>	<b>36</b>	<b>61</b>	<b>(1)</b>	<b>(53)</b>	<b>(54)</b>	<b>706</b>	<b>(7)</b>	<b>2</b>	<b>701</b>
(373)	6,611	6,238	1	(7,542)	(7,541)	19,010	(127)	-	18,883
<b>(348)</b>	<b>6,647</b>	<b>6,299</b>	<b>-</b>	<b>(7,595)</b>	<b>(7,595)</b>	<b>19,716</b>	<b>(134)</b>	<b>2</b>	<b>19,584</b>
		(13)			19	(562)			(559)
		1			2	3			-
-	7,224	7,224	-	(8,553)	(8,553)	32,349	(494)	1	31,856
<b>345</b>	<b>571</b>	<b>916</b>	<b>(1)</b>	<b>(827)</b>	<b>(828)</b>	<b>12,923</b>	<b>(77)</b>	<b>3</b>	<b>12,849</b>

## Section 5 – Summary of Market Performance

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### 5.4 Openreach Information

#### Openreach Statements

In accordance with Section 20.5 and 20.6 of the Commitments, the RFS must separately present the financial results of Openreach and include a reconciliation of Openreach's revenue, operating profit (and other items agreed between us and Ofcom) with Openreach's financial information as shown in BT Group plc's Annual Report.

The form, content and basis of preparation of the financial results of Openreach follow, to the fullest extent possible, those used in the preparation of the RFS. The reconciliation of this statement to the Openreach segmental financial information as shown in BT Group plc's Annual Report is shown in the Income Statement below.

#### Reconciling Differences

The reconciling differences between the Openreach regulatory statement and the Openreach segmental financial information reported in BT Group plc's Annual Report fall into the following main categories:

##### (a) Specific items

The group's income statement and segmental analysis separately identifies trading results on an adjusted basis, being before specific items. Presentation of the group's results in this way is relevant to understanding the group's financial performance as specific items are those that, in management's judgement, need to be disclosed by virtue of their size, nature or incidence. Examples of charges or credits that may be 'specific items' include acquisitions and disposals of businesses and investments, retrospective regulatory matters, historical insurance or litigation claims, business restructuring programmes, asset impairment charges and property rationalisation programmes.

##### (b) Rental charge to Openreach for use of assets owned by Technology

Within the Openreach segmental financial information reported in BT Group plc's Annual Report, the results include a charge for an appropriate return on capital where assets are owned by Technology (e.g. for line cards, electronics and network features) but are used by Openreach. The Openreach regulatory statements do not include this charge, as the basis for attribution of costs and assets to products in the regulatory accounts is actual costs and assets.

##### (c) Results relating to Northern Ireland's operations

The RFS have been prepared in accordance with the Final Statements imposed on BT where Ofcom has defined certain markets in which BT is deemed to have SMP in the UK. This definition includes BT's Northern Ireland operations. The Openreach segmental financial information reported in BT Group plc's Annual Report excludes BT's operations in Northern Ireland. Accordingly, the results of the access network element of BT's Northern Ireland operations form part of the reconciliation.

##### (d) Other trading differences

The Openreach segmental financial information reported in BT Group plc's Annual Report reflects the internal charges between BT's business units rather than the allocation of actual costs and capital employed as shown in the RFS. The other trading differences reflect the total of these differences across the year.

##### (e) Installations costs treated as operating expenses

As directed by Ofcom's WLA Market Review statement (28 March 2018), we make an adjustment in the RFS (relative to IFRS and BT's accounting policies) to treat installation and planning costs related to GEA Customer Site installation, Tie Cables, GEA Cable Links, Abortive Visits and Co-mingling services as operating expenditure in the RFS in line with connection revenues received (rather than capital expenditure), and the opening capital employed associated with these activities is also removed.

##### (f) Basis of preparation under CCA

The consolidated financial statements of BT Group plc have been prepared in accordance with the Companies Act 2006, Article 4 of the IAS Regulation and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and related interpretations, as adopted by the European Union. The consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board (the IASB).

The consolidated financial statements of BT Group plc are prepared on the historical cost basis, except for certain financial and equity instruments that have been measured at fair value.

BT's RFS have been prepared on a CCA basis, in accordance with the annually updated AMD. As such, a reconciliation entry has been made to include the aggregated CCA adjustments within the Openreach regulatory statement.

## Section 5 – Summary of Market Performance

### Reconciliation Statements

For the year ended 31 March 2019

#### Income Statement – Openreach and BT Group plc

				Openreach			BT Group plc		
				Revenue	Operating Cost	Return or Operating Profit	Revenue	Operating Cost	Return or Operating Profit
				£m	£m	£m	£m	£m	£m
<b>As in the Annual Report (Before specific items)</b>				5,075	4,120	955	23,459	19,613	3,846
<b>Adjustments</b>									
Specific items	(a)	-	39	(39)			(31)	394	(425)
Use of Technology assets	(b)	-	(103)	103			-	-	-
Northern Ireland	(c)	-	-	-			-	-	-
Other trading differences*	(d)	-	(533)	533			-	-	-
Net Short term interest		-	-	-			-	30	(30)
Share of post tax profit of associates and joint ventures		-	-	-			-	(1)	1
Installations costs treated as operating expenses	(e)	-	73	(73)			-	73	(73)
CCA Adjustments	(f)	-	(11)	11			-	(5)	5
Roundings		-	1	(1)			-	(2)	2
<b>As in the RFS</b>				<b>5,075</b>	<b>3,586</b>	<b>1,489</b>	<b>23,428</b>	<b>20,102</b>	<b>3,326</b>

\* Other trading differences of £533m includes separately identified payments to other parts of BT for products that form inputs to Openreach products of £1,606m.



## Section 5 – Summary of Market Performance

### Reconciliation Statements

Restated for the year ended 31 March 2018 (b)

#### Income Statement – Openreach and BT Group plc

				Openreach			BT Group plc		
				Revenue	Operating Cost	Return or Operating Profit	Revenue	Operating Cost	Return or Operating Profit
				£m	£m	£m	£m	£m	£m
<b>As in the Annual Report (Before specific items)</b>				5,123	3,963	1,160	23,746	19,755	3,991
<b>Adjustments</b>									
Specific items	(a)	-	32	(32)			(23)	587	(610)
Use of Technology assets	(b)	-	(103)	103			-	-	-
Northern Ireland	(c)	153	56	97			-	-	-
Other trading differences*	(d)	-	(588)	588			-	-	-
Net Short term interest		-	-	-			-	30	(30)
Share of post tax loss of associates and joint ventures		-	-	-			-	1	(1)
Installations costs treated as operating expenses	(e)	-	65	(65)			-	65	(65)
CCA Adjustments	(f)	-	(122)	122			-	(123)	123
Roundings		-	-	-			-	-	-
<b>As in the RFS</b>				<b>5,276</b>	<b>3,303</b>	<b>1,973</b>	<b>23,723</b>	<b>20,315</b>	<b>3,408</b>

\* Other trading differences of £588m includes separately identified payments to other parts of BT for products that form inputs to Openreach products of £1,761m.

## Section 5 – Summary of Market Performance

### Reconciliation Statements 2019 and 2018

As at 31 March

	2019	2018		2019	2018
	£m	£m		£m	£m
<b>Mean Capital Employed – BT Group plc</b>					
<b>Total assets less current liabilities as in the Annual Report</b>	36,685	32,574	<b>Openreach</b>		
<b>Adjustments</b>			Wholesale Local Access	6,077	5,301
Corporate taxes	(95)	6	Business Connectivity Markets	2,043	1,900
Deferred taxes	(1,347)	(1,243)	Narrowband Markets	4,838	4,947
Derivative financial instruments	(1,544)	(1,459)	<b>Total Openreach SMP</b>	<b>12,958</b>	<b>12,148</b>
Loans due within one year	1,390	1,726	<b>Rest of BT</b>		
Provisions	(582)	(452)	Business Connectivity Markets	217	287
Installations costs treated as operating expenses	(507)	(433)	Narrowband Markets	296	291
<b>Closing HCA capital employed at 31 March</b>	<b>34,000</b>	<b>30,719</b>	WBA (Market A)	131	123
			<b>Total Rest of BT SMP</b>	<b>644</b>	<b>701</b>
CCA Adjustments	2,235	2,230	Openreach Residual	801	683
Roundings	1	1	Rest of BT Residual	20,692	18,883
Closing CCA capital employed at 31 March	36,236	32,950	Eliminations	(503)	(559)
Opening CCA capital employed at 1 April	32,950	30,762	Roundings	1	-
<b>Total CCA mean capital employed in the RFS</b>	<b>34,593</b>	<b>31,856</b>	<b>Total CCA mean capital employed in the RFS</b>	<b>34,593</b>	<b>31,856</b>

## Section 5 – Summary of Market Performance

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### 5.5 Adjusted Performance Summary

Ofcom's "Directions in relation to BT's regulatory financial reporting" 20 March 2019 Annex 1 directs BT to prepare the "Adjusted Financial Performance at a market review level" statement in order to show the impact on the Regulatory Financial Statements for each Financial Year:

- Calculating an average of the Property Rationalisation Costs incurred in the three prior Financial Years and attributing that average to the BCMR and WLA markets in accordance with the RAP
- Calculating an average of the Restructuring Costs incurred in the three prior Financial Years and attributing that average to the BCMR and WLA markets in accordance with the RAP
- BT shall calculate the net proceeds in scrap value that BT will recoup when it moves to an FTTx only network. BT should discount its calculation using its WACC
- BT shall set and maintain the NRC: GRC ratio at 50% and adjust the asset lives to equate to the accounting book lives to calculate the OCM depreciation for the following network components:

- a) MPF line testing systems
- b) Local Loop Unbundling systems development;
- c) Wholesale Access specific;
- d) Local exchanges general frames equipment;
- e) Local exchanges general frames maintenance;
- f) Analogue line test equipment;
- g) Analogue line cards;
- h) Co-mingling power and vent; and
- i) Combi Card and MSAN Access – Voice

The purpose of this schedule is to publish BT's estimate of the impact of Ofcom's regulatory decisions taken in the WLA, WBA and Business Connectivity market reviews that were not required to be included within the RFS.

## Section 5 – Summary of Market Performance

### Adjusted Financial Performance at a market review level

For the year ended 31 March 2019

	As reported								Estimated impacts				Revised return		
	Revenue	HCA Costs	CCA Adjustments	Roundings	CCA Operating Costs	Return	MCE	Return on MCE	Revenue	CCA Operating Costs	Return	MCE	Revised Return	Revised MCE	Revised Return on MCE
	£m	£m	£m	£m	£m	£m	£m	%	£m	£m	£m	£m	£m	£m	Δ%
Wholesale Local Access Markets	2,353	1,732	(29)	-	1,703	650	6,077	10.7%	-	25	(25)	228	625	6,305	9.9%
Business Connectivity Markets	649	543	4	-	547	102	2,260	4.5%	-	0	-	-	102	2,260	4.5%
Narrowband Markets	1,982	1,414	12	1	1,427	555	5,134	10.8%	-	-	-	-	555	5,134	10.8%
Wholesale Broadband Markets	102	53	1	-	54	48	131	37.0%	-	-	-	-	48	131	37.0%
<b>Total SMP Markets</b>	<b>5,086</b>	<b>3,742</b>	<b>(12)</b>	<b>1</b>	<b>3,731</b>	<b>1,355</b>	<b>13,602</b>	<b>10.0 %</b>	<b>-</b>	<b>25</b>	<b>(25)</b>	<b>228</b>	<b>1,330</b>	<b>13,830</b>	<b>9.6 %</b>

Estimated impacts				
	Revenue	CCA Operating Costs	Return	MCE
	£m	£m	£m	£m
Adjusted NRC for WLA components	-	42	(42)	228
Property Rationalisation	-	2	(2)	-
Restructuring Costs	-	(3)	3	-
Residual Copper	-	(16)	16	-
	<b>-</b>	<b>25</b>	<b>(25)</b>	<b>228</b>

## Section 5 – Summary of Market Performance

### Adjusted Financial Performance at a market review level

Restated for the year ended 31 March 2018 (b)

	As reported								Estimated impacts				Revised return		
	Revenue	HCA Costs	CCA Adjustments	Roundings	CCA Operating Costs	Return	MCE	Return on MCE	Revenue	CCA Operating Costs	Return	MCE	Revised Return	Revised MCE	Revised Return on MCE
	£m	£m	£m	£m	£m	£m	£m	%	£m	£m	£m	£m	£m	£m	Δ%
Wholesale Local Access Markets	2,368	1,563	(67)	(1)	1,495	873	5,301	16.5%	-	22	(22)	203	851	5,504	15.5%
Business Connectivity Markets	767	561	(12)	(2)	547	220	2,187	10.0%	-	(1)	1	-	221	2,187	10.1%
Narrowband Markets	2,057	1,367	(38)	1	1,330	727	5,238	13.9%	-	-	-	-	727	5,238	13.9%
Wholesale Broadband Markets	83	47	(1)	1	47	36	123	29.1%	-	-	-	-	36	123	29.1%
<b>Total SMP Markets</b>	<b>5,275</b>	<b>3,538</b>	<b>(118)</b>	<b>(1)</b>	<b>3,419</b>	<b>1,856</b>	<b>12,849</b>	<b>14.4 %</b>	<b>-</b>	<b>21</b>	<b>(21)</b>	<b>203</b>	<b>1,835</b>	<b>13,052</b>	<b>14.0 %</b>

	Estimated impacts			
	Revenue	CCA Operating Costs	Return	MCE
	£m	£m	£m	£m
Adjusted NRC for WLA components	-	32	(32)	203
Property Rationalisation	-	3	(3)	-
Restructuring Costs	-	(14)	14	-
Residual Copper	-	-	-	-
	<b>-</b>	<b>21</b>	<b>(21)</b>	<b>203</b>

Section 6  
Review of Wholesale Local Access Markets

## Section 6 – Review of Wholesale Local Access Markets

### WLA Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
GEA FTTC 40/10 Rentals	86.4	217.4	303.8	1,251,369	3,492,445	lines	69.06	62.24	62.1	174.6	236.7
GEA Other 40/10 Rentals	3.6	0.0	3.6	25,401	77	lines	142.54	126.54	10.5	0.0	10.5
GEA Other Bandwidth Rentals	492.3	86.4	578.7	5,173,077	1,037,874	lines	95.17	83.29	414.6	52.3	466.9
GEA FTTC 40/10 PCP Only Install	22.0	67.6	89.6	469,480	1,454,209	conns	46.96	46.48	28.6	92.3	120.9
GEA FTTC 40/10 PCP Start of Stopped Line	0.2	0.6	0.8	49,649	144,851	conns	4.63	4.14	0.3	0.9	1.2
GEA FTTP 40/10 Connections Voice and Data	1.5	-	1.5	16,829	-	conns	92.00	-	0.1	-	0.1
GEA FTTP 40/10 Connections Transitions	0.9	-	0.9	9,540	-	conns	92.00	-	2.2	-	2.2
GEA Cablelink 1 Gbps Connections	1.6	2.4	4.0	3,062	4,587	conns	521.00	521.00	1.8	2.9	4.7
GEA Cablelink 10 Gbps Connections	3.8	1.9	5.7	3,625	1,851	conns	1,042.00	1,042.00	3.2	1.8	5.0
GEA Bandwidth Modify to 40/10	0.9	0.3	1.2	129,882	46,810	amendments	7.26	7.26	0.2	0.1	0.3
GEA VLAN Moves Applied to Cablelink	21.5	1.0	22.5	2,957,246	144,519	amendments	7.26	7.26	3.8	0.2	4.0
GEA 40/10 Cancel/Amend/Modify - CRD	2.2	1.8	4.0	299,698	247,662	amendments	7.26	7.26	0.4	0.3	0.7
GEA 40/10 Cancel/Amend/Modify - Regrades	2.2	0.1	2.3	304,564	15,567	amendments	7.26	7.26	0.4	0.0	0.4
GEA CP to CP Migrations	1.5	2.2	3.7	332,268	475,690	amendments	4.63	4.63	1.9	2.9	4.8
GEA Superfast Visit Assure	16.8	17.1	33.9	129,263	131,213	amendments	130.00	130.00	18.2	18.4	36.6
MPF Rentals (SML1)	0.2	694.1	694.3	2,492	8,118,587	lines	85.51	85.49	0.2	725.0	725.2
MPF New Provides	0.5	53.4	53.9	12,365	1,584,574	conns	39.81	33.73	0.3	46.5	46.8
MPF Single Migrations	-	16.6	16.6	-	622,668	conns	-	26.73	-	16.6	16.6
MPF Bulk Migrations	-	3.0	3.0	-	146,751	conns	-	20.15	-	3.7	3.7
MPF Cancellation of Orders	0.1	2.1	2.2	14,597	292,257	cancellations	7.26	7.26	0.0	0.5	0.5
MPF Amend Orders	-	0.6	0.6	-	88,331	amendments	-	7.26	-	0.1	0.1
MPF Standard Line Test	-	0.0	0.0	-	436	tests	-	4.05	-	0.0	0.0
Co-mingling New Provide and Rentals	-	51.1	51.1	(ux)	(ux)	(ux)	(sx)	(sx)	-	56.9	56.9
Tie Cables	13.0	5.1	18.1	(ux)	(ux)	(ux)	(sx)	(sx)	5.5	3.6	9.1
Hard Ceases	6.7	16.0	22.7	371,702	991,646	ceases	17.93	16.09	5.2	13.6	18.8
Other MPF Ancillaries	3.6	8.1	11.7	102,332	271,716	ancillaries	35.42	29.98	0.4	1.4	1.8
Special Fault Investigations	12.8	10.8	23.6	(ux)	(ux)	(ux)	(sx)	(sx)	22.6	18.7	41.3
Time Related Charges	6.3	22.6	28.9	(ux)	(ux)	(ux)	(sx)	(sx)	7.5	27.1	34.6
Abortive Visit Charges	3.8	6.9	10.7	44,117	78,713	visits	85.80	87.30	2.2	3.9	6.1
Other WLA	166.9	224.0	390.9	(ux)	(ux)	(ux)	(sx)	(sx)	192.2	215.9	408.1
WLA IFRS 15	(3.2)	1.8	(1.4)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.4)	(0.3)	(0.7)
WLA SLG	(10.3)	(20.3)	(30.6)	(ux)	(ux)	(ux)	(sx)	(sx)	(10.3)	(20.4)	(30.7)
Rounding	0.2	0.2	0.4						(0.1)	(0.3)	(0.4)
<b>Total WLA</b>	<b>858.0</b>	<b>1,494.9</b>	<b>2,352.9</b>						<b>773.6</b>	<b>1,459.2</b>	<b>2,232.8</b>

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
GEA Cable Links	£/conn	846.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	568.85	568.85
GEA FTTC Distribution Fibre Spine	£/rental	7.42	7.42	7.42	-	-	7.01	7.42	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	375.87	-	-	258.35	79.15	20.72	0.01	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.45	1.45	1.45	-	-	1.37	1.45	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	36.63	-	-	25.18	7.71	2.02	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.01	1.01	1.01	-	-	0.96	1.01	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	39.51	-	-	27.16	8.32	2.18	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£160m	-	-	-	-	-	-	44.81	44.81	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	108.63	-	-	-
GEA FTTC Provisions	%	£30m	-	-	-	-	-	-	8.42	8.42	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	53.55	-	-	-
GEA FTTP Repairs	%	£1m	-	-	2.41	0.74	0.19	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	1.54	1.54	-	-	1.45	1.54	-	-	-	-	-	-	-	-	-	-
GEA DSLAM & Cabinets	%	£95m	8.90	8.90	-	-	8.41	8.90	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£35m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.48	8.48	8.48	-	-	8.01	8.48	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	3.02	-	-	-	-	-	-	3.02	3.02	3.02	3.02	3.02	-	3.02	-	-	-
FTTC Funded Fibre Rollout Spend	%	£204m	19.10	19.10	-	-	18.05	19.10	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£47m	-	-	106.27	32.56	8.52	0.00	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(83)m	(7.82)	(7.82)	-	-	(7.39)	(7.82)	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(24)m	-	-	(55.25)	(16.93)	(4.43)	(0.00)	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£18m	1.20	1.20	-	-	1.13	1.20	1.20	1.20	1.20	1.20	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	40.48	12.40	3.25	0.00	-	-	-	-	-	-	58.89	-	-	-
Co-mingling power & vent	£/hostel	281.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	35.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,354.74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cable	11.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	16.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total			41.28	41.28	404.60	123.95	71.45	41.29	57.45	57.45	4.22	4.22	3.02	-	224.09	-	568.85	568.85



## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

			Average cost per unit (from Appendix 1.1)		GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections	
Fully Allocated Cost (£ or %)					Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
<b>Components</b>	<b>Unit (a)</b>																			
MPF line testing systems	£/line	2.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£135m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates NGA	%	£72m	6.57	6.57	5.02	1.54	6.57	6.57	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	4.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	7.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	11.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	36.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	17.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	50.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance GEA	%	£20m	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance WLA	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision GEA	%	£22m	-	-	-	-	-	-	-	-	1.23	1.23	1.23	1.23	1.23	-	1.23	-	1.23	1.23
OR Service Centre – Provision WLA	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach time related charges	%	£74m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£15m	0.01	0.01	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.01	-	0.01	-	0.08	0.08
Special Fault Investigation	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee – Openreach	%	£4m	0.06	0.05	0.12	0.11	0.08	0.07	0.04	0.04	0.00	0.00	0.00	0.00	0.08	-	0.08	-	0.45	0.45
SLG WLA Internal	%	£10m	0.31	-	0.47	-	0.42	-	1.85	-	0.18	-	0.18	-	3.62	-	3.62	-	20.47	-
SLG WLA External	%	£22m	-	0.67	-	0.36	-	0.90	-	4.48	-	0.40	-	0.40	-	-	-	-	-	50.15
Revenue Receivables	%	£40m	0.42	0.38	0.87	0.77	0.58	0.51	0.25	0.25	0.02	0.02	0.02	0.02	0.49	-	0.49	-	2.77	2.77
Rounding			0.01	0.02	0.01	0.01	0.03	0.02	(0.01)	(0.01)	0.01	0.01	0.01	0.01	0.01	-	0.01	-	0.01	0.01
<b>Fully Allocated Cost (£ or %)</b>			<b>49.66</b>	<b>49.98</b>	<b>412.11</b>	<b>127.76</b>	<b>80.14</b>	<b>50.37</b>	<b>60.82</b>	<b>63.45</b>	<b>5.66</b>	<b>5.88</b>	<b>8.46</b>	<b>-</b>	<b>229.53</b>	<b>-</b>	<b>593.86</b>	<b>623.54</b>		
Volume (units)			1,251,369	3,492,445	25,401	77	5,173,077	1,037,874	469,480	1,454,209	49,649	144,851	16,829	-	9,540	-	3,062	4,587		
Fully Allocated Cost (£m)			62.1	174.6	10.5	0.0	414.6	52.3	28.6	92.3	0.3	0.9	0.1	-	2.2	-	1.8	2.9		

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

Fully Allocated Cost (£ or %)	Components	Unit (a)	Average cost per unit (from Appendix 1.1)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (\$/ML1)	
				Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
	GEA Cable Links	£/conn	846.98	846.98	846.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Distribution Fibre Spine	£/rental	7.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Distribution Fibre Spine	£/rental	375.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Access Fibre Spine	£/rental	1.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Access Fibre Spine	£/rental	36.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Electronics	£/rental	1.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Electronics	£/rental	39.51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Customer Site Electronics	%	£160m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Customer Site Installation	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Provisions	%	£30m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Repairs	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA DSLAM & Cabinets	%	£95m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NGA Visit Assure	%	£35m	-	-	-	-	-	-	-	-	-	-	-	-	135.39	135.39	-	-
	NGA E side Copper cable	£/line	8.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Routing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	-	3.02	3.02	-	-	-	-
	FTTC Funded Fibre Rollout Spend	%	£204m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTP Funded Fibre Rollout Spend	%	£47m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTC Fibre Rollout Funding	%	£(83)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTP Fibre Rollout Funding	%	£(24)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTC Development	%	£18m	-	-	-	-	-	-	-	-	-	-	1.20	1.20	-	-	-	-
	FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Co-mingling power & vent	£/hostel	281.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Co-mingling rentals	£/hostel	35.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Co-mingling set up	£/room	1,354.74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	WLA tie cables	£/cable	11.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MDF Hardware jumpering	£/line	16.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total</b>			<b>846.98</b>	<b>846.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.22</b>	<b>4.22</b>	<b>135.39</b>	<b>135.39</b>	<b>-</b>	<b>-</b>

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (SML1)	
			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (a)																	
MPF line testing systems	£/line	2.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.12	2.12
Cumulo Rates Non NGA - Openreach	%	£135m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.86	3.86
Cumulo Rates NGA	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	4.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.01	4.01
E side copper capital	£/line	7.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.05	7.05
D side copper current	£/line	11.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.00	11.00
D side copper capital	£/line	36.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36.11	36.11
Analogue line drop maintenance	£/line	2.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.22	2.22
Dropwire capital & analogue NTE	£/line	17.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.41	17.41
Analogue line test equipment	£/line	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12	0.12
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.27	1.27
Local exchanges general frames equipment	£/line	1.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.23	2.23
Abortive Visits	£/trans	50.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04
OR Service Centre - Assurance GEA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.88	0.88
OR Service Centre - Provision GEA	%	£22m	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	-	-	-	-
OR Service Centre - Provision WLA	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach time related charges	%	£74m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£15m	0.15	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.16	4.40	4.41	0.03	0.03
Special Fault Investigation	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	0.91	0.91	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.11	0.11	0.07	0.07
SLG WLA Internal	%	£10m	41.02	-	-	-	-	-	-	-	-	-	0.18	-	-	-	0.38	0.38
SLG WLA External	%	£22m	-	100.39	-	-	-	-	-	-	-	-	-	0.45	-	-	-	-
Revenue Receivables	%	£40m	5.55	5.55	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.02	0.02	0.69	0.69	0.52	0.52
Rounding			-	-	-	-	-	-	-	-	-	-	0.01	-	0.01	-	(0.02)	(0.02)
Fully Allocated Cost (£ or %)			895.84	955.21	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	5.82	6.08	140.60	140.60	89.30	89.30
Volume (units)			3,625	1,851	129,882	46,810	2,957,246	144,519	299,698	247,662	304,564	15,567	332,268	475,690	129,263	131,213	2,492	8,118,587
Fully Allocated Cost (£m)			3.2	1.8	0.2	0.1	3.8	0.2	0.4	0.3	0.4	0.0	1.9	2.9	18.2	18.4	0.2	725.0

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables	
			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)			£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%
Components	Unit (a)																	
GEA Cable Links	£/conn	846.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	7.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	375.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	36.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	39.51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£160m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£30m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA DSLAM & Cabinets	%	£95m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£35m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	3.02	3.02	3.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£204m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£47m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(83)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(24)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£18m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	£/hostel	281.49	-	-	-	-	-	-	-	-	-	-	-	-	28.3%	-	-	-
Co-mingling rentals	£/hostel	35.20	-	-	-	-	-	-	-	-	-	-	-	-	33.8%	-	-	-
Co-mingling set up	£/room	1,354.74	-	-	-	-	-	-	-	-	-	-	-	-	35.0%	-	-	-
WLA tie cables	£/cable	11.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81.9%	78.2%
MDF Hardware jumpering	£/line	16.13	21.25	21.25	-	22.30	-	21.50	-	-	-	-	-	-	-	-	-	-
<b>Sub Total</b>			<b>24.27</b>	<b>24.27</b>	-	<b>22.30</b>	-	<b>21.50</b>	-	-	-	-	-	-	<b>97.1%</b>	<b>81.9%</b>	<b>78.2%</b>	

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
MPF line testing systems	£/line	2.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£135m	0.00	0.00	-	0.00	-	0.00	0.00	0.00	-	0.00	-	0.00	-	1.2%	4.1%	3.9%
Cumulo Rates NGA	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	4.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	7.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	11.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	36.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	17.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	50.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	0.04	0.04	-	0.04	-	0.04	0.04	0.04	-	0.04	-	0.04	-	0.0%	0.3%	0.2%
OR Service Centre – Assurance GEA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance WLA	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8%	1.1%	6.0%
OR Service Centre – Provision GEA	%	£22m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision WLA	%	£10m	1.54	1.54	-	1.54	-	1.54	1.54	1.54	-	1.54	-	1.54	-	0.0%	11.0%	10.5%
Openreach time related charges	%	£74m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£15m	0.01	0.01	-	0.01	-	0.01	0.00	0.00	-	0.00	-	0.00	-	0.2%	0.1%	0.3%
Special Fault Investigation	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee – Openreach	%	£4m	0.03	0.03	-	0.02	-	0.02	0.01	0.01	-	0.01	-	0.00	-	0.1%	0.2%	0.1%
SLG WLA Internal	%	£10m	1.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG WLA External	%	£22m	-	3.25	-	2.57	-	1.94	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£40m	0.21	0.18	-	0.14	-	0.11	0.04	0.04	-	0.04	-	0.02	-	0.5%	1.4%	0.9%
Rounding			0.01	-	-	0.01	-	(0.01)	(0.01)	(0.01)	-	(0.01)	-	-	-	0.1%	(0.1)%	(0.1)%
Fully Allocated Cost (£ or %)			27.68	29.32	-	26.63	-	25.15	1.62	1.62	-	1.62	-	1.60	-	100.0%	100.0%	100.0%
	Volume (units)		12,365	1,584,574	-	622,668	-	146,751	14,597	292,257	-	88,331	-	436	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.3	46.5	-	16.6	-	3.7	0.0	0.5	-	0.1	-	0.0	-	56.9	5.5	3.6

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges	
		Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £
<b>Components</b>	<b>Unit (a)</b>										
GEA Cable Links	£/conn	846.98	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	7.42	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	375.87	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.45	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	36.63	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.01	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	39.51	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£160m	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£16m	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£30m	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£1m	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-
GEA DSLAM & Cabinets	%	£95m	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£35m	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.48	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£204m	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£47m	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(83)m	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(24)m	-	-	-	-	-	-	-	-	-
FTTC Development	%	£18m	-	-	-	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	£/hostel	281.49	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	35.20	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,354.74	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cable	11.50	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	16.13	12.24	12.04	0.42	0.42	-	-	-	-	-
<b>Sub Total</b>		<b>12.24</b>	<b>12.04</b>	<b>0.42</b>	<b>0.42</b>	-	-	-	-	-	-

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges	
			Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
MPF line testing systems	£/line	2.12	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£135m	0.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	-	-
Cumulo Rates NGA	%	£72m	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	4.01	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	7.05	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	11.00	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	36.11	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.22	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	17.41	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.12	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.12	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	50.19	-	-	-	-	-	-	-	-	48.43	48.43
Local Loop Unbundling systems development	%	£1m	0.04	0.04	0.04	0.04	-	-	-	-	-	-
OR Service Centre – Assurance GEA	%	£20m	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance WLA	%	£10m	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision GEA	%	£22m	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision WLA	%	£10m	1.54	1.54	1.54	1.54	-	-	-	-	-	-
Openreach time related charges	%	£74m	-	-	-	-	-	-	99.3%	99.3%	-	-
Openreach sales product management	%	£15m	0.05	0.04	0.01	0.01	0.1%	0.1%	0.2%	0.2%	0.19	0.19
Special Fault Investigation	%	£41m	-	-	-	-	99.5%	99.5%	-	-	-	-
Ofcom Administration Fee – Openreach	%	£4m	0.02	0.01	0.03	0.03	0.0%	0.1%	0.1%	0.1%	0.07	0.08
SLG WLA Internal	%	£10m	-	-	1.39	-	-	-	-	-	-	-
SLG WLA External	%	£22m	-	-	-	2.89	-	-	-	-	-	-
Revenue Receivables	%	£40m	0.10	0.09	0.19	0.16	0.3%	0.3%	0.4%	0.4%	0.46	0.46
Rounding			(0.02)	-	-	(0.01)	0.1%	-	-	-	(0.01)	-
Fully Allocated Cost (£ or %)			13.97	13.76	3.62	5.08	100.0%	100.0%	100.0%	100.0%	49.14	49.16
Volume (units)			371,702	991,646	102,332	271,716	(ux)	(ux)	(ux)	(ux)	44,117	78,713
Fully Allocated Cost (£m)			5.2	13.6	0.4	1.4	22.6	18.7	7.5	27.1	2.2	3.9

## Section 6 – Review of Wholesale Local Access Markets

### WLA Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
GEA FTTC 40/10 Rentals	81.1	209.1	290.2	913,794	2,465,062	lines	88.80	84.83	50.8	138.6	189.4
GEA Other 40/10 Rentals	1.6	0.0	1.6	8,372	9	lines	189.48	190.28	5.1	0.0	5.1
GEA Other Bandwidth Rentals	520.3	67.5	587.8	4,702,058	645,341	lines	110.66	104.66	360.8	36.6	397.4
GEA FTTC 40/10 PCP Only Install	13.5	53.4	66.9	276,406	1,279,829	conns	49.00	41.75	14.2	69.5	83.7
GEA FTTC 40/10 PCP Start of Stopped Line	0.3	0.7	1.0	16,873	87,901	conns	15.37	7.43	0.1	0.6	0.7
GEA FTTP 40/10 Connections Voice and Data	0.2	-	0.2	1,917	-	conns	92.00	-	0.0	-	0.0
GEA FTTP 40/10 Connections Transitions	0.2	-	0.2	2,055	-	conns	92.00	-	0.4	-	0.4
GEA Cablelink 1 Gbps Connections	5.0	6.7	11.7	3,706	5,131	conns	1,352.45	1,297.06	2.3	3.7	6.0
GEA Cablelink 10 Gbps Connections	4.3	1.1	5.4	1,174	545	conns	3,637.20	2,008.35	1.6	0.8	2.4
GEA Bandwidth Modify to 40/10	0.5	0.1	0.6	43,054	10,542	amendments	11.25	11.25	0.1	0.0	0.1
GEA VLAN Moves Applied to Cablelink	26.0	1.2	27.2	2,140,296	102,330	amendments	12.13	11.93	3.0	0.1	3.1
GEA 40/10 Cancel/Amend/Modify - CRD	3.8	6.8	10.6	2,681,035	1,067,359	amendments	1.40	6.38	3.5	1.4	4.9
GEA 40/10 Cancel/Amend/Modify - Regrades	2.1	0.0	2.1	186,483	2,588	amendments	11.25	11.25	0.3	0.0	0.3
GEA CP to CP Migrations	2.9	3.6	6.5	267,058	325,548	amendments	11.00	11.00	1.9	2.3	4.2
GEA Superfast Visit Assure	13.1	12.6	25.7	99,931	96,645	amendments	131.04	130.78	12.2	11.8	24.0
MPF Rentals (SML1)	0.3	676.2	676.5	3,021	7,912,229	lines	85.46	85.46	0.2	646.3	646.5
MPF New Provides	1.0	62.4	63.4	23,023	1,682,248	conns	44.42	37.11	0.6	47.5	48.1
MPF Single Migrations	-	17.9	17.9	-	588,909	conns	-	30.39	-	15.2	15.2
MPF Bulk Migrations	-	0.4	0.4	-	16,846	conns	-	21.07	-	0.4	0.4
MPF Cancellation of Orders	0.0	3.7	3.7	2,067	360,854	cancellations	10.28	10.28	0.0	1.1	1.1
MPF Amend Orders	-	0.8	0.8	-	81,963	amendments	-	10.28	-	0.3	0.3
MPF Standard Line Test	-	0.0	0.0	-	5,073	tests	-	3.93	-	0.0	0.0
Co-mingling New Provide and Rentals	-	36.4	36.4	(ux)	(ux)	(ux)	(sx)	(sx)	-	67.0	67.0
Tie Cables	12.9	5.1	18.0	(ux)	(ux)	(ux)	(sx)	(sx)	13.5	9.8	23.3
Hard Ceases	8.4	16.5	24.9	390,726	829,176	ceases	21.58	19.85	5.4	11.3	16.7
Other MPF Ancillaries	6.4	9.1	15.5	137,265	289,545	ancillaries	46.78	31.35	0.8	2.3	3.1
Special Fault Investigations	16.7	16.5	33.2	(ux)	(ux)	(ux)	(sx)	(sx)	25.9	19.9	45.8
Time Related Charges	7.8	22.1	29.9	(ux)	(ux)	(ux)	(sx)	(sx)	7.0	19.9	26.9
Abortive Visit Charges	3.0	8.7	11.7	33,742	96,371	visits	90.00	90.00	1.7	4.8	6.5
Other WLA	203.9	194.4	398.3	(ux)	(ux)	(ux)	(sx)	(sx)	191.2	172.1	363.3
Rounding	0.1	-	0.1						(0.1)	-	(0.1)
<b>Total WLA</b>	<b>935.4</b>	<b>1,433.0</b>	<b>2,368.4</b>						<b>702.5</b>	<b>1,283.3</b>	<b>1,985.8</b>



## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
Components	Unit (a)																	
GEA Cable Links	£/conn	1,175.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	564.75	564.75
GEA FTTC Distribution Fibre Spine	£/rental	7.59	7.59	7.59	-	-	7.31	7.59	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	351.37	-	-	351.37	351.37	13.26	0.02	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.52	1.52	1.52	-	-	1.46	1.52	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	50.41	-	-	50.41	50.41	1.90	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	0.92	0.92	0.92	-	-	0.88	0.92	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	37.05	-	-	37.05	37.05	1.40	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£121m	-	-	-	-	-	-	38.05	38.05	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£4m	-	-	-	-	-	-	-	-	-	-	-	-	51.89	-	-	-
GEA FTTC Provisions	%	£18m	-	-	-	-	-	-	5.59	5.59	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£6m	-	-	-	-	-	-	-	-	-	-	-	-	64.43	-	-	-
GEA FTTP Repairs	%	£0m	-	-	1.19	1.19	0.04	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	1.90	1.90	-	-	1.83	1.90	-	-	-	-	-	-	-	-	-	-
GEA DSLAM & Cabinets	%	£102m	11.91	11.91	-	-	11.46	11.91	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£21m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.42	8.42	8.42	-	-	8.10	8.41	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	2.54	-	-	-	-	-	-	2.54	2.54	2.54	2.54	2.54	-	2.54	-	-	-
FTTC Funded Fibre Rollout Spend	%	£187m	21.91	21.91	-	-	21.09	21.91	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£34m	-	-	180.29	180.29	6.80	0.01	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(63)m	(7.42)	(7.42)	-	-	(7.14)	(7.42)	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(13)m	-	-	(72.39)	(72.39)	(2.73)	(0.00)	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£21m	1.70	1.70	-	-	1.64	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-	-
FTTP Development	%	£15m	-	-	53.75	53.75	2.03	0.00	-	-	-	-	-	-	53.75	-	-	-
Co-mingling power & vent	£/hostel	352.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	49.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	3,242.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cable	29.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	13.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total			48.45	48.45	601.67	601.67	69.33	48.47	47.88	47.88	4.24	4.24	2.54	-	172.61	-	564.75	564.75

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
Components	Unit (a)																	
MPF line testing systems	£/line	2.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£118m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates NGA	%	£46m	5.27	5.27	5.85	5.85	5.27	5.27	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	6.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	9.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	33.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	1.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	16.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	0.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	49.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance GEA	%	£11m	0.85	0.85	0.85	0.85	0.85	0.85	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance WLA	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision GEA	%	£20m	-	-	-	-	-	-	1.30	1.30	1.30	1.30	1.30	-	1.30	-	1.30	1.30
OR Service Centre – Provision WLA	%	£22m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach time related charges	%	£65m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£16m	0.03	0.03	0.06	0.06	0.04	0.03	0.02	0.01	0.01	0.00	0.03	-	0.03	-	0.45	0.43
Special Fault Investigation	%	£45m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee – Openreach	%	£4m	0.06	0.06	0.13	0.13	0.08	0.07	0.03	0.03	0.01	0.01	0.06	-	0.06	-	0.92	0.89
SLG WLA Internal	%	£11m	0.37	-	0.79	-	0.46	-	1.95	-	0.61	-	3.65	-	3.65	-	53.73	-
SLG WLA External	%	£24m	-	1.04	-	2.34	-	1.29	-	4.87	-	0.87	-	-	-	-	-	151.30
Revenue Receivables	%	£44m	0.57	0.55	1.22	1.23	0.71	0.67	0.28	0.24	0.09	0.04	0.53	-	0.53	-	7.83	7.51
Rounding			-	(0.01)	0.01	(0.01)	(0.02)	0.01	-	-	-	-	0.01	-	0.01	-	-	-
Fully Allocated Cost (£ or %)			55.60	56.24	610.58	612.12	76.72	56.66	51.46	54.33	6.26	6.46	8.12	-	178.19	-	628.98	726.18
Volume (units)			913,794	2,465,062	8,372	9	4,702,058	645,341	276,406	1,279,829	16,873	87,901	1,917	-	2,055	-	3,706	5,131
Fully Allocated Cost (£m)			50.8	138.6	5.1	0.0	360.8	36.6	14.2	69.5	0.1	0.6	0.0	-	0.4	-	2.3	3.7

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

Fully Allocated Cost (£ or %)	Components	Unit (a)	Average cost per unit (from Appendix 1.2)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (\$ML1)	
				Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
	GEA Cable Links	£/conn	1,175.73	1,175.73	1,175.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Distribution Fibre Spine	£/rental	7.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Distribution Fibre Spine	£/rental	351.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Access Fibre Spine	£/rental	1.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Access Fibre Spine	£/rental	50.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Electronics	£/rental	0.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Electronics	£/rental	37.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Customer Site Electronics	%	£121m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Customer Site Installation	%	£4m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Provisions	%	£18m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Provisions	%	£6m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTP Repairs	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GEA DSLAM & Cabinets	%	£102m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NGA Visit Assure	%	£21m	-	-	-	-	-	-	-	-	-	-	-	-	105.15	105.15	-	-
	NGA E side Copper cable	£/line	8.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Routing & Records	£/line	2.54	-	-	-	-	-	-	-	-	-	-	2.54	2.54	-	-	-	-
	FTTC Funded Fibre Rollout Spend	%	£187m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTP Funded Fibre Rollout Spend	%	£34m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTC Fibre Rollout Funding	%	£(63)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTP Fibre Rollout Funding	%	£(13)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FTTC Development	%	£21m	-	-	-	-	-	-	-	-	-	-	1.70	1.70	-	-	-	-
	FTTP Development	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Co-mingling power & vent	£/hostel	352.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Co-mingling rentals	£/hostel	49.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Co-mingling set up	£/room	3,242.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	WLA tie cables	£/cable	29.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MDF Hardware jumpering	£/line	13.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total</b>			<b>1,175.73</b>	<b>1,175.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.24</b>	<b>4.24</b>	<b>105.15</b>	<b>105.15</b>	<b>-</b>	<b>-</b>

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (SML1)	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
<b>Components</b>	<b>Unit (a)</b>																	
MPF line testing systems	£/line	2.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.36	2.36
Cumulo Rates Non NGA - Openreach	%	£118m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.37	3.37
Cumulo Rates NGA	%	£46m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.82	3.82
E side copper capital	£/line	6.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.25	6.25
D side copper current	£/line	9.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.29	9.29
D side copper capital	£/line	33.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.35	33.35
Analogue line drop maintenance	£/line	1.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.95	1.95
Dropwire capital & analogue NTE	£/line	16.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.23	16.23
Analogue line test equipment	£/line	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.09	0.09
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.27	1.27
Local exchanges general frames equipment	£/line	0.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.86	1.86
Abortive Visits	£/trans	49.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02
OR Service Centre - Assurance GEA	%	£11m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.76	0.76
OR Service Centre - Provision GEA	%	£20m	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-
OR Service Centre - Provision WLA	%	£22m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach time related charges	%	£65m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£16m	1.21	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.34	1.34	15.92	15.89	0.09	0.09
Special Fault Investigation	%	£45m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	2.48	1.37	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.09	0.09	0.06	0.06
SLG WLA Internal	%	£11m	144.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.36
SLG WLA External	%	£24m	-	234.27	-	-	-	-	-	-	-	-	-	-	-	-	1.05	-
Revenue Receivables	%	£44m	21.05	11.62	0.07	0.07	0.07	0.07	0.01	0.04	0.07	0.07	0.06	0.06	0.76	0.76	0.55	0.55
Rounding			0.01	0.01	-	-	0.01	-	-	0.01	-	-	-	-	(0.01)	(0.01)	0.01	0.01
<b>Fully Allocated Cost (£ or %)</b>			<b>1,346.28</b>	<b>1,424.97</b>	<b>1.38</b>	<b>1.38</b>	<b>1.39</b>	<b>1.38</b>	<b>1.31</b>	<b>1.35</b>	<b>1.38</b>	<b>1.38</b>	<b>6.95</b>	<b>6.95</b>	<b>121.91</b>	<b>121.88</b>	<b>82.38</b>	<b>81.69</b>
	Volume (units)		1,174	545	43,054	10,542	2,140,296	102,330	2,681,035	1,067,359	186,483	2,588	267,058	325,548	99,931	96,645	3,021	7,912,229
	Fully Allocated Cost (£m)		1.6	0.8	0.1	0.0	3.0	0.1	3.5	1.4	0.3	0.0	1.9	2.3	12.2	11.8	0.2	646.3

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
<b>Components</b>	<b>Unit (a)</b>																	
GEA Cable Links	£/conn	1,175.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	7.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	351.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	50.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	0.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	37.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£121m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£4m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£18m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£6m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA DSLAM & Cabinets	%	£102m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£21m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	2.54	2.54	2.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£187m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£34m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(63)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(13)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£21m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Development	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	£/hostel	352.62	-	-	-	-	-	-	-	-	-	-	-	-	22.9%	-	-	-
Co-mingling rentals	£/hostel	49.22	-	-	-	-	-	-	-	-	-	-	-	-	39.0%	-	-	-
Co-mingling set up	£/room	3,242.30	-	-	-	-	-	-	-	-	-	-	-	-	34.8%	-	-	-
WLA tie cables	£/cable	29.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86.2%	84.7%
MDF Hardware jumpering	£/line	13.45	17.72	17.72	-	18.59	-	17.93	-	-	-	-	-	-	-	-	-	-
<b>Sub Total</b>			<b>20.26</b>	<b>20.26</b>	-	<b>18.59</b>	-	<b>17.93</b>	-	-	-	-	-	-	<b>96.7%</b>	<b>86.2%</b>	<b>84.7%</b>	

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
MPF line testing systems	£/line	2.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£118m	0.00	0.00	-	0.00	-	0.00	0.00	0.00	-	0.00	-	0.00	-	1.9%	2.9%	2.9%
Cumulo Rates NGA	%	£46m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	6.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	9.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	33.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	1.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	16.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	0.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	49.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	0.02	0.02	-	0.02	-	0.02	0.02	0.02	-	0.02	-	0.02	-	0.0%	0.1%	0.1%
OR Service Centre – Assurance GEA	%	£11m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance WLA	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6%	0.4%	2.2%
OR Service Centre – Provision GEA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision WLA	%	£22m	3.34	3.34	-	3.34	-	3.34	3.34	3.34	-	3.34	-	3.34	-	0.0%	9.7%	9.5%
Openreach time related charges	%	£65m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£16m	0.05	0.04	-	0.03	-	0.02	0.00	0.00	-	0.00	-	0.00	-	0.3%	0.1%	0.3%
Special Fault Investigation	%	£45m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee – Openreach	%	£4m	0.03	0.03	-	0.02	-	0.01	0.01	0.01	-	0.01	-	0.00	-	0.0%	0.1%	0.0%
SLG WLA Internal	%	£11m	1.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG WLA External	%	£24m	-	4.33	-	3.54	-	2.46	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	0.26	0.21	-	0.18	-	0.12	0.06	0.06	-	0.06	-	0.02	-	0.3%	0.6%	0.3%
Rounding			0.01	0.01	-	0.02	-	0.01	0.01	0.01	-	0.01	-	0.01	-	0.2%	(0.1)%	-
Fully Allocated Cost (£ or %)			25.73	28.24	-	25.74	-	23.91	3.44	3.44	-	3.44	-	3.39	-	100.0%	100.0%	100.0%
	Volume (units)		23,023	1,682,248	-	588,909	-	16,846	2,067	360,854	-	81,963	-	5,073	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.6	47.5	-	15.2	-	0.4	0.0	1.1	-	0.3	-	0.0	-	67.0	13.5	9.8

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £
Components	Unit (a)											
GEA Cable Links	£/conn	1,175.73	-	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	7.59	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	351.37	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.52	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	50.41	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	0.92	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	37.05	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£121m	-	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£4m	-	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£18m	-	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£6m	-	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£0m	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-	-
GEA DSLAM & Cabinets	%	£102m	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£21m	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.42	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	2.54	-	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£187m	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£34m	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(63)m	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(13)m	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£21m	-	-	-	-	-	-	-	-	-	-
FTTP Development	%	£15m	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	£/hostel	352.62	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	49.22	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	3,242.30	-	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cable	29.72	-	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	13.45	10.11	10.04	0.56	0.56	-	-	-	-	-	-
<b>Sub Total</b>			<b>10.11</b>	<b>10.04</b>	<b>0.56</b>	<b>0.56</b>	-	-	-	-	-	-

## Section 6 – Review of Wholesale Local Access Markets

### WLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £
<b>Components</b>	<b>Unit (a)</b>											
MPF line testing systems	£/line	2.36	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£118m	0.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	-	-
Cumulo Rates NGA	%	£46m	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.82	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	6.25	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	9.29	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	33.35	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	1.95	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	16.23	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.09	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	0.93	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	49.71	-	-	-	-	-	-	-	-	48.65	48.65
Local Loop Unbundling systems development	%	£1m	0.02	0.02	0.02	0.02	-	-	-	-	-	-
OR Service Centre - Assurance GEA	%	£11m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£8m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision GEA	%	£20m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£22m	3.34	3.34	3.34	3.34	-	-	-	-	-	-
Openreach time related charges	%	£65m	-	-	-	-	-	-	98.8%	98.8%	-	-
Openreach sales product management	%	£16m	0.15	0.14	0.05	0.03	0.3%	0.4%	0.5%	0.5%	0.41	0.41
Special Fault Investigation	%	£45m	-	-	-	-	99.3%	99.1%	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	0.01	0.01	0.03	0.02	0.0%	0.1%	0.1%	0.1%	0.06	0.06
SLG WLA Internal	%	£11m	-	-	1.86	-	-	-	-	-	-	-
SLG WLA External	%	£24m	-	-	-	3.66	-	-	-	-	-	-
Revenue Receivables	%	£44m	0.12	0.11	0.27	0.18	0.4%	0.5%	0.6%	0.6%	0.52	0.52
Rounding			0.02	0.02	0.01	0.01	-	(0.1)%	-	-	-	-
<b>Fully Allocated Cost (£ or %)</b>			<b>13.77</b>	<b>13.68</b>	<b>6.14</b>	<b>7.82</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>49.64</b>	<b>49.64</b>
Volume (units)			390,726	829,176	137,265	289,545	(ux)	(ux)	(ux)	(ux)	33,742	96,371
Fully Allocated Cost (£m)			5.4	11.3	0.8	2.3	25.9	19.9	7.0	19.9	1.7	4.8



Section 7  
Review of Business Connectivity Markets

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
EAD 1Gbps Rentals	43.0	28.4	71.4	19,794	12,965	ccts	2,174.33	2,187.92	53.1	34.8	87.9
EAD LA 1Gbps Rentals	35.1	11.6	46.7	19,925	6,581	ccts	1,760.43	1,765.51	35.8	11.8	47.6
EAD 1Gbps Connections*	3.8	6.2	10.0	1,912	3,213	ccts	1,965.19	1,935.61	2.2	3.7	5.9
EAD LA 1Gbps Connections*	6.3	6.0	12.3	3,290	3,136	ccts	1,907.35	1,902.18	3.7	3.6	7.3
<b>Ethernet 1Gbps EAD and EAD LA Sub-basket</b>	<b>88.2</b>	<b>52.2</b>	<b>140.4</b>						<b>94.8</b>	<b>53.9</b>	<b>148.7</b>
<b>Ethernet Main Link Sub-basket up to and including 1Gbps</b>	<b>53.4</b>	<b>41.4</b>	<b>94.8</b>	<b>297,959</b>	<b>229,594</b>	<b>fibre km</b>	<b>179.27</b>	<b>180.27</b>	<b>59.3</b>	<b>45.7</b>	<b>105.0</b>
<b>Ethernet Interconnection Sub-basket</b>	<b>0.2</b>	<b>0.9</b>	<b>1.1</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(sx)</b>	<b>(sx)</b>	<b>0.2</b>	<b>0.6</b>	<b>0.8</b>
EAD 10Mbps Rentals	4.3	2.0	6.3	2,507	1,205	ccts	1,698.33	1,698.00	6.6	3.2	9.8
EAD 100Mbps Rentals	26.2	24.8	51.0	15,401	14,628	ccts	1,700.55	1,698.05	40.5	38.5	79.0
EAD LA 10Mbps Rentals	8.2	1.5	9.7	5,954	1,062	ccts	1,374.05	1,374.11	10.1	1.8	11.9
EAD LA 100Mbps Rentals	72.8	63.5	136.3	52,974	46,249	ccts	1,374.29	1,374.03	90.6	79.1	169.7
EBD 1Gbps Rentals	2.4	2.9	5.3	849	1,030	ccts	2,818.47	2,852.25	8.6	11.5	20.1
WES 10Mbps Rentals	2.1	1.9	4.0	2,297	2,156	le	903.55	891.67	3.9	3.6	7.5
WES 100Mbps Rentals	2.1	1.9	4.0	2,233	1,939	le	950.01	974.86	3.7	3.3	7.0
WES 1Gbps Rentals	0.9	0.6	1.5	687	567	le	1,256.76	1,144.08	1.2	1.0	2.2
BES 1Gbps Rentals	0.3	1.5	1.8	259	1,315	le	1,100.26	1,107.38	0.4	2.1	2.5
EAD 10Mbps Connections*	0.1	0.0	0.1	36	5	ccts	1,898.33	1,890.00	0.0	0.0	0.0
EAD 100Mbps Connections*	3.1	3.1	6.2	2,279	2,463	ccts	1,353.25	1,269.75	2.6	2.8	5.4
EAD LA 10Mbps Connections*	0.1	0.0	0.1	51	2	ccts	1,885.59	1,890.00	0.1	0.0	0.1
EAD LA 100Mbps Connections*	16.4	13.4	29.8	12,204	10,356	ccts	1,340.53	1,292.90	13.8	11.9	25.7
EBD 1Gbps Connections	0.0	0.1	0.1	22	39	ccts	2,195.45	2,315.38	0.0	0.0	0.0
Other Services up to and including 1Gbps Rentals and Connections	1.3	1.0	2.3	(ux)	(ux)	(ux)	(sx)	(sx)	2.5	0.7	3.2
<b>Total Ethernet Basket</b>	<b>282.1</b>	<b>212.7</b>	<b>494.8</b>						<b>338.9</b>	<b>259.7</b>	<b>598.6</b>

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK Summary (continued)

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Exempt Ancillary Services	6.4	3.0	9.4	(ux)	(ux)	(ux)	(sx)	(sx)	3.8	1.2	5.0
Ethernet Time Related Charges (TRC)	2.1	0.3	2.4	(ux)	(ux)	(ux)	(sx)	(sx)	4.0	0.5	4.5
Excess Construction Charges (ECC)	10.5	8.0	18.5	(ux)	(ux)	(ux)	(sx)	(sx)	20.8	14.2	35.0
CISBO RoUK IFRS 15	(1.1)	(7.4)	(8.5)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.7)	(1.4)	(2.1)
CISBO RoUK SLG	(8.8)	(8.4)	(17.2)	(ux)	(ux)	(ux)	(sx)	(sx)	(8.8)	(8.5)	(17.3)
Rounding	(0.2)	0.1	(0.1)						(0.1)	-	(0.1)
<b>Total Lower Bandwidth CISBO Services Rest of UK</b>	<b>291.0</b>	<b>208.3</b>	<b>499.3</b>						<b>357.9</b>	<b>265.7</b>	<b>623.6</b>

#### Notes

\*EAD Connection Services includes Excess Construction Charge fixed fee revenue of £26.8m with matched costs of £22.5m and £11.5m of attributed indirect costs

Excess Construction Charge revenue of £18.5m has matched costs of £15.5m and £8.3m of attributed indirect costs

Time Related Charge revenue of £2.4m has matched costs of £2m and £1.1m of attributed indirect costs

EAD 100 Mbps - Includes internal discounted revenue of £1.2m on 814 connections and external discounted revenue of £1.4m on 974 connections

EAD LA 100 Mbps - Includes internal discounted revenue of £7.4m on 5,226 connections and external discounted revenue of £7.2m on 5,053 connections

There were no discounted revenues or volumes for EAD 1 Gbps and EAD LA 1 Gbps services

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK calculation of FAC based on component costs and usage factors

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	EAD 1Gbps Rentals		EAD LA 1Gbps Rentals		EAD 1Gbps Connections		EAD LA 1Gbps Connections		Ethernet Main Link up to and including 1Gbps		Ethernet Interconnection		EAD 10Mbps Rentals		EAD 100Mbps Rentals	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
Routing & Records	£/line	3.02	-	-	-	-	3.02	3.02	3.02	3.02	-	-	0.3%	0.3%	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	342.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	6,721.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,128.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	444.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	197.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,260.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,426.87	-	-	-	-	-	-	-	-	-	-	0.5%	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,507.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	177.23	-	-	-	-	-	-	-	-	177.23	177.23	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.37	93.37	93.37	93.37	93.37	-	-	-	-	-	-	0.0%	0.0%	93.37	93.37	93.37	93.37
OR Systems & Development - Ethernet	£/le	25.61	25.61	25.61	25.61	25.61	25.61	25.61	25.61	25.61	3.62	3.62	54.1%	42.1%	25.61	25.61	25.61	25.61
Ethernet Access Direct Fibre	£/circuit	903.05	1,811.88	1,811.88	982.89	982.89	-	-	-	-	-	-	-	0.2%	1,806.10	1,806.10	1,807.10	1,807.10
Ethernet Excess Construction	%	£45m	-	-	-	-	229.83	229.83	229.83	229.83	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£31m	-	-	-	-	364.59	364.59	364.59	364.59	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£2m	-	-	-	-	42.56	42.56	42.56	42.56	-	-	3.8%	4.6%	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	-	-	-	-	-	-	0.0%	0.0%	0.00	0.00	0.00	0.00
OR Project Services	%	£7m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	1.89	1.91	1.53	1.54	1.71	1.69	1.66	1.66	0.16	0.16	0.1%	0.1%	1.48	1.48	1.48	1.48
Openreach sales product management	%	£15m	5.25	5.28	4.25	4.26	4.74	4.67	4.60	4.59	0.43	0.44	0.3%	0.4%	4.10	4.10	4.10	4.10
Ethernet Monitoring Platform	£/circuit	296.04	51.98	51.98	51.98	51.98	-	-	-	-	-	-	-	-	51.98	51.98	51.98	51.98
EAD Electronics Capital	£/circuit	515.41	557.06	557.06	557.06	557.06	-	-	-	-	-	-	-	-	515.41	515.41	515.41	515.41
Cumulo Rates Non NGA - Openreach	%	£135m	122.87	122.87	66.87	66.87	10.63	10.65	10.63	10.65	16.63	16.63	0.0%	0.0%	122.47	122.47	122.54	122.54
SLG Ethernet Assurance Internal	%	£0m	0.62	-	0.62	-	-	-	-	-	-	-	1.2%	-	0.62	-	0.62	-
SLG Ethernet Provision Internal	%	£12m	-	-	-	-	440.27	-	440.27	-	-	-	39.2%	-	-	-	-	-
SLG Ethernet Provision External	%	£13m	-	-	-	-	-	461.23	-	461.23	-	-	-	50.2%	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	0.83	-	0.83	-	-	-	-	-	-	-	1.3%	-	0.83	-	0.83
Revenue Receivables	%	£40m	13.30	13.38	10.77	10.80	10.47	10.31	10.16	10.13	1.10	1.10	0.5%	0.7%	10.39	10.38	10.40	10.38
Rounding			-	-	(0.01)	(0.01)	-	(0.01)	-	(0.01)	(0.01)	(0.01)	-	0.1%	(0.01)	-	-	-
Fully Allocated Cost (£ or %)			2,683.83	2,684.17	1,794.94	1,795.20	1,133.43	1,154.15	1,132.93	1,153.86	199.16	199.17	100.0%	100.0%	2,631.52	2,631.73	2,632.61	2,632.80
Volume (units)			19,794	12,965	19,925	6,581	1,912	3,213	3,290	3,136	297,959	229,594	(ux)	(ux)	2,507	1,205	15,401	14,628
Fully Allocated Cost (£m)			53.1	34.8	35.8	11.8	2.2	3.7	3.7	3.6	59.3	45.7	0.2	0.6	6.6	3.2	40.5	38.5

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	EAD LA 10Mbps Rentals		EAD LA 100Mbps Rentals		EBD 1Gbps Rentals		WES 10Mbps Rentals		WES 100Mbps Rentals		WES 1Gbps Rentals		BES 1Gbps Rentals		EAD 10Mbps Connections	
			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (a)																	
Routing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.02	3.02
Ethernet Backhaul Direct extended reach	£/circuit	342.98	-	-	-	-	-	342.98	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	6,721.00	-	-	-	-	6,721.00	6,721.00	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,128.89	-	-	-	-	3,128.89	3,128.89	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	444.20	-	-	-	-	-	444.20	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	197.16	-	-	-	-	-	197.16	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,260.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,426.87	-	-	-	-	-	-	-	-	-	-	-	-	1,426.87	1,426.87	-	-
Wholesale Extension Services Fibre	£/le	1,507.42	-	-	-	-	-	-	1,507.42	1,507.42	1,508.14	1,508.14	1,524.25	1,524.25	-	-	-	-
Ethernet main links	£/fibre km	177.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.37	93.37	93.37	93.37	93.37	-	-	56.87	56.87	53.18	53.18	49.18	49.18	46.68	46.68	-	-
OR Systems & Development - Ethernet	£/le	25.61	25.61	25.61	25.61	25.61	25.61	25.61	12.81	12.81	12.81	12.81	12.81	12.81	12.81	12.81	25.61	25.61
Ethernet Access Direct Fibre	£/circuit	903.05	927.16	927.16	945.99	945.99	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction	%	£45m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	229.83	229.83
Ethernet Excess Construction Capex	%	£31m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	364.59	364.59
OR Service Centre - Provision Ethernet	%	£2m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42.56	42.56
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
OR Project Services	%	£7m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	1.20	1.20	1.20	1.20	2.46	2.48	0.79	0.78	0.83	0.85	1.09	1.00	0.96	0.96	1.65	1.65
Openreach sales product management	%	£15m	3.32	3.32	3.32	3.32	2.04	2.06	2.58	2.55	2.72	2.79	3.59	3.27	4.40	4.43	4.58	4.57
Ethernet Monitoring Platform	£/circuit	296.04	51.98	51.98	51.98	51.98	-	-	-	-	-	-	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	515.41	515.41	515.41	515.41	515.41	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£135m	63.10	63.10	64.37	64.37	235.07	253.27	95.28	95.28	95.31	95.31	96.31	96.31	89.32	89.32	10.63	10.65
SLG Ethernet Assurance Internal	%	£0m	0.62	-	0.62	-	0.62	-	0.62	-	0.62	-	0.62	-	0.62	-	-	-
SLG Ethernet Provision Internal	%	£12m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	440.27	-
SLG Ethernet Provision External	%	£13m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	461.23
SLG Ethernet Assurance External	%	£0m	-	0.83	-	0.83	-	0.83	-	0.83	-	0.83	-	0.83	-	0.83	-	-
Revenue Receivables	%	£40m	8.40	8.40	8.40	8.40	17.24	17.44	5.53	5.45	5.81	5.96	7.69	7.00	6.73	6.77	10.11	10.07
Rounding			(0.01)	(0.01)	-	-	(0.01)	-	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	-	0.01	-	(0.02)
Fully Allocated Cost (£ or %)			1,690.16	1,690.37	1,710.27	1,710.48	10,132.92	11,135.92	1,681.88	1,681.98	1,679.40	1,679.86	1,695.53	1,694.64	1,588.39	1,588.68	1,132.85	1,153.76
Volume (units)			5,954	1,062	52,974	46,249	849	1,030	2,297	2,156	2,233	1,939	687	567	259	1,315	36	5
Fully Allocated Cost (£m)			10.1	1.8	90.6	79.1	8.6	11.5	3.9	3.6	3.7	3.3	1.2	1.0	0.4	2.1	0.0	0.0

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	EAD 100Mbps Connections		EAD LA 10Mbps Connections		EAD LA 100Mbps Connections		EBD 1Gbps Connections		Other Services up to and including 1Gbps Rentals and Connections		Exempt Ancillary Services		Ethernet Time Related Charges		Excess Construction Charges	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Components	Unit (a)																	
Routing & Records	£/line	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02	0.0%	0.0%	-	-	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	342.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	6,721.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,128.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	444.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	197.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,260.15	-	-	-	-	-	-	-	-	47.8%	4.1%	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,426.87	-	-	-	-	-	-	-	-	39.8%	28.4%	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,507.42	-	-	-	-	-	-	-	-	4.1%	52.7%	-	-	-	-	-	-
Ethernet main links	£/fibre km	177.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.37	-	-	-	-	-	-	-	-	1.5%	3.6%	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.61	25.61	25.61	25.61	25.61	25.61	25.61	25.61	25.61	0.7%	0.8%	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	903.05	-	-	-	-	-	-	-	-	-	3.3%	-	-	-	-	-	-
Ethernet Excess Construction	%	£45m	229.83	229.83	229.83	229.83	229.83	229.83	-	-	-	-	-	-	70.6%	70.6%	72.0%	68.8%
Ethernet Excess Construction Capex	%	£31m	364.59	364.59	364.59	364.59	364.59	364.59	-	-	-	-	-	-	28.1%	28.1%	26.8%	29.8%
OR Service Centre - Provision Ethernet	%	£2m	42.56	42.56	42.56	42.56	42.56	42.56	42.56	42.56	0.2%	0.0%	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-	-	-
OR Project Services	%	£7m	-	-	-	-	-	-	-	-	-	-	98.7%	98.1%	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	1.18	1.11	1.64	1.65	1.17	1.13	1.91	2.02	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%
Openreach sales product management	%	£15m	3.27	3.06	4.55	4.57	3.24	3.12	1.59	1.67	0.1%	0.4%	0.3%	0.3%	0.1%	0.1%	0.1%	0.1%
Ethernet Monitoring Platform	£/circuit	296.04	-	-	-	-	-	-	-	-	1.1%	0.1%	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	515.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£135m	10.63	10.65	10.63	10.65	10.63	10.65	0.01	0.03	2.8%	5.3%	0.0%	0.0%	0.8%	0.8%	0.8%	0.9%
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£12m	440.27	-	440.27	-	440.27	-	440.27	-	1.6%	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£13m	-	461.23	-	461.23	-	461.23	-	461.23	-	0.3%	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-
Revenue Receivables	%	£40m	7.21	6.76	10.04	10.07	7.14	6.89	11.69	12.33	0.3%	0.8%	0.9%	1.4%	0.3%	0.3%	0.3%	0.3%
Rounding			(0.01)	-	-	(0.01)	(0.01)	(0.01)	-	-	-	0.1%	-	-	0.1%	0.1%	-	0.1%
Fully Allocated Cost (£ or %)			1,128.16	1,148.42	1,132.74	1,153.77	1,128.05	1,148.62	526.66	548.47	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Volume (units)			2,279	2,463	51	2	12,204	10,356	22	39	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
Fully Allocated Cost (£m)			2.6	2.8	0.1	0.0	13.8	11.9	0.0	0.0	2.5	0.7	3.8	1.2	4.0	0.5	20.8	14.2

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
EAD 1Gbps Rentals	54.2	31.9	86.1	18,099	10,586	ccts	2,995.78	3,012.79	43.3	25.3	68.6
EAD LA 1Gbps Rentals	39.5	10.0	49.5	16,536	4,172	ccts	2,387.71	2,398.04	27.2	6.9	34.1
EAD 1Gbps Connections*	4.7	4.1	8.8	3,334	2,840	ccts	1,420.75	1,454.96	4.1	5.7	9.8
EAD LA 1Gbps Connections*	4.6	2.8	7.4	3,357	2,062	ccts	1,364.76	1,367.70	4.2	4.1	8.3
<b>Ethernet 1Gbps EAD and EAD LA Sub-basket</b>	<b>103.0</b>	<b>48.8</b>	<b>151.8</b>						<b>78.8</b>	<b>42.0</b>	<b>120.8</b>
<b>Ethernet Main Link Sub-basket up to and including 1Gbps</b>	<b>74.4</b>	<b>57.3</b>	<b>131.7</b>	<b>291,873</b>	<b>222,678</b>	<b>fibre km</b>	<b>254.78</b>	<b>257.19</b>	<b>52.6</b>	<b>40.1</b>	<b>92.7</b>
<b>Ethernet Interconnection Sub-basket</b>	<b>0.2</b>	<b>0.9</b>	<b>1.1</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(sx)</b>	<b>(sx)</b>	<b>0.2</b>	<b>1.1</b>	<b>1.3</b>
EAD 10Mbps Rentals	5.7	2.9	8.6	3,163	1,613	ccts	1,800.23	1,800.00	7.4	3.8	11.2
EAD 100Mbps Rentals	27.9	24.6	52.5	15,457	13,682	ccts	1,804.04	1,800.07	36.0	31.9	67.9
EAD LA 10Mbps Rentals	10.2	2.2	12.4	7,280	1,570	ccts	1,398.04	1,398.00	11.2	2.4	13.6
EAD LA 100Mbps Rentals	65.4	54.9	120.3	46,757	39,239	ccts	1,398.31	1,398.04	72.9	61.2	134.1
EBD 1Gbps Rentals	2.4	3.0	5.4	847	1,068	ccts	2,801.19	2,845.01	9.4	12.7	22.1
WES 10Mbps Rentals	2.8	2.8	5.6	2,965	2,986	le	947.85	926.22	4.5	4.5	9.0
WES 100Mbps Rentals	3.1	2.8	5.9	3,047	2,760	le	1,005.20	1,001.00	4.6	4.2	8.8
WES 1Gbps Rentals	1.4	1.2	2.6	843	751	le	1,650.54	1,550.25	1.3	1.1	2.4
BES 1Gbps Rentals	0.4	2.8	3.2	288	1,858	le	1,505.48	1,497.14	0.4	2.5	2.9
EAD 10Mbps Connections*	0.1	0.0	0.1	31	8	ccts	1,978.71	1,942.50	0.0	0.0	0.0
EAD 100Mbps Connections*	2.2	3.1	5.3	2,154	3,197	ccts	1,010.09	963.92	2.7	6.4	9.1
EAD LA 10Mbps Connections*	0.1	0.0	0.1	56	6	ccts	1,896.96	1,898.33	0.1	0.0	0.1
EAD LA 100Mbps Connections*	11.3	11.8	23.1	11,521	11,854	ccts	979.86	995.40	14.2	23.7	37.9
EBD 1Gbps Connections	0.1	0.1	0.2	48	39	ccts	2,165.63	2,027.31	0.0	0.1	0.1
Other Services up to and including 1Gbps Rentals and Connections	1.5	1.2	2.7	(ux)	(ux)	(ux)	(sx)	(sx)	2.7	0.8	3.5
<b>Total Ethernet Basket</b>	<b>312.2</b>	<b>220.4</b>	<b>532.6</b>						<b>299.0</b>	<b>238.5</b>	<b>537.5</b>

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK Summary (continued)

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Exempt Ancillary Services	12.2	3.2	15.4	(ux)	(ux)	(ux)	(sx)	(sx)	8.9	0.5	9.4
Ethernet Time Related Charges (TRC)	2.6	1.0	3.6	(ux)	(ux)	(ux)	(sx)	(sx)	3.4	1.4	4.8
Excess Construction Charges (ECC)	16.9	9.4	26.3	(ux)	(ux)	(ux)	(sx)	(sx)	22.5	12.2	34.7
Rounding	(0.2)	-	(0.2)						-	0.1	0.1
<b>Total Lower Bandwidth CISBO Services Rest of UK</b>	<b>343.7</b>	<b>234.0</b>	<b>577.7</b>						<b>333.8</b>	<b>252.7</b>	<b>586.5</b>

#### Notes

\*EAD Connection Services includes Excess Construction Charge fixed fee revenue of £26.6m with matched costs of £25.5m and £8.4m of attributed indirect costs  
 Excess Construction Charge revenue of £26.3m has matched costs of £25.2m and £8.8m of attributed indirect costs  
 Time Related Charge revenue of £3.6m has matched costs of £3.5m and £1.2m of attributed indirect costs

EAD 1 Gbps - Includes internal discounted revenue of £2.0m on 1,718 connections and external discounted revenue of £1.7m on 1,458 connections  
 EAD LA 1 Gbps - Includes internal discounted revenue of £1.8m on 1,724 connections and external discounted revenue of £1.1m on 1,068 connections  
 EAD 100 Mbps - Includes internal discounted revenue of £1.0m on 1,565 connections and external discounted revenue of £1.6m on 2,435 connections  
 EAD LA 100 Mbps - Includes internal discounted revenue of £5.6m on 8,505 connections and external discounted revenue of £5.7m on 8,599 connections



## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	EAD 1Gbps Rentals		EAD LA 1Gbps Rentals		EAD 1Gbps Connections		EAD LA 1Gbps Connections		Ethernet Main Link up to and including 1Gbps		Ethernet Interconnection		EAD 10Mbps Rentals		EAD 100Mbps Rentals	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
Routing & Records	£/line	2.54	-	-	-	-	2.54	2.54	2.54	2.54	-	-	0.2%	0.1%	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	131.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	7,478.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,347.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	475.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	187.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,144.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,213.64	-	-	-	-	-	-	-	-	-	-	0.7%	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,355.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	159.27	-	-	-	-	-	-	-	-	159.27	159.27	-	-	-	-	-	-
Ethernet Electronics Current	£/le	75.03	75.03	75.03	75.03	75.03	-	-	-	-	-	-	0.0%	0.0%	75.03	75.03	75.03	75.03
OR Systems & Development - Ethernet	£/le	21.21	21.21	21.21	21.21	21.21	21.21	21.21	21.21	21.21	2.88	2.88	45.2%	19.1%	21.21	21.21	21.21	21.21
Ethernet Access Direct Fibre	£/circuit	755.75	1,515.98	1,515.98	821.11	821.11	-	-	-	-	-	-	-	0.2%	1,511.50	1,511.50	1,512.44	1,512.44
Ethernet Excess Construction	%	£42m	-	-	-	-	216.22	216.22	216.22	216.22	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£28m	-	-	-	-	269.20	269.20	269.20	269.20	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£8m	-	-	-	-	142.32	142.32	142.32	142.32	-	-	10.4%	7.6%	-	-	-	-
OR Service Centre - Assurance Ethernet	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£14m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	2.04	2.06	1.63	1.64	0.97	0.99	0.93	0.93	0.17	0.18	0.1%	0.1%	1.23	1.23	1.23	1.23
Openreach sales product management	%	£16m	18.44	18.54	14.70	14.76	8.74	8.96	8.40	8.42	1.57	1.58	0.7%	0.7%	11.08	11.08	11.10	11.08
Ethernet Monitoring Platform	£/circuit	334.28	55.29	55.29	55.29	55.29	-	-	-	-	-	-	-	-	55.29	55.29	55.29	55.29
EAD Electronics Capital	£/circuit	542.40	583.11	583.11	583.11	583.11	-	-	-	-	-	-	-	-	542.40	542.40	542.40	542.40
Cumulo Rates Non NGA - Openreach	%	£118m	100.63	100.63	54.71	54.71	8.77	8.80	8.77	8.80	14.68	14.68	0.0%	0.0%	100.33	100.33	100.39	100.39
SLG Ethernet Assurance Internal	%	£0m	0.36	-	0.36	-	-	-	-	-	-	-	0.7%	-	0.36	-	0.36	-
SLG Ethernet Provision Internal	%	£15m	-	-	-	-	562.78	-	562.78	-	-	-	41.3%	-	-	-	-	-
SLG Ethernet Provision External	%	£36m	-	-	-	-	-	1,324.90	-	1,324.90	-	-	-	70.7%	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	1.18	-	1.18	-	-	-	-	-	-	-	1.0%	-	1.18	-	1.18
Revenue Receivables	%	£44m	19.30	19.41	15.39	15.45	8.22	8.42	7.90	7.91	1.64	1.66	0.5%	0.5%	11.60	11.60	11.62	11.60
Rounding			0.01	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	-	-	-	0.2%	-	-	(0.01)	0.01	-
Fully Allocated Cost (£ or %)			2,391.40	2,392.44	1,642.53	1,643.48	1,240.96	2,003.55	1,240.25	2,002.45	180.21	180.25	100.0%	100.0%	2,330.03	2,330.84	2,331.08	2,331.85
Volume (units)			18,099	10,586	16,536	4,172	3,334	2,840	3,357	2,062	291,873	222,678	(ux)	(ux)	3,163	1,613	15,457	13,682
Fully Allocated Cost (£m)			43.3	25.3	27.2	6.9	4.1	5.7	4.2	4.1	52.6	40.1	0.2	1.1	7.4	3.8	36.0	31.9

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	EAD LA 10Mbps Rentals		EAD LA 100Mbps Rentals		EBD 1Gbps Rentals		WES 10Mbps Rentals		WES 100Mbps Rentals		WES 1Gbps Rentals		BES 1Gbps Rentals		EAD 10Mbps Connections	
			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (a)																	
Routing & Records	£/line	2.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.54	2.54
Ethernet Backhaul Direct extended reach	£/circuit	131.81	-	-	-	-	-	131.81	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	7,478.39	-	-	-	-	7,478.39	7,478.39	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,347.44	-	-	-	-	3,347.44	3,347.44	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	475.98	-	-	-	-	-	475.98	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	187.34	-	-	-	-	-	187.34	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,144.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,213.64	-	-	-	-	-	-	-	-	-	-	-	-	1,213.64	1,213.64	-	-
Wholesale Extension Services Fibre	£/le	1,355.46	-	-	-	-	-	-	1,355.46	1,355.46	1,355.93	1,355.93	1,368.42	1,368.42	-	-	-	-
Ethernet main links	£/fibre km	159.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	75.03	75.03	75.03	75.03	75.03	-	-	47.56	47.56	42.76	42.76	39.37	39.37	37.51	37.51	-	-
OR Systems & Development - Ethernet	£/le	21.21	21.21	21.21	21.21	21.21	21.21	21.21	10.60	10.60	10.60	10.60	10.60	10.60	10.60	10.60	21.21	21.21
Ethernet Access Direct Fibre	£/circuit	755.75	774.86	774.86	793.72	793.72	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction	%	£42m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	216.22	216.22
Ethernet Excess Construction Capex	%	£28m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	269.20	269.20
OR Service Centre - Provision Ethernet	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142.32	142.32
OR Service Centre - Assurance Ethernet	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£14m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	0.95	0.95	0.95	0.95	1.91	1.94	0.65	0.63	0.69	0.68	1.13	1.06	1.03	1.02	1.35	1.33
Openreach sales product management	%	£16m	8.60	8.60	8.61	8.60	6.24	6.34	7.66	7.49	8.12	8.09	13.34	12.53	15.29	15.20	12.18	11.95
Ethernet Monitoring Platform	£/circuit	334.28	55.29	55.29	55.29	55.29	-	-	-	-	-	-	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	542.40	542.40	542.40	542.40	542.40	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£118m	51.65	51.65	52.89	52.89	243.07	256.91	80.91	80.91	80.91	80.91	81.64	81.64	71.90	71.90	8.77	8.80
SLG Ethernet Assurance Internal	%	£0m	0.36	-	0.36	-	0.36	-	0.36	-	0.36	-	0.36	-	0.36	-	-	-
SLG Ethernet Provision Internal	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	562.78	-
SLG Ethernet Provision External	%	£36m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,324.90
SLG Ethernet Assurance External	%	£0m	-	1.18	-	1.18	-	1.18	-	1.18	-	1.18	-	1.18	-	1.18	-	-
Revenue Receivables	%	£44m	9.01	9.01	9.01	9.01	18.05	18.33	6.11	5.97	6.48	6.45	10.64	9.99	9.70	9.65	11.45	11.24
Rounding		0.01	-	-	-	0.01	-	-	-	-	0.01	0.01	-	-	-	-	(0.02)	(0.01)
Fully Allocated Cost (£ or %)			1,539.37	1,540.18	1,559.47	1,560.29	11,116.67	11,926.87	1,509.31	1,509.80	1,505.86	1,506.61	1,525.50	1,524.79	1,360.03	1,360.70	1,248.00	2,009.70
Volume (units)			7,280	1,570	46,757	39,239	847	1,068	2,965	2,986	3,047	2,760	843	751	288	1,858	31	8
Fully Allocated Cost (£m)			11.2	2.4	72.9	61.2	9.4	12.7	4.5	4.5	4.6	4.2	1.3	1.1	0.4	2.5	0.0	0.0

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Rest of UK calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	EAD 100Mbps Connections		EAD LA 10Mbps Connections		EAD LA 100Mbps Connections		EBD 1Gbps Connections		Other Services up to and including 1Gbps Rentals and Connections		Exempt Ancillary Services		Ethernet Time Related Charges		Excess Construction Charges	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Components	Unit (a)																	
Routing & Records	£/line	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	0.0%	0.0%	-	-	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	131.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	7,478.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,347.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	475.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	187.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,144.22	-	-	-	-	-	-	-	-	47.3%	3.5%	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,213.64	-	-	-	-	-	-	-	-	33.6%	33.4%	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,355.46	-	-	-	-	-	-	-	-	12.0%	48.4%	-	-	-	-	-	-
Ethernet main links	£/fibre km	159.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	75.03	-	-	-	-	-	-	-	-	1.4%	3.2%	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	21.21	21.21	21.21	21.21	21.21	21.21	21.21	21.21	21.21	0.8%	1.0%	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	755.75	-	-	-	-	-	-	-	-	-	2.5%	-	-	-	-	-	-
Ethernet Excess Construction	%	£42m	216.22	216.22	216.22	216.22	216.22	216.22	-	-	-	-	-	-	67.0%	67.0%	67.3%	66.5%
Ethernet Excess Construction Capex	%	£28m	269.20	269.20	269.20	269.20	269.20	269.20	-	-	-	-	-	-	31.1%	31.1%	30.8%	31.6%
OR Service Centre - Provision Ethernet	%	£8m	142.32	142.32	142.32	142.32	142.32	142.32	142.32	142.32	0.0%	0.1%	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£14m	-	-	-	-	-	-	-	-	-	-	98.6%	95.5%	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	0.69	0.66	1.29	1.30	0.67	0.68	1.48	1.38	0.0%	0.1%	0.1%	0.4%	0.1%	0.1%	0.1%	0.1%
Openreach sales product management	%	£16m	6.22	5.93	11.68	11.69	6.03	6.13	4.82	4.52	0.4%	1.2%	0.5%	0.6%	0.3%	0.3%	0.3%	0.3%
Ethernet Monitoring Platform	£/circuit	334.28	-	-	-	-	-	-	-	-	1.2%	0.1%	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	542.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£118m	8.77	8.80	8.77	8.80	8.77	8.80	0.02	0.05	2.7%	5.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£15m	562.78	-	562.78	-	562.78	-	562.78	-	0.1%	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£36m	-	1,324.90	-	1,324.90	-	1,324.90	-	1,324.90	-	0.5%	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	0.1%	-	-	-	-	-	-
Revenue Receivables	%	£44m	5.84	5.58	10.98	10.98	5.67	5.76	12.53	11.73	0.4%	0.9%	0.8%	3.5%	0.4%	0.4%	0.4%	0.4%
Rounding			(0.02)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)	-	0.1%	-	-	-	0.1%	0.1%	0.1%	0.1%
Fully Allocated Cost (£ or %)			1,235.77	1,997.35	1,246.97	2,009.15	1,235.39	1,997.75	747.68	1,508.65	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Volume (units)			2,154	3,197	56	6	11,521	11,854	48	39	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
Fully Allocated Cost (£m)			2.7	6.4	0.1	0.0	14.2	23.7	0.0	0.1	2.7	0.8	8.9	0.5	3.4	1.4	22.5	12.2

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
EAD 1Gbps Rentals	1.3	1.8	3.1	608	820	ccts	2,194.20	2,185.76	1.0	1.3	2.3
EAD LA 1Gbps Rentals	2.8	1.8	4.6	1,596	1,024	ccts	1,769.55	1,764.79	2.0	1.3	3.3
EAD 1Gbps Connections*	0.1	0.5	0.6	73	277	ccts	1,920.70	1,914.08	0.1	0.3	0.4
EAD LA 1Gbps Connections*	0.7	0.8	1.5	342	402	ccts	1,912.14	1,906.49	0.4	0.5	0.9
<b>Ethernet 1Gbps EAD and EAD LA Sub-basket</b>	<b>4.9</b>	<b>4.9</b>	<b>9.8</b>						<b>3.5</b>	<b>3.4</b>	<b>6.9</b>
<b>Ethernet Main Link Sub-basket up to and including 1Gbps</b>	<b>1.1</b>	<b>1.3</b>	<b>2.4</b>	<b>5,761</b>	<b>7,373</b>	<b>fibre km</b>	<b>185.89</b>	<b>180.91</b>	<b>0.4</b>	<b>0.5</b>	<b>0.9</b>
<b>Ethernet Interconnection Sub-basket</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(sx)</b>	<b>(sx)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
EAD 10Mbps Rentals	0.1	0.1	0.2	51	47	ccts	1,698.00	1,698.00	0.1	0.1	0.2
EAD 100Mbps Rentals	0.8	1.4	2.2	498	847	ccts	1,699.25	1,698.00	0.8	1.3	2.1
EAD LA 10Mbps Rentals	0.5	0.1	0.6	356	51	ccts	1,374.86	1,374.00	0.4	0.1	0.5
EAD LA 100Mbps Rentals	4.8	3.8	8.6	3,518	2,732	ccts	1,374.76	1,374.00	4.1	3.2	7.3
EBD 1Gbps Rentals	0.1	0.2	0.3	41	67	ccts	2,725.53	2,696.64	0.3	0.5	0.8
WES 10Mbps Rentals	0.1	0.1	0.2	130	111	le	897.46	861.25	0.1	0.1	0.2
WES 100Mbps Rentals	0.2	0.1	0.3	191	144	le	962.15	888.71	0.2	0.1	0.3
WES 1Gbps Rentals	0.1	0.0	0.1	85	16	le	1,162.22	1,147.25	0.1	0.0	0.1
EAD 10Mbps Connections*	0.0	0.0	0.0	1	2	ccts	1,940.00	1,902.50	0.0	0.0	0.0
EAD 100Mbps Connections*	0.1	0.2	0.3	73	178	ccts	1,303.86	1,290.16	0.1	0.2	0.3
EAD LA 10Mbps Connections*	0.0	-	0.0	3	-	ccts	1,873.33	-	0.0	-	0.0
EAD LA 100Mbps Connections*	1.0	0.9	1.9	718	712	ccts	1,342.04	1,286.61	0.8	0.8	1.6
EBD 1Gbps Connections	-	0.0	0.0	-	2	ccts	-	2,100.00	-	0.0	0.0
Other Services up to and including 1Gbps Rentals and Connections	0.3	0.0	0.3	(ux)	(ux)	(ux)	(sx)	(sx)	0.3	0.0	0.3
<b>Total Ethernet Basket</b>	<b>14.1</b>	<b>13.2</b>	<b>27.3</b>						<b>11.2</b>	<b>10.4</b>	<b>21.6</b>

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic Summary (continued)

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Exempt Ancillary Services	0.4	0.2	0.6	(ux)	(ux)	(ux)	(sx)	(sx)	0.3	0.1	0.4
Ethernet Time Related Charges (TRC)	0.2	0.0	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.3	0.0	0.3
Excess Construction Charges (ECC)	0.8	0.5	1.3	(ux)	(ux)	(ux)	(sx)	(sx)	1.5	0.9	2.4
CISBO CG IFRS 15	(0.2)	(0.6)	(0.8)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.1)	(0.1)	(0.2)
CISBO CG SLG	(0.6)	(0.7)	(1.3)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.6)	(0.7)	(1.3)
Rounding	0.1	0.2	0.3						(0.1)	-	(0.1)
<b>Total Low Bandwidth CISBO Combined Geographic</b>	<b>14.8</b>	<b>12.8</b>	<b>27.6</b>						<b>12.5</b>	<b>10.6</b>	<b>23.1</b>

#### Notes

\*EAD Connection Services includes Excess Construction Charge fixed fee revenue of £1.9m with matched costs of £1.6m and £0.8m of attributed indirect costs

Excess Construction Charge revenue of £1.3m has matched costs of £1.1m and £0.6m of attributed indirect costs

Time Related Charge revenue of £0.2m has matched costs of £0.1m and £0.1m of attributed indirect costs

EAD 100 Mbps - Includes internal discounted revenue of £0.0m on 19 connections and external discounted revenue of £0.1m on 70 connections

EAD LA 100 Mbps - Includes internal discounted revenue of £0.4m on 313 connections and external discounted revenue of £0.5m on 351 connections

There were no discounted revenues or volumes for EAD 1 Gbps and EAD LA 1 Gbps services

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic calculation of FAC based on component costs and usage factors

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	EAD 1Gbps Rentals		EAD LA 1Gbps Rentals		EAD 1Gbps Connections		EAD LA 1Gbps Connections		Ethernet Main Link up to and including 1Gbps		Ethernet Interconnection		EAD 10Mbps Rentals		EAD 100Mbps Rentals	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
Routing & Records	£/line	3.02	-	-	-	-	3.02	3.02	3.02	3.02	-	-	0.3%	0.4%	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	342.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	6,721.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,128.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	444.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	197.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,260.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,426.87	-	-	-	-	-	-	-	-	-	-	2.0%	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,507.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	177.23	-	-	-	-	-	-	-	-	59.95	59.95	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.37	93.37	93.37	93.37	93.37	-	-	-	-	-	-	0.1%	0.1%	93.37	93.37	93.37	93.37
OR Systems & Development - Ethernet	£/le	25.61	25.61	25.61	25.61	25.61	25.61	25.61	25.61	25.61	3.62	3.62	47.5%	27.3%	25.61	25.61	25.61	25.61
Ethernet Access Direct Fibre	£/circuit	903.05	834.06	834.06	462.82	462.82	-	-	-	-	-	-	-	0.7%	825.66	825.66	826.27	826.27
Ethernet Excess Construction	%	£45m	-	-	-	-	201.45	201.45	201.45	201.45	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£31m	-	-	-	-	364.59	364.59	364.59	364.59	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£2m	-	-	-	-	42.56	42.56	42.56	42.56	-	-	4.2%	5.8%	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	-	-	-	-	-	-	0.0%	0.0%	0.00	0.00	0.00	0.00
OR Project Services	%	£7m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	1.91	1.90	1.54	1.54	1.67	1.67	1.67	1.66	0.16	0.16	0.1%	0.2%	1.48	1.48	1.48	1.48
Openreach sales product management	%	£15m	5.30	5.28	4.27	4.26	4.64	4.62	4.61	4.60	0.45	0.44	0.3%	0.6%	4.10	4.10	4.10	4.10
Ethernet Monitoring Platform	£/circuit	296.04	51.98	51.98	51.98	51.98	-	-	-	-	-	-	-	-	51.98	51.98	51.98	51.98
EAD Electronics Capital	£/circuit	515.41	557.06	557.06	557.06	557.06	-	-	-	-	-	-	-	-	515.41	515.41	515.41	515.41
Cumulo Rates Non NGA - Openreach	%	£135m	56.82	56.82	31.74	31.74	10.63	10.65	10.63	10.65	5.63	5.63	0.1%	0.0%	56.24	56.24	56.28	56.28
SLG Ethernet Assurance Internal	%	£0m	0.62	-	0.62	-	-	-	-	-	-	-	1.1%	-	0.62	-	0.62	-
SLG Ethernet Provision Internal	%	£12m	-	-	-	-	440.27	-	440.27	-	-	-	43.8%	-	-	-	-	-
SLG Ethernet Provision External	%	£13m	-	-	-	-	-	461.23	-	461.23	-	-	-	63.1%	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	0.83	-	0.83	-	-	-	-	-	-	-	0.8%	-	0.83	-	0.83
Revenue Receivables	%	£40m	13.42	13.37	10.82	10.79	10.23	10.19	10.18	10.15	1.14	1.11	0.5%	1.1%	10.38	10.38	10.39	10.38
Rounding			(0.01)	-	-	-	-	-	-	-	(0.01)	(0.02)	-	(0.1)%	-	-	-	-
Fully Allocated Cost (£ or %)			1,640.14	1,640.28	1,239.83	1,240.00	1,104.67	1,125.59	1,104.59	1,125.52	70.94	70.89	100.0%	100.0%	1,584.85	1,585.06	1,585.51	1,585.71
Volume (units)			608	820	1,596	1,024	73	277	342	402	5,761	7,373	(ux)	(ux)	51	47	498	847
Fully Allocated Cost (£m)			1.0	1.3	2.0	1.3	0.1	0.3	0.4	0.5	0.4	0.5	0.0	0.1	0.1	0.1	0.8	1.3

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	EAD LA 10Mbps Rentals		EAD LA 100Mbps Rentals		EBD 1Gbps Rentals		WES 10Mbps Rentals		WES 100Mbps Rentals		WES 1Gbps Rentals		EAD 10Mbps Connections	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
Components	Unit (a)															
Routing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	-	-	-	3.02	3.02
Ethernet Backhaul Direct extended reach	£/circuit	342.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	6,721.00	-	-	-	-	6,721.00	6,721.00	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,128.89	-	-	-	-	787.19	787.19	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	444.20	-	-	-	-	-	444.20	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	197.16	-	-	-	-	-	49.60	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,260.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,426.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,507.42	-	-	-	-	-	-	689.12	689.12	697.34	697.34	702.72	702.72	-	-
Ethernet main links	£/fibre km	177.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.37	93.37	93.37	93.37	93.37	-	-	49.78	49.78	53.21	53.21	50.37	50.37	-	-
OR Systems & Development - Ethernet	£/le	25.61	25.61	25.61	25.61	25.61	25.61	25.61	12.81	12.81	12.81	12.81	12.81	12.81	25.61	25.61
Ethernet Access Direct Fibre	£/circuit	903.05	432.43	432.43	442.54	442.54	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction	%	£45m	-	-	-	-	-	-	-	-	-	-	-	-	201.45	201.45
Ethernet Excess Construction Capex	%	£31m	-	-	-	-	-	-	-	-	-	-	-	-	364.59	364.59
OR Service Centre - Provision Ethernet	%	£2m	-	-	-	-	-	-	-	-	-	-	-	-	42.56	42.56
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
OR Project Services	%	£7m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	1.20	1.20	1.20	1.20	2.37	2.35	0.78	0.75	0.84	0.77	1.01	1.00	1.69	1.66
Openreach sales product management	%	£15m	3.32	3.32	3.32	3.32	1.97	1.95	0.13	0.13	0.14	0.13	0.17	0.17	4.66	4.60
Ethernet Monitoring Platform	£/circuit	296.04	51.98	51.98	51.98	51.98	-	-	-	-	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	515.41	515.41	515.41	515.41	515.41	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£135m	29.68	29.68	30.36	30.36	76.50	80.08	43.65	43.65	44.18	44.18	44.51	44.51	10.63	10.63
SLG Ethernet Assurance Internal	%	£0m	0.62	-	0.62	-	0.62	-	0.62	-	0.62	-	0.62	-	-	-
SLG Ethernet Provision Internal	%	£12m	-	-	-	-	-	-	-	-	-	-	-	-	440.27	-
SLG Ethernet Provision External	%	£13m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	0.83	-	0.83	-	0.83	-	0.83	-	0.83	-	0.83	-	-
Revenue Receivables	%	£40m	8.41	8.40	8.41	8.40	16.67	16.49	5.49	5.27	5.88	5.43	7.11	7.02	10.33	10.13
Rounding			(0.01)	(0.01)	-	-	-	0.01	(0.01)	(0.02)	-	0.01	(0.01)	(0.02)	-	-
Fully Allocated Cost (£ or %)			1,162.02	1,162.22	1,172.82	1,173.02	7,631.93	8,129.31	802.37	802.32	815.02	814.71	819.31	819.41	1,104.81	664.25
	Volume (units)		356	51	3,518	2,732	41	67	130	111	191	144	85	16	1	2
	Fully Allocated Cost (£m)		0.4	0.1	4.1	3.2	0.3	0.5	0.1	0.1	0.2	0.1	0.1	0.0	0.0	0.0

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	EAD 100Mbps Connections		EAD LA 10Mbps Connections		EAD LA 100Mbps Connections		EBD 1Gbps Connections		Other Services up to and including 1Gbps Rentals and Connections		Exempt Ancillary Services		Ethernet Time Related Charges		Excess Construction Charges	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Components	Unit (a)																	
Routing & Records	£/line	3.02	3.02	3.02	3.02	-	3.02	3.02	-	3.02	0.1%	-	-	-	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	342.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	6,721.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,128.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	444.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	197.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,260.15	-	-	-	-	-	-	-	-	57.6%	27.8%	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,426.87	-	-	-	-	-	-	-	-	25.3%	38.7%	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,507.42	-	-	-	-	-	-	-	-	0.5%	11.3%	-	-	-	-	-	-
Ethernet main links	£/fibre km	177.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.37	-	-	-	-	-	-	-	-	1.8%	5.1%	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.61	25.61	25.61	25.61	-	25.61	25.61	-	25.61	1.2%	1.3%	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	903.05	-	-	-	-	-	-	-	-	-	10.1%	-	-	-	-	-	-
Ethernet Excess Construction	%	£45m	201.45	201.45	201.45	-	201.45	201.45	-	-	-	-	-	-	70.0%	70.0%	72.0%	68.8%
Ethernet Excess Construction Capex	%	£31m	364.59	364.59	364.59	-	364.59	364.59	-	-	-	-	-	-	28.8%	28.8%	26.8%	29.8%
OR Service Centre - Provision Ethernet	%	£2m	42.56	42.56	42.56	-	42.56	42.56	-	42.56	0.8%	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-	-	-
OR Project Services	%	£7m	-	-	-	-	-	-	-	-	-	-	98.7%	98.2%	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	1.14	1.12	1.63	-	1.17	1.12	-	1.83	0.1%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%
Openreach sales product management	%	£15m	3.15	3.11	4.52	-	3.24	3.11	-	1.51	0.2%	0.3%	0.3%	0.3%	0.1%	0.1%	0.1%	0.1%
Ethernet Monitoring Platform	£/circuit	296.04	-	-	-	-	-	-	-	-	1.3%	0.6%	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	515.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£135m	10.63	10.65	10.63	-	10.63	10.65	-	0.03	1.6%	3.8%	0.0%	0.0%	0.8%	0.8%	0.8%	0.9%
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£12m	440.27	-	440.27	-	440.27	-	-	-	8.7%	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£13m	-	461.23	-	-	-	461.23	-	461.23	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	0.1%	-	-	-	-	-	-
Revenue Receivables	%	£40m	6.94	6.87	9.98	-	7.15	6.85	-	11.18	0.7%	0.8%	0.8%	1.3%	0.3%	0.3%	0.3%	0.3%
Rounding			-	0.01	-	-	-	-	-	-	0.1%	-	0.1%	-	-	-	-	0.1%
Fully Allocated Cost (£ or %)			1,099.36	1,120.22	1,104.26	-	1,099.69	1,120.19	-	546.97	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Volume (units)			73	178	3	-	718	712	-	2	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
Fully Allocated Cost (£m)			0.1	0.2	0.0	-	0.8	0.8	-	0.0	0.3	0.0	0.3	0.1	0.3	0.0	1.5	0.9



## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
EAD 1Gbps Rentals	1.7	2.0	3.7	559	653	ccts	3,017.77	3,011.77	0.9	1.1	2.0
EAD LA 1Gbps Rentals	3.1	1.7	4.8	1,278	709	ccts	2,394.32	2,403.43	1.6	0.9	2.5
EAD 1Gbps Connections*	0.2	0.3	0.5	127	231	ccts	1,386.76	1,433.57	0.2	0.5	0.7
EAD LA 1Gbps Connections*	0.5	0.4	0.9	379	271	ccts	1,327.69	1,411.75	0.5	0.5	1.0
<b>Ethernet 1Gbps EAD and EAD LA Sub-basket</b>	<b>5.5</b>	<b>4.4</b>	<b>9.9</b>						<b>3.2</b>	<b>3.0</b>	<b>6.2</b>
<b>Ethernet Main Link Sub-basket up to and including 1Gbps</b>	<b>1.5</b>	<b>1.9</b>	<b>3.4</b>	<b>5,743</b>	<b>7,373</b>	<b>fibre km</b>	<b>264.17</b>	<b>258.66</b>	<b>0.4</b>	<b>0.5</b>	<b>0.9</b>
<b>Ethernet Interconnection Sub-basket</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(ux)</b>	<b>(sx)</b>	<b>(sx)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
EAD 10Mbps Rentals	0.1	0.1	0.2	60	64	ccts	1,800.00	1,800.00	0.1	0.1	0.2
EAD 100Mbps Rentals	0.8	1.5	2.3	471	811	ccts	1,801.66	1,800.00	0.7	1.3	2.0
EAD LA 10Mbps Rentals	0.6	0.1	0.7	434	82	ccts	1,398.65	1,398.00	0.5	0.1	0.6
EAD LA 100Mbps Rentals	4.6	3.3	7.9	3,294	2,325	ccts	1,398.49	1,398.00	3.8	2.7	6.5
EBD 1Gbps Rentals	0.1	0.2	0.3	42	72	ccts	2,717.68	2,705.46	0.4	0.7	1.1
WES 10Mbps Rentals	0.2	0.1	0.3	172	150	le	940.82	909.66	0.1	0.1	0.2
WES 100Mbps Rentals	0.3	0.2	0.5	259	232	le	997.14	933.12	0.2	0.2	0.4
WES 1Gbps Rentals	0.1	0.0	0.1	85	22	le	1,609.27	1,564.00	0.1	0.0	0.1
EAD 10Mbps Connections*	0.0	-	0.0	2	-	ccts	1,945.00	-	0.0	-	0.0
EAD 100Mbps Connections*	0.1	0.2	0.3	83	208	ccts	937.90	953.03	0.1	0.4	0.5
EAD LA 10Mbps Connections*	0.0	0.0	0.0	5	1	ccts	1,898.00	1,900.00	0.0	0.0	0.0
EAD LA 100Mbps Connections*	0.7	0.7	1.4	701	684	ccts	993.67	983.11	0.9	1.4	2.3
EBD 1Gbps Connections	0.0	0.0	0.0	1	4	ccts	2,100.00	2,100.00	0.0	0.0	0.0
Other Services up to and including 1Gbps Rentals and Connections	0.2	0.1	0.3	(ux)	(ux)	(ux)	(sx)	(sx)	0.3	0.0	0.3
<b>Total Ethernet Basket</b>	<b>14.9</b>	<b>12.9</b>	<b>27.8</b>						<b>10.9</b>	<b>10.6</b>	<b>21.5</b>

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic Summary (continued)

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Exempt Ancillary Services	0.9	0.2	1.1	(ux)	(ux)	(ux)	(sx)	(sx)	0.6	0.0	0.6
Ethernet Time Related Charges (TRC)	0.2	0.1	0.3	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	0.1	0.3
Excess Construction Charges (ECC)	1.2	0.6	1.8	(ux)	(ux)	(ux)	(sx)	(sx)	1.6	0.8	2.4
Rounding	(0.1)	(0.1)	(0.2)						(0.2)	(0.1)	(0.3)
<b>Total Low Bandwidth CISBO Combined Geographic</b>	<b>17.1</b>	<b>13.7</b>	<b>30.8</b>						<b>13.1</b>	<b>11.4</b>	<b>24.5</b>

#### Notes

\*EAD Connection Services includes Excess Construction Charge fixed fee revenue of £1.8m with matched costs of £1.7m and £0.6m of attributed indirect costs

Excess Construction Charge revenue of £1.8m has matched costs of £1.7m and £0.6m of attributed indirect costs

Time Related Charge revenue of £0.3m has matched costs of £0.2m and £0.1m of attributed indirect costs

EAD 1 Gbps - Includes internal discounted revenue of £0.1m on 65 connections and external discounted revenue of £0.1m on 116 connections

EAD LA 1 Gbps - Includes internal discounted revenue of £0.2m on 220 connections and external discounted revenue of £0.1m on 125 connections

EAD 100 Mbps - Includes internal discounted revenue of £0.0m on 65 connections and external discounted revenue of £0.1m on 160 connections

EAD LA 100 Mbps - Includes internal discounted revenue of £0.3m on 510 connections and external discounted revenue of £0.3m on 503 connections

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2018 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	EAD 1Gbps Rentals		EAD LA 1Gbps Rentals		EAD 1Gbps Connections		EAD LA 1Gbps Connections		Ethernet Main Link up to and including 1Gbps		Ethernet Interconnection		EAD 10Mbps Rentals		EAD 100Mbps Rentals	
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £
<b>Components</b>	<b>Unit (a)</b>																
Routing & Records	£/line	2.54	-	-	-	2.54	2.54	2.54	2.54	-	-	0.2%	0.1%	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	131.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	7,478.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,347.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	475.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	187.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,144.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,213.64	-	-	-	-	-	-	-	-	-	2.7%	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,355.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	159.27	-	-	-	-	-	-	-	60.81	60.81	-	-	-	-	-	-
Ethernet Electronics Current	£/le	75.03	75.03	75.03	75.03	-	-	-	-	-	-	0.2%	0.1%	75.03	75.03	75.03	75.03
OR Systems & Development - Ethernet	£/le	21.21	21.21	21.21	21.21	21.21	21.21	21.21	21.21	2.88	2.88	32.5%	11.2%	21.21	21.21	21.21	21.21
Ethernet Access Direct Fibre	£/circuit	755.75	786.61	786.61	436.42	436.42	-	-	-	-	-	-	0.5%	777.07	777.07	777.68	777.68
Ethernet Excess Construction	%	£42m	-	-	-	-	198.62	198.62	198.62	198.62	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£28m	-	-	-	-	269.20	269.20	269.20	269.20	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£8m	-	-	-	-	142.32	142.32	142.32	142.32	-	-	12.6%	8.3%	-	-	-
OR Service Centre - Assurance Ethernet	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£14m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	2.06	2.06	1.63	1.64	0.95	0.98	0.91	0.96	0.18	0.18	0.1%	0.1%	1.23	1.23	1.23
Openreach sales product management	%	£16m	18.57	18.54	14.74	14.79	8.54	8.82	8.17	8.69	1.63	1.59	0.7%	0.9%	11.08	11.08	11.09
Ethernet Monitoring Platform	£/circuit	334.28	55.29	55.29	55.29	55.29	-	-	-	-	-	-	-	55.29	55.29	55.29	55.29
EAD Electronics Capital	£/circuit	542.40	583.11	583.11	583.11	583.11	-	-	-	-	-	-	-	542.40	542.40	542.40	542.40
Cumulo Rates Non NGA - Openreach	%	£118m	52.43	52.43	29.29	29.29	8.77	8.80	8.77	8.80	5.60	5.60	0.2%	0.0%	51.79	51.79	51.83
SLG Ethernet Assurance Internal	%	£0m	0.36	-	0.36	-	-	-	-	-	-	-	0.5%	0.36	-	0.36	-
SLG Ethernet Provision Internal	%	£15m	-	-	-	-	562.78	-	562.78	-	-	-	49.8%	-	-	-	-
SLG Ethernet Provision External	%	£36m	-	-	-	-	-	1,324.90	-	1,324.90	-	-	-	77.5%	-	-	-
SLG Ethernet Assurance External	%	£0m	-	1.18	-	1.18	-	-	-	-	-	-	-	0.6%	-	1.18	1.18
Revenue Receivables	%	£44m	19.45	19.41	15.43	15.49	8.02	8.30	7.68	8.17	1.70	1.67	0.5%	0.7%	11.60	11.60	11.61
Rounding		-	(0.02)	-	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	-	-	-	-	-	-	-	(0.01)
<b>Fully Allocated Cost (£ or %)</b>		<b>1,614.12</b>	<b>1,614.85</b>	<b>1,232.51</b>	<b>1,233.44</b>	<b>1,222.93</b>	<b>1,985.68</b>	<b>1,222.19</b>	<b>1,985.41</b>	<b>72.80</b>	<b>72.73</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,547.06</b>	<b>1,547.88</b>	<b>1,547.73</b>	<b>1,548.52</b>
Volume (units)		559	653	1,278	709	127	231	379	271	5,743	7,373	(ux)	(ux)	60	64	471	811
Fully Allocated Cost (£m)		0.9	1.1	1.6	0.9	0.2	0.5	0.5	0.5	0.4	0.5	0.1	0.1	0.1	0.1	0.7	1.3

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	EAD LA 10Mbps Rentals		EAD LA 100Mbps Rentals		EBD 10bps Rentals		WES 10Mbps Rentals		WES 100Mbps Rentals		WES 10bps Rentals		EAD 10Mbps Connections	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £
Components	Unit (a)															
Routing & Records	£/line	2.54	-	-	-	-	-	-	-	-	-	-	-	-	2.54	-
Ethernet Backhaul Direct extended reach	£/circuit	131.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	7,478.39	-	-	-	-	7,478.39	7,478.39	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,347.44	-	-	-	-	947.75	947.75	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	475.98	-	-	-	-	-	475.98	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	187.34	-	-	-	-	-	53.04	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,144.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,213.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,355.46	-	-	-	-	-	-	696.85	696.85	702.54	702.54	709.93	709.93	-	-
Ethernet main links	£/fibre km	159.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	75.03	75.03	75.03	75.03	75.03	-	-	42.11	42.11	42.01	42.01	40.83	40.83	-	-
OR Systems & Development - Ethernet	£/le	21.21	21.21	21.21	21.21	21.21	21.21	21.21	10.60	10.60	10.60	10.60	10.60	10.60	21.21	-
Ethernet Access Direct Fibre	£/circuit	755.75	407.67	407.67	416.88	416.88	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction	%	£42m	-	-	-	-	-	-	-	-	-	-	-	-	198.62	-
Ethernet Excess Construction Capex	%	£28m	-	-	-	-	-	-	-	-	-	-	-	-	269.20	-
OR Service Centre - Provision Ethernet	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	142.32	-
OR Service Centre - Assurance Ethernet	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£14m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	0.95	0.95	0.95	0.95	1.85	1.85	0.64	0.62	0.68	0.64	1.10	1.07	1.33	-
Openreach sales product management	%	£16m	8.61	8.60	8.61	8.60	6.05	6.03	0.31	0.30	0.33	0.31	0.53	0.52	11.95	-
Ethernet Monitoring Platform	£/circuit	334.28	55.29	55.29	55.29	55.29	-	-	-	-	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	542.40	542.40	542.40	542.40	542.40	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£118m	27.38	27.38	27.99	27.99	84.11	87.88	41.67	41.67	42.01	42.01	42.45	42.45	8.77	-
SLG Ethernet Assurance Internal	%	£0m	0.36	-	0.36	-	0.36	-	0.36	-	0.36	-	0.36	-	-	-
SLG Ethernet Provision Internal	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	562.78	-
SLG Ethernet Provision External	%	£36m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	1.18	-	1.18	-	1.18	-	1.18	-	1.18	-	1.18	-	-
Revenue Receivables	%	£44m	9.01	9.01	9.01	9.01	17.51	17.43	6.06	5.86	6.43	6.01	10.37	10.08	11.25	-
Rounding			-	-	-	-	0.01	(0.01)	0.02	0.01	0.01	0.01	0.01	(0.01)	(0.02)	-
Fully Allocated Cost (£ or %)			1,147.91	1,148.72	1,157.73	1,158.54	8,557.24	9,090.73	798.62	799.20	804.97	805.31	816.18	816.65	1,229.95	-
Volume (units)			434	82	3,294	2,325	42	72	172	150	259	232	85	22	2	-
Fully Allocated Cost (£m)			0.5	0.1	3.8	2.7	0.4	0.7	0.1	0.1	0.2	0.2	0.1	0.0	0.0	-

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth CISBO Combined Geographic calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	EAD 100Mbps Connections		EAD LA 10Mbps Connections		EAD LA 100Mbps Connections		EBD 1Gbps Connections		Other Services up to and including 1Gbps Rentals and Connections		Exempt Ancillary Services		Ethernet Time Related Charges		Excess Construction Charges	
Fully Allocated Cost (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Components	Unit (a)																	
Routing & Records	£/line	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	0.0%	-	-	-	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	131.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Active	£/circuit	7,478.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - Passive	£/circuit	3,347.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Active	£/circuit	475.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Resilience - Passive	£/circuit	187.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ethernet rentals - CCTV	£/le	2,144.22	-	-	-	-	-	-	-	-	63.9%	21.5%	-	-	-	-	-	-
Backhaul Extension Services Fibre	£/le	1,213.64	-	-	-	-	-	-	-	-	28.3%	43.0%	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,355.46	-	-	-	-	-	-	-	-	0.5%	15.1%	-	-	-	-	-	-
Ethernet main links	£/fibre km	159.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	75.03	-	-	-	-	-	-	-	-	1.7%	4.5%	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	21.21	21.21	21.21	21.21	21.21	21.21	21.21	21.21	21.21	0.7%	1.2%	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	755.75	-	-	-	-	-	-	-	-	-	7.8%	-	-	-	-	-	-
Ethernet Excess Construction	%	£42m	198.62	198.62	198.62	198.62	198.62	198.62	-	-	-	-	-	-	66.9%	66.9%	67.3%	66.5%
Ethernet Excess Construction Capex	%	£28m	269.20	269.20	269.20	269.20	269.20	269.20	-	-	-	-	-	-	31.2%	31.2%	30.8%	31.6%
OR Service Centre - Provision Ethernet	%	£8m	142.32	142.32	142.32	142.32	142.32	142.32	142.32	142.32	0.2%	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£14m	-	-	-	-	-	-	-	-	-	-	98.6%	96.1%	-	-	-	-
Ofcom Administration Fee - Openreach	%	£4m	0.64	0.65	1.30	1.30	0.68	0.67	1.43	1.43	0.1%	0.1%	0.1%	0.4%	0.1%	0.1%	0.1%	0.1%
Openreach sales product management	%	£16m	5.77	5.87	11.68	11.71	6.12	6.05	4.69	4.69	0.1%	1.0%	0.5%	0.6%	0.3%	0.3%	0.3%	0.3%
Ethernet Monitoring Platform	£/circuit	334.28	-	-	-	-	-	-	-	-	1.6%	0.6%	-	-	-	-	-	-
EAD Electronics Capital	£/circuit	542.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£118m	8.77	8.80	8.77	8.80	8.77	8.80	0.02	0.05	1.7%	4.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£15m	562.78	-	562.78	-	562.78	-	562.78	-	0.6%	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£36m	-	1,324.90	-	1,324.90	-	1,324.90	-	1,324.90	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	0.1%	-	-	-	-	-	-
Revenue Receivables	%	£44m	5.43	5.51	10.98	10.99	5.75	5.69	12.15	12.15	0.5%	1.1%	0.8%	3.0%	0.4%	0.4%	0.4%	0.4%
Rounding			(0.02)	-	(0.02)	-	(0.02)	-	(0.02)	-	0.1%	-	-	(0.1)%	0.1%	0.1%	0.1%	0.1%
Fully Allocated Cost (£ or %)			1,217.26	1,979.62	1,229.38	1,991.59	1,217.97	1,980.00	747.12	1,509.29	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Volume (units)			83	208	5	1	701	684	1	4	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
Fully Allocated Cost (£m)			0.1	0.4	0.0	0.0	0.9	1.4	0.0	0.0	0.3	0.0	0.6	0.0	0.2	0.1	1.6	0.8

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth TISBO Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
Radio Backhaul Services 64Kbps Connections	0.0	0.0	0.0	0	2	ccts	304.75	304.75	0.0	0.0	0.0
Radio Backhaul Services 64Kbps Rentals	0.7	3.1	3.8	(ux)	(ux)	(ux)	(sx)	(sx)	0.7	3.4	4.1
Radio Backhaul Services 2Mbps Connections	0.0	0.0	0.0	1	4	ccts	2,066.53	2,066.53	0.0	0.1	0.1
Radio Backhaul Services 2Mbps Rentals	2.0	9.2	11.2	(ux)	(ux)	(ux)	(sx)	(sx)	1.4	6.8	8.2
Other Mobile Services	0.4	-	0.4	(ux)	(ux)	(ux)	(sx)	(sx)	0.5	-	0.5
<b>TI Mobile Services Sub-Cap</b>	<b>3.1</b>	<b>12.3</b>	<b>15.4</b>						<b>2.6</b>	<b>10.3</b>	<b>12.9</b>
Partial and Private Circuits Point of Handover	-	0.8	0.8	(ux)	13,707	le	(sx)	58.33	-	1.5	1.5
<b>TI Interconnection Sub-Cap</b>	<b>-</b>	<b>0.8</b>	<b>0.8</b>						<b>-</b>	<b>1.5</b>	<b>1.5</b>
Partial and Private Circuits 64Kbps Connections	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.1	0.1
Partial and Private Circuits 64Kbps Local Ends	7.6	1.2	8.8	9,952	1,625	le	765.77	765.77	17.3	2.8	20.1
Partial and Private Circuits 64Kbps Links	5.3	0.9	6.2	28,650	4,988	links	183.60	183.27	4.7	0.8	5.5
Partial and Private Circuits 64Kbps Terminating segments	2.0	0.5	2.5	561,120	140,180	km	3.53	3.51	4.2	1.1	5.3
Partial and Private Circuits 2Mbps Connections	0.6	0.2	0.8	251	111	ccts	2,217.40	2,217.40	3.7	1.6	5.3
Partial and Private Circuits 2Mbps Local Ends	30.5	11.5	42.0	31,258	11,690	le	974.97	983.55	16.2	6.0	22.2
Partial and Private Circuits 2Mbps Links	6.3	3.8	10.1	14,938	9,566	links	418.97	397.61	3.1	2.0	5.1
Partial and Private Circuits 2Mbps Terminating segments	17.4	13.0	30.4	267,064	194,256	km	65.12	67.06	16.2	12.3	28.5
Partial and Private Circuits Other	1.5	3.8	5.3	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	5.1	5.3
<b>TI All Services Sub-Cap</b>	<b>71.2</b>	<b>34.9</b>	<b>106.1</b>						<b>65.6</b>	<b>31.8</b>	<b>97.4</b>
<b>TI Services Basket</b>	<b>74.3</b>	<b>48.0</b>	<b>122.3</b>						<b>68.2</b>	<b>43.6</b>	<b>111.8</b>
TI Excess Construction Charges*	0.1	0.1	0.2								
ECC Asset Depreciation**	-	-	-								
Rounding	(0.3)	0.2	(0.1)								
<b>Total Low Bandwidth TISBO</b>	<b>74.1</b>	<b>48.3</b>	<b>122.4</b>								

#### Notes

\*Estimated matched cost of £0.1m (Internal) and £0.1m (External). These are capital costs and therefore not included in the market total of operating costs.

\*\* Estimated depreciation on equipment of £3.2m

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth TISBO calculation of FAC based on component costs and usage factors

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)		Radio Backhaul Services 64Kbps Connections		Radio Backhaul Services 64Kbps Rentals		Radio Backhaul Services 2Mbps Connections		Radio Backhaul Services 2Mbps Rentals		Other Mobile Services		Partial and Private Circuits Point of Handover		Partial and Private Circuits 64Kbps Connections	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)		£	£	%	%	£	£	%	%	%	%	%	%	£	£	%	%
Components	Unit (a)																
E side copper capital	£/line	7.05	-	-	-	0.2%	-	-	-	0.0%	0.0%	-	-	-	-	-	-
E side copper current	£/line	4.01	-	-	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-
D side copper capital	£/line	36.11	-	-	-	1.2%	-	-	-	0.2%	0.0%	-	-	-	-	-	-
D side copper current	£/line	11.00	-	-	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.12	-	-	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-
Cumulo Rates Non NGA - Non Openreach	%	£14m	10.92	10.92	1.8%	1.9%	4.85	4.85	2.7%	2.8%	2.9%	2.37	0.1%	0.1%			
PC rental 2Mbps link per km distribution	£/km	69.25	-	-	-	-	-	-	53.7%	50.0%	58.5%	-	-	-	-	-	-
Point of Handover electronics	£/eq	10,956.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC rental 64Kbps link	£/link	160.61	-	-	27.3%	26.9%	-	-	-	-	-	-	-	-	-	-	-
PC rental 2Mbps link	£/link	202.07	-	-	-	-	-	-	11.0%	10.2%	6.8%	-	-	-	-	-	-
PC rental 64Kbps link per km transmission	£/km	7.31	-	-	46.8%	46.0%	-	-	-	-	-	-	-	-	-	-	-
2Mbps and above PC link connection cct provision	£/circuit	14,692.86	-	-	-	-	14,692.86	14,692.86	-	-	-	-	-	-	-	-	-
64Kbps PC link connection cct provision	£/circuit	55,447.25	18,267.95	18,267.95	-	-	-	-	-	-	-	-	-	-	99.9%	99.9%	
PC rental 64Kbps link local end	£/le	1,665.52	-	-	6.7%	6.6%	-	-	-	-	-	33.57	-	-	-	-	-
PC rental 2Mbps local end copper	£/le	371.27	-	-	7.0%	6.8%	-	-	1.3%	1.2%	0.3%	7.68	-	-	-	-	-
PC rental 2Mbps local end fibre	£/le	502.75	-	-	9.7%	9.6%	-	-	28.3%	26.4%	16.7%	64.94	-	-	-	-	-
PC rentals 2Mbps regional trunk	£/km	32.24	-	-	-	-	-	-	1.6%	6.8%	10.6%	-	-	-	-	-	-
PC rental 2Mbps link per km national trunk	£/km	15.59	-	-	-	-	-	-	0.3%	1.4%	3.6%	-	-	-	-	-	-
Ofcom Administration Fee - Wholesale	%	£2m	0.33	0.33	0.1%	0.1%	2.26	2.26	0.2%	0.1%	0.1%	0.06	-	-	-	-	-
TISBO Excess Construction	%	£9m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£40m	1.86	1.86	0.6%	0.6%	12.64	12.64	0.9%	0.8%	0.5%	0.36	-	-	-	-	-
Rounding			-	-	-	0.1%	(0.01)	(0.01)	-	0.1%	-	(0.01)	-	-	-	-	-
Fully Allocated Cost (£ or %)		18,281.06	18,281.06	100.0%	100.0%	14,712.60	14,712.60	100.0%	100.0%	100.0%	100.0%	108.97	100.0%	100.0%	100.0%		
Volume (units)		-	2	(ux)	(ux)	1	4	(ux)	(ux)	(ux)	(ux)	13,707	(ux)	(ux)			
Fully Allocated Cost (£m)		0.0	0.0	0.7	3.4	0.0	0.1	1.4	6.8	0.5	1.5	0.0	0.1	0.0	0.1		

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth TISBO calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	Partial and Private Circuits 64Kbps Local Ends		Partial and Private Circuits 64Kbps Links		Partial and Private Circuits 64Kbps Terminating segments		Partial and Private Circuits 2Mbps Connections		Partial and Private Circuits 2Mbps Local Ends		Partial and Private Circuits 2Mbps Links		Partial and Private Circuits 2Mbps Terminating segments		Partial and Private Circuits Other	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
E side copper capital	£/line	7.05	7.05	7.05	-	-	-	-	-	-	1.52	1.66	-	-	-	-	0.1%	-
E side copper current	£/line	4.01	3.33	3.33	-	-	-	-	-	-	0.03	0.03	-	-	-	-	0.0%	-
D side copper capital	£/line	36.11	36.11	36.11	-	-	-	-	-	-	7.78	8.48	-	-	-	-	0.6%	-
D side copper current	£/line	11.00	9.13	9.13	-	-	-	-	-	-	0.07	0.08	-	-	-	-	0.0%	-
Local exchanges general frames equipment	£/line	1.12	1.12	1.12	-	-	-	-	-	-	0.24	0.26	-	-	-	-	0.0%	-
Cumulo Rates Non NGA - Non Openreach	%	£14m	12.20	12.20	1.00	1.00	0.19	0.19	4.85	4.85	15.58	15.46	1.38	1.38	1.83	1.89	2.8%	2.0%
PC rental 2Mbps link per km distribution	£/km	69.25	-	-	-	-	-	-	-	-	-	-	-	-	49.68	54.84	47.3%	10.1%
Point of Handover electronics	£/eq	10,956.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79.2%
PC rental 64Kbps link	£/link	160.61	-	-	160.61	160.61	-	-	-	-	-	-	-	-	-	-	-	-
PC rental 2Mbps link	£/link	202.07	-	-	-	-	-	-	-	-	-	-	199.93	199.93	-	-	4.6%	1.1%
PC rental 64Kbps link per km transmission	£/km	7.31	-	-	-	-	7.31	7.31	-	-	-	-	-	-	-	-	-	-
2Mbps and above PC link connection cct provision	£/circuit	14,692.86	-	-	-	-	-	-	14,692.86	14,692.86	-	-	-	-	-	-	-	-
64Kbps PC link connection cct provision	£/circuit	55,447.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC rental 64Kbps link local end	£/le	1,665.52	1,665.52	1,665.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC rental 2Mbps local end copper	£/le	371.27	-	-	-	-	-	-	-	-	48.52	52.93	-	-	-	-	3.7%	-
PC rental 2Mbps local end fibre	£/le	502.75	-	-	-	-	-	-	-	-	437.05	431.08	-	-	-	-	24.4%	3.9%
PC rentals 2Mbps regional trunk	£/km	32.24	-	-	-	-	-	-	-	-	-	-	-	-	8.67	6.22	12.3%	3.2%
PC rental 2Mbps link per km national trunk	£/km	15.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Wholesale	%	£2m	0.84	0.84	0.20	0.20	0.00	0.00	2.42	2.42	1.06	1.07	0.46	0.43	0.07	0.07	0.6%	0.1%
TISBO Excess Construction	%	£9m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£40m	4.68	4.68	1.12	1.12	0.02	0.02	13.56	13.56	5.96	6.01	2.56	2.43	0.40	0.41	3.6%	0.5%
Rounding			(0.01)	(0.01)	0.01	0.01	-	-	-	-	-	0.01	-	0.01	-	-	-	(0.1)%
Fully Allocated Cost (£ or %)			1,739.97	1,739.97	162.94	162.94	7.52	7.52	14,713.69	14,713.69	517.81	517.07	204.33	204.18	60.65	63.43	100.0%	100.0%
Volume (units)			9,952	1,625	28,650	4,988	561,120	140,180	251	111	31,258	11,690	14,938	9,566	267,064	194,256	(ux)	(ux)
Fully Allocated Cost (£m)			17.3	2.8	4.7	0.8	4.2	1.1	3.7	1.6	16.2	6.0	3.1	2.0	16.2	12.3	0.2	5.1



## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth TISBO Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
Radio Backhaul Services 64Kbps Connections	0.0	0.0	0.0	12	44	ccts	468.01	468.01	0.0	0.1	0.1
Radio Backhaul Services 64Kbps Rentals	1.3	4.4	5.7	(ux)	(ux)	(ux)	(sx)	(sx)	1.4	5.0	6.4
Radio Backhaul Services 2Mbps Connections	0.0	0.1	0.1	9	32	ccts	1,733.17	1,733.17	0.1	0.3	0.4
Radio Backhaul Services 2Mbps Rentals	3.6	12.8	16.4	(ux)	(ux)	(ux)	(sx)	(sx)	2.7	10.2	12.9
Other Mobile Services	1.1	-	1.1	(ux)	(ux)	(ux)	(sx)	(sx)	1.7	-	1.7
<b>TI Mobile Services Sub-Cap</b>	<b>6.0</b>	<b>17.3</b>	<b>23.3</b>						<b>5.9</b>	<b>15.6</b>	<b>21.5</b>
Partial and Private Circuits Point of Handover	-	1.0	1.0	(ux)	20,662	le	(sx)	47.45	-	2.4	2.4
<b>TI Interconnection Sub-Cap</b>	<b>-</b>	<b>1.0</b>	<b>1.0</b>						<b>-</b>	<b>2.4</b>	<b>2.4</b>
Partial and Private Circuits 64Kbps Connections	0.0	0.0	0.0	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.1	0.1
Partial and Private Circuits 64Kbps Local Ends	8.6	2.2	10.8	11,025	2,778	le	780.95	780.95	16.7	4.2	20.9
Partial and Private Circuits 64Kbps Links	5.5	1.4	6.9	31,847	7,902	links	173.69	173.81	5.5	1.4	6.9
Partial and Private Circuits 64Kbps Terminating segments	2.1	0.7	2.8	640,922	228,330	km	3.25	3.24	5.0	1.8	6.8
Partial and Private Circuits 2Mbps Connections	0.4	0.7	1.1	200	337	ccts	2,217.40	2,217.40	1.8	3.1	4.9
Partial and Private Circuits 2Mbps Local Ends	34.7	17.5	52.2	35,292	17,476	le	983.16	1,002.21	20.9	10.3	31.2
Partial and Private Circuits 2Mbps Links	6.8	5.6	12.4	16,850	14,350	links	406.15	389.92	3.3	2.8	6.1
Partial and Private Circuits 2Mbps Terminating segments	20.3	19.7	40.0	311,355	291,544	km	65.10	67.50	18.1	17.9	36.0
Partial and Private Circuits Other	2.1	4.5	6.6	(ux)	(ux)	(ux)	(sx)	(sx)	0.3	5.1	5.4
<b>TI All Services Sub-Cap</b>	<b>80.5</b>	<b>52.3</b>	<b>132.8</b>						<b>71.6</b>	<b>46.7</b>	<b>118.3</b>
<b>TI Services Basket</b>	<b>86.5</b>	<b>70.6</b>	<b>157.1</b>						<b>77.5</b>	<b>64.7</b>	<b>142.2</b>
TI Excess Construction Charges*	0.1	0.1	0.2								
ECC Asset Depreciation**	-	-	-								
Rounding	0.1	0.1	0.2								
<b>Total Low Bandwidth TISBO</b>	<b>86.7</b>	<b>70.8</b>	<b>157.5</b>								

#### Notes

\*Estimated matched cost of £0.1m (Internal) and £0.1m (External). These are capital costs and therefore not included in the market total of operating costs.

\*\* Estimated depreciation on equipment of £3.2m

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth TISBO calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)		Radio Backhaul Services 64Kbps Connections		Radio Backhaul Services 64Kbps Rentals		Radio Backhaul Services 2Mbps Connections		Radio Backhaul Services 2Mbps Rentals		Other Mobile Services	Partial and Private Circuits Point of Handover		Partial and Private Circuits 64Kbps Connections	
Fully Allocated Cost (£ or %)		Internal £	External £	Internal %	External %	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External £	Internal %	External %	
Components	Unit (a)															
E side copper capital	£/line	6.25	-	-	0.2%	-	-	-	0.0%	0.0%	-	-	-	-	-	
E side copper current	£/line	3.82	-	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	
D side copper capital	£/line	33.35	-	-	1.1%	-	-	-	0.2%	0.0%	-	-	-	-	-	
D side copper current	£/line	9.29	-	-	0.1%	-	-	-	0.0%	0.0%	-	-	-	-	-	
Local exchanges general frames equipment	£/line	0.93	-	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	
Cumulo Rates Non NGA - Non Openreach	%	£13m	1.74	1.74	1.6%	1.7%	2.57	2.57	2.3%	2.5%	2.5%	2.18	0.1%	0.1%	-	
PC rental 2Mbps link per km distribution	£/km	66.44	-	-	-	-	-	54.5%	50.9%	59.3%	-	-	-	-	-	
Point of Handover electronics	£/eq	9,285.15	-	-	-	-	-	-	-	-	-	-	-	-	-	
PC rental 64Kbps link	£/link	169.33	-	-	24.5%	24.2%	-	-	-	-	-	-	-	-	-	
PC rental 2Mbps link	£/link	193.82	-	-	-	-	-	9.6%	9.0%	4.7%	-	-	-	-	-	
PC rental 64Kbps link per km transmission	£/km	7.57	-	-	47.3%	46.6%	-	-	-	-	-	-	-	-	-	
2Mbps and above PC link connection cct provision	£/circuit	9,151.22	-	-	-	9,151.22	9,151.22	-	-	4.8%	-	-	-	-	-	
64Kbps PC link connection cct provision	£/circuit	5,900.40	3,067.51	3,067.51	-	-	-	-	-	-	-	-	99.8%	99.9%	-	
PC rental 64Kbps link local end	£/le	1,450.86	-	-	9.9%	9.7%	-	-	-	-	-	33.16	-	-	-	
PC rental 2Mbps local end copper	£/le	321.52	-	-	5.5%	5.4%	-	-	1.0%	0.9%	0.2%	6.63	-	-	-	
PC rental 2Mbps local end fibre	£/le	596.40	-	-	10.5%	10.3%	-	-	29.7%	27.8%	14.4%	75.46	-	-	-	
PC rentals 2Mbps regional trunk	£/km	30.44	-	-	-	-	-	1.6%	6.7%	10.2%	-	-	-	-	-	
PC rental 2Mbps link per km national trunk	£/km	14.08	-	-	-	-	-	0.3%	1.3%	3.3%	-	-	-	-	-	
Ofcom Administration Fee - Wholesale	%	£1m	0.30	0.30	0.1%	0.1%	1.10	1.10	0.1%	0.1%	0.0%	0.03	0.0%	0.0%	-	
TISBO Excess Construction	%	£9m	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revenue Receivables	%	£44m	3.02	3.02	0.6%	0.6%	11.17	11.17	0.9%	0.8%	0.4%	0.31	0.1%	0.0%	-	
Rounding			(0.01)	(0.01)	-	-	-	-	-	(0.2)%	0.2%	(0.01)	-	-	-	
Fully Allocated Cost (£ or %)		3,072.56	3,072.56	100.0%	100.0%	9,166.06	9,166.06	100.0%	100.0%	100.0%	100.0%	117.76	100.0%	100.0%		
	Volume (units)	12	44	(ux)	(ux)	9	32	(ux)	(ux)	(ux)		20,662	(ux)	(ux)		
	Fully Allocated Cost (£m)	0.0	0.1	1.4	5.0	0.1	0.3	2.7	10.2	1.7		2.4	0.0	0.1		

## Section 7 – Review of Business Connectivity Markets

### Low Bandwidth TISBO calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	Partial and Private Circuits 64Kbps Local Ends		Partial and Private Circuits 64Kbps Links		Partial and Private Circuits 64Kbps Terminating segments		Partial and Private Circuits 2 Mbps Connections		Partial and Private Circuits 2 Mbps Local Ends		Partial and Private Circuits 2 Mbps Links		Partial and Private Circuits 2 Mbps Terminating segments		Partial and Private Circuits Other	
			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
E side copper capital	£/line	6.25	6.25	6.25	-	-	-	-	-	-	1.34	1.48	-	-	-	-	0.1%	-
E side copper current	£/line	3.82	3.17	3.17	-	-	-	-	-	-	0.02	0.03	-	-	-	-	0.0%	-
D side copper capital	£/line	33.35	33.35	27.68	-	-	-	-	-	-	7.12	7.88	-	-	-	-	0.5%	-
D side copper current	£/line	9.29	7.71	7.71	-	-	-	-	-	-	0.06	0.07	-	-	-	-	0.0%	-
Local exchanges general frames equipment	£/line	0.93	0.93	0.93	-	-	-	-	-	-	0.20	0.22	-	-	-	-	0.0%	-
Cumulo Rates Non NGA - Non Openreach	%	£13m	9.63	9.15	0.77	0.77	0.18	0.18	2.57	2.57	14.68	14.54	0.70	0.70	1.59	1.64	2.4%	1.8%
PC rental 2Mbps link per km distribution	£/km	66.44	-	-	-	-	-	-	-	-	-	-	-	-	47.79	53.94	45.1%	10.8%
Point of Handover electronics	£/eq	9,285.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77.6%
PC rental 64Kbps link	£/link	169.33	-	-	169.33	169.33	-	-	-	-	-	-	-	-	-	-	-	-
PC rental 2Mbps link	£/link	193.82	-	-	-	-	-	-	-	-	-	-	192.05	192.05	-	-	4.5%	1.2%
PC rental 64Kbps link per km transmission	£/km	7.57	-	-	-	-	7.57	7.57	-	-	-	-	-	-	-	-	-	-
2Mbps and above PC link connection cct provision	£/circuit	9,151.22	-	-	-	-	-	-	9,151.22	9,151.22	-	-	-	-	-	-	-	-
64Kbps PC link connection cct provision	£/circuit	5,900.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC rental 64Kbps link local end	£/le	1,450.86	1,450.86	1,450.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC rental 2Mbps local end copper	£/le	321.52	-	-	-	-	-	-	-	-	41.67	46.11	-	-	-	-	3.1%	-
PC rental 2Mbps local end fibre	£/le	596.40	-	-	-	-	-	-	-	-	519.10	510.87	-	-	-	-	27.5%	4.7%
PC rentals 2Mbps regional trunk	£/km	30.44	-	-	-	-	-	-	-	-	-	-	-	-	8.20	5.34	11.0%	3.3%
PC rental 2Mbps link per km national trunk	£/km	14.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee - Wholesale	%	£1m	0.50	0.50	0.11	0.11	0.00	0.00	1.41	1.41	0.63	0.64	0.26	0.25	0.04	0.04	0.5%	0.1%
TISBO Excess Construction	%	£9m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	5.03	5.03	1.12	1.12	0.02	0.02	14.29	14.29	6.34	6.46	2.62	2.51	0.42	0.43	5.2%	0.6%
Rounding			0.01	0.01	-	-	-	-	-	-	-	(0.01)	(0.01)	-	0.01	0.01	0.1%	(0.1)%
Fully Allocated Cost (£ or %)			1,517.44	1,511.29	171.33	171.33	7.77	7.77	9,169.49	9,169.49	591.16	588.29	195.62	195.51	58.05	61.40	100.0%	100.0%
Volume (units)			11,025	2,778	31,847	7,902	640,922	228,330	200	337	35,292	17,476	16,850	14,350	311,355	291,544	(ux)	(ux)
Fully Allocated Cost (£m)			16.7	4.2	5.5	1.4	5.0	1.8	1.8	3.1	20.9	10.3	3.3	2.8	18.1	17.9	0.3	5.1

Section 8  
Review of Narrowband Markets

## Section 8 – Review of Narrowband Markets

### WFAEL Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
Analogue WLR Basic Rentals	974.3	193.1	1,167.4	10,748,653	2,130,085	lines	90.64	90.66	972.4	192.8	1,165.2
WLR Connections	15.7	6.2	21.9	466,568	179,740	conns	33.63	34.41	13.1	4.6	17.7
WLR Transfers	15.8	4.8	20.6	1,355,542	408,764	transfer	11.68	11.80	7.3	2.1	9.4
WLR Conversions	9.6	4.2	13.8	339,704	151,726	conns	28.17	27.84	10.1	4.5	14.6
Analogue Premium Rentals	116.0	135.8	251.8	1,017,577	1,191,430	lines	114.00	114.00	95.5	111.9	207.4
WLR Premium Connections	1.2	2.3	3.5	41,497	76,356	conns	29.34	30.15	1.0	1.9	2.9
WLR Premium Transfers	0.4	0.7	1.1	29,537	59,549	transfer	11.87	11.10	0.2	0.5	0.7
Caller Display	3.2	0.8	4.0	3,693,650	881,867	rentals	0.87	0.88	1.8	0.4	2.2
Time Related Charges	25.7	7.6	33.3	(ux)	(ux)	(ux)	(sx)	(sx)	30.7	9.1	39.8
Other WLR	91.6	18.3	109.9	(ux)	(ux)	(ux)	(sx)	(sx)	48.6	5.0	53.6
WFAEL SLG	(10.3)	(3.2)	(13.5)	(ux)	(ux)	(ux)	(sx)	(sx)	(10.3)	(3.2)	(13.5)
Rounding	-	-	-						0.1	(0.1)	-
<b>Total WFAEL</b>	<b>1,243.2</b>	<b>370.6</b>	<b>1,613.8</b>						<b>1,170.5</b>	<b>329.5</b>	<b>1,500.0</b>

## Section 8 – Review of Narrowband Markets

### WFAEL calculation of FAC based on component costs and usage factors

For the year ended 31 March 2019

	Average cost per unit (from Appendix 1.1)	Analogue WLR Basic Rentals		WLR Connections		WLR Transfers		WLR Conversions		Analogue Premium Rentals		WLR Premium Connections		WLR Premium Transfers		Caller Display		Time Related Charges		Other WLR	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%
<b>Components</b>	<b>Unit (a)</b>																				
Wholesale Access specific	£/trans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	3.02	-	-	3.02	3.02	-	-	3.02	3.02	-	-	3.02	3.02	3.02	3.02	-	-	-	1.3%	1.4%
MDF Hardware jumpering	£/line	16.13	-	-	19.44	17.30	-	-	21.25	21.25	-	-	16.13	16.13	-	-	-	-	-	8.8%	9.7%
E side copper capital	£/line	7.05	7.05	7.05	-	-	-	-	-	7.05	7.05	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	4.01	3.33	3.33	-	-	-	-	-	4.03	4.03	-	-	-	-	-	-	-	-	13.6%	7.1%
D side copper capital	£/line	36.11	36.11	36.11	-	-	-	-	-	36.11	36.11	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	11.00	9.13	9.13	-	-	-	-	-	11.05	11.05	-	-	-	-	-	-	-	-	37.4%	19.4%
Local exchanges general frames equipment	£/line	1.12	1.12	1.12	-	-	-	-	-	1.12	1.12	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	1.06	1.06	-	-	-	-	-	1.28	1.28	-	-	-	-	-	-	-	-	4.3%	2.2%
Analogue line test equipment	£/line	0.12	0.12	0.12	-	-	-	-	-	0.12	0.12	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	17.41	17.41	17.41	-	-	-	-	-	17.41	17.41	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.22	1.84	1.84	-	-	-	-	-	2.23	2.23	-	-	-	-	-	-	-	-	7.5%	3.9%
Abortive Visits	£/trans	50.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.7%	36.8%
Analogue line cards	£/line	7.76	7.76	7.76	-	-	-	-	-	7.76	7.76	-	-	-	-	-	-	-	-	-	-
Pair gain	£/line	0.00	0.00	0.00	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Combi Card and MSAN Access - Voice	£/line	0.00	0.00	0.00	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Expedite Provision Costs	£/line	98.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.7%	3.1%
SLG WLR Provision Internal	%	£7m	-	-	2.97	-	2.97	-	2.97	-	-	-	2.97	-	2.97	-	-	-	-	1.3%	-
SLG WLR Assurance Internal	%	£3m	0.27	-	-	-	-	-	-	0.27	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£135m	3.86	3.86	0.00	0.00	0.00	0.00	0.00	3.86	3.86	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%
Local Loop Unbundling systems development	%	£1m	-	-	0.02	0.01	-	-	0.04	0.04	-	-	-	-	-	-	-	-	-	0.0%	0.0%
iNode features	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.8%	1.4%
Openreach time related charges	%	£74m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99.3%	99.3%	-	-
OR Project Services	%	£7m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6%	1.7%
Caller Display	%	£2m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.48	0.48	-	-	-	-
Network Features	%	£5m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.3%	7.6%
Ofcom Administration Fee - Openreach	%	£4m	0.08	0.08	0.03	0.03	0.01	0.01	0.02	0.10	0.10	0.03	0.03	0.01	0.01	0.00	0.00	0.1%	0.1%	0.2%	0.3%
Openreach sales product management	%	£15m	0.03	0.03	0.01	0.01	0.00	0.00	0.01	0.01	0.04	0.01	0.01	0.00	0.00	0.00	0.00	0.2%	0.2%	0.3%	0.7%
OR Service Centre - Provision Analogue/ISDN2	%	£8m	-	-	2.34	2.34	2.34	2.34	2.34	-	-	2.34	2.34	2.34	2.34	-	-	-	-	1.0%	1.1%
OR Service Centre - Assurance Analogue/ISDN2	%	£12m	0.75	0.75	-	-	-	-	-	0.75	0.75	-	-	-	-	-	-	-	-	-	-
SLG WLR Provision External	%	£3m	-	-	-	2.83	-	2.83	-	2.83	-	-	2.83	-	2.83	-	-	-	-	-	1.3%
SLG WLR Assurance External	%	£1m	-	0.29	-	-	-	-	-	-	0.29	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£40m	0.55	0.55	0.18	0.18	0.06	0.06	0.15	0.15	0.70	0.16	0.16	0.06	0.06	0.01	0.01	0.4%	0.4%	1.1%	2.2%
Rounding		-	-	0.01	0.01	0.01	0.01	0.01	-	(0.02)	(0.01)	-	-	0.02	-	-	-	-	-	0.1%	0.1%
<b>Fully Allocated Cost (£ or %)</b>		<b>90.47</b>	<b>90.49</b>	<b>28.02</b>	<b>25.73</b>	<b>5.39</b>	<b>5.25</b>	<b>29.81</b>	<b>29.66</b>	<b>93.86</b>	<b>93.89</b>	<b>24.66</b>	<b>24.52</b>	<b>8.42</b>	<b>8.26</b>	<b>0.49</b>	<b>0.49</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Volume (units)		10,748,653	2,130,085	466,568	179,740	1,355,542	408,764	339,704	151,726	1,017,577	1,191,430	41,497	76,356	29,537	59,549	3,693,650	881,867	(ux)	(ux)	(ux)	(ux)
Fully Allocated Cost (£m)		972.4	192.8	13.1	4.6	7.3	2.1	10.1	4.5	95.5	111.9	1.0	1.9	0.2	0.5	1.8	0.4	30.7	9.1	48.6	5.0

## Section 8 – Review of Narrowband Markets

### WFAEL Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
Analogue WLR Basic Rentals	921.1	177.3	1,098.4	10,621,116	2,044,791	lines	86.72	86.72	881.7	169.8	1,051.5
WLR Connections	16.6	7.2	23.8	426,271	170,829	conns	38.91	42.37	11.8	4.4	16.2
WLR Transfers	12.5	4.0	16.5	1,417,581	432,217	transfer	8.80	9.26	11.7	3.6	15.3
WLR Conversions	12.5	2.0	14.5	412,458	67,043	conns	30.26	30.26	11.7	1.9	13.6
Analogue Premium Rentals	183.6	147.1	330.7	1,610,435	1,290,038	lines	114.00	114.00	138.6	111.1	249.7
WLR Premium Connections	2.3	3.4	5.7	60,922	88,091	conns	38.41	38.41	1.5	2.2	3.7
WLR Premium Transfers	0.4	0.6	1.0	36,959	72,226	transfer	10.80	8.53	0.4	0.8	1.2
Caller Display	1.7	0.3	2.0	3,733,972	636,835	rentals	0.45	0.45	1.9	0.3	2.2
Time Related Charges	33.5	10.0	43.5	(ux)	(ux)	(ux)	(sx)	(sx)	30.2	9.0	39.2
Other WLR	95.1	17.8	112.9	(ux)	(ux)	(ux)	(sx)	(sx)	52.4	4.9	57.3
Rounding	(0.1)	-	(0.1)						0.1	-	0.1
<b>Total WFAEL</b>	<b>1,279.2</b>	<b>369.7</b>	<b>1,648.9</b>						<b>1,142.0</b>	<b>308.0</b>	<b>1,450.0</b>

## Section 8 – Review of Narrowband Markets

### WFAEL calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	Analogue WLR Basic Rentals		WLR Connections		WLR Transfers		WLR Conversions		Analogue Premium Rentals		WLR Premium Connections		WLR Premium Transfers		Caller Display		Time Related Charges		Other WLR	
			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%
Components	Unit (a)																					
Wholesale Access specific	£/trans	0.21	-	-	0.04	0.17	0.21	0.21	-	-	-	-	0.21	0.21	0.21	0.21	-	-	-	-	0.1%	0.2%
Routing & Records	£/line	2.54	-	-	2.54	2.54	-	-	2.54	2.54	-	-	2.54	2.54	2.54	2.54	-	-	-	-	1.7%	1.9%
MDF Hardware jumpering	£/line	13.45	-	-	16.84	14.36	-	-	17.72	17.72	-	-	13.45	13.45	-	-	-	-	-	-	12.1%	13.5%
E side copper capital	£/line	6.25	6.25	6.25	-	-	-	-	-	-	6.25	6.25	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.82	3.17	3.17	-	-	-	-	-	-	3.83	3.83	-	-	-	-	-	-	-	-	13.0%	5.5%
D side copper capital	£/line	33.35	33.35	33.35	-	-	-	-	-	-	33.35	33.35	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	9.29	7.71	7.71	-	-	-	-	-	-	9.33	9.33	-	-	-	-	-	-	-	-	31.7%	13.4%
Local exchanges general frames equipment	£/line	0.93	0.93	0.93	-	-	-	-	-	-	0.93	0.93	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.27	1.05	1.05	-	-	-	-	-	-	1.27	1.27	-	-	-	-	-	-	-	-	4.3%	1.8%
Analogue line test equipment	£/line	0.09	0.09	0.09	-	-	-	-	-	-	0.09	0.09	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	16.23	16.23	16.23	-	-	-	-	-	-	16.23	16.23	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	1.95	1.61	1.61	-	-	-	-	-	-	1.95	1.95	-	-	-	-	-	-	-	-	6.6%	2.8%
Abortive Visits	£/trans	49.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.6%	32.4%
Analogue line cards	£/line	7.66	7.66	7.66	-	-	-	-	-	-	7.66	7.66	-	-	-	-	-	-	-	-	-	-
Pair gain	£/line	0.00	0.00	0.00	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Combi Card and MSAN Access - Voice	£/line	0.00	0.00	0.00	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Expedite Provision Costs	£/line	86.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.9%	2.6%
SLG WLR Provision Internal	%	£7m	-	-	2.53	-	2.53	-	2.53	-	-	-	2.53	-	2.53	-	-	-	-	-	1.7%	-
SLG WLR Assurance Internal	%	£4m	0.34	-	-	-	-	-	-	-	0.34	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£118m	3.38	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%
Local Loop Unbundling systems development	%	£1m	-	-	0.02	0.01	-	-	0.02	0.02	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%
iNode features	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.0%	1.7%
Regulated time related charges	%	£65m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98.8%	98.8%	-	-
OR Project Services	%	£14m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.3%	5.5%
Caller Display	%	£2m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.50	0.50	-	-	-	-
Network Features	%	£6m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.3%	8.7%
Ofcom Administration Fee - Openreach	%	£4m	0.06	0.06	0.03	0.03	0.01	0.01	0.02	0.02	0.08	0.08	0.03	0.03	0.01	0.01	0.00	0.00	0.1%	0.1%	0.1%	0.2%
Openreach sales product management	%	£16m	0.07	0.07	0.03	0.03	0.01	0.01	0.02	0.02	0.09	0.09	0.03	0.03	0.01	0.01	0.00	0.00	0.5%	0.5%	0.8%	1.3%
OR Service Centre - Provision Analogue/ISDN2	%	£20m	-	-	5.44	5.44	5.44	5.44	5.44	5.44	-	-	5.44	5.44	5.44	5.44	-	-	-	-	3.6%	4.0%
OR Service Centre - Assurance Analogue/ISDN2	%	£9m	0.54	0.54	-	-	-	-	-	-	0.54	0.54	-	-	-	-	-	-	-	-	-	-
SLG WLR Provision External	%	£3m	-	-	-	2.68	-	2.68	-	2.68	-	-	-	2.68	-	2.68	-	-	-	-	-	2.0%
SLG WLR Assurance External	%	£2m	-	0.37	-	-	-	-	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	0.56	0.56	0.23	0.25	0.05	0.05	0.18	0.18	0.73	0.73	0.22	0.22	0.06	0.05	0.00	0.00	0.6%	0.6%	1.2%	2.3%
Rounding			0.02	0.02	(0.01)	(0.01)	-	-	-	0.01	0.03	0.03	-	-	-	(0.01)	0.01	0.01	-	-	-	0.2%
Fully Allocated Cost (£ or %)			83.02	83.05	27.69	25.50	8.25	8.40	28.47	28.63	86.08	86.11	24.45	24.60	10.80	10.93	0.51	0.51	100.0%	100.0%	100.0%	100.0%
Volume (units)			10,621,116	2,044,791	426,271	170,829	1,417,581	432,217	412,458	67,043	1,610,435	1,290,038	60,922	88,091	36,959	72,226	3,733,972	636,835	(ux)	(ux)	(ux)	(ux)
Fully Allocated Cost (£m)			881.7	169.8	11.8	4.4	11.7	3.6	11.7	1.9	138.6	111.1	1.5	2.2	0.4	0.8	1.9	0.3	30.2	9.0	52.4	4.9



## Section 8 – Review of Narrowband Markets

### ISDN2 Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
<b>Service</b>								
ISDN2 Rentals *	28.2	43.8	72.0	265,785	412,914	channels	105.96	105.96
ISDN2 Connections *	0.3	0.4	0.7	4,406	2,699	channels	60.00	143.41
ISDN2 Transfers *	0.0	0.2	0.2	57	21,783	channels	4.50	7.04
Other ISDN2 **	4.1	3.1	7.2	(ux)	(ux)	(ux)	(sx)	(sx)
ISDN2 SLG	(0.1)	(0.2)	(0.3)	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	(0.3)	(0.1)	(0.4)					
<b>Total ISDN2</b>	<b>32.2</b>	<b>47.2</b>	<b>79.4</b>					

\* Ordered before 30 November 2018

\*\* Including ISDN2 rentals, connections and transfers ordered after 30 November 2018

### ISDN2 Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
<b>Service</b>								
ISDN2 Rentals *	30.0	50.7	80.7	283,164	478,296	channels	105.96	105.96
ISDN2 Connections *	1.0	1.0	2.0	16,203	14,267	channels	59.96	68.67
ISDN2 Transfers *	0.0	0.2	0.2	917	23,969	channels	4.50	9.01
Other ISDN2 **	3.1	2.9	6.0	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	-	-	-					
<b>Total ISDN2</b>	<b>34.1</b>	<b>54.8</b>	<b>88.9</b>					

\* Ordered before 30 November 2018

\*\* Including ISDN2 rentals, connections and transfers ordered after 30 November 2018

## Section 8 – Review of Narrowband Markets

### ISDN30 Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
<b>Service</b>								
ISDN30 Rentals *	55.4	67.0	122.4	467,482	563,963	channels	118.56	118.82
ISDN30 Channel Connections *	0.1	0.0	0.1	21,715	11,303	channels	3.50	3.50
ISDN30 Line Connections *	0.2	0.3	0.5	227	362	line	755.00	755.00
ISDN30 SML 3 and 4 *	2.0	3.8	5.8	107,383	206,103	rentals	18.74	18.45
ISDN30 Transfers *	0.0	0.2	0.2	222	37,496	channels	3.31	5.25
ISDN30 DDI Rentals *	1.7	3.6	5.3	1,604,628	3,414,051	rentals	1.04	1.04
ISDN30 DDI Planning *	-	0.0	0.0	-	597	misc	-	81.57
ISDN30 DDI Connections *	-	0.1	0.1	-	66,406	conns	-	0.81
Other ISDN30 **	0.6	1.1	1.7	(ux)	(ux)	(ux)	(sx)	(sx)
ISDN30 SLG	(0.2)	(0.3)	(0.5)	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	-	-	-					
<b>Total ISDN30</b>	<b>59.8</b>	<b>75.8</b>	<b>135.6</b>					

\* Ordered before 30 November 2018

\*\* Including all ISDN30 services ordered after 30 November 2018

### ISDN30 Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
<b>Service</b>								
ISDN30 Rentals *	67.2	78.6	145.8	566,606	661,819	channels	118.56	118.83
ISDN30 Channel Connections *	0.1	0.1	0.2	28,643	20,750	channels	3.50	3.50
ISDN30 Line Connections *	0.9	0.6	1.5	1,182	733	line	755.00	755.00
ISDN30 SML 3 and 4 *	1.6	4.3	5.9	85,697	233,649	rentals	18.71	18.23
ISDN30 Transfers *	0.0	0.3	0.3	882	52,802	channels	4.53	5.10
ISDN30 DDI Rentals *	1.4	4.1	5.5	1,329,509	3,949,890	rentals	1.04	1.05
ISDN30 DDI Planning *	-	0.1	0.1	-	1,139	misc	-	81.57
ISDN30 DDI Connections *	0.0	0.1	0.1	6	127,241	conns	0.81	0.81
Other ISDN30 **	0.2	0.1	0.3	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	(0.2)	(0.1)	(0.3)					
<b>Total ISDN30</b>	<b>71.2</b>	<b>88.2</b>	<b>159.4</b>					

\* Ordered before 30 November 2018

\*\* Including all ISDN30 services ordered after 30 November 2018

## Section 8 – Review of Narrowband Markets

### Fixed Geographic Call Termination Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal NCC traffic mm	External NCC traffic mm	Internal Average NCC rates ppm	External Average NCC rates ppm
<b>Service</b>							
Wholesale fixed geographical call termination local exchange	3.0	6.0	9.0	9,665	18,711	0.0323	0.0323
<b>Total Fixed Geographic Call Termination</b>	<b>3.0</b>	<b>6.0</b>	<b>9.0</b>				

### Fixed Geographic Call Termination Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal NCC traffic mm	External NCC traffic mm	Internal Average NCC rates ppm	External Average NCC rates ppm
<b>Service</b>							
Wholesale fixed geographical call termination local exchange	3.8	7.4	11.2	11,715	21,086	0.0333	0.0349
<b>Total Fixed Geographic Call Termination</b>	<b>3.8</b>	<b>7.4</b>	<b>11.2</b>				

## Section 8 – Review of Narrowband Markets

### Technical Areas (DLE Interconnect Circuits) Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Internal Average Price £	External Average Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
Wholesale IEC Connections	-	0.1	0.1	-	106	ccts	-	1,054.85	-	0.1	0.1
Wholesale IEC Rentals - fixed	-	2.0	2.0	-	3,082	ccts	-	658.56	-	0.7	0.7
Wholesale IEC Rentals - per km	-	1.4	1.4	-	63,594	km	-	22.80	-	2.0	2.0
Wholesale Intra-Building Circuits Connections	-	0.6	0.6	-	643	ccts	-	877.95	-	0.0	0.0
Wholesale Intra-Building Circuit Rentals	-	1.5	1.5	-	13,440	ccts	-	109.44	-	1.2	1.2
Wholesale Rearrangements	-	0.1	0.1	-	279	ccts	-	495.58	-	0.9	0.9
Rounding	-	0.1	0.1						-	-	-
<b>Total Technical Areas (DLE Interconnect Circuits)</b>	<b>-</b>	<b>5.8</b>	<b>5.8</b>						<b>-</b>	<b>4.9</b>	<b>4.9</b>

## Section 8 – Review of Narrowband Markets

### Technical Areas (DLE Interconnect Circuits) calculation of FAC based on component costs and usage factors

For the year ended 31 March 2019

		Average cost per unit (from Appendix 1.1)	In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect		Wholesale Rearrangements
			Wholesale IEC Connections	Wholesale IEC Rentals - fixed	Wholesale IEC Rentals - per km	Wholesale Intra-Building Circuit Connections	Wholesale Intra-Building Circuit Rentals	
Fully Allocated Cost (£ or %)			£	£	£	£	£	£
Components	Unit (a)							
Interconnect 2Mbps connection	£/circuit	6,516.18	1,144.60	-	-	-	-	3,208.14
Interconnect extension circuits (IEC) 2Mbps link	£/circuit	143.98	-	143.98	-	-	-	-
Interconnect Extension Circuits (IEC) 2Mbps per km	£/km	30.65	-	-	30.65	-	-	-
Intra Building Circuit (IBC) connection	£/circuit	1.97	1.97	-	-	1.97	-	-
Intra Building Circuit (IBC) rental	£/circuit	85.40	-	85.40	-	-	85.40	-
Cumulo Rates Non NGA - Non Openreach	%	£14m	0.38	2.25	1.03	0.00	0.35	1.06
Ofcom Administration Fee - Wholesale	%	£2m	1.15	0.72	0.02	0.96	0.12	0.54
Revenue Receivables	%	£40m	6.45	4.03	0.14	5.37	0.67	3.03
Rounding			-	-	-	-	-	-
Fully Allocated Cost (£ or %)			1,154.55	236.38	31.84	8.30	86.54	3,212.77
Volume (units)			106	3,082	63,594	643	13,440	279
Fully Allocated Cost (£m)			0.1	0.7	2.0	0.0	1.2	0.9

## Section 8 – Review of Narrowband Markets

### Technical Areas (DLE Interconnect Circuits) Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Internal Average Price £	External Average Price £	Internal FAC £m	External FAC £m	Total FAC £m
<b>Service</b>											
Wholesale IEC Connections	-	0.3	0.3	-	324	ccts	-	1,003.19	-	0.4	0.4
Wholesale IEC Rentals - fixed	-	2.2	2.2	-	3,458	ccts	-	627.28	-	0.8	0.8
Wholesale IEC Rentals - per km	-	1.5	1.5	-	70,535	km	-	21.60	-	2.2	2.2
Wholesale Intra-Building Circuits Connections	-	0.2	0.2	-	198	ccts	-	834.95	-	0.0	0.0
Wholesale Intra-Building Circuit Rentals	-	1.5	1.5	-	14,426	ccts	-	104.23	-	1.3	1.3
Wholesale Rearrangements	-	0.2	0.2	-	335	ccts	-	471.31	-	1.3	1.3
Rounding	-	(0.1)	(0.1)						-	(0.1)	(0.1)
<b>Total Technical Areas (DLE Interconnect Circuits)</b>	-	<b>5.8</b>	<b>5.8</b>						-	<b>5.9</b>	<b>5.9</b>

## Section 8 – Review of Narrowband Markets

### Technical Areas (DLE Interconnect Circuits) calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2018 (b)

		Average cost per unit (from Appendix 1.2)	In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect		Wholesale Rearrangements
			Wholesale IEC Connections	Wholesale IEC Rentals - fixed	Wholesale IEC Rentals - per km	Wholesale Intra-Building Circuit Connections	Wholesale Intra-Building Circuit Rentals	
			External	External	External	External	External	
Fully Allocated Cost (£ or %)		£	£	£	£	£	£	
Components	Unit (a)							
Interconnect 2Mbps connection	£/circuit	5,519.23	1,357.88	-	-	-	-	3,804.16
Interconnect extension circuits (IEC) 2Mbps link	£/circuit	125.83	-	125.83	-	-	-	-
Interconnect Extension Circuits (IEC) 2Mbps per km	£/km	29.73	-	-	29.73	-	-	-
Intra Building Circuit (IBC) connection	£/circuit	0.56	0.56	-	-	0.56	-	-
Intra Building Circuit (IBC) rental	£/circuit	87.51	-	87.51	-	-	87.51	-
Cumulo Rates Non NGA - Non Openreach	%	£13m	0.38	0.87	0.80	0.00	0.30	1.07
Ofcom Administration Fee - Wholesale	%	£1m	0.64	0.40	0.01	0.53	0.07	0.30
Revenue Receivables	%	£44m	6.46	4.04	0.14	5.38	0.67	3.04
Rounding			0.01	-	0.01	-	-	(0.01)
Fully Allocated Cost (£ or %)			1,365.93	218.65	30.69	6.47	88.55	3,808.56
Volume (units)			324	3,458	70,535	198	14,426	335
Fully Allocated Cost (£m)			0.4	0.8	2.2	0.0	1.3	1.3

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## Section 9 – Review of Wholesale Broadband Access Markets

### WBA (Market A) Summary

For the year ended 31 March 2019

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m	Internal EOI £m	External EOI £m
IPstream Connect Max and Max Premium End User Access - Rental	1.0	0.2	1.2	16,331	3,278	rentals	58.85	63.48	9.2	1.8	11.0	1.3	0.3
IPstream Connect Contracted Bandwidth per Mbps per node rental	3.8	0.6	4.4	94,845	15,140	bandwidth	40.00	40.00	26.2	4.4	30.6	-	-
WBC Connections	1.4	0.0	1.4	29,654	67	conns	46.31	45.35	1.2	0.0	1.2	1.2	0.0
WBC End User Access - Rental	19.6	0.1	19.7	186,457	609	rentals	105.25	95.79	14.1	0.0	14.1	7.1	0.0
WBC Bandwidth	71.4	0.2	71.6	1,786,200	4,204	bandwidth	40.00	40.00	5.3	0.0	5.3	1.6	0.0
WBC Ancillary Charges & other	0.6	0.2	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	1.2	0.2	1.4	1.2	0.2
Other WBA (Market A)*	1.3	1.9	3.2	(ux)	(ux)	(ux)	(sx)	(sx)	1.9	0.3	2.2	0.9	0.0
<b>Total WBA (Market A) (including EOI and Internal)</b>	<b>99.1</b>	<b>3.2</b>	<b>102.3</b>						<b>59.1</b>	<b>6.7</b>	<b>65.8</b>	<b>13.3</b>	<b>0.5</b>
Adjustment for EOI and Internal	(13.3)	(0.5)	(13.8)						(13.3)	(0.5)	(13.8)		
Rounding	(0.1)	(0.1)	(0.2)						-	0.1	0.1		
<b>Total WBA (Market A) (adjusted for EOI and Internal)</b>	<b>85.7</b>	<b>2.6</b>	<b>88.3</b>						<b>45.8</b>	<b>6.3</b>	<b>52.1</b>		

**Notes:**

\* Included in Other WBA (Market A) are the following services where revenue is below £5m and EOI is below £1m: IPstream Connect End User Re-grade, IPstream Connect End User Migration, IPstream Connect ADSL Cancellation, Other IPstream Connect Market and Cease Basket

## Section 9 – Review of Wholesale Broadband Access Markets

### WBA (Market A) EOI

For the year ended 31 March 2019

			Average EOI Input per unit		IPstream Connect Max and Max Premium End User Access - Rental		IPstream Connect Contract Bandwidth per Mbps per node rental		WBC Connections		WBC End User Access - Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*	
EOI Charge (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %		
Part Service Description	Unit (a)																	
EBD 1Gbps Rentals Rest of UK - Internal EOI Charges	ccts	2,818.47	-	-	-	-	-	-	-	-	0.01	0.02	-	-	-	-		
EBD 1Gbps Connections Rest of UK - Internal EOI Charges	ccts	2,195.45	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-		
EBD 10Gbps Rentals Rest of UK - Internal EOI Charges	ccts	10,433.41	-	-	-	-	-	-	-	-	0.21	0.23	-	-	-	-		
EBD 10Gbps Connections Rest of UK - Internal EOI Charges	ccts	7,230.93	-	-	-	-	-	-	-	-	0.04	0.04	-	-	-	-		
EBD 1Gbps Rentals Residual - Internal EOI Charges	ccts	2,980.66	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-		
EBD 1Gbps Connections Residual - Internal EOI Charges	ccts	3,675.00	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-		
EBD 1Gbps Rentals Combined Geographic - Internal EOI Charges	ccts	2,725.53	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-		
EBD 1Gbps Conns Combined Geographic - Internal EOI Charges	ccts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
EBD 10Gbps Connections Residual - Internal EOI Charges	ccts	7,200.00	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-		
EBD 10Gbps Rentals Residual - Internal EOI Charges	ccts	10,259.18	-	-	-	-	-	-	-	-	0.02	0.02	-	-	-	-		
EBD 10Gbps Conns Combined Geographic - Internal EOI Charges	ccts	7,200.00	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-		
EBD 10Gbps Rentals Combined Geo - Internal EOI Charges	ccts	9,889.86	-	-	-	-	-	-	-	-	0.02	0.02	-	-	-	-		
SMPF New Provides Costs - Internal EOI Charges	conns	22.04	-	-	-	-	13.56	14.80	-	-	-	-	-	-	25.6%	25.9%		
SMPF Single Migrations Costs - Internal EOI Charges	migrations	25.36	-	-	-	-	-	-	-	-	-	-	1.0%	9.6%	5.4%	7.1%		
SMPF Rentals Costs - Internal EOI Charges	rentals	4.53	4.55	4.55	-	-	-	-	3.14	3.53	-	-	-	-	5.0%	4.8%		
Other LLU ancillaries basket Costs - Internal EOI Charges	ancillaries	35.42	-	-	-	-	-	-	-	-	-	-	41.4%	65.8%	22.8%	19.9%		
SMPF Bulk Migrations Costs - Internal EOI Charges	migrations	19.46	-	-	-	-	-	-	-	-	-	-	0.4%	4.4%	2.5%	3.3%		
MPF Hard Ceases Costs - Internal EOI Charges	ceases	21.06	-	-	-	-	-	-	-	-	-	-	-	-	0.2%	0.3%		
SMPF Hard Ceases Costs - Internal EOI Charges	ceases	17.61	-	-	-	-	-	-	-	-	-	-	-	-	1.7%	2.2%		
Other Tie-cables and Comingling Costs - Internal EOI Charges	%	£21m	29.70	29.70	-	-	-	-	1.77	1.99	-	-	-	-	-	-		
GEA FTTC rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	92.48	-	-	-	-	-	-	21.90	15.93	-	-	-	-	-	-		
GEA FTTC 40/10 Rentals - Internal EOI Charges	rentals	69.06	-	-	-	-	-	-	4.19	3.05	-	-	-	-	-	-		
GEA Other Rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	141.41	-	-	-	-	-	-	1.95	1.42	-	-	-	-	-	-		
GEA Other 40/10 Rentals - Internal EOI Charges	rentals	154.81	-	-	-	-	-	-	0.13	0.10	-	-	-	-	-	-		
MPF Cancellation of orders - Internal EOI Charges	ancillaries	7.26	-	-	-	-	-	-	-	-	-	-	1.2%	1.9%	0.7%	0.6%		
Sub Total			34.25	34.25	-	-	13.56	14.80	33.08	26.02	0.30	0.33	44.0%	81.7%	63.9%	64.1%		

## Section 9 – Review of Wholesale Broadband Access Markets

### WBA (Market A) EOI (continued)

For the year ended 31 March 2019

Part Service Description		Unit (a)	Average EOI Input per unit		IPstream Connect Max and Max Premium End User Access - Rental		IPstream Connect Contract Bandwidth per Mbps per node rental		WBC Connections		WBC End User Access - Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*		
			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
			£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%	
EOI Charge (£ or %)																			
Part Service Description																			
GEA Other FTTC PCP Only Install Connections - Internal EOI Charges			conns	46.96	-	-	-	-	11.83	10.10	-	-	-	-	-	-	-	-	-
GEA FTTC 40/10 PCP Only Install - Internal EOI Charges			conns	46.96	-	-	-	-	6.01	5.13	-	-	-	-	-	-	-	-	-
GEA FTTC connections - Internal EOI Charges			conns	96.93	-	-	-	-	2.98	2.54	-	-	-	-	-	-	-	-	-
GEA FTTP connections - Internal EOI Charges			conns	92.00	-	-	-	-	3.42	2.92	-	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Connections - Internal EOI Charges			conns	99.00	-	-	-	-	0.78	0.67	-	-	-	-	-	-	-	-	-
GEA Other FTTC Start of a Stopped Line Connections - Internal EOI Charges			conns	4.63	-	-	-	-	0.12	0.10	-	-	-	-	-	-	-	-	-
GEA 40/10 FTTP Other Connections - Internal EOI Charges			conns	92.00	-	-	-	-	0.24	0.20	-	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Start of a Stopped Line - Internal EOI Charges			conns	4.63	-	-	-	-	0.06	0.05	-	-	-	-	-	-	-	-	-
GEA FTTP 40/10 Conns Voice and Data - Internal EOI Charges			conns	92.00	-	-	-	-	0.42	0.36	-	-	-	-	-	-	-	-	-
GEA CP to CP Migration Costs - Internal EOI Charges			migrations	4.63	-	-	-	-	-	-	-	-	-	-	56.0%	18.3%	-	-	-
Special Faults Investigation - Internal EOI Charges			ancillaries	103.48	1.64	1.64	-	-	-	-	1.13	1.27	-	-	-	-	13.5%	25.8%	-
Tie Cables Costs - Internal EOI Charges			ancillaries	33.06	41.02	41.02	-	-	-	-	1.98	2.23	-	-	-	-	-	-	-
21CN Backhaul EAD - Internal EOI Charges			ccts	5,467.97	-	-	-	-	-	-	-	-	0.60	0.47	-	-	-	-	-
WLA Time Related Charges Costs - Internal EOI Charges			ancillaries	83.77	1.50	0.87	-	-	-	-	1.08	0.82	-	-	-	-	-	0.9%	0.9%
SMPF Expedites - Internal EOI Charges			ancillaries	79.78	-	-	-	-	-	-	-	-	-	-	-	-	-	1.4%	0.6%
NGA Expedites - Internal EOI Charges			ancillaries	110.67	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9%	0.0%
SMPF Enhanced Care - Internal EOI Charges			ancillaries	36.53	-	-	-	-	-	-	-	-	-	-	-	-	-	11.6%	8.5%
NGA Enhanced Care - Internal EOI Charges			ancillaries	40.20	-	-	-	-	-	-	-	-	-	-	-	-	-	1.0%	0.1%
NGA Visit Assure EOI - Internal EOI Charges			ancillaries	130.00	-	-	-	-	-	-	0.81	0.59	-	-	-	-	-	-	-
Copper Broadband Boost - Internal EOI Charges			ancillaries	143.13	-	-	-	-	-	-	-	-	-	-	-	-	-	6.7%	-
Roundings					-	-	-	-	-	-	0.02	(0.01)	0.02	0.01	-	-	-	0.1%	-
EOI cost (£) or %				78.41	77.78	-	-	39.42	36.87	38.10	30.92	0.92	0.81	100.0%	100.0%	100.0%	100.0%		
Volume (units)			16,331	3,278	94,845	15,140	29,654	67	186,457	609	1,786,200	4,204	(ux)	(ux)	(ux)	(ux)			
Unit Rentals			Rentals	Rentals	Bandwidth	Bandwidth	Conns	Conns	Rentals	Rentals	Bandwidth	Bandwidth							
Total EOI Cost (£m)			1.3	0.3	0.0	0.0	1.2	0.0	7.1	0.0	1.6	0.0	1.2	0.2	0.9	0.0			

#### Notes:

\* Included in EOI Other Services are the following services where EOI is below £1m: IPstream Connect End User Re-grade, IPstream Connect End User Migration, IPstream Connect ADSL Cancellation, Other IPstream Connect Market and Cease Basket

## Section 9 – Review of Wholesale Broadband Access Markets

### WBA (Market A) Summary

Restated for the year ended 31 March 2018 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m	Internal EOI £m	External EOI £m
IPstream Connect Max and Max Premium End User Access – Rental	3.5	0.9	4.4	59,097	14,278	rentals	58.73	62.26	8.8	2.1	10.9	1.0	0.2
IPstream Connect Contracted Bandwidth per Mbps per node rental	11.6	1.3	12.9	289,678	32,515	bandwidth	40.00	40.00	25.4	3.0	28.4	-	-
WBC Connections	1.1	0.0	1.1	24,155	56	conns	46.21	47.53	1.0	0.0	1.0	1.0	0.0
WBC End User Access – Rental	13.8	0.1	13.9	135,096	528	rentals	102.50	97.52	10.7	0.0	10.7	5.2	0.0
WBC Bandwidth	44.7	0.1	44.8	1,116,854	3,049	bandwidth	40.00	40.00	3.5	0.0	3.5	1.3	0.0
WBC Ancillary Charges & other	0.6	0.3	0.9	(ux)	(ux)	(ux)	(sx)	(sx)	1.7	0.2	1.9	1.7	0.2
Other WBA (Market A)*	2.4	2.3	4.7	(ux)	(ux)	(ux)	(sx)	(sx)	1.9	0.3	2.2	1.4	0.2
<b>Total WBA (Market A) (including EOI and Internal)</b>	<b>77.7</b>	<b>5.0</b>	<b>82.7</b>						<b>53.0</b>	<b>5.6</b>	<b>58.6</b>	<b>11.6</b>	<b>0.6</b>
Adjustment for EOI and Internal Rounding	(11.6)	(0.6)	(12.2)						(11.6)	(0.6)	(12.2)		
	-	(0.1)	(0.1)						0.1	-	0.1		
<b>Total WBA (Market A) (adjusted for EOI and Internal)</b>	<b>66.1</b>	<b>4.3</b>	<b>70.4</b>						<b>41.5</b>	<b>5.0</b>	<b>46.5</b>		

#### Notes:

\* Included in Other WBA (Market A) are the following services where revenue is below £5m and EOI is below £1m: IPstream Connect End User Re-grade, IPstream Connect End User Migration, IPstream Connect ADSL Cancellation, Other IPstream Connect Market and Cease Basket

## Section 9 – Review of Wholesale Broadband Access Markets

### WBA (Market A) EOI

Restated for the year ended 31 March 2018 (b)

		Average EOI Input per unit	IPstream Connect Max and Max Premium End User Access - Rental		IPstream Connect Contracted Bandwidth per Mbps per node rental		WBC Connections		WBC End User Access - Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*	
EOI Charge (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
Part Service Description	Unit (a)															
EBD 1Gbps Rentals Rest of UK - Internal EOI Charges	ccts	2,801.19	-	-	-	-	-	-	-	-	0.02	0.02	-	-	-	-
EBD 1Gbps Connections Rest of UK - Internal EOI Charges	ccts	2,165.63	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD 10Gbps Rentals Rest of UK - Internal EOI Charges	ccts	10,445.10	-	-	-	-	-	-	-	-	0.20	0.21	-	-	-	-
EBD 10Gbps Connections Rest of UK - Internal EOI Charges	ccts	7,225.71	-	-	-	-	-	-	-	-	0.03	0.03	-	-	-	-
EBD 1Gbps Rentals Residual - Internal EOI Charges	ccts	2,866.92	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD 1Gbps Connections Residual - Internal EOI Charges	ccts	2,100.00	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-
EBD 1Gbps Rentals Combined Geographic - Internal EOI Charges	ccts	2,717.68	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD 1Gbps Conns Combined Geographic - Internal EOI Charges	ccts	2,100.00	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-
EBD 10Gbps Connections Residual - Internal EOI Charges	ccts	7,310.77	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD 10Gbps Rentals Residual - Internal EOI Charges	ccts	10,297.67	-	-	-	-	-	-	-	-	0.02	0.02	-	-	-	-
EBD 10Gbps Conns Combined Geographic - Internal EOI Charges	ccts	7,200.00	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD 10Gbps Rentals Combined Geo - Internal EOI Charges	ccts	9,889.32	-	-	-	-	-	-	-	-	0.02	0.02	-	-	-	-
SMPF New Provides Costs - Internal EOI Charges	conns	26.43	-	-	-	-	16.25	14.16	-	-	-	-	-	-	30.9%	31.0%
SMPF Single Migrations Costs - Internal EOI Charges	migrations	30.26	-	-	-	-	-	-	-	-	-	-	3.1%	8.2%	4.7%	4.7%
SMPF Rentals Costs - Internal EOI Charges	rentals	2.50	2.57	2.57	-	-	-	-	1.84	1.95	-	-	-	-	1.1%	1.1%
Other LLU ancillaries basket Costs - Internal EOI Charges	ancillaries	46.78	-	-	-	-	-	-	-	-	-	-	38.7%	67.7%	25.1%	25.1%
SMPF Bulk Migrations Costs - Internal EOI Charges	migrations	20.97	-	-	-	-	-	-	-	-	-	-	0.9%	2.3%	1.3%	1.3%
MPF Hard Ceases Costs - Internal EOI Charges	ceases	27.16	-	-	-	-	-	-	-	-	-	-	-	-	0.1%	0.1%
SMPF Hard Ceases Costs - Internal EOI Charges	ceases	21.37	-	-	-	-	-	-	-	-	-	-	-	-	2.1%	2.1%
Other Tie-cables and Comingling Costs - Internal EOI Charges	%	£18m	4.04	4.04	-	-	-	-	1.39	1.48	-	-	-	-	-	-
GEA FTTC rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	110.18	-	-	-	-	-	-	25.27	21.33	-	-	-	-	-	-
GEA FTTC 40/10 Rentals - Internal EOI Charges	rentals	88.80	-	-	-	-	-	-	4.11	3.47	-	-	-	-	-	-
GEA Other Rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	122.91	-	-	-	-	-	-	1.11	0.93	-	-	-	-	-	-
GEA Other 40/10 Rentals - Internal EOI Charges	rentals	189.48	-	-	-	-	-	-	0.08	0.07	-	-	-	-	-	-
MPF Cancellation of orders - Internal EOI Charges	ancillaries	10.31	-	-	-	-	-	-	-	-	-	-	0.1%	0.2%	0.1%	0.1%
Sub Total			6.61	6.61	-	-	16.25	14.16	33.80	29.23	0.29	0.30	42.8%	78.4%	65.4%	65.5%

## Section 9 – Review of Wholesale Broadband Access Markets

### WBA (Market A) EOI (continued)

Restated for the year ended 31 March 2018 (b)

		Average EOI Input per unit	IPstream Connect Max and Max Premium End User Access - Rental		IPstream Connect Contracted Bandwidth per Mbps per node rental		WBC Connections		WBC End User Access - Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*	
EOI Charge (£ or %)			Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
Part Service Description	Unit (a)															
GEA Other FTTC PCP Only Install Connections - Internal EOI Charges	conns	48.85	-	-	-	-	15.72	18.94	-	-	-	-	-	-	-	-
GEA FTTC 40/10 PCP Only Install - Internal EOI Charges	conns	49.00	-	-	-	-	4.02	4.84	-	-	-	-	-	-	-	-
GEA FTTC connections - Internal EOI Charges	conns	93.28	-	-	-	-	2.88	3.47	-	-	-	-	-	-	-	-
GEA FTTP connections - Internal EOI Charges	conns	91.42	-	-	-	-	2.27	2.73	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Connections - Internal EOI Charges	conns	96.98	-	-	-	-	0.73	0.87	-	-	-	-	-	-	-	-
GEA Other FTTC Start of a Stopped Line Connections - Internal EOI Charges	conns	16.19	-	-	-	-	0.49	0.60	-	-	-	-	-	-	-	-
GEA 40/10 FTTP Other Connections - Internal EOI Charges	conns	91.98	-	-	-	-	0.06	0.07	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Start of a Stopped Line - Internal EOI Charges	conns	15.37	-	-	-	-	0.08	0.09	-	-	-	-	-	-	-	-
GEA FTTP 40/10 Conns Voice and Data - Internal EOI Charges	conns	91.98	-	-	-	-	0.05	0.06	-	-	-	-	-	-	-	-
GEA CP to CP Migration Costs - Internal EOI Charges	migrations	11.00	-	-	-	-	-	-	-	-	-	-	57.2%	21.6%	-	-
Special Faults Investigation - Internal EOI Charges	ancillaries	86.09	1.72	1.72	-	-	-	-	1.23	1.31	-	-	-	-	12.4%	18.2%
Tie Cables Costs - Internal EOI Charges	ancillaries	33.05	6.48	6.48	-	-	-	-	1.78	1.89	-	-	-	-	-	-
21CN Backhaul EAD - Internal EOI Charges	ccts	7,755.41	-	-	-	-	-	-	-	-	0.87	0.64	-	-	-	-
WLA Time Related Charges Costs - Internal EOI Charges	ancillaries	96.11	1.47	0.87	-	-	-	-	1.00	0.52	-	-	-	-	0.6%	0.6%
SMPF Expedites - Internal EOI Charges	ancillaries	102.03	-	-	-	-	-	-	-	-	-	-	-	-	2.2%	2.0%
NGA Expedites - Internal EOI Charges	ancillaries	195.99	-	-	-	-	-	-	-	-	-	-	-	-	2.3%	0.1%
SMPF Enhanced Care - Internal EOI Charges	ancillaries	38.20	-	-	-	-	-	-	-	-	-	-	-	-	9.3%	13.7%
NGA Enhanced Care - Internal EOI Charges	ancillaries	40.34	-	-	-	-	-	-	-	-	-	-	-	-	0.5%	0.0%
NGA Visit Assure EOI - Internal EOI Charges	ancillaries	131.04	-	-	-	-	-	-	0.66	0.56	-	-	-	-	-	-
Copper Broadband Boost - Internal EOI Charges	ancillaries	166.00	-	-	-	-	-	-	-	-	-	-	-	-	7.4%	-
Roundings			-	-	-	-	(0.01)	-	0.01	0.01	-	0.01	-	-	(0.1)%	(0.1)%
EOI cost (£) or %			16.28	15.68	-	-	42.54	45.83	38.48	33.52	1.16	0.95	100.0%	100.0%	100.0%	100.0%
	Volume (units)		59,097	14,278	289,678	32,515	24,155	56	135,096	528	1,116,854	3,049	(ux)	(ux)	(ux)	(ux)
	Unit Rentals		Rentals	Rentals	Bandwidth	Bandwidth	Conns	Conns	Rentals	Rentals	Bandwidth	Bandwidth				
	Total EOI Cost (£m)		1.0	0.2	0.0	0.0	1.0	0.0	5.2	0.0	1.3	0.0	1.7	0.2	1.4	0.2

#### Notes:

\* Included in EOI Other Services are the following services where EOI is below £1m: IPstream Connect End User Re-grade, IPstream Connect End User Migration, IPstream Connect ADSL Cancellation, Other IPstream Connect Market and Cease Basket

Appendix 1  
Network Activity Statements

# Appendix 1 – Network Activity Statements

## Appendix 1.1 Network Activity Statements Consolidated

For the year ended 31 March 2019

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Revenue Receivables	-	-	-	-	-	439.7	9.1%	40.0	40.0	(i)	-	(i)
TISBO Excess Construction	3.2	-	-	-	3.2	56.8	9.3%	5.3	8.5	(i)	-	(i)
Ethernet Excess Construction	15.6	-	-	-	15.6	295.6	9.8%	29.0	44.6	(i)	-	(i)
MPF line testing systems	17.2	0.6	(0.4)	-	17.4	35.1	8.1%	2.8	20.2	9,557,147	lines	2.12
EVOTAM Testing Systems	14.5	0.5	(0.3)	(0.1)	14.6	29.5	8.1%	2.4	17.0	3,615,465	lines	4.71
PC rentals 2Mbps regional trunk	4.5	0.6	(0.5)	-	4.6	17.0	9.3%	1.6	6.2	192,443	km	32.24
PC rental 2Mbps link national trunk	3.8	0.4	(0.4)	-	3.8	12.5	9.3%	1.2	5.0	321,152	km	15.59
Openreach time related charges	74.1	-	-	-	74.1	(3.4)	9.3%	(0.3)	73.8	(i)	-	(i)
Co-mingling set up	14.7	0.5	0.1	-	15.3	56.8	8.1%	4.6	19.9	14,718	rooms	1,354.74
Co-mingling rentals	16.3	0.1	0.0	-	16.4	34.7	8.1%	2.8	19.2	545,993	hostels	35.20
WLA tie cables	9.0	1.5	(1.1)	-	9.4	50.5	8.1%	4.1	13.5	1,170,863	cables	11.50
Local Loop Unbundling systems development	0.7	-	-	-	0.7	1.5	8.1%	0.1	0.8	(i)	-	(i)
Wholesale Access specific	-	-	-	-	-	-	8.1%	-	-	2,505,191	trans	-
Routing & Records	24.4	-	-	-	24.4	(1.3)	8.1%	(0.1)	24.3	8,048,185	lines	3.02
MDF Hardware jumpering	114.5	-	-	-	114.5	(5.8)	8.1%	(0.5)	114.0	7,066,872	lines	16.13
E side copper capital	99.3	24.0	(22.6)	(0.1)	100.6	939.4	8.1%	76.1	176.7	25,068,691	lines	7.05
E side copper current	104.1	-	-	-	104.1	(5.4)	8.1%	(0.4)	103.7	25,855,514	lines	4.01
D side copper capital	496.5	126.3	(121.2)	-	501.6	4,981.8	8.1%	403.5	905.1	25,068,691	lines	36.11
D side copper current	285.5	-	-	-	285.5	(13.0)	8.1%	(1.1)	284.4	25,855,514	lines	11.00
Local exchanges general frames equipment	40.9	-	-	-	40.9	31.7	8.1%	2.6	43.5	38,944,076	lines	1.12
Local exchanges general frames maintenance	33.1	-	-	-	33.1	(1.6)	8.1%	(0.1)	33.0	25,855,076	lines	1.27
Analogue line test equipment	2.6	-	-	-	2.6	3.8	8.1%	0.3	2.9	25,046,069	lines	0.12
Dropwire capital & analogue NTE	338.3	35.4	(31.0)	(0.1)	342.6	1,140.5	8.1%	92.4	435.0	24,986,349	lines	17.41
Analogue line drop maintenance	54.6	-	-	-	54.6	(1.7)	8.1%	(0.1)	54.5	24,555,772	lines	2.22
Analogue line cards	104.1	0.4	1.7	-	106.2	135.1	8.1%	10.9	117.1	15,087,745	lines	7.76
Pair gain	0.0	-	-	-	0.0	0.0	8.1%	0.0	0.0	15,087,745	lines	0.00
FTTC Development	15.3	-	-	-	15.3	33.2	9.3%	3.1	18.4	(i)	-	(i)
OR Service Centre – Provision Analogue/ISDN2	7.6	-	-	-	7.6	3.5	8.1%	0.3	7.9	(i)	-	(i)
OR Service Centre – Provision WLA	9.6	-	-	-	9.6	3.0	8.1%	0.2	9.8	(i)	-	(i)
OR Service Centre – Provision Ethernet	2.3	-	-	-	2.3	(0.2)	9.8%	(0.0)	2.3	(i)	-	(i)
OR Service Centre – Provision GEA	22.6	-	-	-	22.6	(1.9)	9.3%	(0.2)	22.4	(i)	-	(i)
OR Service Centre – Assurance Analogue/ISDN2	11.6	-	-	-	11.6	2.2	8.1%	0.2	11.8	(i)	-	(i)
OR Service Centre – Assurance WLA	9.7	-	-	-	9.7	1.5	8.1%	0.1	9.8	(i)	-	(i)
OR Service Centre – Assurance Ethernet	0.0	-	-	-	0.0	(0.0)	9.8%	(0.0)	0.0	(i)	-	(i)
SLG WLA External	22.0	-	-	-	22.0	2.6	8.1%	0.2	22.2	(i)	-	(i)
Ethernet Backhaul Direct extended reach	0.6	0.0	(0.0)	-	0.6	2.1	9.8%	0.2	0.8	2,278	circuits	342.98
Ethernet Backhaul Direct – Active	40.0	0.5	(0.2)	-	40.3	92.1	9.8%	9.0	49.3	7,336	circuits	6,721.00
Ethernet Backhaul Direct – Passive	10.9	2.8	(2.2)	-	11.5	89.4	9.8%	8.8	20.3	6,465	circuits	3,128.89
Ethernet Backhaul Direct Resilience – Active	0.8	0.0	(0.0)	-	0.8	2.2	9.8%	0.2	1.0	2,230	circuits	444.20
Ethernet Backhaul Direct Resilience – Passive	0.2	0.1	(0.0)	(0.1)	0.2	1.6	9.8%	0.2	0.4	1,994	circuits	197.16
Combi Card – Broadband	47.8	0.6	(0.2)	-	48.2	76.9	9.3%	7.2	55.4	3,615,402	lines	15.30
iNode features	0.9	0.0	(0.0)	-	0.9	0.9	9.3%	0.1	1.0	(i)	-	(i)
Core/Metro (broadband)	41.2	0.1	(0.1)	-	41.2	115.7	9.3%	10.8	52.0	134,596,414	circuits	0.39
Core Directors – Broadband	0.6	0.0	(0.0)	-	0.6	1.7	9.3%	0.2	0.8	307,360	circuits	2.52
Edge Ethernet ports broadband	0.5	0.0	(0.0)	-	0.5	1.3	9.3%	0.1	0.6	126,313,406	bandwidth	0.00
Metro BRAS and MSE	74.3	0.3	(0.1)	-	74.5	206.1	9.3%	19.2	93.7	126,313,406	bandwidth	0.74



# Appendix 1 – Network Activity Statements

## Appendix 1.1 Network Activity Statements Consolidated (continued)

For the year ended 31 March 2019

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Broadband MSAN access	61.6	0.7	(0.3)	0.1	62.1	102.5	9.3%	9.5	71.6	3,615,465	rentals	19.80
Ethernet Switch BB	50.7	0.3	(0.1)	-	50.9	104.8	9.3%	9.7	60.6	126,313,406	circuits	0.48
MSAN Access - SFBB	6.8	0.1	(0.0)	(0.1)	6.8	12.7	9.3%	1.2	8.0	6,406,714	rentals	1.24
Metro core broadband transmission	14.0	0.5	(0.4)	-	14.1	46.6	9.3%	4.3	18.4	132,082,085	circuits	0.14
ADSL connections	0.1	-	-	-	0.1	0.0	9.3%	0.0	0.1	567,611	conns	0.17
OR Project Services	7.0	-	-	-	7.0	(0.6)	9.8%	(0.1)	6.9	(i)	-	(i)
Caller Display	1.9	0.0	0.0	0.1	2.0	2.5	9.3%	0.2	2.2	(i)	-	(i)
Network Features	4.7	0.0	0.1	-	4.8	6.0	9.3%	0.6	5.4	(i)	-	(i)
PC rental 2Mbps link per km distribution	26.2	2.0	(1.5)	-	26.7	73.4	9.3%	6.8	33.5	483,839	km	69.25
Point of Handover electronics	5.5	0.2	(0.2)	0.1	5.6	11.0	9.3%	1.0	6.6	603	eq	10,956.39
PC rental 64Kbps link	5.7	0.1	(0.0)	-	5.8	7.8	9.3%	0.7	6.5	40,510	links	160.61
PC rental 2Mbps link	5.9	0.1	(0.0)	-	6.0	6.4	9.3%	0.6	6.6	32,483	links	202.07
PC rental 64Kbps link per km transmission	6.8	0.4	(0.3)	-	6.9	16.4	9.3%	1.5	8.4	1,149,431	km	7.31
2Mbps and above PC link connection cct provision	5.4	-	-	-	5.4	0.0	9.3%	0.0	5.4	367	circuits	14,692.86
64Kbps PC link connection cct provision	0.2	-	-	-	0.2	0.0	9.3%	0.0	0.2	3	circuits	55,447.25
PC rental 64Kbps link local end	17.6	0.3	(0.1)	-	17.8	24.3	9.3%	2.3	20.1	12,016	le	1,665.52
PC rental 2Mbps local end copper	2.5	0.0	(0.0)	-	2.5	1.8	9.3%	0.2	2.7	7,088	le	371.27
PC rental 2Mbps local end fibre	23.3	0.9	(0.9)	-	23.3	12.2	9.3%	1.1	24.4	48,567	le	502.75
Backhaul Extension Services Fibre	2.4	0.3	(0.3)	-	2.4	13.8	9.8%	1.4	3.8	2,650	le	1,426.87
Wholesale Extension Services Fibre	11.0	1.2	(1.2)	-	11.0	62.2	9.8%	6.1	17.1	11,350	le	1,507.42
Interconnect 2Mbps connection	5.2	-	-	-	5.2	0.0	9.3%	0.0	5.2	796	circuits	6,516.18
Interconnect extension circuits IEC 2Mbps link	0.5	0.0	(0.0)	-	0.5	0.6	9.3%	0.1	0.6	3,968	circuits	143.98
Interconnect Extension Circuits IEC 2Mbps per km	2.0	0.1	(0.1)	-	2.0	5.4	9.3%	0.5	2.5	81,887	km	30.65
Intra Building Circuit IBC connection	0.0	-	-	-	0.0	0.0	9.3%	0.0	0.0	2,322	circuits	1.97
Intra Building Circuit IBC rental	3.6	0.0	0.0	0.1	3.7	4.1	9.3%	0.4	4.1	47,378	circuits	85.40
Ethernet main links	48.2	21.5	(17.1)	-	52.6	620.0	9.8%	60.8	113.4	639,749	fibre km	177.23
Ethernet Electronics Current	21.5	0.3	(0.1)	-	21.7	21.7	9.8%	2.1	23.8	254,774	le	93.37
Broadband backhaul circuits excl Virtual Paths	48.3	6.5	(5.0)	-	49.8	219.8	9.3%	20.4	70.2	1	circuits	70,261,589.64
OR Systems & Development - Ethernet	9.3	-	-	-	9.3	20.2	9.8%	2.0	11.3	440,657	le	25.61
Ofcom Administration Fee - Wholesale	2.3	-	-	-	2.3	0.3	9.3%	0.0	2.3	(i)	-	(i)
Ofcom Administration Fee - Openreach	4.4	-	-	-	4.4	0.6	8.1%	0.0	4.4	(i)	-	(i)
Special Fault Investigation	41.3	-	-	-	41.3	(2.2)	9.3%	(0.2)	41.1	(i)	-	(i)
Openreach sales product management	19.2	-	-	-	19.2	(46.5)	8.1%	(3.8)	15.4	(i)	-	(i)
Broadband line testing systems	0.5	-	-	-	0.5	0.3	9.3%	0.0	0.5	3,681,554	lines	0.15
DSLAM support	15.6	0.2	(0.1)	0.1	15.8	32.9	9.3%	3.1	18.9	387,072	lines	48.63
DSLAM equipment	2.9	-	-	-	2.9	8.6	9.3%	0.8	3.7	430,294	lines	8.56
Co-mingling power & vent	27.8	1.0	(0.8)	-	28.0	52.3	8.1%	4.2	32.2	114,602	hostels	281.49
Ethernet Access Direct Fibre	186.3	20.6	(21.6)	-	185.3	928.9	9.8%	91.0	276.3	305,989	circuits	903.05
Other Ethernet rentals - CCTV	1.8	-	-	-	1.8	(0.1)	9.8%	(0.0)	1.8	798	le	2,260.15
Ethernet Excess Construction Capex	25.3	-	-	-	25.3	59.3	9.8%	5.8	31.1	(i)	-	(i)
Ethernet Monitoring Platform	15.2	-	-	-	15.2	2.2	9.8%	0.2	15.4	51,892	circuits	296.04
SLG Ethernet Provision External	12.4	-	-	-	12.4	1.5	9.8%	0.1	12.5	(i)	-	(i)
SLG Ethernet Assurance External	0.1	-	-	-	0.1	0.0	9.8%	0.0	0.1	(i)	-	(i)
SLG WLR Provision External	2.7	-	-	-	2.7	0.3	8.1%	0.0	2.7	(i)	-	(i)
SLG WLR Assurance External	1.2	-	-	-	1.2	0.1	8.1%	0.0	1.2	(i)	-	(i)
SLG Ethernet Provision Internal	11.9	-	-	-	11.9	1.7	9.8%	0.2	12.1	(i)	-	(i)

## Appendix 1 – Network Activity Statements

### Appendix 1.1 Network Activity Statements Consolidated (continued)

For the year ended 31 March 2019

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
SLG Ethernet Assurance Internal	0.1	-	-	-	0.1	0.0	9.8%	0.0	0.1	(i)	-	(i)
SLG WLR Provision Internal	7.2	-	-	-	7.2	1.0	8.1%	0.1	7.3	(i)	-	(i)
SLG WLR Assurance Internal	3.3	-	-	-	3.3	0.5	8.1%	0.0	3.3	(i)	-	(i)
Expedite Provision Costs	3.6	0.4	(0.4)	-	3.6	12.7	8.1%	1.0	4.6	46,986	lines	98.64
Combi Card and MSAN Access - Voice	0.0	0.0	(0.0)	-	0.0	0.1	8.1%	0.0	0.0	15,087,745	lines	0.00
Abortive Visits	11.5	-	-	-	11.5	0.0	8.1%	0.0	11.5	229,504	trans	50.19
EAD Electronics Capital	108.4	-	-	-	108.4	217.8	9.8%	21.3	129.7	251,815	circuits	515.41
NGA E side Copper cable	57.9	5.1	(3.8)	-	59.2	336.2	9.3%	31.3	90.5	10,669,498	lines	8.48
NGA Visit Assure	35.4	-	-	-	35.4	(1.8)	8.1%	(0.1)	35.3	(i)	-	(i)
FTTP Development	22.0	-	-	-	22.0	47.8	9.3%	4.4	26.4	(i)	-	(i)
OR Service Centre - Assurance GEA	20.6	-	-	-	20.6	(3.5)	9.3%	(0.3)	20.3	(i)	-	(i)
SLG WLA Internal	10.3	-	-	-	10.3	1.5	8.1%	0.1	10.4	(i)	-	(i)
GEA FTTC Access Fibre Spine	8.6	1.2	(1.1)	-	8.7	72.1	9.3%	6.7	15.4	10,669,498	rentals	1.45
GEA FTTC Distribution Fibre Spine	50.7	3.0	(3.3)	-	50.4	309.3	9.3%	28.8	79.2	10,669,498	rentals	7.42
GEA FTTC Electronics	7.5	-	-	-	7.5	36.1	9.3%	3.4	10.9	10,669,498	rentals	1.01
GEA DSLAM & Cabinets	57.7	-	-	-	57.7	400.9	9.3%	37.3	95.0	(i)	-	(i)
GEA FTTC Customer Site Electronics	160.6	-	-	-	160.6	(2.5)	9.3%	(0.2)	160.4	(i)	-	(i)
GEA FTTC Repairs	16.5	-	-	-	16.5	(0.9)	9.3%	(0.1)	16.4	(i)	-	(i)
GEA FTTP Repairs	1.1	-	-	-	1.1	(0.1)	9.3%	(0.0)	1.1	(i)	-	(i)
GEA FTTP Provisions	7.8	-	-	-	7.8	0.5	9.3%	0.1	7.9	(i)	-	(i)
GEA FTTC Provisions	30.2	-	-	-	30.2	(0.7)	9.3%	(0.1)	30.1	(i)	-	(i)
FTTP Funded Fibre Rollout Spend	20.2	0.6	(9.7)	-	11.1	383.6	9.3%	35.7	46.8	(i)	-	(i)
FTTP Fibre Rollout Funding	(15.4)	-	-	-	(15.4)	(96.0)	9.3%	(8.9)	(24.3)	(i)	-	(i)
GEA FTTP Electronics	8.2	-	-	-	8.2	40.0	9.3%	3.7	11.9	302,742	rentals	39.51
GEA Cable Links	8.9	-	-	-	8.9	1.0	9.3%	0.1	9.0	10,614	conns	846.98
GEA FTTP Customer Site Installation	15.9	-	-	-	15.9	(0.2)	9.3%	(0.0)	15.9	(i)	-	(i)
FTTC Fibre Rollout Funding	(52.8)	-	-	-	(52.8)	(329.2)	9.3%	(30.6)	(83.4)	(i)	-	(i)
FTTC Funded Fibre Rollout Spend	114.1	3.1	(29.5)	-	87.7	1,248.6	9.3%	116.1	203.8	(i)	-	(i)
GEA FTTP Access Fibre Spine	6.2	0.9	(0.8)	-	6.3	51.7	9.3%	4.8	11.1	302,742	rentals	36.63
GEA FTTP Distribution Fibre Spine	72.5	4.2	(4.6)	-	72.1	448.3	9.3%	41.7	113.8	302,742	rentals	375.87
Cumulo Rates NGA	71.4	-	-	-	71.4	9.2	8.1%	0.7	72.1	(i)	-	(i)
Cumulo Rates Non NGA - Non Openreach	13.7	-	-	-	13.7	1.8	9.3%	0.2	13.9	(i)	-	(i)
Cumulo Rates Non NGA - Openreach	133.0	-	-	-	133.0	17.1	9.8%	1.7	134.7	(i)	-	(i)
SMP Accounting Separation components	252.9	6.4	(2.2)	-	257.1	458.1		42.4	299.5			
Residual components	736.8	10.2	(7.9)	(0.1)	739.0	554.4		50.9	789.9			
Roundings	(0.1)	(0.1)	(0.2)	0.1	(0.3)	0.3		(0.1)	(0.4)			
<b>Total</b>	<b>4,965.3</b>	<b>287.0</b>	<b>(292.0)</b>	<b>-</b>	<b>4,960.3</b>	<b>15,515.2</b>		<b>1,363.9</b>	<b>6,324.2</b>			

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

(ii) See glossary for volume unit descriptors

# Appendix 1 – Network Activity Statements

## Appendix 1.2 Network Activity Statements Consolidated

Restated for the year ended 31 March 2018 (b)

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Revenue Receivables	-	-	-	-	-	455.2	9.7%	44.0	44.0	(i)	-	(i)
TISBO Excess Construction	3.2	-	-	-	3.2	59.8	9.8%	5.9	9.1	(i)	-	(i)
Ethernet Excess Construction	15.7	-	-	-	15.7	272.2	9.8%	26.7	42.4	(i)	-	(i)
MPF line testing systems	18.5	0.6	(0.6)	(0.1)	18.4	37.1	8.8%	3.3	21.7	9,183,277	lines	2.36
EVOTAM Testing Systems	18.9	0.6	(0.6)	(0.1)	18.8	37.9	8.8%	3.3	22.1	4,178,409	lines	5.30
PC rentals 2Mbps regional trunk	5.2	0.8	(0.9)	0.1	5.2	22.1	9.8%	2.2	7.4	240,995	km	30.44
PC rental 2Mbps link national trunk	3.7	0.5	(0.6)	0.1	3.7	13.7	9.8%	1.3	5.0	356,560	km	14.08
Openreach time related charges	65.6	-	-	-	65.6	(4.7)	9.8%	(0.5)	65.1	(i)	-	(i)
Co-mingling set up	19.3	0.5	(1.1)	-	18.7	52.5	8.8%	4.6	23.3	7,199	rooms	3,242.30
Co-mingling rentals	23.2	-	-	-	23.2	33.1	8.8%	2.9	26.1	530,270	hostels	49.22
WLA tie cables	26.8	3.6	(3.6)	-	26.8	104.5	8.8%	9.2	36.0	1,211,552	cables	29.72
Local Loop Unbundling systems development	0.5	-	-	-	0.5	1.2	8.8%	0.1	0.6	(i)	-	(i)
Wholesale Access specific	0.3	-	-	-	0.3	3.4	8.8%	0.3	0.6	2,716,441	trans	0.21
Routing & Records	19.2	-	-	-	19.2	(1.3)	8.8%	(0.1)	19.1	7,507,808	lines	2.54
MDF Hardware jumpering	103.1	-	-	-	103.1	(7.4)	8.8%	(0.6)	102.5	7,613,020	lines	13.45
E side copper capital	89.0	23.4	(30.5)	(0.1)	81.8	862.5	8.8%	75.9	157.7	25,226,074	lines	6.25
E side copper current	101.1	-	-	-	101.1	(6.2)	8.8%	(0.5)	100.6	26,346,526	lines	3.82
D side copper capital	446.2	122.0	(170.2)	-	398.0	5,037.1	8.8%	443.3	841.3	25,225,601	lines	33.35
D side copper current	246.3	-	-	-	246.3	(16.3)	8.8%	(1.4)	244.9	26,346,526	lines	9.29
Local exchanges general frames equipment	34.5	-	-	-	34.5	29.6	8.8%	2.6	37.1	39,858,948	lines	0.93
Local exchanges general frames maintenance	33.7	-	-	-	33.7	(2.4)	8.8%	(0.2)	33.5	26,357,096	lines	1.27
Analogue line test equipment	2.1	-	-	-	2.1	3.2	8.8%	0.3	2.4	25,198,347	lines	0.09
Dropwire capital & analogue NTE	322.9	31.8	(45.0)	-	309.7	1,115.7	8.8%	98.2	407.9	25,130,387	lines	16.23
Analogue line drop maintenance	48.4	-	-	-	48.4	(2.2)	8.8%	(0.2)	48.2	24,767,455	lines	1.95
Analogue line cards	103.9	0.1	3.0	0.1	107.1	138.1	8.8%	12.2	119.3	15,566,380	lines	7.66
Pair gain	0.0	-	-	-	0.0	0.0	8.8%	0.0	0.0	15,566,380	lines	0.00
FTTC Development	16.9	-	-	-	16.9	44.0	9.8%	4.3	21.2	(i)	-	(i)
OR Service Centre - Provision Analogue/ISDN2	18.8	-	-	-	18.8	10.2	8.8%	0.9	19.7	(i)	-	(i)
OR Service Centre - Provision WLA	21.3	-	-	-	21.3	9.1	8.8%	0.8	22.1	(i)	-	(i)
OR Service Centre - Provision Ethernet	7.8	-	-	-	7.8	(0.7)	9.8%	(0.1)	7.7	(i)	-	(i)
OR Service Centre - Provision GEA	19.7	-	-	-	19.7	(1.7)	9.8%	(0.2)	19.5	(i)	-	(i)
OR Service Centre - Assurance Analogue/ISDN2	8.4	-	-	-	8.4	4.2	8.8%	0.4	8.8	(i)	-	(i)
OR Service Centre - Assurance WLA	8.1	-	-	-	8.1	3.5	8.8%	0.3	8.4	(i)	-	(i)
OR Service Centre - Assurance Ethernet	-	-	-	-	-	-	9.8%	-	-	(i)	-	(i)
SLG WLA External	24.3	-	-	-	24.3	1.6	8.8%	0.1	24.4	(i)	-	(i)
Ethernet Backhaul Direct extended reach	0.2	0.0	(0.0)	-	0.2	0.8	9.8%	0.1	0.3	2,188	circuits	131.81
Ethernet Backhaul Direct - Active	38.7	0.4	(0.7)	0.1	38.5	89.9	9.8%	8.8	47.3	6,322	circuits	7,478.39
Ethernet Backhaul Direct - Passive	9.8	2.9	(3.1)	-	9.6	91.4	9.8%	9.0	18.6	5,536	circuits	3,347.44
Ethernet Backhaul Direct Resilience - Active	0.8	0.0	(0.0)	-	0.8	2.2	9.8%	0.2	1.0	2,152	circuits	475.98
Ethernet Backhaul Direct Resilience - Passive	0.2	0.1	(0.1)	-	0.2	1.6	9.8%	0.2	0.4	1,905	circuits	187.34
Combi Card - Broadband	53.3	0.6	(0.9)	-	53.0	87.8	9.8%	8.6	61.6	4,051,578	lines	15.21
iNode features	0.9	0.0	(0.0)	-	0.9	2.3	9.8%	0.2	1.1	(i)	-	(i)
Core/Metro (broadband)	34.0	0.1	(0.2)	-	33.9	92.0	9.8%	9.0	42.9	108,910,606	circuits	0.39
Core Directors - Broadband	0.6	0.0	(0.0)	-	0.6	1.5	9.8%	0.1	0.7	1,514,300	circuits	0.47
Edge Ethernet ports broadband	0.9	0.0	(0.0)	-	0.9	2.5	9.8%	0.2	1.1	100,954,106	bandwidth	0.01
Metro BRAS and MSE	41.3	0.2	(0.3)	(0.1)	41.1	107.7	9.8%	10.6	51.7	100,954,106	bandwidth	0.51

# Appendix 1 – Network Activity Statements

## Appendix 1.2 Network Activity Statements Consolidated (continued)

Restated for the year ended 31 March 2018 (b)

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Broadband MSAN access	66.6	0.7	(1.1)	-	66.2	115.9	9.8%	11.4	77.6	4,178,409	rentals	18.56
Ethernet Switch BB	53.7	0.3	(0.4)	(0.1)	53.5	119.1	9.8%	11.7	65.2	100,954,106	circuits	0.65
MSAN Access - SFBB	6.1	0.0	(0.1)	-	6.0	13.3	9.8%	1.3	7.3	5,610,643	rentals	1.31
Metro core broadband transmission	11.6	0.5	(0.6)	0.1	11.6	39.8	9.8%	3.9	15.5	107,546,126	circuits	0.14
ADSL connections	0.0	-	-	-	0.0	0.0	9.8%	0.0	0.0	854,245	conns	0.04
OR Project Services	14.1	-	-	-	14.1	(1.4)	8.8%	(0.1)	14.0	(i)	-	(i)
Caller Display	1.9	0.0	0.0	0.1	2.0	2.5	9.8%	0.2	2.2	(i)	-	(i)
Network Features	5.0	0.0	0.1	0.1	5.2	6.5	9.8%	0.6	5.8	(i)	-	(i)
PC rental 2Mbps link per km distribution	34.5	2.7	(3.0)	-	34.2	100.3	9.8%	9.8	44.0	662,796	km	66.44
Point of Handover electronics	5.2	0.2	(0.3)	-	5.1	11.1	9.8%	1.1	6.2	669	eq	9,285.15
PC rental 64Kbps link	7.4	0.1	(0.2)	-	7.3	9.5	9.8%	0.9	8.2	48,878	links	169.33
PC rental 2Mbps link	7.4	0.1	(0.1)	(0.1)	7.3	8.4	9.8%	0.8	8.1	41,988	links	193.82
PC rental 64Kbps link per km transmission	8.8	0.7	(0.7)	-	8.8	24.3	9.8%	2.4	11.2	1,471,902	km	7.57
2Mbps and above PC link connection cct provision	5.4	-	-	-	5.4	(0.2)	9.8%	(0.0)	5.4	587	circuits	9,151.22
64Kbps PC link connection cct provision	0.3	-	-	-	0.3	0.0	9.8%	0.0	0.3	47	circuits	5,900.40
PC rental 64Kbps link local end	18.9	0.3	(0.5)	-	18.7	26.4	9.8%	2.6	21.3	14,704	le	1,450.86
PC rental 2Mbps local end copper	2.7	0.0	(0.0)	-	2.7	2.3	9.8%	0.2	2.9	8,993	le	321.52
PC rental 2Mbps local end fibre	33.6	1.3	(1.9)	-	33.0	33.8	9.8%	3.3	36.3	60,920	le	596.40
Backhaul Extension Services Fibre	2.7	0.3	(0.5)	0.1	2.6	15.7	9.8%	1.5	4.1	3,393	le	1,213.64
Wholesale Extension Services Fibre	14.0	1.7	(2.5)	-	13.2	79.9	9.8%	7.8	21.0	15,500	le	1,355.46
Interconnect 2Mbps connection	5.2	-	-	-	5.2	(0.2)	9.8%	(0.0)	5.2	936	circuits	5,519.23
Interconnect extension circuits IEC 2Mbps link	0.5	0.0	(0.0)	-	0.5	0.6	9.8%	0.1	0.6	4,572	circuits	125.83
Interconnect Extension Circuits IEC 2Mbps per km	2.2	0.2	(0.2)	(0.1)	2.1	6.4	9.8%	0.6	2.7	93,266	km	29.73
Intra Building Circuit IBC connection	0.0	-	-	-	0.0	0.0	9.8%	0.0	0.0	1,103	circuits	0.56
Intra Building Circuit IBC rental	3.9	0.0	(0.0)	-	3.9	4.8	9.8%	0.5	4.4	50,090	circuits	87.51
Ethernet main links	40.5	21.2	(22.8)	0.1	39.0	608.4	9.8%	59.6	98.6	618,956	fibre km	159.27
Ethernet Electronics Current	15.7	0.3	(0.4)	(0.1)	15.5	18.5	9.8%	1.8	17.3	230,902	le	75.03
Broadband backhaul circuits excl Virtual Paths	48.8	6.8	(7.5)	-	48.1	231.2	9.8%	22.7	70.8	1	circuits	70,768,127.19
OR Systems & Development - Ethernet	6.7	-	-	-	6.7	19.8	9.8%	1.9	8.6	406,983	le	21.21
Ofcom Administration Fee - Wholesale	1.4	-	-	-	1.4	0.1	9.8%	0.0	1.4	(i)	-	(i)
Ofcom Administration Fee - Openreach	3.6	-	-	-	3.6	0.2	9.8%	0.0	3.6	(i)	-	(i)
Special Fault Investigation	45.7	-	-	-	45.7	(3.4)	9.8%	(0.3)	45.4	(i)	-	(i)
Openreach sales product management	18.2	-	-	-	18.2	(29.5)	8.8%	(2.6)	15.6	(i)	-	(i)
Broadband line testing systems	0.5	-	-	-	0.5	1.3	9.8%	0.1	0.6	4,577,760	lines	0.14
DSLAM support	23.8	0.4	(0.6)	-	23.6	44.2	9.8%	4.3	27.9	1,945,374	lines	14.34
DSLAM equipment	0.2	-	-	-	0.2	10.4	9.8%	1.0	1.2	1,945,349	lines	0.62
Co-mingling power & vent	25.2	0.9	(1.1)	0.1	25.1	48.6	8.8%	4.3	29.4	83,191	hostels	352.62
Ethernet Access Direct Fibre	145.9	18.5	(27.9)	-	136.5	755.2	9.8%	74.0	210.5	278,557	circuits	755.75
Other Ethernet rentals - CCTV	1.9	-	-	-	1.9	(0.1)	9.8%	(0.0)	1.9	876	le	2,144.22
Ethernet Excess Construction Capex	21.8	-	-	-	21.8	65.5	9.8%	6.4	28.2	(i)	-	(i)
Ethernet Monitoring Platform	14.7	-	-	-	14.7	1.1	9.8%	0.1	14.8	44,235	circuits	334.28
SLG Ethernet Provision External	36.0	-	-	-	36.0	2.4	9.8%	0.2	36.2	(i)	-	(i)
SLG Ethernet Assurance External	0.1	-	-	-	0.1	0.0	9.8%	0.0	0.1	(i)	-	(i)
SLG WLR Provision External	2.6	-	-	-	2.6	0.2	8.8%	0.0	2.6	(i)	-	(i)
SLG WLR Assurance External	1.7	-	-	-	1.7	0.1	8.8%	0.0	1.7	(i)	-	(i)
SLG Ethernet Provision Internal	15.1	-	-	-	15.1	1.1	9.8%	0.1	15.2	(i)	-	(i)

## Appendix 1 – Network Activity Statements

### Appendix 1.2 Network Activity Statements Consolidated (continued)

Restated for the year ended 31 March 2018 (b)

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
SLG Ethernet Assurance Internal	0.1	-	-	-	0.1	0.0	9.8%	0.0	0.1	(i)	-	(i)
SLG WLR Provision Internal	6.9	-	-	-	6.9	0.5	8.8%	0.0	6.9	(i)	-	(i)
SLG WLR Assurance Internal	4.4	-	-	-	4.4	0.3	8.8%	0.0	4.4	(i)	-	(i)
Expedite Provision Costs	5.5	0.6	(0.8)	-	5.3	19.7	8.8%	1.7	7.0	81,268	lines	86.37
Combi Card and MSAN Access - Voice	0.0	0.0	(0.0)	-	0.0	0.1	8.8%	0.0	0.0	15,566,380	lines	0.00
Abortive Visits	10.9	-	-	-	10.9	(0.3)	8.8%	(0.0)	10.9	218,287	trans	49.71
EAD Electronics Capital	100.0	-	-	-	100.0	207.3	9.8%	20.3	120.3	221,792	circuits	542.40
NGA E side Copper cable	44.8	4.4	(4.4)	0.1	44.9	276.2	9.8%	27.1	72.0	8,548,800	lines	8.42
NGA Visit Assure	20.8	-	-	-	20.8	(1.5)	8.8%	(0.1)	20.7	(i)	-	(i)
FTTP Development	11.7	-	-	-	11.7	29.9	9.8%	2.9	14.6	(i)	-	(i)
OR Service Centre - Assurance GEA	11.6	-	-	-	11.6	(2.8)	9.8%	(0.3)	11.3	(i)	-	(i)
SLG WLA Internal	10.5	-	-	-	10.5	0.8	8.8%	0.1	10.6	(i)	-	(i)
GEA FTTC Access Fibre Spine	7.8	1.2	(1.6)	-	7.4	57.1	9.8%	5.6	13.0	8,548,800	rentals	1.52
GEA FTTC Distribution Fibre Spine	39.7	2.6	(4.1)	-	38.2	272.6	9.8%	26.7	64.9	8,548,800	rentals	7.59
GEA FTTC Electronics	5.0	-	-	-	5.0	28.6	9.8%	2.8	7.8	8,548,800	rentals	0.92
GEA DSLAM & Cabinets	67.1	-	-	-	67.1	354.2	9.8%	34.7	101.8	(i)	-	(i)
GEA FTTC Customer Site Electronics	121.0	-	-	-	121.0	(5.2)	9.8%	(0.5)	120.5	(i)	-	(i)
GEA FTTC Repairs	16.3	-	-	-	16.3	(1.3)	9.8%	(0.1)	16.2	(i)	-	(i)
GEA FTTP Repairs	0.2	-	-	-	0.2	(0.0)	9.8%	(0.0)	0.2	(i)	-	(i)
GEA FTTP Provisions	5.5	-	-	-	5.5	0.1	9.8%	0.0	5.5	(i)	-	(i)
GEA FTTC Provisions	17.8	-	-	-	17.8	(0.7)	9.8%	(0.1)	17.7	(i)	-	(i)
FTTP Funded Fibre Rollout Spend	16.2	0.4	(7.2)	-	9.4	245.5	9.8%	24.1	33.5	(i)	-	(i)
FTTP Fibre Rollout Funding	(6.1)	-	-	-	(6.1)	(74.7)	9.8%	(7.3)	(13.4)	(i)	-	(i)
GEA FTTP Electronics	4.4	-	-	-	4.4	25.1	9.8%	2.5	6.9	185,836	rentals	37.05
GEA Cable Links	7.0	-	-	-	7.0	0.4	9.8%	0.0	7.0	5,964	conns	1,175.73
GEA FTTP Customer Site Installation	4.5	-	-	(0.1)	4.4	(0.2)	9.8%	(0.0)	4.4	(i)	-	(i)
FTTC Fibre Rollout Funding	(28.9)	-	-	-	(28.9)	(352.3)	9.8%	(34.5)	(63.4)	(i)	-	(i)
FTTC Funded Fibre Rollout Spend	112.6	2.0	(33.4)	-	81.2	1,083.2	9.8%	106.2	187.4	(i)	-	(i)
GEA FTTP Access Fibre Spine	5.6	0.9	(1.1)	(0.1)	5.3	41.2	9.8%	4.0	9.3	185,836	rentals	50.41
GEA FTTP Distribution Fibre Spine	39.7	2.5	(4.0)	0.1	38.3	275.8	9.8%	27.0	65.3	185,836	rentals	351.37
Cumulo Rates NGA	45.8	-	-	-	45.8	2.9	8.8%	0.3	46.1	(i)	-	(i)
Cumulo Rates Non NGA - Non Openreach	13.0	-	-	-	13.0	0.8	9.8%	0.1	13.1	(i)	-	(i)
Cumulo Rates Non NGA - Openreach	116.9	-	-	-	116.9	7.5	8.8%	0.7	117.6	(i)	-	(i)
SMP Accounting Separation components	318.1	5.7	(2.0)	0.1	321.9	503.9		49.4	371.3			
Residual components	858.6	10.7	(12.6)	-	856.7	260.7		25.0	881.7			
Roundings	(0.1)	(0.1)	0.2	(0.3)	(0.3)	0.3		0.1	(0.2)			
<b>Total</b>	<b>4,854.0</b>	<b>276.3</b>	<b>(398.7)</b>	<b>-</b>	<b>4,731.6</b>	<b>14,438.1</b>		<b>1,338.9</b>	<b>6,070.5</b>			

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

(ii) See glossary for volume unit descriptor

Appendix 2  
Time Related Charges and Special Fault Investigation Costs

## Appendix 2 – Time Related Charges and Special Fault Investigation Costs

### Appendix 2.1 Time Related Charges Relating to WFAEL

For the year ended 31 March 2019

#### Volumes (hours) - Billed (exc volume deals)

Normal hours	444,363
Other hours	Not available
Sunday/Bank Holiday hours	Not available
Total TRC hours	<b>444,363</b>

Total Direct Costs £ per hour **39.80**

Note - TRCs are available outside of normal working hours and Sundays and bank holidays. It has not been possible to split TRC hours into normal, other, and Sunday/Bank holidays for the purposes of this report. The "Normal hours" represents the number of visits plus the number of additional hours.

### Appendix 2.2 Time Related Charges Relating to WFAEL

Restated for the year ended 31 March 2018 (b)

#### Volumes (hours) - Billed (exc volume deals)

Normal hours	523,581
Other hours	Not available
Sunday/Bank Holiday hours	Not available
Total TRC hours	<b>523,581</b>

Total Direct Costs £ per hour **37.50**

Note - TRCs are available outside of normal working hours and Sundays and bank holidays. It has not been possible to split TRC hours into normal, other, and Sunday/Bank holidays for the purposes of this report. The "Normal hours" represents the number of visits plus the number of additional hours.

### Appendix 2.3 Ethernet Time Related Charges

For the year ended 31 March 2019

#### Volumes (hours) - Billed (exc volume deals)

Normal hours	42,426
Other hours	Not available
Sunday/Bank Holiday hours	Not available
Total TRC hours	<b>42,426</b>

Total Direct Costs £ per hour **50.95**

Note - TRCs are available outside of normal working hours and Sundays and bank holidays. It has not been possible to split TRC hours into normal, other, and Sunday/Bank holidays for the purposes of this report. The "Normal hours" represents the number of visits plus the number of additional hours.

### Appendix 2.4 Ethernet Time Related Charges

Restated for the year ended 31 March 2018 (b)

#### Volumes (hours) - Billed (exc volume deals)

Normal hours	52,451
Other hours	Not available
Sunday/Bank Holiday hours	Not available
Total TRC hours	<b>52,451</b>

Total Direct Costs £ per hour **50.77**

Note - TRCs are available outside of normal working hours and Sundays and bank holidays. It has not been possible to split TRC hours into normal, other, and Sunday/Bank holidays for the purposes of this report. The "Normal hours" represents the number of visits plus the number of additional hours.

## Appendix 2 – Time Related Charges and Special Fault Investigation Costs

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### Appendix 2.5 Special Fault Investigation Costs Relating to Wholesale Local Access

For the year ended 31 March 2019

Module	Cost per module
	£m
Base	38.2
Network	1.9
Frame	0.5
Internal Wiring	0.2
Internal Equipment	0.2
Co-op	-
Frame Direct	0.3
	<b>41.3</b>

Note – Special Fault Investigation service costs includes all of the cost of the Special Fault Investigation component and some of the cost of other components e.g. Openreach Sales Product Management and Revenue Receivables.

### Appendix 2.6 Special Fault Investigation Costs Relating to Wholesale Local Access

Restated for the year ended 31 March 2018 (b)

Module	Cost per module
	£m
Base	39.2
Network	4.3
Frame	0.6
Internal Wiring	0.4
Internal Equipment	0.6
Co-op	-
Frame Direct	0.7
	<b>45.8</b>

Note – Special Fault Investigation service costs includes all of the cost of the Special Fault Investigation component and some of the cost of other components e.g. Openreach Sales Product Management and Revenue Receivables.



Appendix 3  
Reconciliation Report – Impact of Methodology Changes and Errors

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### 3.1.1 Change Control Notification – amendments and additional methodologies

BT has an obligation most recently set out in SMP Condition 7.21 of Annex 1 of the 2018 Wholesale Broadband Access Statement, to publish all methodology changes that were implemented between the 2018 RFS published on 31 July 2018 and these Regulatory Financial Statements published on 31 July 2019. This obligation was met by the publication of the Change Control Notification (CCN), dated 31 March 2019.

Our CCN contained all the methodology changes we proposed and have implemented up to 31 March 2019.

### 3.1.2 Directions relating to the Reconciliation Report

Annex 1 to the Regulatory Financial Reporting Direction published 20 March 2019 includes Direction 5: Direction setting the requirements in relation to the Reconciliation Report and the accompanying audit opinion, requires BT to set out:

In relation to changes to the Regulatory Accounting Methodology:

- 1) each and every change (including a description that can be referenced to the Change Control Notification)
- 2) the impact of each Material Change at the Markets and Technical Areas Level, by setting out, for each Material Change separately, the difference between the Current Year Figures and the Current Year Figures had such Material Change not been made, expressed as an absolute amount
- 3) the impact of changes which are not Material Changes at the Markets and Technical Areas Level, by setting out, on an aggregated basis, the difference between the Current Year Figures and the Current Year Figures had such changes not been made, expressed as an absolute

In relation to Material Errors (as defined by Ofcom – refer section 3.1.5) identified since the publication of the previous Financial Year's RFS:

- 1) for each Material Error, a description of the Material Error, the circumstances of discovery of the Material Error, the reason for the Material Error, and whether such Material Error has been corrected in the restated Prior Year Comparatives

- 2) the impact of all Material Errors presented in the RFS for the previous Financial Year, by setting out:
  - a) the Current Year Figures set out in the RFS for the previous Financial Year had such Material Errors been corrected in the previous Financial Year ("the Corrected Previous Year Figures")
  - b) the difference as an absolute amount between the Current Year Figures set out in the RFS for the previous Financial Year and the Corrected Previous Year Figures
- 3) the impact of each Material Error at the Markets and Technical Areas Level, by setting out, for each Material Error, the difference as an absolute amount between:
  - a) the Current Year Figures set out in the RFS for the previous Financial Year
  - b) the Current Year Figures set out in the RFS for the previous Financial Year had such Material Error been corrected in the previous Financial Year

These requirements are met by the narrative and tables set out on pages 126-132.

### 3.1.3 Comparability of current and prior year results

This Appendix contains the Reconciliation Report which sets out changes to regulatory accounting methodologies for 2018/19 and the impact of such changes on the 2019 RFS. It also sets out the impact of errors subsequently identified in the 2018 RFS which exceed Ofcom's definition of materiality. The Reconciliation Report is prepared on the basis of preparation set out in Section 2 of these RFS except for the adjustments of methodologies and correction of errors described in Appendix 3.1.4 and 3.1.5 below.

This Appendix also includes restatement walks which show the impact of methodology changes and correction of identified errors which meet Ofcom's materiality threshold on the results for 2017/18 originally published on 31 July 2018. These walks are set out on pages 120 to 125.

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### Impact of Changes on Revenue

	Reference to 3.1.4 Methodology changes and Error Corrected in Prior Year Comparatives	Wholesale Local Access Markets	Business Connectivity Markets	Narrowband Markets						Business Connectivity Markets	Narrowband			Wholesale Broadband Access Markets												
		WLA	Low Bandwidth QISBO Rest of UK	Low Bandwidth QISBO Combined Geographic	WFAEL	ISDN 2	ISDN 30	Total Openreach SMP	Openreach Residual	Total Openreach	Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA (Market A)	Total Rest of BT SMP	Total SMP Markets	Wholesale Residual	EOI Eliminations	Retail Residual	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	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	£m	£m
2017/18 as originally published		2,368	578	31	1,644	88	165	-	-	-	157	143	11	6	425	-	5,616	2,607	(1,079)	20,950	-	-	(4,372)	1	23,723	
<b>CCN Methodologies</b>																										
<b>RFS Presentation Changes</b>																										
Change of presentation of the RFS		2,368	578	31	1,644	88	165	4,874	393	5,267	157	143	11	6	425	742	5,616	-	-	-	23,164	23,906	(5,451)	1	23,723	
<b>Market definition changes</b>																										
Change of market structure for the Wholesale Broadband Access (WBA) markets		-	-	-	-	-	-	-	-	-	-	-	-	-	(342)	(342)	(342)	-	-	-	126	(216)	216	-	-	
Market definition changes		-	-	-	-	-	-	-	-	-	-	-	-	-	(342)	(342)	(342)	-	-	-	126	(216)	216	-	-	
<b>Methodology Changes proposed by Ofcom</b>																										
Installation costs to be treated as operating expenses	II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service level guarantees	V	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Methodology Changes proposed by Ofcom		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Methodology changes proposed by BT</b>																										
Software	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CCA valuation review	IX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes to CCA indexation	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Enterprise simplification and re-organisation	XII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half year cost allocation	XIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost allocation simplification	XIV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Time of day simplification	XVI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disclosure of Openreach costs	XVIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulative non-material changes, interactions and roundings		-	-	-	-	-	(1)	(1)	-	(1)	1	-	-	-	-	1	-	-	-	-	(8)	(7)	8	-	-	
Methodology Changes proposed by BT		-	-	-	-	-	(1)	(1)	-	(1)	1	-	-	-	-	1	-	-	-	-	(8)	(7)	8	-	-	

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### Impact of Changes on Revenue (continued)

	Reference to 3.1.4 Methodology changes and Error Corrected in Prior Year Comparatives	Wholesale Local Access Markets	Business Connectivity Markets	Narrowband Markets						Business Connectivity Markets	Narrowband			Wholesale Broadband Access Markets													
		WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	WFAEL	ISDN2	ISDN30	Total Openreach SMP	Openreach Residual	Total Openreach	Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA (Market A)	Total Rest of BT SMP	Total SMP Markets	Wholesale Residual	EOI Eliminations	Retail Residual	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	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	£m	£m	
Total CCN Methodologies		-	-	-	-	-	(1)	(1)	-	(1)	1	-	-	-	(342)	(341)	(342)	-	-	-	118	(223)	224	-	-	-	
2017/18 RFS market figures reflecting all methodology changes		2,368	578	31	1,644	88	164	4,873	393	5,266	158	143	11	6	83	401	5,274	-	-	-	23,282	23,683	(5,227)	1	23,723		
Changes due to Errors Corrected in Prior Year Comparatives																											
Broadband Backhaul circuits	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inter Activity Group Allocations	II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ISDN30 DDI Rentals	III	-	-	-	5	1	(5)	1	-	1	-	-	-	-	-	-	1	-	-	-	-	-	-	(1)	-	-	
Northern Ireland	IV	-	-	-	-	-	-	-	9	9	-	-	-	-	-	-	-	-	-	-	-	-	(9)	-	-	-	
ACPA asset transfer	V	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CISBO EAD Discounts RFS Disclosure Note	VI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes due to Errors Corrected in Prior Year Comparatives		-	-	-	5	1	(5)	1	9	10	-	-	-	-	-	-	1	-	-	-	-	-	(9)	(1)	-	-	
Total changes		-	-	-	5	1	(6)	-	9	9	1	-	-	-	(342)	(341)	(341)	-	-	-	118	(223)	215	(1)	-	-	
2017/18 as restated		2,368	578	31	1,649	89	159	4,874	402	5,276	158	143	11	6	83	401	5,275	-	-	-	23,282	23,683	(5,236)	-	23,723		

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### Impact of Changes on Operating Costs

	Reference to 3.1.4 Methodology changes and Error Corrected in Prior Year Comparatives	Wholesale Local Access Markets	Business Connectivity Markets	Narrowband Markets					Business Connectivity Markets			Narrowband			Wholesale Broadband Access Markets												
		WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	WFAEL	ISDN 2	ISDN 30	Total Openreach SMP	Openreach Residual	Total Openreach	Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA (Market A)	Total Rest of BT SMP	Total SMP Markets	Wholesale Residual	EOI Eliminations	Retail Residual	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	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	£m	£m	£m
2017/18 as originally published		1,462	392	18	998	40	72	-	-	-	128	99	85	6	175	-	3,475	2,331	(1,079)	19,946	-	-	(4,372)	(1)	20,300		
CCN Methodologies																											
RFS Presentation Changes																											
Change of presentation of the RFS		1,462	392	18	998	40	72	2,982	428	3,410	128	99	85	6	175	493	3,475	-	-	-	22,168	22,661	(5,770)	(1)	20,300		
Market definition changes																											
Change of market structure for the Wholesale Broadband Access (WBA) markets		-	-	-	-	-	-	-	-	-	-	-	-	-	(129)	(129)	(129)	-	-	-	(87)	(216)	216	-	-		
Market definition changes		-	-	-	-	-	-	-	-	-	-	-	-	-	(129)	(129)	(129)	-	-	-	(87)	(216)	216	-	-		
Methodology Changes proposed by Ofcom																											
Installation costs to be treated as operating expenses	II	56	-	-	5	-	-	61	6	67	-	-	-	-	-	-	61	-	-	-	4	4	(2)	-	69		
Service level guarantees	V	-	-	-	(1)	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Methodology Changes proposed by Ofcom		56	-	-	4	-	1	61	6	67	-	-	-	-	-	-	61	-	-	-	4	4	(2)	-	69		
Methodology changes proposed by BT																											
Software	VIII	1	2	-	2	-	-	5	-	5	(1)	-	-	-	-	(1)	4	-	-	-	(4)	(5)	-	-	-		
CCA valuation review	IX	(28)	9	-	13	-	2	(4)	(2)	(6)	-	-	-	-	-	-	(4)	-	-	-	(29)	(29)	-	-	(35)		
Changes to CCA indexation	X	-	-	-	(6)	(1)	(1)	(8)	-	(8)	-	(4)	(4)	-	-	(8)	(16)	-	-	-	-	(8)	-	-	(16)		
Enterprise simplification and re-organisation	XII	-	-	-	-	-	-	-	-	-	(6)	(5)	(3)	(1)	-	(15)	(15)	-	-	-	12	(3)	3	-	-		
Half year cost allocation	XIII	(1)	(2)	-	2	-	1	-	2	2	6	-	-	-	(1)	5	5	-	-	-	(5)	-	(2)	-	-		
Cost allocation simplification	XIV	3	(6)	-	1	-	-	(2)	(2)	(4)	-	-	-	-	-	(2)	3	-	-	-	4	4	-	-	-		
Time of day simplification	XVI	-	-	-	-	-	-	-	-	-	-	(1)	4	-	-	3	3	-	-	-	(3)	-	-	-	-		
Disclosure of Openreach costs	XVIII	-	-	-	-	-	-	(209)	(209)	-	-	-	-	-	-	-	-	-	-	-	-	-	209	-	-		
Cumulative non-material changes, interactions and roundings		(6)	8	-	22	1	-	25	3	28	(4)	(1)	(2)	-	2	(5)	20	-	-	-	(31)	(36)	1	4	(3)		
Methodology Changes proposed by BT		(31)	11	-	34	-	2	16	(208)	(192)	(5)	(11)	(5)	(1)	1	(21)	(5)	-	-	-	(56)	(77)	211	4	(54)		

### Impact of Changes on Operating Costs (continued)

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### Impact of Changes on Mean Capital Employed (MCE)

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## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### Impact of Changes on Mean Capital Employed (MCE) (continued)

	Reference to 3.1.4 Methodology changes and Error Corrected in Prior Year Comparatives	Wholesale Local Access Markets	Business Connectivity Markets	Narrowband Markets						Business Connectivity Markets	Narrowband			Wholesale Broadband Access Markets				Wholesale Residual	EOI Eliminations	Retail Residual	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	WFAEL	ISDN 2	ISDN 30	Total Openreach SMP	Openreach Residual	Total Openreach	Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA (Market A)	Total Rest of BT SMP	Total SMP Markets								
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Total CCN Methodologies</b>		(348)	(29)	(1)	(32)	-	3	(407)	(245)	(652)	9	(3)	5	-	(244)	(233)	(640)	-	-	-	376	143	249	2	(258)
<b>2017/18 RFS market figures reflecting all methodology changes</b>		5,289	1,840	62	4,606	134	210	12,141	682	12,823	289	149	137	7	126	708	12,849	-	-	-	18,883	19,591	(559)	1	31,856
<b>Changes due to Errors Corrected in Prior Year Comparatives</b>																									
Broadband Backhaul circuits	I	9	(3)	-	(6)	-	-	-	(1)	(1)	(2)	(1)	(1)	-	(3)	(7)	(7)	-	-	-	8	1	-	-	-
Inter Activity Group Allocations	II	3	1	-	2	-	-	6	1	7	-	-	-	-	-	-	6	-	-	-	(7)	(7)	-	-	-
ISDN30 DDI Rentals	III	-	-	-	2	1	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Ireland	IV	-	-	-	1	-	-	1	1	2	-	-	-	-	-	-	1	-	-	-	(1)	(1)	-	(1)	-
ACPA asset transfer	V	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CISBO EAD Discounts RFS Disclosure Note	VI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Changes due to Errors Corrected in Prior Year Comparatives</b>		12	(2)	-	(1)	1	(3)	7	1	8	(2)	(1)	(1)	-	(3)	(7)	-	-	-	-	-	(7)	-	(1)	-
<b>Total changes</b>		(336)	(31)	(1)	(33)	1	-	(400)	(244)	(644)	7	(4)	4	-	(247)	(240)	(640)	-	-	-	376	136	249	1	(258)
<b>2017/18 as restated</b>		5,301	1,838	62	4,605	135	207	12,148	683	12,831	287	148	136	7	123	701	12,849	-	-	-	18,883	19,584	(559)	-	31,856



## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### 3.1.4 Methodology changes

The impacts of material methodology changes as defined by Ofcom (i.e. resulting in a change, be it positive or negative, of any figure in the RFS which exceeds the higher of 5% or £1m) on 2018/19 results are detailed in the tables: Impact of Changes on Revenue, Impact of Changes on Operating Costs and Impact of Changes on Mean Capital Employed on pages 129, 130 and 131. The impact of these methodology changes on 2017/18 results can also be found on pages 120 to 125.

#### I. *Change of structure for the Wholesale Local Access (WLA) market*

Ofcom's WLA Market Review directed we create components for our Cumulo rates. See CCN 2019 reference 3.04.

#### II. *Installation costs to be treated as operating expenses*

Ofcom's WLA Market Review directed we change our methodology for treatment of installation costs related to GEA Customer Site installation, Tie Cables and Cablelink, following this change these are expensed in the year of installation. Costs which were capitalised in previous years have been reversed and recognised against equity. See CCN 2019 reference 3.05.

#### III. *Cost allocation to FTTx services*

Ofcom's WLA Market Review directed we created four components GEA FTTP, FTTC Customer Site Installation, GEA FTTC, FTTP Electronics. In addition to the allocation of costs to these components we have also changed the following methodologies:

- a) The allocation of FTTC customer installation costs to 'managed installations' and 'PCP only installations' services is on the basis of task times
- b) GEA electronics cost, which relates to Optical Line Terminals (OLT), is allocated to FTTx services based on the actual volumes, weighted by the costs of OLT equipment
- c) We have changed the attribution of provisioning costs for MegaStream services

See CCN 2019 reference 3.06.

#### IV. *BDUK*

Ofcom's WLA Market Review directed we attributed BDUK funding and costs to the separate FTTx services as follows:

- a) Allocation to FTTx is based on capital expenditure, where identifiable in the underlying information. The remaining capital expenditure is apportioned across FTTx, based on cumulative total homes passed, specific to BDUK programmes

- b) Allocation of MCE, depreciation, other costs and funding to FTTx services is apportioned in proportion to capital expenditure

See CCN 2019 reference 3.07.

#### V. *Service level guarantees*

Ofcom's Regulatory Financial Reporting Review directed we create components for Service level guarantee (SLG), SLG Provision and SLG Assurance for WLR and Ethernet and SLG WLA based on GEA and non-GEA information from the general ledger. See CCN 2019 reference 3.08.

#### VI. *Adjusted Financial Performance Summary (AFPS) amendments*

Ofcom's WLA Market Review directed we made the following changes to Section 5 – Adjusted Performance Summary:

Property Rationalisation and Restructuring – presented the adjustment of showing the impact of:

- a) Calculating a moving average of the property rationalisation costs and restructuring costs incurred in the three prior Financial Years and attributing that average to the WLA market
- b) Residual copper we include an annual adjustment to recognise at a discounted present value the net proceeds of the scrap copper estimated to occur in 2030
- c) Adjusted NRC for WLA network components – we presented the adjustment of setting and maintaining the NRC:GRC ratio at 50% and adjusting the asset lives to equate to the accounting book lives to calculate the OCM depreciation for the multiple network components

This proposal does not change the underlying cost allocation methodology for SMP markets. See CCN 2019 reference 3.09.

#### VII. *Co-mingling power and vent*

We changed our usage assumption for the Co-mingling power and vent component, to usage based on the proportional rental volumes of the chargeable items within the services Co-mingling Rentals and Other WLA. See CCN 2019 reference 3.10.

#### VIII. *Software*

We changed our methodology of attribution of Openreach software depreciation costs and Technology software development costs.

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

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Openreach software depreciation costs are now attributed based on the level of GEA investment over the full life of the asset, rather than in-year investment.

Following the Technology re-organisation during the year Technology software development costs are attributed on an Openreach or Enterprise previously allocated costs (PAC) basis as applicable. See CCN 2019 reference 3.11.

### *IX. CCA valuation review*

We changed our methodology of which assets we apply CCA valuation to. CCA valuation is no longer applied to the following classes of work: SDH, ETHER, MSAN, COR21 and WDM21. These assets have an immaterial attribution to regulated markets and are virtually fully depreciated. In addition for WDM21, the historical cost basis has been identified as a reasonable proxy for CCA values. New system implementation has improved matching of the CCA valuation methodology to the corresponding assets. See CCN 2019 reference 3.12.

### *X. Changes to CCA indexation*

We have changed our valuation methodology of LDX class of work to align the assumption for the end of asset life with BT Group accounting policy, which uses an expectation of migration to modern voice services by 2025. We have also frozen the index used to calculate the revaluation as there is minimal recent changes in the valuation. See CCN 2019 reference 3.13.

### *XI. Openreach re-organisation*

We have made the following changes to attributions as a result of new Openreach organisational structure effective from 1 April 2018:

- a) BDUK costs – FND costs are now attributed based on subledger records to allocate the costs relating to BDUK. Government Grant funding costs are updated to continue to allocate to BDUK funding
- b) Openreach Northern Ireland is reported within Openreach reporting from 1 January 2019. Openreach Northern Ireland was previously reported within BT's Business and Public Sector business unit. See CCN 2019 reference 3.14

### *XII. Enterprise simplification and re-organisation*

We have made several methodology changes as a result of the creation of our Enterprise business unit effective 1 January 2019. Enterprise combines our Wholesale and Ventures (WAV) and Business and Public Sector (BPS) business units:

- a) SG&A and software costs are now directly allocated to Rest of BT Residual rather than the new Enterprise organisation

- b) The remaining cost attributions will be updated to reflect the new organisation structure. See CCN 2019 reference 3.15

### *XIII. Half year cost allocation*

We changed our methodology for some usage assumptions where we concluded that the half-year position better represented the in-year trend as opposed to the year-end position for example: full time equivalent staff, usage of buildings, take-up of employee benefits, task time and hourly rate data, and circuit volumes. See CCN 2019 reference 3.16.

### *XIV. Cost allocation simplification*

We have removed or simplified several immaterial or redundant apportionment methodologies. Including:

- a) Simplification of the PAC methodology to create a consistent allocation of opening and closing balances
- b) Matching of credits to underlying costs by using an Activity Group (AG407, Openreach Engineering Pay)
- c) Simplified the allocation pay costs by using an Activity Group
- d) Simplified the allocation of legacy Intelligent Network and Call Handling costs (DMC and DC bases) by replacing a manual model with system-driven apportionment

We have frozen several immaterial apportionment models (related to Rest of BT Residual and Enterprise). See CCN 2019 reference 3.17.

### *XV. Wholesale call volume review*

We have made several changes to the Fixed Call Origination and Fixed Geographic Call Termination markets by using fixed routing factors where these have remained static over recent years and improving our assumptions on ported calls revenue to include ported calls between BT OLO (Other Licensed Operators) products, in addition to BT-to-BT.

See CCN 2019 reference 3.18.

### *XVI. Time of day simplification*

We made changes to the Fixed Call Origination and Fixed Geographic Call Termination markets, where prices had no time of day variance, we removed the redundant time of day gradient methodology. See CCN 2019 reference 3.19.

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

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### *XVII. LRIC simplification*

We simplified our Long Run Incremental Costs (LRIC) calculation, by reducing the number of adjustments we make to our results. This change does not impact the underlying cost allocation methodology for SMP markets. See CCN 2019 reference 3.20.

### *XVIII. Disclosure of Openreach costs*

We made changes to the Openreach reconciliation disclosures. Costs relating to exchange MSANs and TDM transmission electronics, which are specific to ePPC services are no longer disclosed as Openreach costs in the Openreach reconciliation disclosures, as these do not contribute to the products and services that Openreach provides. This proposal does not change the underlying cost attribution methodology for SMP markets. See CCN 2019 reference 3.21.

### *Methodology changes not reversed in reconciliation appendix*

All of these methodology changes are included in the restated results within these RFS. There are several changes which we included in our CCN which we have not reversed in the methodology reversal results shown below on pages 129-131. These, and the associated rationale for them not being reversed, are discussed below.

Presentation of the RFS change (CCN reference 3.01); this was implemented as Ofcom-driven change to schedules presented in RFS and the removal of others rather than a methodology change. Therefore this change has not been reversed.

Change of market structure for the Wholesale Broadband Access (WBA) markets (CCN reference 3.02) and change of ISDN 30 and ISDN 2 markets (CCN reference 3.03); these were implemented as Ofcom-driven market redefinitions rather than changes in methodology, so they have not been reversed as part of this report.

Wholesale Local Access (WLA) market change (CCN reference 3.04) was partly reversed. Change that has not been reversed relates to adjustments to the additional financial information provided to Ofcom, which is not a methodology change.

BDUK change (CCN reference 3.07) is related to Ofcom-driven presentational changes of separate reporting of BDUK funding in RFS section 5 and WLA market definition change, therefore has not been reversed as part of this report.

Adjusted Financial Performance Summary (AFPS) amendments change (CCN reference 3.09); related to presentational changes to the RFS rather than a change in methodology, therefore has not been reversed.

Openreach re-organisation (CCN reference 3.14); related to business structure reorganisation rather than a change in methodology, therefore has not been reversed.

Enterprise simplification and re-organisation (CCN reference 3.15); related to group re-organisational change which is not appropriate to reverse in this report.

Wholesale call volume review (CCN reference 3.18); this change was as a result of freezing calls routing factors due to decommissioned old network records system and system's data being no longer available. Therefore it was not possible to reverse this change.

Time of day simplification (CCN reference 3.19); change relates to the removal of redundant time of day gradient as prices have no time of day variance anymore. It is not possible to revert previous pricing policy, therefore the change has not been reversed.

LRIC simplification (CCN reference 3.20); this methodology change only affected additional financial information provided to Ofcom privately (LRIC) rather than any figures relevant to the RFS.

Disclosure of Openreach costs (CCN reference 3.21); related to presentational change in Openreach reconciliation schedule rather than a methodology change, therefore has not been reversed.

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### Reconciliation statement impacts

Impact of Methodology Changes on Revenue

	Reference to 3.1.4 Methodology changes	Wholesale Local Access Markets	Business Connectivity Markets	Narrowband Markets						Business Connectivity Markets	Narrowband			Wholesale Broadband Access Markets							
		WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	WFAEL	ISDN2	ISDN30	Total Openreach SMP	Openreach Residual	Total Openreach	Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA – Market A	Total Rest of BT SMP	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>2019 published RFS</b>		<b>2,353</b>	<b>499</b>	<b>28</b>	<b>1,614</b>	<b>79</b>	<b>136</b>	<b>4,709</b>	<b>366</b>	<b>5,075</b>	<b>122</b>	<b>138</b>	<b>9</b>	<b>6</b>	<b>102</b>	<b>377</b>	<b>22,940</b>	<b>23,317</b>	<b>(4,966)</b>	<b>2</b>	<b>23,428</b>
Change of structure for the Wholesale Local Access (WLA) market	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4	(3)	(1)	-
Installation costs to be treated as operating expenses	II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)	1	-	-
Cost allocation to FTTx services	III	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service level guarantees	V	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power and vent	VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CCA valuation review	IX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35	35	(35)	-	-
Changes to CCA indexation	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half year cost allocation	XII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost allocation simplification	XIV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	(2)	-	-
Cumulative non-material changes, interactions and roundings		-	-	-	-	1	-	1	-	1	-	1	-	-	-	1	-	1	-	(2)	-
<b>2019 RFS using 2018 methodologies</b>		<b>2,353</b>	<b>499</b>	<b>28</b>	<b>1,614</b>	<b>80</b>	<b>136</b>	<b>4,710</b>	<b>366</b>	<b>5,076</b>	<b>122</b>	<b>139</b>	<b>9</b>	<b>6</b>	<b>102</b>	<b>378</b>	<b>22,980</b>	<b>23,358</b>	<b>(5,005)</b>	<b>(1)</b>	<b>23,428</b>

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### Reconciliation statement impacts

Impact of Methodology Changes on Operating Costs

	Reference to 3.1.4 Methodology changes	Wholesale Local Access Markets	Business Connectivity Markets	Narrowband Markets						Business Connectivity Markets	Narrowband			Wholesale Broadband Access Markets							
		WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	WFAEL	ISDN2	ISDN30	Total Openreach SMP	Openreach Residual	Total Openreach	Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA - Market A	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2019 published RFS		1,703	430	17	1,133	40	75	3,398	188	3,586	100	89	86	4	54	333	21,257	21,590	(5,074)	-	20,102
Change of structure for the Wholesale Local Access (WLA) market	I	(3)	(3)	-	(5)	-	1	(10)	-	(10)	1	1	2	-	-	4	8	12	(3)	1	-
Installation costs to be treated as operating expenses	II	(74)	(2)	-	2	-	(1)	(75)	(1)	(76)	-	-	-	-	-	-	1	1	1	2	(72)
Cost allocation to FTTx services	III	-	-	-	1	-	-	1	(1)	-	-	-	-	-	-	-	-	-	1	(1)	-
Service level guarantees	V	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power and vent	VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CCA valuation review	IX	35	(17)	(1)	(12)	-	(2)	3	(7)	(4)	(1)	-	(1)	-	1	(1)	82	81	(33)	-	44
Changes to CCA indexation	X	-	-	-	5	1	1	7	-	7	-	3	4	-	-	7	-	7	-	(1)	13
Half year cost allocation	XII	(10)	-	-	4	1	1	(4)	(1)	(5)	1	2	1	-	(4)	-	4	4	1	-	-
Cost allocation simplification	XIV	(11)	4	-	3	-	-	(4)	2	(2)	(2)	-	-	-	(1)	(3)	7	4	(2)	-	-
Cumulative non-material changes, interactions and roundings		-	(1)	-	1	(1)	-	(1)	-	(1)	-	1	1	1	(1)	2	-	2	(1)	-	-
2019 RFS using 2018 methodologies		1,640	411	16	1,132	41	75	3,315	180	3,495	99	96	93	5	49	342	21,359	21,701	(5,110)	1	20,087

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

### Reconciliation statement impacts

Impact of Methodology Changes on MCE

	Reference to 3.1.5 Methodology changes	Wholesale Local Access Markets	Business Connectivity Markets	Narrowband Markets						Business Connectivity Markets	Narrowband			Wholesale Broadband Access Markets							
		WLA	Low Bandwidth CSBO Rest of UK	Low Bandwidth CSBO Combined Geographic	WFAEL	ISDN2	ISDN30	Total Openreach SMP	Openreach Residual	Total Openreach	Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA – Market A	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>2019 published RFS</b>		<b>6,077</b>	<b>1,980</b>	<b>63</b>	<b>4,518</b>	<b>125</b>	<b>195</b>	<b>12,958</b>	<b>801</b>	<b>13,759</b>	<b>217</b>	<b>147</b>	<b>143</b>	<b>6</b>	<b>131</b>	<b>644</b>	<b>20,692</b>	<b>21,336</b>	<b>(503)</b>	<b>1</b>	<b>34,593</b>
Change of structure for the Wholesale Local Access (WLA) market	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	(1)	-
Installation costs to be treated as operating expenses	II	456	10	-	19	1	1	487	-	487	-	-	(1)	-	-	(1)	(17)	(18)	1	-	470
Cost allocation to FTTx services	III	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service level guarantees	V	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power and vent	VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CCA valuation review	IX	(78)	28	1	32	1	3	(13)	2	(11)	2	-	1	-	(2)	1	(156)	(155)	(5)	(1)	(172)
Changes to CCA indexation	X	(1)	-	-	(3)	(1)	-	(5)	-	(5)	-	(1)	(2)	-	-	(3)	-	(3)	-	2	(6)
Half year cost allocation	XII	(9)	2	-	3	1	1	(2)	(2)	(4)	1	3	4	-	(7)	1	2	3	3	(2)	-
Cost allocation simplification	XIV	10	-	-	(3)	-	1	8	-	8	-	-	-	-	(4)	(4)	(4)	(8)	-	-	-
Cumulative non-material changes, interactions and roundings		(1)	-	-	(1)	(1)	(1)	(4)	1	(3)	-	1	-	1	1	3	(3)	-	(1)	1	(3)
<b>2019 RFS using 2018 methodologies</b>		<b>6,454</b>	<b>2,020</b>	<b>64</b>	<b>4,565</b>	<b>126</b>	<b>200</b>	<b>13,429</b>	<b>802</b>	<b>14,231</b>	<b>220</b>	<b>150</b>	<b>145</b>	<b>7</b>	<b>119</b>	<b>641</b>	<b>20,515</b>	<b>21,156</b>	<b>(505)</b>	<b>-</b>	<b>34,882</b>

## Appendix 3 – Reconciliation Report – Impact of Methodology Changes and Errors

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### 3.1.5 Errors Corrected in Prior Year Comparatives

The prior year comparatives have been restated to reflect the correction of errors which meet Ofcom's definition of Material Error. Ofcom defines a Material Error as one which results in a correction (be it positive or negative) to any figure in the RFS which exceeds the higher of 5% or £1 million. The percentage correction to a figure shall be calculated by taking the value of the affected figure in the Regulatory Financial Reporting before the error is corrected, and subtracting from it, the value of the same figure after the error is corrected, and then dividing this result by the former value. The error must fulfil at least one of the following conditions:

- (a) the error has arisen within the Regulatory Attribution System; or
- (b) the error has been brought to the attention of the Audit and Risk Committee by the Regulatory Auditor.

The impact of correcting these errors on the 2017/18 results are detailed in the tables: Impact of Changes on Revenue, Impact of Changes on Operating Costs and Impact of Changes on Mean Capital Employed on pages 129, 130 and 131.

The errors identified in the 2018 RFS are detailed below:

#### *I. Broadband Backhaul circuits*

An error was identified in the classification of costs for the component Broadband Backhaul circuits (excl Virtual Paths). This was identified due to a change in services provided.

#### *II. Inter Activity Group allocations*

An error was identified in the calculation of system generated drivers used to allocate costs through specific activity groups. This was identified through the implementation of CostPerform.

#### *III. ISDN30 DDI Rentals*

An error was identified in the allocation of internal revenue for ISDN 30 DDI Rentals. This was identified during implementation of the Narrowband Market Review.

#### *IV. Northern Ireland*

An error was identified in the classification of internal trades of the Northern Ireland Networks between the regulated and un-regulated markets. This was identified as a result of the Openreach re-organisation.

#### *V. ACPA asset transfer*

An error was identified in the transfer of ACPA class of work asset balances to LFME class of work. This was identified during routine process reviews.

#### *VI. CISBO EAD Discounts RFS Disclosure Note*

An error was identified in the calculation of 2017/18 EAD discounts. This was identified as part of routine review of the notes to the published RFS.

## Glossary and Footnotes List



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### Glossary

<b>20CN</b>	20 <sup>th</sup> Century Network	<b>CLA</b>	Central London Area
<b>21CN</b>	21 <sup>st</sup> Century Network	<b>Commitments</b>	The Commitments given to Ofcom and industry by BT on how Openreach will operate dated 10 March 2017.
<b>ADSL</b>	Asymmetric Digital Subscriber Line	<b>Cost accounting</b>	A cost accounting system is a set of rules which supports the attribution of costs, revenues and mean capital employed to individual activities and services.
<b>AG</b>	Activity Group	<b>CoW</b>	Class of Work
<b>AMD</b>	Accounting Methodology Document. This sets out the detailed processes by which revenues and costs are attributed between the SMP Markets, Services and Residual activities.	<b>CP</b>	Communication Provider
<b>Annual Report</b>	BT Group plc's Annual Report including the consolidated financial statements for the year ended 31 March 2019. These are available on the BT website at:  <a href="https://www.btplc.com/Sharesandperformance/Financialreportingandnews/Annualreportandreview/index.htm">https://www.btplc.com/Sharesandperformance/Financialreportingandnews/Annualreportandreview/index.htm</a>	<b>CPI</b>	Consumer Price Index
<b>ATM</b>	Asynchronous Transfer Mode	<b>Current Cost Accounting ("CCA") adjustments</b>	The change to historical costs arising from the revaluation of assets on a current cost basis. In the statements for individual markets the adjustments comprise the holding gains or losses arising from changes in asset values, together with the effect on asset values and depreciation of the appropriate allocation of current cost asset values between markets and Wholesale services.
<b>BB</b>	Broadband	<b>D Side</b>	Distribution Side
<b>BCMR</b>	Business Connectivity Market Review	<b>DDI</b>	Distributed Data Interface
<b>BDUK</b>	Broadband Delivery UK	<b>DLE</b>	Digital Local Exchange
<b>BES</b>	Backhaul Extension Services	<b>DSLAM</b>	Digital Subscriber Line Access Multiplexer
<b>BPS</b>	Business and Public Sector	<b>E Side</b>	Exchange Side
<b>BRAS</b>	Broadband Remote Access Server	<b>EAD</b>	Ethernet Access Direct
<b>CAT</b>	Competition Appeal Tribunal	<b>EBD</b>	Ethernet Backhaul Direct
<b>CBD</b>	Central Business District	<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortisation
<b>Cct</b>	Circuits	<b>ECC</b>	Excess Construction Charge
<b>CCN</b>	Change Control Notification	<b>Eq</b>	Equipment Units
<b>CG</b>	Customer Group	<b>EOI</b>	Equivalence of Input
<b>CISBO</b>	Contemporary Interface Symmetric Broadband Origination	<b>ePPCs</b>	Elemental Partial Private Circuits
		<b>ERDF</b>	European Regional Development Fund

## Glossary and Footnotes List

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<b>EVOTAM</b>	Evolution Test Access Matrix	<b>LLCC</b>	Leased Lines Charge Controls
<b>FAC</b>	Fully Allocated Cost	<b>LLU</b>	Local Loop Unbundling
<b>FCM</b>	Financial Capital Maintenance	<b>LRIC</b>	Long Run Incremental Cost
<b>FND</b>	Fibre and Network Delivery	<b>m</b>	Metres
<b>FTMR</b>	Fixed Telecoms Market Review	<b>MDF</b>	Main Distribution Frame
<b>FTTC</b>	Fibre To The Cabinet	<b>Mean Capital Employed (MCE)</b>	Mean capital employed is defined as total assets less current liabilities, excluding corporate taxes and dividends payable, and provisions other than those for deferred taxation. The mean is computed from the start and end values for the period.
<b>FTTP</b>	Fibre To The Premises	<b>Mbps</b>	Mega Bits Per Second
<b>Gbps</b>	Gigabits per second	<b>mm</b>	Millions of Minutes
<b>GEA</b>	Generic Ethernet Access	<b>MPF</b>	Metallic Path Facilities
<b>GRC</b>	Gross Replacement Cost	<b>MSAN</b>	Multi Service Access Node
<b>HCA</b>	Historical Cost Accounting	<b>MSL</b>	Minimum service level obligations
<b>IAS</b>	International Accounting Standards	<b>MSE</b>	Multi Service Edge
<b>IASB</b>	International Accounting Standards Board	<b>MVNO</b>	Mobile Virtual Network Operator
<b>IBC</b>	Intra-Building Circuit	<b>NMR</b>	Narrowband Market Review
<b>IC</b>	Interconnect Circuits	<b>n/a</b>	Not Applicable.
<b>IEC</b>	Interconnection Extension Circuit	<b>NGA</b>	Next Generation Access
<b>IFRS</b>	International Financial Reporting Standard	<b>NRC</b>	Net Replacement Costs
<b>IP</b>	Internet Protocol	<b>NTE</b>	Network Terminating Equipment
<b>ISDN</b>	Integrated Services Digital Network	<b>OCM</b>	Operating Capability Maintenance
<b>Kbps</b>	Kilobits Per Second	<b>Ofcom</b>	Office of Communications
<b>km</b>	Kilometres	<b>OLO</b>	Other Licenced Operators
<b>LA</b>	Local Access	<b>OLT</b>	Optical Line Terminals
<b>Le</b>	Local ends	<b>OR</b>	Openreach
<b>LFME</b>	Local Network Service Module Equipment		
<b>Line</b>	No. of Lines		

## Glossary and Footnotes List

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<b>PAC</b>	Previously Allocated Costs	<b>Use</b>	The proportional bandwidth use of each circuit
<b>PCO</b>	Principal Core Operations	<b>Usage Factors</b>	Usage Factors refer to the usage of any network component, including conveyance components.
<b>PCP</b>	Primary Cross Connection Point	<b>VoIP</b>	Voice over Internet Protocol
<b>PDH</b>	Plesiochronous Digital Hierarchy	<b>VULA</b>	Virtual Unbundled Local Access
<b>ppm</b>	Pence Per Minute	<b>WACC</b>	Weighted Average Cost of Capital
<b>RAM</b>	Regulatory Accounting Methodology	<b>WAV</b>	Wholesale and Ventures
<b>RAP</b>	Regulatory Accounting Principles	<b>WBA</b>	Wholesale Broadband Access
<b>RAV</b>	Regulatory Asset Valuation	<b>WBAMR</b>	Wholesale Broadband Access Market Review
<b>RFS</b>	Regulatory Financial Statements	<b>WBC</b>	Wholesale Broadband Connect
<b>ROCE</b>	Return on Capital Employed	<b>WDM</b>	Wave Division Multiplexing
<b>RoUK</b>	Rest of United Kingdom	<b>WES</b>	Wholesale Extension Services
<b>RPI</b>	Retail Price Index	<b>WFAEL</b>	Wholesale Fixed Analogue Exchange Lines
<b>SDH</b>	Synchronous Digital Hierarchy	<b>WLA</b>	Wholesale Local Access
<b>SFBB</b>	Super Fast Broadband	<b>WLAMR</b>	Wholesale Local Access Market Review
<b>SG&amp;A</b>	Selling, General and Administrative Expenses	<b>WLR</b>	Wholesale Line Rental
<b>SLG</b>	Service Level Guarantees	<b>0</b>	A numerical value of between <£0.5m and >£(0.5)m
<b>SML</b>	Service Maintenance Level	<b>&lt;1</b>	A numerical value of below £1m
<b>SMP</b>	Significant Market Power		
<b>SMPF</b>	Shared Metallic Path Facilities		
<b>SIP</b>	Session Initiation Protocol		
<b>TDM</b>	Time Division Multiplexing		
<b>TI</b>	Traditional Interface		
<b>TISBO</b>	Traditional Interface Symmetric Broadband Origination		
<b>TRC</b>	Time Related Charges		
<b>TUPE</b>	Transfer of Undertakings Protection of Employment		

### Footnotes

- (a)** ppm = pence per minute; £/2Mbit cct = £ per 2 Mbps circuit; £/km = £ per kilometre; £/100m = £ per 100 metres; £/trans = £ per transaction; £/circuit = £ per circuit; £/ hostel rental = £ per hostel rental; % = % utilisation; £/line = £ per line; £/room = £ per room; £/cable = £ per cable; £/link = £ per link; £/eq = £ per equipment units; £/le = £ per local end; £/conn = £ per connection; £/channel = £ per channel; £/fibre km = £ per fibre km.
- (b)** See Section 2 - Basis of Preparation and Appendix 3 for explanation of restatement.
- (sx)** This service comprises a number of individual prices as indicated by the value of x.
- (ux)** This service comprises a number of individual volume types as indicated by the value of x.

Additional Information

## Additional Information

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Hard copy versions of the published RFS and the AMD can be obtained from:

Shareholder helpline

Tel: Freephone 0808 100 4141

Fax: 01903 833371

Textphone: Freephone 0800 169 6907

From outside the UK:

Tel: +44 121 415 7178

Fax: +44 1903 833371

Textphone: +44 121 415 7028

<https://help.shareview.co.uk>

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Electronic copies of the above documents are also available from the following website:

<https://www.btplc.com/Thegroup/Policyandregulation/Governance/Financialstatements/index.htm>